

## EIGHTY-SIXTH DAY

St. Paul, Minnesota, Monday, April 12, 2010

The Senate met at 12:00 noon and was called to order by the President.

## CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Mr. Joseph Bambenek.

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

The President declared a quorum present.

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

## MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 987, 2322, 2517, 2562 and 2559.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned April 8, 2010

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

**S.F. No. 2370:** A bill for an act relating to motor vehicles; prohibiting vehicle dealers from selling vehicles that do not comply with vehicle equipment and material requirements; prohibiting sale of illegally tinted motor vehicle windows; amending Minnesota Statutes 2008, sections 168.27, by adding a subdivision; 169.71, by adding a subdivision; repealing Minnesota Statutes 2008, section 168.27, subdivision 30.

Senate File No. 2370 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned April 7, 2010

Senator Pappas moved that the Senate do not concur in the amendments by the House to S.F. No. 2370 and that a Conference Committee of 3 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

**S.F. No. 2616:** A bill for an act relating to telecommunications; regulating private shared services; clarifying reduced-rate regulation of certain competitive business telecommunication services; authorizing municipalities to grant additional franchise for cable services in certain cases; amending Minnesota Statutes 2008, sections 237.411, subdivision 3; 238.08, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 237.

Senate File No. 2616 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned April 8, 2010

### CONCURRENCE AND REPASSAGE

Senator Sheran moved that the Senate concur in the amendments by the House to S.F. No. 2616 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2616 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 55 and nays 4, as follows:

Those who voted in the affirmative were:

Berglin	Fischbach	Koering	Ortman	Scheid
Betzold	Fobbe	Kubly	Pappas	Sheran
Bonoff	Foley	Langseth	Parry	Sieben
Carlson	Frederickson	Latz	Pogemiller	Skoe
Chaudhary	Gimse	Lourey	Prettner Solon	Skogen
Clark	Hann	Lynch	Rest	Sparks
Cohen	Higgins	Metzen	Robling	Stumpf
Dahle	Ingebriksen	Michel	Rosen	Tomassoni
Dibble	Jungbauer	Moua	Rummel	Torres Ray
Dille	Kelash	Olseen	Saltzman	Vickerman
Doll	Koch	Olson, M.	Saxhaug	Wiger

Those who voted in the negative were:

Johnson	Limmer	Senjem	Vandev eer
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So the bill, as amended, was repassed and its title was agreed to.

#### MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

**S.F. No. 80:** A bill for an act relating to elections; campaign finance; removing certain unconstitutional provisions governing independent expenditures in political campaigns; changing certain campaign expenditure and contribution limits and certain reporting requirements; authorizing electronic filing of certain items with the Campaign Finance and Public Disclosure Board; providing contribution limits for judicial candidates; increasing contribution limits for candidates for secretary of state, state auditor and the legislature; making certain reports filed with the Campaign Finance and Public Disclosure Board nonpublic data until certain conditions have been met; requiring the public subsidy for an eligible candidate be withheld until a required report has been filed; amending Minnesota Statutes 2008, sections 10A.01, subdivisions 9, 11, 18, 26; 10A.04, subdivision 5; 10A.071, subdivision 3; 10A.08; 10A.09, subdivision 7; 10A.14, subdivisions 2, 4, by adding a subdivision; 10A.20, subdivisions 1, 12, 13, by adding subdivisions; 10A.27, subdivision 1; 10A.31, subdivision 6, by adding a subdivision; 10A.322, subdivision 1; 10A.323; 10A.35; 13.607, by adding a subdivision; 211A.02, subdivision 2; 211A.05, subdivision 2; 211B.12; repealing Minnesota Statutes 2008, section 10A.20, subdivision 6b.

Senate File No. 80 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned April 7, 2010

Senator Rest moved that the Senate do not concur in the amendments by the House to S.F. No. 80, and that a Conference Committee of 3 members be appointed by the Subcommittee on Conference

Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

**S.F. No. 2713:** A bill for an act relating to human services; amending provisions relating to judicial holds in commitment cases; amending Minnesota Statutes 2008, section 253B.07, subdivision 2b.

Senate File No. 2713 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned April 8, 2010

Senator Lourey moved that the Senate do not concur in the amendments by the House to S.F. No. 2713, and that a Conference Committee of 3 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

**S.F. No. 2722:** A bill for an act relating to civil actions; exempting the state and political subdivisions and others from increased interest rates on certain judgments and awards; amending Minnesota Statutes 2009 Supplement, section 549.09, subdivision 1.

Senate File No. 2722 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned April 8, 2010

### CONCURRENCE AND REPASSAGE

Senator Skoe moved that the Senate concur in the amendments by the House to S.F. No. 2722 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2722 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 44 and nays 18, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Dille	Hann	Koch	Olson, G.	Rosen
Fischbach	Ingebrigtsen	Latz	Ortman	Vandev eer
Frederickson	Johnson	Limmer	Parry	
Gimse	Jungbauer	Michel	Robling	

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

### MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

**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.

Senate File No. 2755 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned April 8, 2010

Senator Latz moved that the Senate do not concur in the amendments by the House to S.F. No. 2755, and that a Conference Committee of 3 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

**S.F. No. 2855:** A bill for an act relating to human services; making changes to children and family services technical and policy provisions; Minnesota family investment program and adult supports; early childhood development; child welfare; amending Minnesota Statutes 2008, sections 119B.189, by adding subdivisions; 119B.19, subdivision 7; 119B.21, as amended; 245A.04, subdivision 11;

256.01, by adding a subdivision; 256.046, subdivision 1; 256.82, subdivision 3; 256.98, subdivision 8; 256J.24, subdivisions 3, 5a, 10; 256J.37, subdivision 3a; 256J.425, subdivision 5; 260C.007, subdivision 4; 260C.193, subdivision 6; 260C.201, subdivision 10; 260C.451; 626.556, subdivision 10; Minnesota Statutes 2009 Supplement, sections 256D.44, subdivision 3; 256J.24, subdivision 5; 256J.425, subdivision 2; 256J.521, subdivision 2; 256J.561, subdivision 3; 256J.66, subdivision 1; 256J.95, subdivisions 3, 11; 260.012; 260C.212, subdivision 7; repealing Minnesota Statutes 2008, section 256.82, subdivision 5; Minnesota Rules, part 9560.0660.

Senate File No. 2855 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned April 8, 2010

Senator Torres Ray moved that the Senate do not concur in the amendments by the House to S.F. No. 2855, and that a Conference Committee of 3 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

**S.F. No. 2705:** A bill for an act relating to business organizations; regulating the organization and operation of business corporations, nonprofit corporations, and limited liability companies; providing for consistent law relating to registered agents and offices of business entities; repealing the prohibition against certain business names; amending Minnesota Statutes 2008, sections 5.16, subdivision 1; 222.18, subdivision 1; 302A.011, subdivision 18; 302A.121; 302A.123; 302A.215, subdivision 3; 302A.311; 302A.341, subdivision 2; 302A.402, subdivisions 3, 4; 302A.429, subdivision 2; 302A.435, subdivision 1; 302A.461, subdivision 2; 302A.661, subdivision 1; 303.05, subdivision 1; 303.10; 308A.025; 308A.131, subdivision 1; 308B.115; 317A.011, subdivision 15; 317A.111, subdivisions 1, 3, 4, by adding a subdivision; 317A.121; 317A.123; 317A.133, subdivisions 1, 2, 3; 317A.181, subdivision 2, by adding a subdivision; 317A.203; 317A.227; 317A.231, subdivisions 1, 4; 317A.237; 317A.239, subdivisions 1, 3; 317A.241, subdivision 2, by adding a subdivision; 317A.255, subdivision 1; 317A.301; 317A.311; 317A.315; 317A.321; 317A.341, subdivision 2; 317A.521, subdivision 9; 317A.613, subdivision 2; 317A.661; 317A.721, subdivisions 1, 3; 321.0114; 321.0905; 322B.03, subdivision 29; 322B.13; 322B.135; 322B.34, subdivision 1; 322B.373, subdivision 2; 322B.676; 322B.686, subdivision 2; 322B.77, subdivision 1; 322B.935; 323A.1001; 323A.1102; 333.20, subdivision 1; 333.22, subdivisions 1, 3; Minnesota Statutes 2009 Supplement, sections 5.15; 5.34; 5.35; 303.06, subdivision 2; 321.0809; 321.0902; 321.0906; Laws 2008, chapter 233, article 3, section 8; proposing coding for new law in Minnesota Statutes, chapter 5; repealing Minnesota Statutes 2008, section 333.17.

Senate File No. 2705 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned April 8, 2010

### CONCURRENCE AND REPASSAGE

Senator Latz moved that the Senate concur in the amendments by the House to S.F. No. 2705 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2705 was read the third time, as amended by the House, and placed on its repassage.

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

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

Those who voted in the affirmative were:

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

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

### MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

**S.F. No. 863:** A bill for an act relating to data practices; classifying government data; modifying provisions governing temporary classifications and personnel data; amending business screening services provisions; amending Minnesota Statutes 2008, sections 13.05, subdivision 4, by adding a subdivision; 13.06, subdivisions 1, 3, 4, 5, 7, by adding subdivisions; 13.43, subdivisions 1, 2, by adding subdivisions; 13.64; 13.643, by adding a subdivision; 13.7931, by adding a subdivision; 13.87, by adding a subdivision; 13.871, by adding a subdivision; 13D.05, subdivision 3; 16B.97, by adding a subdivision; 125A.21, subdivision 5; 270B.14, subdivision 16; 299C.156, subdivision 5; 332.70, subdivisions 1, 2, 3, 4; proposing coding for new law in Minnesota Statutes, chapters 13; 84; repealing Minnesota Statutes 2008, section 13.06, subdivision 2; Minnesota Rules, part 1205.1800.

Senate File No. 863 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned April 8, 2010

Senator Olson, M. moved that the Senate do not concur in the amendments by the House to S.F. No. 863, and that a Conference Committee of 3 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

**S.F. No. 2866:** A bill for an act relating to health; modifying provisions for the statewide trauma system; amending Minnesota Statutes 2008, sections 13.3806, subdivision 13; 144.603; 144.605, subdivisions 2, 3, by adding a subdivision; 144.608, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 2008, section 144.607.

Senate File No. 2866 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned April 8, 2010

Senator Sheran moved that the Senate do not concur in the amendments by the House to S.F. No. 2866, and that a Conference Committee of 3 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

**S.F. No. 2877:** A bill for an act relating to health-related occupations; providing an exception for continuing education requirements for licensed professional counselors; amending Minnesota Statutes 2008, section 148B.54, by adding a subdivision.

Senate File No. 2877 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned April 8, 2010

### CONCURRENCE AND REPASSAGE

Senator Latz moved that the Senate concur in the amendments by the House to S.F. No. 2877 and that the bill be placed on its repassage as amended. The motion prevailed.



S.F. No. 2877 was read the third time, as amended by the House, and placed on its repassage.

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

The roll was called, and there were yeas 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

### MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2231:

**H.F. No. 2231:** A bill for an act relating to transportation; allowing road authorities to remove snow from certain roads in uncompleted subdivisions; amending Minnesota Statutes 2008, section 160.21, by adding a subdivision.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Nelson, Kalin and Gunther have been appointed as such committee on the part of the House.

House File No. 2231 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted April 8, 2010

Senator Kelash moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2231, and that a Conference Committee of 3 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to

House File No. 3327:

**H.F. No. 3327:** 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.

The House respectfully requests that a Conference Committee of 3 members be appointed thereon.

Koenen, Juhnke and Davids have been appointed as such committee on the part of the House.

House File No. 3327 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted April 8, 2010

Senator Kubly moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 3327, and that a Conference Committee of 3 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 3137, 2899 and 3405.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted April 8, 2010

### FIRST READING OF HOUSE BILLS

The following bills were read the first time.

**H.F. No. 3137:** 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.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2804, now on General Orders.

**H.F. No. 2899:** A bill for an act relating to data practices; providing an administrative remedy for certain data practices law violations; providing civil penalties; appropriating money; amending Minnesota Statutes 2008, sections 13.072, subdivision 2; 13.08, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 13.

Referred to the Committee on Finance.

**H.F. No. 3405:** A bill for an act relating to human services; modifying the commissioner's duties

related to the state medical review team; amending Minnesota Statutes 2009 Supplement, section 256.01, subdivision 29.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 3199, now on the Calendar.

### REPORTS OF COMMITTEES

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

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

**S.F. No. 3003:** A bill for an act relating to the environment; modifying requirements for solid waste disposal facilities; providing exceptions for certain facilities; amending Minnesota Statutes 2008, section 116.07, subdivisions 4, 4h.

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

Page 2, line 12, after the period, insert:

"(c)"

Page 2, delete lines 23 and 24 and insert "modifications to the rules specified in this paragraph do not apply to:"

Page 2, line 33, delete "(c)" and insert "(d)" and delete "under paragraph (b)" and after "modified" insert "as provided in paragraph (c)"

Page 3, line 21, delete "(d)" and insert "(e)"

Page 3, line 30, delete "(e)" and insert "(f)"

Page 3, line 33, delete "(f)" and insert "(g)"

Page 4, line 9, delete "(g)" and insert "(h)"

And when so amended the bill do pass. Amendments adopted. Reports Adopted.

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

**S.F. No. 2941:** A bill for an act relating to youth development; authorizing municipalities to raise and spend money on 4-H; requiring a University of Minnesota Extension Service policy; 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 section 2

Amend the title as follows:

Page 1, line 2, delete "raise and"

Page 1, line 3, delete everything after the semicolon

And when so amended the bill do pass. Amendments adopted. Reports Adopted.

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

**S.F. No. 1761:** A bill for an act relating to insurance; requiring health plans to establish equal out-of-pocket requirements for oral chemotherapy medications and intravenously administered chemotherapy medications; proposing coding for new law in Minnesota Statutes, chapter 62A.

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

Delete everything after the enacting clause and insert:

"Section 1. [62A.3075] ORAL CHEMOTHERAPY CANCER TREATMENT COVERAGE.

(a) A health plan company that provides coverage under a health plan for cancer chemotherapy treatment shall not require the total of co-payments and coinsurance to be higher than \$50 per prescription for orally administered anticancer medication, obtained through a pharmacy, that is used to kill or slow the growth of cancerous cells, regardless of formulation or benefit category determination by the health plan company.

(b) Nothing in this section shall be interpreted to prohibit a health plan company from requiring prior authorization or imposing other appropriate utilization controls in approving coverage for any oral chemotherapy treatment for cancer.

(c) For purposes of this section, "pharmacy" includes a pharmacy benefit manager.

**EFFECTIVE DATE.** This section is effective August 1, 2010, and applies to health plans providing coverage to a Minnesota resident offered, issued, sold, renewed, or continued as defined in Minnesota Statutes, section 60A.02, subdivision 2a, on or after that date."

Delete the title and insert:

"A bill for an act relating to insurance; requiring health plans to limit out-of-pocket costs for oral anticancer medication; proposing coding for new law in Minnesota Statutes, chapter 62A."

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

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

**S.F. No. 2750:** A bill for an act proposing an amendment to the Minnesota Constitution, article XI, section 5, providing for public debt to be incurred for public information technology systems, licenses, and infrastructure.

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

Page 2, line 10, delete "..." and insert "2010"

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

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

**S.F. No. 1905:** A bill for an act relating to insurance; creating a process for developing a standard application form for small employer health coverage.

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

Delete everything after the enacting clause and insert:

"Section 1. **SMALL GROUP MARKET WORKING GROUP.**

Subdivision 1. **Establishment.** (a) The commissioner of commerce shall convene a working group to study and report on the options available to increase rate predictability and stability for groups of more than 50 employees. Members of the working group shall include:

- (1) four representatives from the Minnesota Council of Health Plans;
- (2) two representatives from the Minnesota Association of Health Underwriters;
- (3) two representatives from the Insurance Federation of Minnesota;
- (4) a representative from the Minnesota Chamber of Commerce;
- (5) a representative from the National Federation of Independent Businesses-Minnesota;
- (6) a representative from employers whose businesses employ fewer than 100 full-time employees; and
- (7) a representative from employees of companies that employ fewer than 100 full-time employees.

(b) The organizations listed in paragraph (a), clauses (1) through (5), must name their representatives to the commissioner of commerce no later than July 1, 2010. The commissioner of commerce must appoint individuals as listed in paragraph (a), clauses (6) and (7), no later than July 15, 2010.

Subd. 2. **Duties; report.** (a) The working group shall conduct a study analyzing the implications of modifications to the existing small employer market as well as to groups of more than 50 employees. Topics to be addressed in the study include, but are not limited to:

- (1) implications of creating group rating regulation for firms with 51 to 100 employees, separate from small group rating regulation;
- (2) adverse selection issues and the effects of a significant risk of outliers on different group sizes;
- (3) administrative costs for employers, brokers, and health plans;
- (4) restrictions on product flexibility;
- (5) migration of employers from the fully insured market to the self-insured market;
- (6) implications on revenue derived from premium taxes, Minnesota Comprehensive Health Association surcharge, and Medicaid surcharge;

(7) implications of a change in the existing small group size on the large group market;

(8) limitations on underwriting and rating requirements, and limitations on renewal, enrollment methodologies, and processes; and

(9) implications of federal health care reform.

(b) By February 1, 2011, the commissioner of commerce shall submit a report on the findings of the working group, including proposed legislation, if any, to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over insurance.

Subd. 3. **Administration.** (a) The commissioner of commerce or the commissioner's designee shall convene the first meeting of the working group no later than August 1, 2010.

(b) The commissioner shall provide assistance with research or background information for the working group within the existing agency budget.

(c) The working group expires June 30, 2011, or upon submission of the report required under subdivision 2, whichever is earlier."

Delete the title and insert:

"A bill for an act relating to insurance; establishing a small group market working group; requiring a report."

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

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

**S.F. No. 2471:** A bill for an act relating to commerce; regulating certain filings with the secretary of state; amending Minnesota Statutes 2008, sections 318.02, subdivision 1; 557.01.

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

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

**S.F. No. 3325:** A bill for an act relating to local government; authorizing chairs and ranking minority members of the Committees on Finance and Ways and Means to request local impact notes; amending Minnesota Statutes 2008, section 3.987, subdivision 1.

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. 2873:** A bill for an act relating to Public Facilities Authority; amending certain programs; making technical changes; amending Minnesota Statutes 2008, sections 446A.03, subdivision 5; 446A.07, subdivision 8; 446A.072, subdivisions 1, 3, 5a, 9; 446A.081, subdivision 9; 446A.086, subdivisions 1, 2, 11; Minnesota Statutes 2009 Supplement, sections 446A.075, subdivisions 1a, 2, 4, 5; 446A.081, subdivision 8.

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

Page 4, lines 9 and 21, delete "is authorized to" and insert "may"

Page 5, line 31, delete "is authorized to" and insert "may"

Page 6, line 18, delete "is authorized to" and insert "may"

Page 10, line 3, delete "is authorized to" and insert "may"

Page 10, lines 6 and 8, delete "funds" and insert "money"

Page 10, line 7, delete "such a" and insert "the" and delete "such a" and insert "the"

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

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

**S.F. No. 2541:** A bill for an act relating to natural resources; exempting watercraft, off-highway vehicles, and snowmobiles that are owned by Indian tribal governments from registration or licensing; amending Minnesota Statutes 2008, sections 84.788, subdivision 2; 84.798, subdivision 2; 84.82, subdivision 6; 84.8205, subdivision 1; 86B.301, subdivision 2; Minnesota Statutes 2009 Supplement, section 84.922, subdivision 1a.

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

Page 1, line 14, before "by" insert "registered"

Page 1, line 22, after "or" insert "registered"

Page 2, line 5, after "or" insert "registered"

Page 3, line 13, after "or" insert "registered"

Page 3, lines 29 and 30, delete the new language

Page 4, after line 9, insert:

"**EFFECTIVE DATE.** This section is effective the day following a notice published in the State Register by the commissioner of natural resources that the change in clause (3) has been approved by the United States Coast Guard pursuant to Code of Federal Regulations, title 33, section 174.7."

Amend the title as follows:

Page 1, line 3, after "governments" insert "or are registered by an Indian tribal government to a tribal member"

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

**Senator Cohen from the Committee on Finance, 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 7, after the period, insert "Delivery of the performance guidelines to a subcontractor is a condition precedent to the formation of a contract between a residential builder and a subcontractor."

Page 4, line 16, before "The" insert "(a)"

Page 4, after line 21, insert:

"(b) As a condition of being included on the panel of neutrals identified in this section, the commissioner of labor and industry may charge each qualified neutral a fee of \$200 per year for the administration of the home warranty dispute resolution process."

Page 4, delete line 26

Page 4, line 27, delete "(c)" and insert "(b)"

Page 4, line 31, delete "(d)" and insert "(c)"

Page 5, line 5, after "evaluation" insert "; fee"

Page 5, line 9, after the period, insert "In addition, the neutral shall collect from each party an administrative fee of \$25 and shall submit those fees to the commissioner no later than ten days after the completion of the conference."

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

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

**S.F. No. 3084:** A bill for an act relating to state government; reducing the reporting threshold for contracts for professional or technical services; amending Minnesota Statutes 2008, section 16C.08, subdivision 4.

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

Page 2, line 3, delete the new language and insert "make the report publicly available online"

Page 2, line 4, delete "database"

Page 2, line 16, delete "2010" and insert "2011"

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

#### **Senator Cohen from the Committee on Finance, to which was referred**

**S.F. No. 2629:** A bill for an act relating to elections; appropriating money for grants to counties for voting equipment and vote-counting equipment; specifying grant terms and procedures.

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



Delete everything after the enacting clause and insert:

**"Section 1. APPROPRIATIONS; ASSISTIVE VOTING EQUIPMENT AND VOTE-COUNTING EQUIPMENT.**

Subdivision 1. **Operating grants.** \$300,000 is appropriated in fiscal year 2010 from the Help America Vote Act account to the secretary of state for grants to counties to defray operating costs of the assistive voting equipment and vote-counting equipment in each polling place. This appropriation is available until spent. Grants of up to \$300 per polling place may be made until this appropriation is exhausted. If the grant requests exceed the appropriation available, the secretary of state shall prorate the grant amounts to each eligible county to match the amount available.

Subd. 2. **Grant application.** To receive a grant under this subdivision, a county must apply to the secretary of state on forms prescribed by the secretary of state that set forth how the grant money will be spent. Grant applications for operating costs for the 2010 elections must be received by the secretary of state by August 1, 2010. Grant awards must be made to the counties by December 1, 2010. If money remains from this appropriation, the secretary may also make grants available for the 2012 election, with grant applications due by March 1, 2012, and grants made to counties by June 30, 2012.

Subd. 3. **Eligibility.** To be eligible to apply for a grant under this section, a county must have fewer than 50,000 registered voters as of January 1, 2010, and must have less than \$300 per polling place that was used in the 2008 general election as a balance, including any interest earned on the account, in its Help America Vote Act account from money distributed to it in 2005.

Subd. 4. **Report.** Each county receiving a grant under this section must include the expenditures it has made on the appropriate Help America Vote Act reports submitted to the secretary of state. If a county does not use the money it has received under this section by June 15, 2013, it must return the unused money to the secretary of state by June 30, 2013. In addition to the report required by this section, each county receiving a grant under this act must maintain financial records for each grant sufficient to satisfy federal audit standards and must transmit those records to the secretary of state upon request of the secretary of state.

Subd. 5. **Operating costs.** "Operating costs" include actual county and municipal costs for hardware maintenance, election day technical support, software licensing, system programming, voting system testing, training of county or municipal staff in the use of voting equipment, and transportation and storage of the voting equipment.

**Sec. 2. APPROPRIATIONS; OPTICAL SCAN EQUIPMENT.**

Subdivision 1. **Optical scan voting equipment grants.** \$2,100,000 is appropriated in fiscal year 2010 from the Help America Vote Act account to the secretary of state for grants to counties to purchase optical scan voting equipment. This appropriation is available until spent. If the grant requests exceed the appropriation available, the secretary of state shall prorate the grant amounts to each eligible county to match the amount available.

Subd. 2. **Grant application.** To receive a grant under this section, a county must apply to the secretary of state on forms prescribed by the secretary of state that set forth how the grant money will be spent. Applications for grants under this section must be submitted to the secretary of state by December 1, 2010, and be for purchases made before March 31, 2014.

Subd. 3. **Eligibility.** A county is eligible to apply for a grant of up to \$4,000 per precinct to replace precinct-based optical scan vote counters if the vote counter was purchased before December 31, 2002, and the county received no federal or state money to defray the cost of that purchase. Counties must agree to provide a local match at least equal to the amount of the grant under this section.

Subd. 4. **Report.** Each county receiving a grant under this section must include the expenditures it has made on the appropriate Help America Vote Act reports submitted to the secretary of state. If a county does not use the money it has received under this section by June 15, 2014, it must return the unused money to the secretary of state by June 30, 2014. In addition to the report required by this section, each county receiving a grant under this act must maintain financial records for each grant sufficient to satisfy federal audit standards and must transmit those records to the secretary of state upon request of the secretary of state.

Sec. 3. **REPEALER.**

Laws 2005, chapter 162, section 34, subdivision 2, as amended by Laws 2009, chapter 101, article 2, section 95, is repealed."

Amend the title numbers accordingly

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

**Senator Cohen from the Committee on Finance, to which was 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 2, line 35, after the period, insert "Fee receipts must be deposited in the state treasury and credited to the construction code fund."

Page 3, after line 7, insert:

"Sec. 2. **[325E.3891] CADMIUM IN CHILDREN'S JEWELRY.**

Subdivision 1. **Definitions.** As used in this section, the term:

(1) "accessible" has the meaning given in section 3.1.2 of the ASTM International Safety Specification on Toy Safety, F-963;

(2) "child" means an individual who is six years of age or younger; and

(3) "children's jewelry" shall have the meaning set forth in section 325E.389, subdivision 1, paragraph (c).

Subd. 2. **Prohibitions.** Cadmium in any surface coating or accessible substrate material of metal or plastic components of children's jewelry shall not exceed 75 parts per million, as determined through solubility testing for heavy metals defined in the ASTM International Safety Specification on Toy Safety, ASTM standard F-963 and subsequent versions of this standard, if the product is

sold in this state unless this requirement is superseded by a federal standard regulating cadmium in children's jewelry. This section shall not regulate any product category for which an existing federal standard regulates cadmium exposure in surface coatings and accessible substrate materials as required under ASTM F-963.

Subd. 3. **Manufacturer or wholesaler.** No manufacturer or wholesaler may sell or offer for sale in this state children's jewelry that fails to meet the requirements of subdivision 2.

Subd. 4. **Retailer.** No retailer may sell or offer for sale in this state children's jewelry that fails to meet the requirements of subdivision 2. This subdivision does not apply to sales or free distribution of jewelry by a nonprofit organization described in section 501(c)(3) of the Internal Revenue Code or to isolated and occasional sales of jewelry not made in the normal course of business.

Subd. 5. **Enforcement.** The attorney general shall enforce this section under section 8.31.

**EFFECTIVE DATE.** This section is effective January 1, 2011, except that subdivision 4 is effective March 1, 2011."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "regulating cadmium in children's jewelry;"

Amend the title numbers accordingly

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

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

**S.F. No. 3275:** A bill for an act relating to environment finance; requiring long-range land management budgeting of the Department of Natural Resources.

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

Delete everything after the enacting clause and insert:

**"ARTICLE 1**

**CLEAN WATER FUND**

Section 1. Minnesota Statutes 2008, section 473.1565, subdivision 2, is amended to read:

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

- (1) the commissioner of agriculture or the commissioner's designee;
- (2) the commissioner of health or the commissioner's designee;
- (3) the commissioner of natural resources or the commissioner's designee;
- (4) the commissioner of the Pollution Control Agency or the commissioner's designee;
- (5) two officials of counties that are located in the metropolitan area, appointed by the governor;

(6) five officials of noncounty local governmental units that are located in the metropolitan area, appointed by the governor; and

(7) the chair of the Metropolitan Council or the chair's designee, who is chair of the advisory committee.

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

(b) Members of the advisory committee appointed by the governor serve at the pleasure of the governor. Members of the advisory committee serve without compensation but may be reimbursed for their reasonable expenses as determined by the Metropolitan Council. The advisory committee expires December 31, ~~2010~~ 2012.

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

#### Sec. 2. APPLICATION.

Section 1 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

#### Sec. 3. CLEAN WATER FUND; 2009 APPROPRIATION ADJUSTMENTS.

(a) Up to \$145,000 of the money appropriated in fiscal year 2011 to the Pollution Control Agency in Laws 2009, chapter 172, article 2, section 4, paragraph (g), for best management practices grants to treat or clean up contaminated sediments in stormwater ponds may be used to complete the work required by the agency for the prevention of water pollution from polycyclic aromatic hydrocarbons under Laws 2009, chapter 172, article 2, section 28.

(b) The appropriations in fiscal years 2011 and 2012 to the Department of Natural Resources for high-resolution digital elevation data in Laws 2009, chapter 172, article 2, section 5, paragraph (d), are available until June 30, 2012.

#### Sec. 4. CLEAN WATER FUND APPROPRIATIONS.

Subdivision 1. **Pollution Control Agency.** \$615,000 in fiscal year 2011 is appropriated from the clean water fund to the commissioner of the Pollution Control Agency to continue rulemaking to establish water quality standards for total nitrogen and nitrate nitrogen. This is a onetime appropriation.

Subd. 2. **Department of Natural Resources.** The \$5,000,000 appropriated in Laws 2009, chapter 172, article 2, section 4, paragraph (m), for activities relating to groundwater protection or prevention of groundwater degradation is canceled and reappropriated to the commissioner of natural resources for the following purposes:

(1) establish a groundwater monitoring network in the 11-county metropolitan area that monitors non-stressed systems to provide information on aquifer characteristics and natural water level trends; and

(2) develop an automated data system to capture groundwater level and water use data to enhance the evaluation of water resource changes in aquifer systems that are stressed by pumping of existing

wells. This is a onetime appropriation and is available until spent.

**Sec. 5. APPROPRIATION; WATER SUPPLY PLANNING ACTIVITIES.**

\$500,000 is appropriated in fiscal year 2011 from the clean water fund, pursuant to Minnesota Statutes, section 114D.50, to the Metropolitan Council to fund Metropolitan Council water supply planning activities under section 473.1565. This appropriation is onetime and available until expended.

**Sec. 6. APPROPRIATION; WATER QUALITY PROJECTS THROUGH VOLUNTEER PARTICIPATION; PILOT PROGRAM.**

\$100,000 in fiscal year 2010 and \$100,000 in fiscal year 2011 are appropriated from the clean water fund to the Board of Water and Soil Resources for grants to the Star Lake Board established under Minnesota Statutes, section 103B.702, for the purpose of establishing a pilot program to engage citizen volunteers to match private sector resources to complete projects with long-term water quality restoration or protection benefits on designated star lakes and rivers. The Star Lake Board may establish and implement a grant program using money appropriated in this section only as authorized in a work program approved by the Board of Water and Soil Resources. This is a onetime appropriation.

## ARTICLE 2

### ENVIRONMENT AND NATURAL RESOURCES

Section 1. Minnesota Statutes 2008, section 84.025, subdivision 9, is amended to read:

Subd. 9. **Professional services support account.** The commissioner of natural resources may bill other governmental units, including tribal governments, and the various programs carried out by the commissioner for the costs of providing them with professional support services. Except as provided under section 89.421, receipts must be credited to a special account in the state treasury and are appropriated to the commissioner to pay the costs for which the billings were made.

The commissioner of natural resources shall submit to the commissioner of management and budget before the start of each fiscal year a work plan showing the estimated work to be done during the coming year, the estimated cost of doing the work, and the positions and fees that will be necessary. This account is exempted from statewide and agency indirect cost payments.

Sec. 2. Minnesota Statutes 2008, section 84.027, subdivision 15, is amended to read:

Subd. 15. **Electronic transactions.** (a) The commissioner may receive an application for, sell, and issue any license, stamp, permit, pass, sticker, ~~duplicate~~ gift card, safety training certification, registration, or transfer under the jurisdiction of the commissioner by electronic means, including by telephone. Notwithstanding section 97A.472, electronic and telephone transactions may be made outside of the state. The commissioner may:

(1) provide for the electronic transfer of funds generated by electronic transactions, including by telephone;

(2) assign an identification number to an applicant who purchases a hunting or fishing license or recreational vehicle registration by electronic means, to serve as temporary authorization to engage in the activity requiring a license or registration until the license or registration is received or expires;

(3) charge and permit agents to charge a fee of individuals who make electronic transactions and transactions by telephone or Internet, including issuing fees and an additional transaction fee not to exceed \$3.50;

(4) charge and permit agents to charge a convenience fee not to exceed three percent of the cost of the license to individuals who use electronic bank cards for payment. An electronic licensing system agent charging a fee of individuals making an electronic bank card transaction in person must post a sign informing individuals of the fee. The sign must be near the point of payment, clearly visible, include the amount of the fee, and state: "License agents are allowed by state law to charge a fee not to exceed three percent of the cost of state licenses to persons who use electronic bank cards for payment. The fee is not required by state law.";

(5) establish, by written order, an electronic licensing system commission to be paid by revenues generated from all sales made through the electronic licensing system. The commissioner shall establish the commission in a manner that neither significantly overrecovers nor underrecovers costs involved in providing the electronic licensing system; and

(6) adopt rules to administer the provisions of this subdivision.

(b) The fees established under paragraph (a), clauses (3) and (4), and the commission established under paragraph (a), clause (5), are not subject to the rulemaking procedures of chapter 14 and section 14.386 does not apply.

(c) Money received from fees and commissions collected under this subdivision, including interest earned, is annually appropriated from the game and fish fund and the natural resources fund to the commissioner for the cost of electronic licensing.

Sec. 3. Minnesota Statutes 2008, section 84.0856, is amended to read:

**84.0856 FLEET MANAGEMENT ACCOUNT.**

The commissioner of natural resources may bill organizational units within the Department of Natural Resources and other governmental units, including tribal governments, for the costs of providing them with equipment. Costs billed may include acquisition, licensing, insurance, maintenance, repair, and other direct costs as determined by the commissioner. Receipts and interest earned on the receipts shall be credited to a special account in the state treasury and are appropriated to the commissioner to pay the costs for which the billings were made.

Sec. 4. Minnesota Statutes 2008, section 84.0857, is amended to read:

**84.0857 FACILITIES MANAGEMENT ACCOUNT.**

(a) The commissioner of natural resources may bill organizational units within the Department of Natural Resources and other governmental units, including tribal governments, for the costs of providing them with building and infrastructure facilities. Costs billed may include modifications and adaptations to allow for appropriate building occupancy, building code compliance, insurance, utility services, maintenance, repair, and other direct costs as determined by the commissioner. Receipts shall be credited to a special account in the state treasury and are appropriated to the commissioner to pay the costs for which the billings were made.

(b) Money deposited in the special account from the proceeds of a sale under section 94.16,

subdivision 3, paragraph (b), is appropriated to the commissioner to acquire facilities or renovate existing buildings for administrative use or to acquire land for, design, and construct administrative buildings for the Department of Natural Resources.

Sec. 5. Minnesota Statutes 2009 Supplement, section 84.415, subdivision 6, is amended to read:

**Subd. 6. Supplemental application fee and monitoring fee.** (a) In addition to the application fee and utility crossing fees specified in Minnesota Rules, the commissioner of natural resources shall assess the applicant for a utility license the following fees:

(1) a supplemental application fee of \$1,500 for a public water crossing license and a supplemental application fee of ~~\$4,500~~ \$1,000 for a public lands crossing license, to cover reasonable costs for reviewing the application and preparing the license; and

(2) a monitoring fee to cover the projected reasonable costs for monitoring the construction of the utility line and preparing special terms and conditions of the license to ensure proper construction. The commissioner must give the applicant an estimate of the monitoring fee before the applicant submits the fee.

(b) The applicant shall pay fees under this subdivision to the commissioner of natural resources. The commissioner shall not issue the license until the applicant has paid all fees in full.

(c) Upon completion of construction of the improvement for which the license or permit was issued, the commissioner shall refund the unobligated balance from the monitoring fee revenue. The commissioner shall not return the application fees, even if the application is withdrawn or denied.

Sec. 6. Minnesota Statutes 2008, section 84.777, subdivision 2, is amended to read:

**Subd. 2. Off-highway vehicle ~~seasons~~ seasonal restrictions.** (a) The commissioner shall prescribe seasons for off-highway vehicle use on state forest lands. Except for designated forest roads, a person must not operate an off-highway vehicle on state forest lands: (1) outside of the seasons prescribed under this paragraph; or (2) during the firearms deer hunting season in areas of the state where deer may be taken by rifle. This paragraph does not apply to a person in possession of a valid deer hunting license operating an off-highway vehicle before or after legal shooting hours or from 11:00 a.m. to 2:00 p.m.

(b) The commissioner may designate and post winter trails on state forest lands for use by off-highway vehicles.

(c) For the purposes of this subdivision, "state forest lands" means forest lands under the authority of the commissioner as defined in section 89.001, subdivision 13, and lands managed by the commissioner under section 282.011.

Sec. 7. Minnesota Statutes 2009 Supplement, section 84.793, subdivision 1, is amended to read:

**Subdivision 1. Prohibitions on youthful operators.** (a) ~~After January 1, 1995,~~ A person less than 16 years of age operating an off-highway motorcycle on public lands or waters must possess a valid off-highway motorcycle safety certificate issued by the commissioner.

(b) Except for operation on public road rights-of-way that is permitted under section 84.795, subdivision 1, a driver's license issued by the state or another state is required to operate an off-highway motorcycle along or on a public road right-of-way.

(c) A person under 12 years of age may not:

(1) make a direct crossing of a public road right-of-way;

(2) operate an off-highway motorcycle on a public road right-of-way in the state; or

(3) operate an off-highway motorcycle on public lands or waters unless accompanied by a person 18 years of age or older or participating in an event for which the commissioner has issued a special use permit.

(d) Except for public road rights-of-way of interstate highways, a person less than 16 years of age may make a direct crossing of a public road right-of-way of a trunk, county state-aid, or county highway only if that person is accompanied by a person 18 years of age or older who holds a valid driver's license.

(e) A person less than 16 years of age may operate an off-highway motorcycle on public road rights-of-way in accordance with section 84.795, subdivision 1, paragraph (a), only if that person is accompanied by a person 18 years of age or older who holds a valid driver's license.

(f) Notwithstanding paragraph (a), a nonresident less than 16 years of age may operate an off-highway motorcycle on public lands or waters if the nonresident youth has in possession evidence of completing an off-road safety course offered by the Motorcycle Safety Foundation or another state as provided in section 84.791, subdivision 4.

Sec. 8. Minnesota Statutes 2008, section 84.82, subdivision 3, is amended to read:

Subd. 3. **Fees for registration.** (a) The fee for registration of each snowmobile, other than those used for an agricultural purpose, as defined in section 84.92, subdivision 1c, or those registered by a dealer or manufacturer pursuant to clause (b) or (c) shall be as follows: \$45 for three years and \$4 for a duplicate or transfer.

(b) The total registration fee for all snowmobiles owned by a dealer and operated for demonstration or testing purposes shall be \$50 per year.

(c) The total registration fee for all snowmobiles owned by a manufacturer and operated for research, testing, experimentation, or demonstration purposes shall be \$150 per year. Dealer and manufacturer registrations are not transferable.

(d) The onetime fee for registration of an exempt snowmobile under subdivision 6a is \$6.

Sec. 9. Minnesota Statutes 2008, section 84.82, is amended by adding a subdivision to read:

Subd. 6a. **Exemption; collector unlimited snowmobile use.** Snowmobiles may be issued an exempt registration if the machine is at least 25 years old. Exempt registration is valid from the date of issuance until ownership of the snowmobile is transferred. Exempt registrations are not transferable.

Sec. 10. Minnesota Statutes 2008, section 84.92, subdivision 9, is amended to read:

Subd. 9. **Class 1 all-terrain vehicle.** "Class 1 all-terrain vehicle" means an all-terrain vehicle that has a total dry weight of less than ~~900~~ 1,000 pounds.

Sec. 11. Minnesota Statutes 2008, section 84.92, subdivision 10, is amended to read:



Subd. 10. **Class 2 all-terrain vehicle.** "Class 2 all-terrain vehicle" means an all-terrain vehicle that has a total dry weight of ~~900~~ 1,000 to ~~1,500~~ 1,800 pounds.

Sec. 12. Minnesota Statutes 2008, section 84.922, is amended by adding a subdivision to read:

Subd. 2b. **Collector unlimited use; exempt registration.** All-terrain vehicles may be issued an exempt registration if requested and the machine is at least 25 years old. Exempt registration is valid from the date of issuance until ownership of the all-terrain vehicle is transferred. Exempt registrations are not transferable.

Sec. 13. Minnesota Statutes 2008, section 84.922, subdivision 5, is amended to read:

Subd. 5. **Fees for registration.** (a) The fee for a three-year registration of an all-terrain vehicle under this section, other than those registered by a dealer or manufacturer under paragraph (b) or (c), is:

- (1) for public use, \$45;
- (2) for private use, \$6; and
- (3) for a duplicate or transfer, \$4.

(b) The total registration fee for all-terrain vehicles owned by a dealer and operated for demonstration or testing purposes is \$50 per year. Dealer registrations are not transferable.

(c) The total registration fee for all-terrain vehicles owned by a manufacturer and operated for research, testing, experimentation, or demonstration purposes is \$150 per year. Manufacturer registrations are not transferable.

(d) The onetime fee for registration of an all-terrain vehicle under subdivision 2b is \$6.

(e) The fees collected under this subdivision must be credited to the all-terrain vehicle account.

Sec. 14. Minnesota Statutes 2008, section 84.925, subdivision 1, is amended to read:

Subdivision 1. **Program established.** (a) The commissioner shall establish a comprehensive all-terrain vehicle environmental and safety education and training program, including the preparation and dissemination of vehicle information and safety advice to the public, the training of all-terrain vehicle operators, and the issuance of all-terrain vehicle safety certificates to vehicle operators over the age of 12 years who successfully complete the all-terrain vehicle environmental and safety education and training course.

(b) For the purpose of administering the program and to defray a portion of the expenses of training and certifying vehicle operators, the commissioner shall collect a fee of \$15 from each person who receives the training. The commissioner shall collect a fee, to include a \$1 issuing fee for licensing agents, for issuing a duplicate all-terrain vehicle safety certificate. The commissioner shall establish the fee for a duplicate all-terrain vehicle safety certificate that neither significantly overrecovers nor underrecovers costs, including overhead costs, involved in providing the service. Fee proceeds, except for the issuing fee for licensing agents under this subdivision, shall be deposited in the all-terrain vehicle account in the natural resources fund. In addition to the fee established by the commissioner, instructors may charge each person ~~the cost of~~ up to the established fee amount for class material materials and expenses.

(c) The commissioner shall cooperate with private organizations and associations, private and public corporations, and local governmental units in furtherance of the program established under this section. School districts may cooperate with the commissioner and volunteer instructors to provide space for the classroom portion of the training. The commissioner shall consult with the commissioner of public safety in regard to training program subject matter and performance testing that leads to the certification of vehicle operators. By June 30, 2003, the commissioner shall incorporate a riding component in the safety education and training program.

Sec. 15. Minnesota Statutes 2008, section 84.9256, subdivision 1, is amended to read:

Subdivision 1. **Prohibitions on youthful operators.** (a) Except for operation on public road rights-of-way that is permitted under section 84.928, a driver's license issued by the state or another state is required to operate an all-terrain vehicle along or on a public road right-of-way.

(b) A person under 12 years of age shall not:

- (1) make a direct crossing of a public road right-of-way;
- (2) operate an all-terrain vehicle on a public road right-of-way in the state; or
- (3) operate an all-terrain vehicle on public lands or waters, except as provided in paragraph (f).

(c) Except for public road rights-of-way of interstate highways, a person 12 years of age but less than 16 years may make a direct crossing of a public road right-of-way of a trunk, county state-aid, or county highway or operate on public lands ~~and~~ or waters or state or grant-in-aid trails, only if that person possesses a valid all-terrain vehicle safety certificate issued by the commissioner and is accompanied ~~on another all-terrain vehicle~~ by a person 18 years of age or older who holds a valid driver's license.

(d) To be issued an all-terrain vehicle safety certificate, a person at least 12 years old, but less than 16 years old, must:

- (1) successfully complete the safety education and training program under section 84.925, subdivision 1, including a riding component; and
- (2) be able to properly reach and control the handle bars and reach the foot pegs while sitting upright on the seat of the all-terrain vehicle.

(e) A person at least 11 years of age may take the safety education and training program and may receive an all-terrain vehicle safety certificate under paragraph (d), but the certificate is not valid until the person reaches age 12.

(f) A person at least ten years of age but under 12 years of age may operate an all-terrain vehicle with an engine capacity up to 90cc on public lands or waters if accompanied by a parent or legal guardian.

(g) A person under 15 years of age shall not operate a class 2 all-terrain vehicle.

(h) A person under the age of 16 may not operate an all-terrain vehicle on public lands or waters or on state or grant-in-aid trails if the person cannot properly reach and control the handle bars and reach the foot pegs while sitting upright on the seat of the all-terrain vehicle.

(i) Notwithstanding paragraph (c), a nonresident at least 12 years old, but less than 16 years old, may make a direct crossing of a public road right-of-way of a trunk, county state-aid, or county highway or operate an all-terrain vehicle on public lands or waters or state or grant-in-aid trails if:

(1) the nonresident youth has in possession evidence of completing an all-terrain safety course offered by the ATV Safety Institute or another state as provided in section 84.925, subdivision 3; and

(2) the nonresident youth is accompanied by a person 18 years of age or older who holds a valid driver's license.

Sec. 16. Minnesota Statutes 2009 Supplement, section 84.9275, subdivision 1, is amended to read:

Subdivision 1. **Pass required; fee.** (a) A nonresident may not operate an all-terrain vehicle on a state or grant-in-aid all-terrain vehicle trail unless the operator carries a valid nonresident all-terrain vehicle state trail pass in immediate possession. The pass must be available for inspection by a peace officer, a conservation officer, or an employee designated under section 84.0835.

(b) The commissioner of natural resources shall issue a pass upon application and payment of a \$20 fee. The pass is valid from January 1 through December 31. Fees collected under this section, except for the issuing fee for licensing agents, shall be deposited in the state treasury and credited to the all-terrain vehicle account in the natural resources fund and, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, must be used for grants-in-aid to counties and municipalities for all-terrain vehicle organizations to construct and maintain all-terrain vehicle trails and use areas.

(c) A nonresident all-terrain vehicle state trail pass is not required for:

(1) an all-terrain vehicle that is owned and used by the United States, another state, or a political subdivision thereof that is exempt from registration under section 84.922, subdivision 1a; ~~or~~

(2) a person operating an all-terrain vehicle only on the portion of a trail that is owned by the person or the person's spouse, child, or parent; or

(3) a nonresident operating an all-terrain vehicle that is registered according to section 84.922.

Sec. 17. Minnesota Statutes 2009 Supplement, section 84.928, subdivision 1, is amended to read:

Subdivision 1. **Operation on roads and rights-of-way.** (a) Unless otherwise allowed in sections 84.92 to 84.928, a person shall not operate an all-terrain vehicle in this state along or on the roadway, shoulder, or inside bank or slope of a public road right-of-way of a trunk, county state-aid, or county highway.

(b) A person may operate a class 1 all-terrain vehicle in the ditch or the outside bank or slope of a trunk, county state-aid, or county highway unless prohibited under paragraph (d) or (f).

(c) A person may operate a class 2 all-terrain vehicle within the public road right-of-way of a county state-aid or county highway on the extreme right-hand side of the road and left turns may be made from any part of the road if it is safe to do so under the prevailing conditions, unless prohibited under paragraph (d) or (f). A person may operate a class 2 all-terrain vehicle on the bank or ditch of a public road right-of-way on a designated class 2 all-terrain vehicle trail.

(d) A road authority as defined under section 160.02, subdivision 25, may after a public hearing restrict the use of all-terrain vehicles in the public road right-of-way under its jurisdiction.

(e) The restrictions in paragraphs (a), (d), (h), (i), and (j) do not apply to the operation of an all-terrain vehicle on the shoulder, inside bank or slope, ditch, or outside bank or slope of a trunk, interstate, county state-aid, or county highway:

(1) that is part of a funded grant-in-aid trail; or

(2) when the all-terrain vehicle is:

~~(1) owned by or operated under contract with a publicly or privately owned utility or pipeline company; and~~

~~(2) used for work on utilities or pipelines.~~

(f) The commissioner may limit the use of a right-of-way for a period of time if the commissioner determines that use of the right-of-way causes:

(1) degradation of vegetation on adjacent public property;

(2) siltation of waters of the state;

(3) impairment or enhancement to the act of taking game; or

(4) a threat to safety of the right-of-way users or to individuals on adjacent public property.

The commissioner must notify the road authority as soon as it is known that a closure will be ordered. The notice must state the reasons and duration of the closure.

(g) A person may operate an all-terrain vehicle registered for private use and used for agricultural purposes on a public road right-of-way of a trunk, county state-aid, or county highway in this state if the all-terrain vehicle is operated on the extreme right-hand side of the road, and left turns may be made from any part of the road if it is safe to do so under the prevailing conditions.

(h) A person shall not operate an all-terrain vehicle within the public road right-of-way of a trunk, county state-aid, or county highway from April 1 to August 1 in the agricultural zone unless the vehicle is being used exclusively as transportation to and from work on agricultural lands. This paragraph does not apply to an agent or employee of a road authority, as defined in section 160.02, subdivision 25, or the Department of Natural Resources when performing or exercising official duties or powers.

(i) A person shall not operate an all-terrain vehicle within the public road right-of-way of a trunk, county state-aid, or county highway between the hours of one-half hour after sunset to one-half hour before sunrise, except on the right-hand side of the right-of-way and in the same direction as the highway traffic on the nearest lane of the adjacent roadway.

(j) A person shall not operate an all-terrain vehicle at any time within the right-of-way of an interstate highway or freeway within this state.

Sec. 18. Minnesota Statutes 2008, section 84.928, subdivision 5, is amended to read:

Subd. 5. **Organized contests, use of highways and public lands and waters.** (a) Nothing in

this section or chapter 169 prohibits the use of all-terrain vehicles within the right-of-way of a state trunk or county state-aid highway or upon public lands or waters under the jurisdiction of the commissioner of natural resources, in an organized contest or event, subject to the consent of the official or board having jurisdiction over the highway or public lands or waters.

(b) In permitting the contest or event, the official or board having jurisdiction may prescribe restrictions or conditions as they may deem advisable.

(c) Notwithstanding section 84.9256, subdivision 1, paragraph (b), a person under 12 years of age may operate an all-terrain vehicle in an organized contest on public lands or waters, if the all-terrain vehicle has an engine capacity of 90cc or less, the person complies with section 84.9256, subdivision 1, paragraph (h), and the person is supervised by a person 18 years of age or older.

Sec. 19. Minnesota Statutes 2009 Supplement, section 85.015, subdivision 13, is amended to read:

Subd. 13. **Arrowhead Region Trails, in Cook, Lake, St. Louis, Pine, Carlton, Koochiching, and Itasca Counties.** (a)(1) The Taconite Trail shall originate at Ely in St. Louis County and extend southwesterly to Tower in St. Louis County, thence westerly to McCarthy Beach State Park in St. Louis County, thence southwesterly to Grand Rapids in Itasca County and there terminate;

(2) The C. J. Ramstad/Northshore Trail shall originate in Duluth in St. Louis County and extend northeasterly to Two Harbors in Lake County, thence northeasterly to Grand Marais in Cook County, thence northeasterly to the international boundary in the vicinity of the north shore of Lake Superior, and there terminate;

(3) The Grand Marais to International Falls Trail shall originate in Grand Marais in Cook County and extend northwesterly, outside of the Boundary Waters Canoe Area, to Ely in St. Louis County, thence southwesterly along the route of the Taconite Trail to Tower in St. Louis County, thence northwesterly through the Pelican Lake area in St. Louis County to International Falls in Koochiching County, and there terminate;

(4) The Becky Lourey Trail shall originate in Duluth in St. Louis County and extend southerly to St. Croix State Forest in Pine County.

(b) The trails shall be developed primarily for riding and hiking.

(c) In addition to the authority granted in subdivision 1, lands and interests in lands for the Arrowhead Region trails may be acquired by eminent domain. Before acquiring any land or interest in land by eminent domain the commissioner of administration shall obtain the approval of the governor. The governor shall consult with the Legislative Advisory Commission before granting approval. Recommendations of the Legislative Advisory Commission shall be advisory only. Failure or refusal of the commission to make a recommendation shall be deemed a negative recommendation.

Sec. 20. Minnesota Statutes 2008, section 85.015, subdivision 14, is amended to read:

Subd. 14. **Willard Munger Trail System, Chisago, Ramsey, Pine, St. Louis, Carlton, and Washington Counties.** (a) The trail shall consist of six segments. One segment shall be known as the Gateway Trail and shall originate at the State Capitol and extend northerly and northeasterly to William O'Brien State Park, thence northerly to Taylors Falls in Chisago County. ~~One segment~~

~~shall be known as the Boundary Trail and shall originate in Chisago County and extend into Duluth in St. Louis County.~~ One segment shall be known as the Browns Creek Trail and shall originate at Duluth Junction and extend into Stillwater in Washington County. One segment shall be known as the Munger Trail and shall originate at Hinckley in Pine County and extend through Moose Lake in Carlton County to Duluth in St. Louis County. One segment shall be known as the Alex Laveau Trail and shall originate in Carlton County at Carlton and extend through Wrenshall to the Minnesota-Wisconsin border. One segment shall be established that extends the trail to include the cities of Proctor, Duluth, and Hermantown in St. Louis County.

(b) The Gateway and Browns Creek Trails shall be developed primarily for hiking and nonmotorized riding and the remaining trails shall be developed primarily for riding and hiking.

(c) In addition to the authority granted in subdivision 1, lands and interests in lands for the Gateway and Browns Creek Trails may be acquired by eminent domain.

Sec. 21. Minnesota Statutes 2008, section 85.22, subdivision 5, is amended to read:

Subd. 5. **Exemption.** Purchases for resale or rental made from the state parks working capital ~~fund~~ account are exempt from competitive bidding, notwithstanding chapter 16C.

Sec. 22. Minnesota Statutes 2008, section 85.32, subdivision 1, is amended to read:

Subdivision 1. **Areas marked.** The commissioner of natural resources is authorized in cooperation with local units of government and private individuals and groups when feasible to mark ~~canoe and boating routes~~ state water trails on the Little Fork, Big Fork, Minnesota, St. Croix, Snake, Mississippi, Red Lake, Cannon, Straight, Des Moines, Crow Wing, St. Louis, Pine, Rum, Kettle, Cloquet, Root, Zumbro, Pomme de Terre within Swift County, Watonwan, Cottonwood, Whitewater, Chippewa from Benson in Swift County to Montevideo in Chippewa County, Long Prairie, Red River of the North, Sauk, Otter Tail, Redwood, Blue Earth, and Crow Rivers which have historic and scenic values and to mark appropriately points of interest, portages, camp sites, and all dams, rapids, waterfalls, whirlpools, and other serious hazards which are dangerous to canoe, kayak, and watercraft travelers.

Sec. 23. Minnesota Statutes 2008, section 85.41, subdivision 3, is amended to read:

Subd. 3. **Exemptions.** (a) Participants in cross-country ski races ~~and official school activities~~ and residents of a state or local government operated correctional facility are exempt from the pass requirement in subdivision 1 if a special use permit has been obtained by the organizers of the event or those in an official capacity in advance from the agency with jurisdiction over the cross-country ski trail. Permits shall require that permit holders return the trail and any associated facility to its original condition if any damage is done by the permittee. Limited permits for special events may be issued and shall require the removal of any trail markers, banners, and other material used in connection with the special event.

(b) Unless otherwise exempted under paragraph (a), students, teachers, and supervising adults engaged in school-sanctioned activities or youth activities sponsored by a nonprofit organization are exempt from the pass requirements in subdivision 1. Prior to the activity, the organizer of the activity or a representative from the school or organization shall notify the agency with jurisdiction over the cross-country ski trail of the date and time of the activity.

(c) A resident that is in the armed forces of the United States, stationed outside of the state, and

in the state on leave is exempt from the pass requirement in subdivision 1 if the resident possesses official military leave papers.

(d) A resident who has served at any time during the preceding 24 months in federal active service, as defined in section 190.05, subdivision 5c, outside the United States as a member of the National Guard, or as a reserve component or active duty member of the United States armed forces and has been discharged from active service is exempt from the pass requirement in subdivision 1 if the resident possesses official military discharge papers.

Sec. 24. Minnesota Statutes 2008, section 85.42, is amended to read:

#### **85.42 USER FEE; VALIDITY.**

(a) The fee for an annual cross-country ski pass is ~~\$14~~ \$19 for an individual age 16 and over. The fee for a three-year pass is ~~\$39~~ \$54 for an individual age 16 and over. This fee shall be collected at the time the pass is purchased. Three-year passes are valid for three years beginning the previous July 1. Annual passes are valid for one year beginning the previous July 1.

(b) The cost for a daily cross-country skier pass is ~~\$4~~ \$5 for an individual age 16 and over. This fee shall be collected at the time the pass is purchased. The daily pass is valid only for the date designated on the pass form.

(c) A pass must be signed by the skier across the front of the pass to be valid and becomes nontransferable on signing.

Sec. 25. Minnesota Statutes 2008, section 85.43, is amended to read:

#### **85.43 DISPOSITION OF RECEIPTS; PURPOSE.**

Fees from cross-country ski passes shall be deposited in the state treasury and credited to a cross-country ski account in the natural resources fund and, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, are appropriated to the commissioner of natural resources for the following purposes:

(1) grants-in-aid for cross-country ski trails ~~sponsored by~~ to:

(i) ~~local units of government~~ counties and municipalities for construction and maintenance of cross-country ski trails; and

(ii) special park districts as provided in section 85.44 for construction and maintenance of cross-country ski trails; and

(2) development and maintenance of state cross-country ski trails.

Sec. 26. Minnesota Statutes 2008, section 85.46, as amended by Laws 2009, chapter 37, article 1, sections 22 to 24, is amended to read:

#### **85.46 HORSE TRAIL PASS.**

Subdivision 1. **Pass in possession.** (a) Except as provided in paragraph (b), while riding, leading, or driving a horse ~~on horse trails and associated day use areas on state trails, in state parks, in state recreation areas, and in state forests,~~ on lands administered by the commissioner, a person 16 years of age or over shall carry in immediate possession a valid horse ~~trail~~ pass. The pass must be available

for inspection by a peace officer, a conservation officer, or an employee designated under section 84.0835.

(b) A valid horse ~~trail~~ pass is not required under this section for a person riding, leading, or driving a horse ~~only on the portion of a horse trail~~ property that is owned by the person or the person's spouse, child, parent, or guardian.

**Subd. 2. License agents.** (a) The commissioner of natural resources may appoint agents to issue and sell horse ~~trail~~ passes. The commissioner may revoke the appointment of an agent at any time.

(b) The commissioner may adopt additional rules as provided in section 97A.485, subdivision 11. An agent shall observe all rules adopted by the commissioner for the accounting and handling of passes according to section 97A.485, subdivision 11.

(c) An agent must promptly deposit and remit all money received from the sale of passes, except issuing fees, to the commissioner.

**Subd. 3. Issuance.** The commissioner of natural resources and agents shall issue and sell horse ~~trail~~ passes. The pass shall include the applicant's signature and other information deemed necessary by the commissioner. To be valid, a daily or annual pass must be signed by the person riding, leading, or driving the horse, and a commercial annual pass must be signed by the owner of the commercial ~~trail~~ riding facility.

**Subd. 4. Pass fees.** (a) The fee for an annual horse ~~trail~~ pass is \$20 for an individual 16 years of age and over. The fee shall be collected at the time the pass is purchased. Annual passes are valid for one year beginning January 1 and ending December 31.

(b) The fee for a daily horse ~~trail~~ pass is \$4 for an individual 16 years of age and over. The fee shall be collected at the time the pass is purchased. The daily pass is valid only for the date designated on the pass form.

(c) The fee for a commercial annual horse ~~trail~~ pass is \$200 and includes issuance of 15 passes. Additional or individual commercial annual horse ~~trail~~ passes may be purchased by the commercial ~~trail~~ riding facility owner at a fee of \$20 each. Commercial annual horse ~~trail~~ passes are valid for one year beginning January 1 and ending December 31 and may be affixed to the horse tack, saddle, or person. Commercial annual horse ~~trail~~ passes are not transferable to another commercial ~~trail~~ riding facility. For the purposes of this section, a "commercial ~~trail~~ riding facility" is an operation where horses are used for riding instruction or other equestrian activities for hire or use by others.

**Subd. 5. Issuing fee.** In addition to the fee for a horse ~~trail~~ pass, an issuing fee of \$1 per pass shall be charged. The issuing fee shall be retained by the seller of the pass. Issuing fees for passes sold by the commissioner of natural resources shall be deposited in the state treasury and credited to the horse ~~trail~~ pass account in the natural resources fund and are appropriated to the commissioner for the operation of the electronic licensing system. A pass shall indicate the amount of the fee that is retained by the seller.

**Subd. 6. Disposition of receipts.** Fees collected under this section, except for the issuing fee, shall be deposited in the state treasury and credited to the horse ~~trail~~ pass account in the natural resources fund. Except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, the fees are appropriated to the commissioner of natural resources for trail acquisition, trail and facility development, and maintenance,



enforcement, and rehabilitation of horse trails or trails authorized for horse use, whether for riding, leading, or driving, on ~~state trails and in state parks, state recreation areas, and state forests~~ land administered by the commissioner.

Subd. 7. **Duplicate horse ~~trail~~ passes.** The commissioner of natural resources and agents shall issue a duplicate pass to a person or commercial ~~trail~~ riding facility owner whose pass is lost or destroyed using the process established under section 97A.405, subdivision 3, and rules adopted thereunder. The fee for a duplicate horse ~~trail~~ pass is \$2, with an issuing fee of 50 cents.

Sec. 27. Minnesota Statutes 2009 Supplement, section 86A.09, subdivision 1, is amended to read:

Subdivision 1. **Master plan required.** No construction of new facilities or other development of an authorized unit, other than repairs and maintenance, shall commence until the managing agency has prepared and submitted to the commissioner of natural resources and the commissioner has reviewed, pursuant to this section, a master plan for administration of the unit in conformity with this section. No master plan is required for wildlife management areas that do not have resident managers, for scientific and natural areas, for water access sites, for aquatic management areas, for rest areas, or for boater waysides.

Sec. 28. Minnesota Statutes 2008, section 88.17, subdivision 1, is amended to read:

Subdivision 1. **Permit Permission required.** (a) ~~A permit~~ Permission to start a fire to burn vegetative materials and other materials allowed by Minnesota Statutes or official state rules and regulations may be given by the commissioner or the commissioner's agent. This permission shall be in the form of:

(1) a written permit issued by a forest officer, fire warden, or other person authorized by the commissioner; ~~or~~

(2) an electronic permit issued by the commissioner, an agent authorized by the commissioner, or an Internet site authorized by the commissioner; or

(3) a general permit adopted by the county board of commissioners according to paragraph (c).

(b) Written and electronic burning permits shall set the time and conditions by which the fire may be started and burned. The permit shall also specifically list the materials that may be burned. The permittee must have the permit on their person and shall produce the permit for inspection when requested to do so by a forest officer, conservation officer, or other peace officer. The permittee shall remain with the fire at all times and before leaving the site shall completely extinguish the fire. A person shall not start or cause a fire to be started on any land that is not owned or under their legal control without the written permission of the owner, lessee, or an agent of the owner or lessee of the land. Violating or exceeding the permit conditions shall constitute a misdemeanor and shall be cause for the permit to be revoked.

(c) A general burning permit may be adopted by the county board of commissioners in counties that are determined by the commissioner either to not be wildfire areas as defined in section 88.01, subdivision 6, or to otherwise have low potential for damage to life and property from wildfire. The commissioner shall consider the history of and potential for wildfire; the distribution of trees, brush, grasslands, and other vegetative material; and the distribution of property subject to damage from escaped fires. Upon a determination by the commissioner and adoption by a vote of the county

board, permission for open burning is extended to all residents in the county without the need for individual written or electronic permits under this subdivision, provided burning conforms to all other provisions of this chapter, including those related to responsibility to control and extinguish fires, no burning of prohibited materials, and liability for damages caused by violations of this chapter.

(d) Upon adoption of a general burning permit, a county must establish specific regulations by ordinance, to include at a minimum the time when and conditions under which fires may be started and burned. No ordinance may be less restrictive than state law.

(e) At any time when the commissioner or the county board determines that a general burning permit is no longer in the public interest, the general permit may be canceled by the commissioner or the county board.

Sec. 29. Minnesota Statutes 2008, section 88.17, subdivision 3, is amended to read:

Subd. 3. **Special permits.** The following special permits are required at all times, including when the ground is snow-covered:

(a) **Fire training.** A permit to start a fire for the instruction and training of firefighters, including liquid fuels training, may be given by the commissioner or agent of the commissioner. Except for owners or operators conducting fire training in specialized industrial settings pursuant to applicable federal, state, or local standards, owners or operators conducting open burning for the purpose of instruction and training of firefighters with regard to structures must follow the techniques described in a document entitled: Structural Burn Training Procedures for the Minnesota Technical College System.

(b) **Permanent tree and brush open burning sites.** A permit for the operation of a permanent tree and brush burning site may be given by the commissioner or agent of the commissioner. Applicants for a permanent open burning site permit shall submit a complete application on a form provided by the commissioner. Existing permanent tree and brush open burning sites must submit for a permit within 90 days of the passage of this statute for a burning permit. New site applications must be submitted at least 90 days before the date of the proposed operation of the permanent open burning site. The application must be submitted to the commissioner and must contain:

(1) the name, address, and telephone number of all owners of the site proposed for use as the permanent open burning site;

(2) if the operator for the proposed permanent open burning site is different from the owner, the name, address, and telephone number of the operator;

(3) a general description of the materials to be burned, including the source and estimated quantity, dimensions of the site and burn pile areas, hours and dates of operation, and provisions for smoke management; and

(4) a topographic or similarly detailed map of the site and surrounding area within a one mile circumference showing all structures that might be affected by the operation of the site.

Only trees, tree trimmings, or brush that cannot be disposed of by an alternative method such as chipping, composting, or other method shall be permitted to be burned at a permanent open burning site. A permanent tree and brush open burning site must be located and operated so as not to create

a nuisance or endanger water quality. The commissioner shall revoke the permit or order actions to mitigate threats to public health, safety, and the environment in the event that permit conditions are violated.

Sec. 30. Minnesota Statutes 2008, section 88.79, subdivision 2, is amended to read:

Subd. 2. **Charge for service; receipts to special revenue fund.** Notwithstanding section 16A.1283, the commissioner of natural resources may charge the owner, by written order published in the State Register, establish fees the commissioner determines to be fair and reasonable that are charged to owners receiving such services such sums as the commissioner shall determine to be fair and reasonable under subdivision 1. The charges must account for differences in the value of timber and other benefits. The receipts from ~~such the~~ services shall be credited to the special revenue fund and are annually appropriated to the commissioner for the purposes specified in subdivision 1.

Sec. 31. Minnesota Statutes 2008, section 90.041, is amended by adding a subdivision to read:

Subd. 9. **Reoffering unsold timber.** To maintain and enhance forest ecosystems on state forest lands, the commissioner may reoffer timber tracts remaining unsold under the provisions of section 90.101 below appraised value at public auction with the required 30-day notice under section 90.101, subdivision 2.

Sec. 32. Minnesota Statutes 2008, section 90.121, is amended to read:

**90.121 INTERMEDIATE AUCTION SALES; MAXIMUM LOTS OF 3,000 CORDS.**

(a) The commissioner may sell the timber on any tract of state land in lots not exceeding 3,000 cords in volume, in the same manner as timber sold at public auction under section 90.101, and related laws, subject to the following special exceptions and limitations:

(1) the commissioner shall offer all tracts authorized for sale by this section separately from the sale of tracts of state timber made pursuant to section 90.101;

(2) no bidder may be awarded more than 25 percent of the total tracts offered at the first round of bidding unless fewer than four tracts are offered, in which case not more than one tract shall be awarded to one bidder. Any tract not sold at public auction may be offered for private sale as authorized by section 90.101, subdivision 1, to persons eligible under this section at the appraised value; and

(3) no sale may be made to a person having more than ~~20~~ 30 employees. For the purposes of this clause, "employee" means an individual working for salary or wages on a full-time or part-time basis.

(b) The auction sale procedure set forth in this section constitutes an additional alternative timber sale procedure available to the commissioner and is not intended to replace other authority possessed by the commissioner to sell timber in lots of 3,000 cords or less.

(c) Another bidder or the commissioner may request that the number of employees a bidder has pursuant to paragraph (a), clause (3), be confirmed if there is evidence that the bidder may be ineligible due to exceeding the employee threshold. The commissioner shall request information from the commissioner of labor and industry including the premiums paid by the bidder in question for workers' compensation insurance coverage for all employees of the bidder. The commissioner

shall review the information submitted by the commissioner of labor and industry and make a determination based on the information as to whether the bidder is eligible.

Sec. 33. Minnesota Statutes 2008, section 90.14, is amended to read:

**90.14 AUCTION SALE PROCEDURE.**

(a) All state timber shall be offered and sold by the same unit of measurement as it was appraised. No tract shall be sold to any person other than the purchaser in whose name the bid was made. The commissioner may refuse to approve any and all bids received and cancel a sale of state timber for good and sufficient reasons.

(b) The purchaser at any sale of timber shall, immediately upon the approval of the bid, or, if unsold at public auction, at the time of purchase at a subsequent sale under section 90.101, subdivision 1, pay to the commissioner a down payment of 15 percent of the appraised value. In case any purchaser fails to make such payment, the purchaser shall be liable therefor to the state in a civil action, and the commissioner may reoffer the timber for sale as though no bid or sale under section 90.101, subdivision 1, therefor had been made.

(c) In lieu of the scaling of state timber required by this chapter, a purchaser of state timber may, at the time of payment by the purchaser to the commissioner of 15 percent of the appraised value, elect in writing on a form prescribed by the attorney general to purchase a permit based solely on the appraiser's estimate of the volume of timber described in the permit, provided that the commissioner has expressly designated the availability of such option for that tract on the list of tracts available for sale as required under section 90.101. A purchaser who elects in writing on a form prescribed by the attorney general to purchase a permit based solely on the appraiser's estimate of the volume of timber described on the permit does not have recourse to the provisions of section 90.281.

(d) In the case of a public auction sale conducted by a sealed bid process, tracts shall be awarded to the high bidder, who shall pay to the commissioner a down payment of 15 percent of the appraised value within ten business days of receiving a written award notice that must be received or postmarked within 14 days of the date of the sealed bid opening. If a purchaser fails to make the down payment, the purchaser is liable for the down payment to the state and the commissioner may offer the timber for sale to the next highest bidder as though no higher bid had been made.

(e) Except as otherwise provided by law, at the time the purchaser signs a permit issued under section 90.151, the commissioner shall require the purchaser shall to make a bid guarantee payment to the commissioner in an amount equal to 15 percent of the total purchase price of the permit less the down payment amount required by paragraph (b) for any bid increase in excess of \$5,000 of the appraised value. If the a required bid guarantee payment is not submitted with the signed permit, no harvesting may occur, the permit cancels, and the down payment for timber forfeits to the state. The bid guarantee payment forfeits to the state if the purchaser and successors in interest fail to execute an effective permit.

Sec. 34. Minnesota Statutes 2008, section 97B.665, subdivision 2, is amended to read:

Subd. 2. **Petition to district court.** If a beaver dam causes a threat to personal safety or a serious threat to damage property, and a person cannot obtain consent under subdivision 1, a person may petition the district court for relief. The court may order the ~~commissioner~~ owners of private property where beaver dams are located to take action to reduce the threat. A permit is not required for an

action ordered by the court. The action may include destruction or alteration of beaver dams and removal of beaver. This subdivision does not apply to state parks, state game refuges, and federal game refuges.

Sec. 35. Minnesota Statutes 2008, section 103A.305, is amended to read:

**103A.305 JURISDICTION.**

Sections 103A.301 to 103A.341 apply if the decision of an agency in a proceeding involves a question of water policy in one or more of the areas of water conservation, water pollution, preservation and management of wildlife, drainage, soil conservation, public recreation, forest management, and municipal planning under section 97A.135; 103A.411; 103E.011; 103E.015; 103G.245; 103G.261; 103G.271; 103G.275; 103G.281; ~~103G.295, subdivisions 1 and 2;~~ 103G.287; 103G.297 to 103G.311; 103G.315, subdivisions 1, 10, 11, and 12; 103G.401; 103G.405; 103I.681, subdivision 1; 115.04; or 115.05.

Sec. 36. Minnesota Statutes 2009 Supplement, section 103G.201, is amended to read:

**103G.201 PUBLIC WATERS INVENTORY.**

(a) The commissioner shall maintain a public waters inventory map of each county that shows the waters of this state that are designated as public waters under the public waters inventory and classification procedures prescribed under Laws 1979, chapter 199, and shall provide access to a copy of the maps ~~and lists~~. As county public waters inventory maps ~~and lists~~ are revised according to this section, the commissioner shall send a notification or a copy of the maps ~~and lists~~ to the auditor of each affected county.

(b) The commissioner is authorized to revise the ~~list map~~ of public waters established under Laws 1979, chapter 199, to reclassify those types 3, 4, and 5 wetlands previously identified as public waters wetlands under Laws 1979, chapter 199, as public waters or as wetlands under section 103G.005, subdivision 19. The commissioner may only reclassify public waters wetlands as public waters if:

(1) they are assigned a shoreland management classification by the commissioner under sections 103F.201 to 103F.221;

(2) they are classified as lacustrine wetlands or deepwater habitats according to Classification of Wetlands and Deepwater Habitats of the United States (Cowardin, et al., 1979 edition); or

(3) the state or federal government has become titleholder to any of the beds or shores of the public waters wetlands, subsequent to the preparation of the public waters inventory map filed with the auditor of the county, pursuant to paragraph (a), and the responsible state or federal agency declares that the water is necessary for the purposes of the public ownership.

(c) The commissioner must provide notice of the reclassification to the local government unit, the county board, the watershed district, if one exists for the area, and the soil and water conservation district. Within 60 days of receiving notice from the commissioner, a party required to receive the notice may provide a resolution stating objections to the reclassification. If the commissioner receives an objection from a party required to receive the notice, the reclassification is not effective. If the commissioner does not receive an objection from a party required to receive the notice, the reclassification of a wetland under paragraph (b) is effective 60 days after the notice is received by all of the parties.

(d) The commissioner shall give priority to the reclassification of public waters wetlands that are or have the potential to be affected by public works projects.

(e) The commissioner may revise the public waters inventory map ~~and list~~ of each county:

(1) to reflect the changes authorized in paragraph (b); and

(2) as needed, to:

(i) correct errors in the original inventory;

(ii) add or subtract trout stream tributaries within sections that contain a designated trout stream following written notice to the landowner;

(iii) add depleted quarries, and sand and gravel pits, when the body of water exceeds 50 acres and the shoreland has been zoned for residential development; and

(iv) add or subtract public waters that have been created or eliminated as a requirement of a permit authorized by the commissioner under section 103G.245.

Sec. 37. Minnesota Statutes 2008, section 103G.271, subdivision 3, is amended to read:

Subd. 3. **Permit restriction during summer months.** The commissioner must not modify or restrict the amount of appropriation from a groundwater source authorized in a water use permit issued to irrigate agricultural land ~~under section 103G.295, subdivision 2,~~ between May 1 and October 1, unless the commissioner determines the authorized amount of appropriation endangers a domestic water supply.

**Sec. 38. [103G.282] MONITORING TO EVALUATE IMPACTS FROM APPROPRIATIONS.**

Subdivision 1. **Monitoring equipment.** The commissioner may require the installation and maintenance of monitoring equipment to evaluate water resource impacts from permitted appropriations and proposed projects that require a permit. Monitoring for water resources that supply more than one appropriator must be designed to minimize costs to individual appropriators.

Subd. 2. **Measuring devices required.** Monitoring installations required under subdivision 1 must be equipped with automated measuring devices to measure water levels, flows, or conditions. The commissioner may determine the frequency of measurements and other measuring methods based on the quantity of water appropriated or used, the source of water, potential connections to other water resources, the method of appropriating or using water, seasonal and long-term changes in water levels, and any other facts supplied to the commissioner.

Subd. 3. **Reports and costs.** (a) Records of water measurements under subdivision 2 must be kept for each installation. The measurements must be reported annually to the commissioner on or before February 15 of the following year in a format or on forms prescribed by the commissioner.

(b) The owner or person in charge of an installation for appropriating or using waters of the state or a proposal that requires a permit is responsible for all costs related to establishing and maintaining monitoring installations and to measuring and reporting data. Monitoring costs for water resources that supply more than one appropriator may be distributed among all users within a monitoring area determined by the commissioner and assessed based on volumes of water appropriated and

proximity to resources of concern.

Sec. 39. Minnesota Statutes 2008, section 103G.285, subdivision 5, is amended to read:

Subd. 5. **Trout streams.** Permits issued after June 3, 1977, to appropriate water from streams designated trout streams by the commissioner's orders under section ~~97C.024~~ 97C.005 must be limited to temporary appropriations.

Sec. 40. [103G.287] GROUNDWATER APPROPRIATIONS.

Subdivision 1. **Waiver.** The commissioner may waive a limitation or requirement in subdivisions 2 to 6 for just cause.

Subd. 2. **Applications for groundwater appropriations.** Groundwater use permit applications are not complete until the applicant has supplied:

(1) a water well record as required by section 103I.205, subdivision 9, information on the subsurface geologic formations penetrated by the well and the formation or aquifer that will serve as the water source, and geologic information from test holes drilled to locate the site of the production well;

(2) the maximum daily, seasonal, and annual pumpage rates and volumes being requested;

(3) information on groundwater quality in terms of the measures of quality commonly specified for the proposed water use and details on water treatment necessary for the proposed use;

(4) an inventory of existing wells within 1-1/2 miles of the proposed production well or within the area of influence, as determined by the commissioner. The inventory must include information on well locations, depths, geologic formations, depth of the pump or intake, pumping and nonpumping water levels, and details of well construction; and

(5) the results of an aquifer test completed according to specifications approved by the commissioner. The test must be conducted at the maximum pumping rate requested in the application and for a length of time adequate to assess or predict impacts to other wells and surface water and groundwater resources. The permit applicant is responsible for all costs related to the aquifer test, including the construction of groundwater and surface water monitoring installations, and water level readings before, during, and after the aquifer test.

Subd. 3. **Relationship to surface water resources.** Groundwater appropriations that have potential impacts to surface waters are subject to applicable provisions in section 103G.285.

Subd. 4. **Protection of groundwater supplies.** The commissioner may establish water appropriation limits to protect groundwater resources. When establishing water appropriation limits to protect groundwater resources, the commissioner must consider current and projected water levels and water supply management objectives in section 103G.265, subdivision 1.

Subd. 5. **Groundwater management areas.** The commissioner may designate groundwater management areas and limit total annual water appropriations and uses within a designated area to ensure future supplies. Water appropriations and uses within a designated management area must be consistent with a plan approved by the commissioner that addresses water conservation requirements and water allocation priorities established in section 103G.261.

Subd. 6. **Interference with other wells.** The commissioner may issue water use permits for appropriation from groundwater only if the commissioner determines that adequate water supplies are available for the proposed use without reducing water levels beyond the reach of public water supply and private domestic wells constructed according to Minnesota Rules, chapter 4725.

Sec. 41. Minnesota Statutes 2008, section 103G.301, subdivision 6, is amended to read:

Subd. 6. **Filing application.** (a) An application for a permit must be filed with the commissioner and if the proposed activity for which the permit is requested is within a municipality, or is within or affects a watershed district or a soil and water conservation district, a copy of the application with maps, plans, and specifications must be served on the mayor of the municipality, the secretary of the board of managers of the watershed district, and the secretary of the board of supervisors of the soil and water conservation district.

~~(b) If the application is required to be served on a local governmental unit under this subdivision, proof of service must be included with the application and filed with the commissioner.~~

Sec. 42. Minnesota Statutes 2008, section 103G.305, subdivision 2, is amended to read:

Subd. 2. **Exception.** The requirements of subdivision 1 do not apply to applications for a water use permit for:

~~(1) appropriations from waters of the state for irrigation, under section 103G.295;~~

~~(2) appropriations for diversion from the basin of origin of more than 2,000,000 gallons per day average in a 30-day period; or~~

~~(3) (2) appropriations with a consumptive use of more than 2,000,000 gallons per day average for a 30-day period.~~

Sec. 43. Minnesota Statutes 2008, section 103G.315, subdivision 11, is amended to read:

Subd. 11. **Limitations on permits.** (a) Except as otherwise expressly provided by law, a permit issued by the commissioner under this chapter is subject to:

(1) cancellation by the commissioner at any time if necessary to protect the public interests;

(2) further conditions on the term of the permit or its cancellation as the commissioner may prescribe and amend and reissue the permit; and

(3) applicable law existing before or after the issuance of the permit.

(b) Permits issued to irrigate agricultural land ~~under section 103G.295, or considered issued,~~ are subject to this subdivision and are subject to cancellation by the commissioner upon the recommendation of the supervisors of the soil and water conservation district where the land to be irrigated is located.

Sec. 44. Minnesota Statutes 2008, section 103G.515, subdivision 5, is amended to read:

Subd. 5. **Removal of hazardous dams.** Notwithstanding any provision of this section or of section 103G.511 relating to cost sharing or apportionment, the commissioner, within the limits of legislative appropriation, may assume or pay the entire cost of removal of a privately or publicly owned dam upon determining removal provides the lowest cost solution and:



(1) that continued existence of the structure presents a significant public safety hazard, or prevents restoration of an important fisheries resource; or

(2) that public or private property is being damaged due to partial failure of the structure, ~~and that an attempt to assess costs of removal against the private or public owner would be of no avail.~~

Sec. 45. Minnesota Statutes 2008, section 103G.615, subdivision 2, is amended to read:

Subd. 2. **Fees.** (a) The commissioner shall establish a fee schedule for permits to control or harvest aquatic plants other than wild rice. The fees must be set by rule, and section 16A.1283 does not apply, but the rule must not take effect until 45 legislative days after it has been reported to the legislature. The fees shall be based upon the cost of receiving, processing, analyzing, and issuing the permit, and additional costs incurred after the application to inspect and monitor the activities authorized by the permit, and enforce aquatic plant management rules and permit requirements.

(b) A fee for a permit for the control of rooted aquatic vegetation for each contiguous parcel of shoreline owned by an owner may be charged. This fee may not be charged for permits issued in connection with purple loosestrife control or lakewide Eurasian water milfoil control programs.

(c) A fee may not be charged to the state or a federal governmental agency applying for a permit.

(d) A fee for a permit for the control of rooted aquatic vegetation in a public water basin that is 20 acres or less in size shall be one-half of the fee established under paragraph (a).

(e) The money received for the permits under this subdivision shall be deposited in the treasury and credited to the water recreation account.

**EFFECTIVE DATE.** This section is effective August 1, 2010.

**Sec. 46. [103G.651] REMOVING SUNKEN LOGS FROM PUBLIC WATERS PROHIBITED.**

The commissioner of natural resources must not issue leases to remove sunken logs or issue permits for the removal of sunken logs from public waters.

Sec. 47. Minnesota Statutes 2008, section 115A.02, is amended to read:

**115A.02 LEGISLATIVE DECLARATION OF POLICY; PURPOSES.**

(a) It is the goal of this chapter to protect the state's land, air, water, and other natural resources and the public health by improving waste management in the state to serve the following purposes:

(1) reduction in the amount and toxicity of waste generated;

(2) separation and recovery of materials and energy from waste;

(3) reduction in indiscriminate dependence on disposal of waste;

(4) coordination of solid waste management among political subdivisions; and

(5) orderly and deliberate development and financial security of waste facilities including disposal facilities.

(b) The waste management goal of the state is to foster an integrated waste management system

in a manner appropriate to the characteristics of the waste stream and thereby protect the state's land, air, water, and other natural resources and the public health. The following waste management practices are in order of preference:

- (1) waste reduction and reuse;
- (2) waste recycling;
- (3) composting of source-separated compostable materials, including but not limited to, yard waste and food waste;
- (4) resource recovery through mixed municipal solid waste composting or incineration;
- (5) land disposal which produces no measurable methane gas or which involves the retrieval of methane gas as a fuel for the production of energy to be used on-site or for sale; and
- (6) land disposal which produces measurable methane and which does not involve the retrieval of methane gas as a fuel for the production of energy to be used on-site or for sale.

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

Sec. 48. Minnesota Statutes 2008, section 116.07, subdivision 4, is amended to read:

Subd. 4. **Rules and standards.** (a) Pursuant and subject to the provisions of chapter 14, and the provisions hereof, the Pollution Control Agency may adopt, amend and rescind rules and standards having the force of law relating to any purpose within the provisions of Laws 1967, chapter 882, for the prevention, abatement, or control of air pollution. Any such rule or standard may be of general application throughout the state, or may be limited as to times, places, circumstances, or conditions in order to make due allowance for variations therein. Without limitation, rules or standards may relate to sources or emissions of air contamination or air pollution, to the quality or composition of such emissions, or to the quality of or composition of the ambient air or outdoor atmosphere or to any other matter relevant to the prevention, abatement, or control of air pollution.

(b) Pursuant and subject to the provisions of chapter 14, and the provisions hereof, the Pollution Control Agency may adopt, amend, and rescind rules and standards having the force of law relating to any purpose within the provisions of Laws 1969, chapter 1046, for the collection, transportation, storage, processing, and disposal of solid waste and the prevention, abatement, or control of water, air, and land pollution which may be related thereto, and the deposit in or on land of any other material that may tend to cause pollution. The agency shall adopt such rules and standards for sewage sludge, addressing the intrinsic suitability of land, the volume and rate of application of sewage sludge of various degrees of intrinsic hazard, design of facilities, and operation of facilities and sites. Any such rule or standard may be of general application throughout the state or may be limited as to times, places, circumstances, or conditions in order to make due allowance for variations therein. Without limitation, rules or standards may relate to collection, transportation, processing, disposal, equipment, location, procedures, methods, systems or techniques or to any other matter relevant to the prevention, abatement or control of water, air, and land pollution which may be advised through the control of collection, transportation, processing, and disposal of solid waste and sewage sludge, and the deposit in or on land of any other material that may tend to cause pollution. By January 1, 1983, the rules for the management of sewage sludge shall include an analysis of the sewage sludge determined by the commissioner of agriculture to be necessary to meet the soil amendment labeling requirements of section 18C.215.

(c) The rules for the disposal of solid waste shall include site-specific criteria to ~~prohibit solid waste disposal~~ determine site suitability based on the area's sensitivity to groundwater contamination, including site-specific testing. The rules shall provide criteria for locating landfills based on a site's sensitivity to groundwater contamination. Sensitivity to groundwater contamination is based on the predicted minimum time of travel of groundwater contaminants from the solid waste to the compliance boundary. The rules shall prohibit landfills in areas where karst is likely to develop. The rules shall specify testable or otherwise objective thresholds for these criteria. The rules shall also include modifications to financial assurance requirements under subdivision 4h that ensure the state is protected from financial responsibility for future groundwater contamination. The financial assurance and siting modifications to the rules specified in this paragraph do not apply to:

(1) solid waste facilities initially permitted before January 1, 2011, including future contiguous expansions and noncontiguous expansions within 600 yards of a permitted boundary;

(2) solid waste disposal facilities that accept only construction and demolition debris and incidental nonrecyclable packaging, and facilities that accept only industrial waste that is limited to wood, concrete, porcelain fixtures, shingles, or window glass resulting from the manufacture of construction materials; and

(3) requirements for permit by rule solid waste disposal facilities.

(d) Until the rules are modified as provided in paragraph (c) to include site-specific criteria to ~~prohibit areas from~~ determine site suitability for solid waste disposal due to groundwater contamination sensitivity, as required under this section, the agency shall not issue a permit for a new solid waste disposal facility, except for:

(1) the reissuance of a permit for a land disposal facility operating as of March 1, 2008;

(2) a permit to expand a land disposal facility operating as of March 1, 2008, beyond its permitted boundaries, including expansion on land that is not contiguous to, but is located within 600 yards of, the land disposal facility's permitted boundaries;

(3) a permit to modify the type of waste accepted at a land disposal facility operating as of March 1, 2008;

(4) a permit to locate a disposal facility that accepts only construction debris as defined in section 115A.03, subdivision 7;

(5) a permit to locate a disposal facility that:

(i) accepts boiler ash from an electric energy power plant that has wet scrubbed units or has units that have been converted from wet scrubbed units to dry scrubbed units as those terms are defined in section 216B.68;

(ii) is on land that was owned on May 1, 2008, by the utility operating the electric energy power plant; and

(iii) is located within three miles of the existing ash disposal facility for the power plant; or

(6) a permit to locate a new solid waste disposal facility for ferrous metallic minerals regulated under Minnesota Rules, chapter 6130, or for nonferrous metallic minerals regulated under

Minnesota Rules, chapter 6132.

(e) Pursuant and subject to the provisions of chapter 14, and the provisions hereof, the Pollution Control Agency may adopt, amend and rescind rules and standards having the force of law relating to any purpose within the provisions of Laws 1971, chapter 727, for the prevention, abatement, or control of noise pollution. Any such rule or standard may be of general application throughout the state, or may be limited as to times, places, circumstances or conditions in order to make due allowances for variations therein. Without limitation, rules or standards may relate to sources or emissions of noise or noise pollution, to the quality or composition of noises in the natural environment, or to any other matter relevant to the prevention, abatement, or control of noise pollution.

(f) As to any matters subject to this chapter, local units of government may set emission regulations with respect to stationary sources which are more stringent than those set by the Pollution Control Agency.

(g) Pursuant to chapter 14, the Pollution Control Agency may adopt, amend, and rescind rules and standards having the force of law relating to any purpose within the provisions of this chapter for generators of hazardous waste, the management, identification, labeling, classification, storage, collection, treatment, transportation, processing, and disposal of hazardous waste and the location of hazardous waste facilities. A rule or standard may be of general application throughout the state or may be limited as to time, places, circumstances, or conditions. In implementing its hazardous waste rules, the Pollution Control Agency shall give high priority to providing planning and technical assistance to hazardous waste generators. The agency shall assist generators in investigating the availability and feasibility of both interim and long-term hazardous waste management methods. The methods shall include waste reduction, waste separation, waste processing, resource recovery, and temporary storage.

(h) The Pollution Control Agency shall give highest priority in the consideration of permits to authorize disposal of diseased shade trees by open burning at designated sites to evidence concerning economic costs of transportation and disposal of diseased shade trees by alternative methods.

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

Sec. 49. Minnesota Statutes 2008, section 116.07, subdivision 4h, is amended to read:

Subd. 4h. **Financial responsibility rules.** (a) The agency shall adopt rules requiring the operator or owner of a solid waste disposal facility to submit to the agency proof of the operator's or owner's financial capability to provide reasonable and necessary response during the operating life of the facility and for a minimum of 30 years after closure for a mixed municipal solid waste disposal facility or for a minimum of 20 years after closure, as determined by agency rules, for any other solid waste disposal facility, and to provide for the closure of the facility and postclosure care required under agency rules. Proof of financial responsibility is required of the operator or owner of a facility receiving an original permit or a permit for expansion after adoption of the rules. Within 180 days of the effective date of the rules or by July 1, 1987, whichever is later, proof of financial responsibility is required of an operator or owner of a facility with a remaining capacity of more than five years or 500,000 cubic yards that is in operation at the time the rules are adopted. Compliance with the rules and the requirements of paragraph (b) is a condition of obtaining or retaining a permit to operate the facility.

(b) A municipality, as defined in section 475.51, subdivision 2, including a sanitary district, that owns or operates a solid waste disposal facility that was in operation on May 15, 1989, may meet its financial responsibility for all or a portion of the contingency action portion of the reasonable and necessary response costs at the facility by pledging its full faith and credit to meet its responsibility.

The pledge must be made in accordance with the requirements in chapter 475 for issuing bonds of the municipality, and the following additional requirements:

(1) The governing body of the municipality shall enact an ordinance that clearly accepts responsibility for the costs of contingency action at the facility and that reserves, during the operating life of the facility and for the time period required in paragraph (a) after closure, a portion of the debt limit of the municipality, as established under section 475.53 or other law, that is equal to the total contingency action costs.

(2) The municipality shall require that all collectors that haul to the facility implement a plan for reducing solid waste by using volume-based pricing, recycling incentives, or other means.

(3) When a municipality opts to meet a portion of its financial responsibility by relying on its authority to issue bonds, it shall also begin setting aside in a dedicated long-term care trust fund money that will cover a portion of the potential contingency action costs at the facility, the amount to be determined by the agency for each facility based on at least the amount of waste deposited in the disposal facility each year, and the likelihood and potential timing of conditions arising at the facility that will necessitate response action. The agency may not require a municipality to set aside more than five percent of the total cost in a single year.

(4) A municipality shall have and consistently maintain an investment grade bond rating as a condition of using bonding authority to meet financial responsibility under this section.

(5) The municipality shall file with the commissioner of revenue its consent to have the amount of its contingency action costs deducted from state aid payments otherwise due the municipality and paid instead to the remediation fund created in section 116.155, if the municipality fails to conduct the contingency action at the facility when ordered by the agency. If the agency notifies the commissioner that the municipality has failed to conduct contingency action when ordered by the agency, the commissioner shall deduct the amounts indicated by the agency from the state aids in accordance with the consent filed with the commissioner.

(6) The municipality shall file with the agency written proof that it has complied with the requirements of paragraph (b).

(c) The method for proving financial responsibility under paragraph (b) may not be applied to a new solid waste disposal facility or to expansion of an existing facility, unless the expansion is a vertical expansion. Vertical expansions of qualifying existing facilities cannot be permitted for a duration of longer than three years.

(d) The commissioner shall consult with the commissioner of management and budget for guidance on the forms of financial assurance that are acceptable for private owners and public owners, and in carrying out a periodic review of the adequacy of financial assurance for solid waste disposal facilities. Financial assurance rules shall allow financial mechanisms to public owners of solid waste disposal facilities that are appropriate to their status as subdivisions of the state.

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

Sec. 50. Minnesota Statutes 2008, section 290.431, is amended to read:

**290.431 NONGAME WILDLIFE CHECKOFF.**

Every individual who files an income tax return or property tax refund claim form may designate on their original return that \$1 or more shall be added to the tax or deducted from the refund that would otherwise be payable by or to that individual and paid into an account to be established for the management of nongame wildlife. The commissioner of revenue shall, on the income tax return and the property tax refund claim form, notify filers of their right to designate that a portion of their tax or refund shall be paid into the nongame wildlife management account. The sum of the amounts so designated to be paid shall be credited to the nongame wildlife management account for use by the nongame program ~~of the section of wildlife~~ in the Department of Natural Resources. All interest earned on money accrued, gifts to the program, contributions to the program, and reimbursements of expenditures in the nongame wildlife management account shall be credited to the account by the commissioner of management and budget, except that gifts or contributions received directly by the commissioner of natural resources and directed by the contributor for use in specific nongame field projects or geographic areas shall be handled according to section 84.085, subdivision 1. The commissioner of natural resources shall submit a work program for each fiscal year and semiannual progress reports to the Legislative-Citizen Commission on Minnesota Resources in the form determined by the commission. ~~None of the money provided in this section may be expended unless the commission has approved the work program.~~

The state pledges and agrees with all contributors to the nongame wildlife management account to use the funds contributed solely for the management of nongame wildlife projects and further agrees that it will not impose additional conditions or restrictions that will limit or otherwise restrict the ability of the commissioner of natural resources to use the available funds for the most efficient and effective management of nongame wildlife. The commissioner may use funds appropriated for nongame wildlife programs for the purpose of developing, preserving, restoring, and maintaining wintering habitat for neotropical migrant birds in Latin America and the Caribbean under agreement or contract with any nonprofit organization dedicated to the construction, maintenance, and repair of such projects that are acceptable to the governmental agency having jurisdiction over the land and water affected by the projects. Under this authority, the commissioner may execute agreements and contracts if the commissioner determines that the use of the funds will benefit neotropical migrant birds that breed in or migrate through the state.

Sec. 51. Minnesota Statutes 2008, section 290.432, is amended to read:

**290.432 CORPORATE NONGAME WILDLIFE CHECKOFF.**

A corporation that files an income tax return may designate on its original return that \$1 or more shall be added to the tax or deducted from the refund that would otherwise be payable by or to that corporation and paid into the nongame wildlife management account established by section 290.431 for use by ~~the section of wildlife~~ in the Department of Natural Resources for its nongame wildlife program. The commissioner of revenue shall, on the corporate tax return, notify filers of their right to designate that a portion of their tax return be paid into the nongame wildlife management account for the protection of endangered natural resources. All interest earned on money accrued, gifts to the program, contributions to the program, and reimbursements of expenditures in the nongame wildlife management account shall be credited to the account by the commissioner of management and budget, except that gifts or contributions received directly by the commissioner of natural resources

and directed by the contributor for use in specific nongame field projects or geographic areas shall be handled according to section 84.085, subdivision 1. The commissioner of natural resources shall submit a work program for each fiscal year to the Legislative-Citizen Commission on Minnesota Resources in the form determined by the commission. ~~None of the money provided in this section may be spent unless the commission has approved the work program.~~

The state pledges and agrees with all corporate contributors to the nongame wildlife account to use the funds contributed solely for the nongame wildlife program and further agrees that it will not impose additional conditions or restrictions that will limit or otherwise restrict the ability of the commissioner of natural resources to use the available funds for the most efficient and effective management of those programs.

Sec. 52. Laws 2010, chapter 215, article 3, section 4, subdivision 10, is amended to read:

**Subd. 10. Transfers In**

(a) By June 30, 2010, the commissioner of management and budget shall transfer any remaining balance, estimated to be \$98,000, from the stream protection and improvement fund under Minnesota Statutes, section 103G.705, to the general fund. Beginning in fiscal year 2011, all repayment of loans made and administrative fees assessed under Minnesota Statutes, section 103G.705, estimated to be \$195,000 in 2011, must be transferred to the general fund.

(b) The balance of surcharges on criminal and traffic offenders, estimated to be \$900,000, and credited to the game and fish fund under Minnesota Statutes, section 357.021, subdivision 7, and collected before June 30, 2010, must be transferred to the general fund.

(c) The appropriation in Laws 2007, First Special Session chapter 2, article 1, section 8, transferred to the appropriation in Laws 2007, First Special Session chapter 2, article 1, section 5, for cost-share flood programs in southeastern Minnesota, is reduced by \$335,000 and that amount is canceled to the general fund.

(d) Before June 30, 2011, the commissioner of management and budget shall transfer \$1,000,000 from the fleet management account in the special revenue fund established under Minnesota Statutes, section

84.0856, to the general fund.

**Sec. 53. SUBSURFACE SEWAGE TREATMENT SYSTEMS ORDINANCE ADOPTION DELAY.**

(a) Notwithstanding Minnesota Statutes, section 115.55, subdivision 2, a county may adopt an ordinance by February 4, 2012, to comply with the February 4, 2008, revisions to subsurface sewage treatment system rules. A county must continue to enforce its current ordinance until a new one has been adopted.

(b) By January 15, 2011, the agency, after consultation with the Board of Water and Soil Resources and the Association of Minnesota Counties, shall report to the chairs and ranking minority members of the senate and house of representatives environment and natural resources policy and finance committees and divisions on:

(1) the technical changes in the rules for subsurface sewage treatment systems that were adopted on February 4, 2008;

(2) the progress in local adoption of ordinances to comply with the rules; and

(3) the progress in protecting the state's water resources from pollution due to subsurface sewage treatment systems.

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

**Sec. 54. DEPARTMENT OF NATURAL RESOURCES LONG-RANGE BUDGET ANALYSIS.**

(a) The commissioner of natural resources, in consultation with the commissioner of management and budget, shall estimate the total amount of funding available from all sources for each of the following land management categories: wildlife management areas; state forests; scientific and natural areas; aquatic management areas; public water access sites; and prairie bank easements. The commissioner of natural resources shall prepare a ten-year budget analysis of the department's ongoing land management needs, including restoration of each parcel needing restoration. The analysis shall include:

(1) an analysis of the needs of wildlife management areas, including identification of internal systemwide guidelines on the proper frequency for activities such as controlled burns, tree and woody biomass removal, and brushland management;

(2) an analysis of state forests needs, including identification of internal systemwide guidelines on the proper frequency for forest management activities;

(3) an analysis of scientific and natural areas needs, including identification of internal systemwide guidelines on the proper frequency for management activities;

(4) an analysis of aquatic management areas needs, including identification of internal systemwide guidelines on the proper frequency for management activities; and

(5) an analysis of the needs of the state's public water access sites, including identification of internal systemwide guidelines on the proper frequency for management activities.



(b) The commissioner shall compare the estimate of the total amount of funding available to the department's ongoing management needs to determine:

(1) the amount necessary to manage, restore, and maintain existing wildlife management areas, state forests, scientific and natural areas, aquatic management areas, public water access sites, and prairie bank easements; and

(2) the amount necessary to expand upon each of the existing wildlife management areas, state forests, scientific and natural areas, aquatic management areas, public water access sites, and prairie bank easement programs, including the feasibility of the department's existing long-range plans, if applicable, for each program.

(c) The commissioner of natural resources shall submit the analysis to the chairs of the house of representatives and senate committees with jurisdiction over environment and natural resources finance and cultural and outdoor resources finance by October 15, 2010.

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

**Sec. 55. SOLID WASTE FACILITY FINANCIAL ASSURANCE MECHANISMS; INPUT.**

Within six months after the effective date of this section, and before publishing the rules required for groundwater sensitivity and financial assurance in Minnesota Statutes, section 116.07, subdivision 4, the Pollution Control Agency shall consult with experts and interested persons on financial assurance adequacy for solid waste facilities, including, but not limited to, staff from the Department of Natural Resources, Minnesota Management and Budget, local governments, private and public landfill operators, and environmental groups. The commissioner shall seek the input to determine the adequacy of existing financial assurance rules to address environmental risks, the length of time financial assurance is needed, based on the threat to human health and the environment, the reliability of financial assurance in covering risks from land disposal of waste in Minnesota and other states, and the role of private insurance.

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

**Sec. 56. WIND ENERGY SYSTEMS ON STATE-OWNED LANDS; REPORT.**

By February 15, 2011, the commissioner of natural resources shall report to the senate and house of representatives environment and natural resource policy and finance committees and divisions on the use of state-owned lands for wind energy systems. The report shall include:

(1) information on the benefits and costs of using state-owned lands for wind energy systems;

(2) the effects of wind energy systems on state-owned lands;

(3) recommendations for a regulatory system and restrictions that will be necessary to protect the state's land and water resources when using state-owned lands for wind energy systems; and

(4) identification of state-owned lands that would be suitable for wind energy systems and state-owned lands that would be unsuitable, including recommendations for restrictions on the use of state-owned lands based on their designation as units of the outdoor recreation system under Minnesota Statutes, section 86A.05.

**Sec. 57. APPROPRIATION; DEPARTMENT OF NATURAL RESOURCES PEACE OFFICER TRAINING.**

\$145,000 in fiscal year 2011 is appropriated from the game and fish fund to the commissioner of natural resources for peace officer training for employees of the Department of Natural Resources who are licensed under Minnesota Statutes, sections 626.84 to 626.863, to enforce game and fish laws. This appropriation is from the money credited to the game and fish fund under Minnesota Statutes, section 357.021, subdivision 7, paragraph (a), clause (1), from surcharges assessed to criminal and traffic offenders. This is a onetime appropriation.

**Sec. 58. APPROPRIATION; STATE WATER TRAILS.**

\$60,000 is appropriated in fiscal year 2011 from the water recreation account in the natural resources fund to the commissioner of natural resources to cooperate with local units of government in marking state water trails under Minnesota Statutes, section 85.32; acquiring and developing river accesses and campsites; and removing obstructions that may cause public safety hazards. This is a onetime appropriation and available until spent.

**Sec. 59. APPROPRIATION; MOOSE TRAIL.**

\$100,000 in fiscal year 2011 is appropriated to the commissioner of natural resources from the all-terrain vehicle account in the natural resources fund for a grant to the city of Hoyt Lakes to convert the Moose Trail snowmobile trail to a dual usage trail, so that it may also be used as an off-highway vehicle trail connecting the city of Biwabik to the Iron Range Off-Highway Vehicle Recreation Area. This is a onetime appropriation and is available until spent.

**Sec. 60. APPROPRIATION; ECOLOGICAL CLASSIFICATION PROGRAM.**

\$250,000 in fiscal year 2011 is appropriated from the heritage enhancement account in the game and fish fund to the commissioner of natural resources to maintain and expand the ecological classification program on state forest lands. This is a onetime appropriation.

**Sec. 61. PARKS AND TRAILS APPROPRIATION; LOTTERY-IN-LIEU REVENUE.**

\$300,000 in fiscal year 2011 is appropriated from the natural resources fund to the commissioner of natural resources for state park, state recreation area, and state trail operations. This is from the revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (2).

\$300,000 in fiscal year 2011 is appropriated from the natural resources fund to the Metropolitan Council for metropolitan area regional parks and trails maintenance and operations. This is from the revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (3).

**Sec. 62. REVISOR'S INSTRUCTION.**

(a) The revisor of statutes shall change the term "horse trail pass" to "horse pass" wherever it appears in Minnesota Statutes and Minnesota Rules.

(b) The revisor of statutes shall change the term "canoe and boating routes" or similar term to "state water trails" or similar term wherever it appears in Minnesota Statutes and Minnesota Rules.

(c) The revisor of statutes shall change the term "Minnesota Conservation Corps" to "Conservation Corps Minnesota" wherever it appears in Minnesota Statutes.

Sec. 63. **REPEALER.**

(a) Minnesota Statutes 2008, sections 84.02, subdivisions 1, 2, 3, 4, 5, 6, 7, and 8; 90.172; 97B.665, subdivision 1; 103G.295; and 103G.650, are repealed.

(b) Minnesota Statutes 2009 Supplement, sections 3.3006; and 84.02, subdivisions 4a, 6a, and 6b, are repealed.

### ARTICLE 3

#### REORGANIZATION

##### Section 1. ENVIRONMENT AND NATURAL RESOURCES ORGANIZATION ADVISORY COMMITTEE.

Subdivision 1. **Membership.** (a) The Environment and Natural Resources Organization Advisory Committee of 18 members is created to advise the legislature and governor on an organization for state agencies and local governments to administer environment and natural resource policies. The advisory committee shall consist of:

(1) four public members appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration;

(2) two members of the senate, including one member appointed by the majority leader and one member appointed by the minority leader;

(3) four public members appointed by the speaker of the house;

(4) two members of the house of representatives, including one member appointed by the speaker of the house and one member appointed by the house minority leader; and

(5) six public members appointed by the governor.

The appointing authorities shall consider geographic balance in making the appointments. The senate appointments must include a representative of city government. The house of representatives appointments must include a representative from county government. The governor's appointments must include one representing soil and water conservation districts, one representing watershed districts, and one representing tribal governments. All appointments to the advisory committee shall have experience or expertise in the science, policy, or practice of the protection, conservation, preservation, and enhancement of the state's environment and natural resources and have strong knowledge in the state's environment and natural resource issues around the state. All appointments shall be made by August 15, 2010.

(b) Public members of the advisory committee are entitled to reimbursement for per diem expenses, plus travel expenses incurred in the services of the advisory committee, as provided in Minnesota Statutes, section 15.059.

(c) Members shall elect a chair. The chair shall preside and convene meetings as often as necessary to conduct duties prescribed by this section. Meetings of the advisory committee shall

be held in all regions of the state.

(d) The Department of Management and Budget shall provide for administrative services to the advisory committee. The commissioner of management and budget shall convene the first organizational meeting of the advisory committee by September 1, 2010.

Subd. 2. **Duties.** The advisory committee shall recommend a structure to provide an efficient and effective organization for state agencies and local governments to administer environment and natural resource policies. In making its recommendations, the advisory committee shall consider structures of organization that will provide for the protection, conservation, preservation, and enhancement of the state's environment and natural resources and will accomplish:

- (1) a reduction in redundant management personnel;
  - (2) accountability to the public;
  - (3) consolidation of project-permitting functions;
  - (4) professionalism in the provision of services;
  - (5) reduced political influence in the process;
  - (6) enhancing public participation and interaction with the public;
  - (7) alignment of services to meet current and expected future needs;
  - (8) utilization of new technology;
  - (9) providing assistance to businesses that will create and maintain jobs for the green economy;
- and
- (10) a reduction in overall personnel needed that will be accomplished through attrition.

Subd. 3. **Public meetings.** Meetings of the advisory committee and task forces of the advisory committee must be open to the public. For purposes of this subdivision, a meeting occurs when a quorum is present and action is taken regarding a matter within the jurisdiction of the advisory committee and task forces of the advisory committee. Enforcement of this subdivision is governed by Minnesota Statutes, section 13D.06, subdivisions 1 and 2.

Subd. 4. **Intergovernmental task force.** By October 15, 2010, the advisory committee shall establish a task force to assist in coordinating state and local environmental and natural resource programs and requirements. The membership of the task force must include equal and broad representation of state and local government units. By June 15, 2011, the task force shall provide a report to the advisory committee on recommendations for coordinating, streamlining, and consolidating state and local programs, requirements, and functions relating to natural resources and the environment.

Subd. 5. **Employee participation task force.** By October 15, 2010, the advisory committee shall establish a task force to identify employer and employee issues that will need to be considered in a reorganization of state agencies responsible for administering environment and natural resource policies. The task force must include representatives from both management and nonmanagement personnel from each agency affected under sections 2 to 4. By June 15, 2011, the task force shall

provide a report to the advisory committee on employee issues to consider in reorganizing state environment and natural resource agencies.

Subd. 6. **Stakeholder task force.** By October 15, 2010, the advisory committee shall establish a stakeholder task force to provide input on stakeholder concerns and recommendations for reorganization. Membership of the stakeholder task force must include an equal and broad representation of environment and natural resource stakeholders. By June 15, 2011, the task force shall provide a report to the advisory committee on stakeholder issues to consider in reorganizing state environment and natural resource agencies.

Subd. 7. **Advisory committee report.** The advisory committee shall prepare a report on its recommendations for an efficient and effective organization for state agencies and local governments to administer environment and natural resource policies. By August 15, 2011, the report must be submitted to the governor and to the house of representatives and senate environment, natural resources, and agricultural policy and finance committees and divisions. The advisory committee report shall include copies of the task force reports submitted under subdivisions 4 to 6.

Subd. 8. **Sunset.** The advisory committee and all task forces authorized by this section expire on September 1, 2011.

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

## Sec. 2. **CONSIDERATION OF AGENCIES.**

The Department of Natural Resources, the Board of Water and Soil Resources, and the Pollution Control Agency shall be considered by the advisory committee established under section 1.

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

## Sec. 3. **POWERS AND DUTIES FROM OTHER AGENCIES.**

Subdivision 1. **Department of Agriculture.** The following powers and duties of the Department of Agriculture shall be considered by the advisory committee established under section 1:

(1) regulation of fertilizers, soil amendments, agricultural liming, and plant amendments under Minnesota Statutes, chapter 18C;

(2) pesticide control under Minnesota Statutes, chapter 18B;

(3) agriculture chemical incident response and cleanup under Minnesota Statutes, chapter 18D;

(4) chemical incident reimbursement under Minnesota Statutes, chapter 18E;

(5) genetically engineered organisms under Minnesota Statutes, chapter 18F;

(6) urban forest promotion under Minnesota Statutes, section 17.86;

(7) groundwater protection under Minnesota Statutes, chapter 103H; and

(8) oil and hazardous substance discharge preparedness under Minnesota Statutes, chapter 115E.

Subd. 2. **Department of Health.** The following powers and duties of the Department of Health shall be considered by the advisory committee established under section 1:

- (1) water well program under Minnesota Statutes, chapter 103I;
  - (2) safe drinking water program under Minnesota Statutes, sections 144.381 to 144.387;
  - (3) health risk assessment under Minnesota Statutes, section 115B.17, subdivision 10;
  - (4) domestic water supply protection under Minnesota Statutes, sections 144.35 to 144.37;
  - (5) asbestos contractor licensing under Minnesota Statutes, sections 326.70 to 326.81;
  - (6) public health laboratory regulation under Minnesota Statutes, sections 144.97 to 144.98;
  - (7) lead poisoning prevention under Minnesota Statutes, sections 144.9501 to 144.9512;
  - (8) hazardous substance exposure under Minnesota Statutes, section 145.94;
  - (9) mosquito research under Minnesota Statutes, section 144.95;
  - (10) environmental health tracking under Minnesota Statutes, sections 144.995 to 144.998;
  - (11) water supply monitoring and health assessments under Minnesota Statutes, section 116.155;
- and
- (12) health risk limits under Minnesota Statutes, section 103H.201.

Subd. 3. **Department of Commerce.** The following powers and duties of the Department of Commerce shall be considered by the advisory committee established under section 1: energy planning and conservation under Minnesota Statutes, chapter 216C.

Subd. 4. **Department of Transportation.** The following powers and duties of the Department of Transportation shall be considered by the advisory committee established under section 1: oil and hazardous substance discharge preparedness under Minnesota Statutes, chapter 115E.

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

Sec. 4. **CONSIDERATION OF BOARDS.**

The Environmental Quality Board, the Harmful Substances Compensation Board, the Petroleum Tank Release Compensation Board, and the Agricultural Chemical Response Compensation Board shall be considered by the advisory committee established under section 1.

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

Sec. 5. **APPROPRIATION.**

\$30,000 in fiscal year 2011 is appropriated from the environmental fund to the commissioner of management and budget for administrative expenses of the Environment and Natural Resources Organization Advisory Committee and for compensation and expense reimbursement of advisory committee members. This is a onetime appropriation and is available until September 1, 2011.

**ARTICLE 4**

**STATE LANDS**

Section 1. Minnesota Statutes 2008, section 84.0272, subdivision 2, is amended to read:

Subd. 2. **Stream easements.** (a) Notwithstanding subdivision 1, the commissioner may acquire permanent stream easements for angler access, fish management, and habitat work for a onetime payment based on a value attributed to both the stream and the easement corridor. The payment shall equal:

(1) the per linear foot of stream within the easement corridor times \$5; plus

(2) the easement corridor acres times the estimated market value.

(b) The estimated market value is equal to:

(1) the total farm market value plus the timberlands value agricultural market value plus the rural vacant market value plus the managed forest market value; divided by

(2) the acres of deeded farmland plus the acres of timber agricultural land plus the rural vacant land plus the managed forest land.

(c) The total farm market value, timberlands value, acres of deeded farmland, and acres of timber agricultural market value, rural vacant market value, and managed forest market value or equivalent are determined from data collected by the Department of Revenue during its annual spring mini abstract survey. If the Department of Revenue changes its property type groups for its annual spring mini abstract survey, the agricultural market value, the rural vacant market value, and the managed forest market value shall be determined by the commissioner from data collected by the Department of Revenue in a manner that provides the most reasonable substitute for the market values as presently reported. The commissioner must use the most recent available data for the city or township within which the easement corridor is located.

(d) The commissioner shall periodically review the easement payment rates under this subdivision to determine whether the stream easement payments reflect current shoreland market values. If the commissioner determines that the easements do not reflect current shoreland market values, the commissioner shall report to the senate and house of representatives natural resources policy committees with recommendations for changes to this subdivision that are necessary for the stream easement payment rates to reflect current shoreland market values. The recommendations may include an adjustment to the dollar amount in paragraph (a), clause (1).

Sec. 2. Minnesota Statutes 2008, section 85.012, subdivision 40, is amended to read:

Subd. 40. McCarthy Beach State Park, St. Louis County and Itasca Counties, which is hereby renamed from McCarthy Beach Memorial State Park.

Sec. 3. **[85.0144] HILL-ANNEX MINE STATE PARK; HISTORIC PROPERTY EXEMPTION.**

In accordance with Laws 1988, chapter 686, article 1, section 53, that provided that mining may be conducted on Hill-Annex Mine State Park in the future and that portions of the surface estate may be necessary for these mining operations, section 138.665, subdivision 2, does not apply to the removal of any taconite or any iron-bearing material stockpiles within the Hill-Annex Mine State Park.

Sec. 4. Minnesota Statutes 2008, section 89.032, subdivision 2, is amended to read:

Subd. 2. **Acquisition for state forests.** The commissioner may acquire lands or interest in lands

for state forest purposes. The land or interests in land may be subject to mineral reservations.

Sec. 5. Laws 2008, chapter 368, article 1, section 34, as amended by Laws 2009, chapter 176, article 4, section 2, is amended to read:

**Sec. 34. PRIVATE SALE OF SURPLUS STATE LAND; HENNEPIN COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 94.09 to 94.16, the commissioner of natural resources shall sell to the city of Wayzata the surplus land that is described in paragraph (c) ~~upon verification that the city has acquired the adjacent parcel, currently occupied by a gas station.~~

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy. The commissioner may sell the land described in paragraph (c) to the city of Wayzata, for ~~up to \$75,000 plus transaction costs~~ \$1, but the conveyance must provide that the land described in paragraph (c) be used for a public road and reverts to the state if the city of Wayzata fails to provide for public use of the land as a road or abandons the public use of the land.

(c) The land that may be sold is located in Hennepin County and is described as: Tract F, Registered Land Survey No. 1168.

(d) The Department of Natural Resources has determined that the state's land management interests would best be served if the land was conveyed to the city of Wayzata.

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

Sec. 6. Laws 2009, chapter 176, article 4, section 9, is amended to read:

**Sec. 9. PRIVATE SALE OF SURPLUS LAND; CLEARWATER COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 94.09 and 94.10, the commissioner of natural resources may sell by private sale the surplus land that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy. The commissioner may sell the land to the White Earth Band of Ojibwe for ~~less than the value of the land as determined by the commissioner~~ \$1, but the conveyance must provide that the land be used for the public and reverts to the state if the band fails to provide for public use or abandons the public use of the land. The conveyance may reserve an easement for ingress and egress.

(c) The land that may be sold is located in Clearwater County and is described as: the West 400 feet of the South 750 feet of Government Lot 3, Section 31, Township 145 North, Range 38 West, containing 6.89 acres, more or less.

(d) The Department of Natural Resources has determined that the land and building are no longer needed for natural resource purposes.

**Sec. 7. ADDITIONS TO STATE PARKS.**

**Subdivision 1. [85.012] [Subd. 19.] Forestville Mystery Cave State Park, Fillmore County.**  
The following areas are added to Forestville Mystery Cave State Park, all in Fillmore County:

(1) commencing at the northeast corner of Section 14, Township 102 North, Range 12 West;



thence West 1,608.8 feet; thence South 2 degrees 50 minutes West 1,260.4 feet; thence North 89 degrees 57 minutes West 656 feet; thence South 0 degrees 39 minutes West 541.4 feet; thence North 89 degrees 57 minutes West 302.7 feet; thence South 0 degrees 39 minutes West 347.1 feet; thence South 89 degrees 58 minutes East 132 feet; thence South 0 degrees 39 minutes West 496 feet; thence South 89 degrees 58 minutes East 495 feet; thence South 54 degrees East 990 feet; thence South 39 degrees East 295 feet; thence South 84 degrees East 594 feet; thence South 64 degrees East 148.5 feet; thence South 66 degrees East 462 feet; thence North 0 degrees 45 minutes East 3763 feet to beginning;

(2) that part of the East Half of the Southeast Quarter of Section 14, Township 102 North, Range 12 West, lying North of the south bank of the North Branch Creek, also known as Forestville Creek. Said parcel of real estate being more fully described as follows: commencing at the northeast corner of Section 14, proceed West, a distance of 1,608.8 feet; thence South 2 degrees 50 minutes West a distance of 1,260.4 feet; thence North 89 degrees 57 minutes West, a distance of 656 feet; thence South 0 degrees 39 minutes West, a distance of 541.4 feet to the beginning corner. From the point of beginning, continue North 89 degrees 57 minutes West, a distance of 302.7 feet; thence South 0 degrees 39 minutes West a distance of 347.1 feet; thence South 89 degrees 58 minutes East, a distance of 132 feet; thence South 0 degrees 39 minutes West, a distance of 496 feet; thence South 89 degrees 58 minutes East a distance of 363 feet; thence South 54 degrees East 990 feet; thence South 39 degrees East 295 feet; thence South 84 degrees East 594 feet; thence South 64 degrees East 148.5 feet; thence South 66 degrees East 462 feet, to the section line; thence North on the section line, a distance of 1,783 feet; thence North 85 degrees 34 minutes West a distance of 2,340.2 feet to the beginning corner;

(3) the South Half of the Northeast Quarter of Section 23, Township 102, Range 12, Fillmore County, Minnesota, except the South Half of the Southeast Quarter of the Southeast Quarter of said Northeast Quarter, and also except that part thereof lying West of the center of County Road No. 12;

(4) that part of the North Half of the Southwest Quarter of Section 23, Township 102, Range 12, Fillmore County, Minnesota, lying northerly and easterly of the following described line: commencing at a point 288.4 feet North of the southwest corner of the Northwest Quarter of the Southwest Quarter of said Section 23; thence North 132 feet, to the point of beginning of the line to be described; thence East 1,800 feet, to the center of river; thence South 6 degrees East 133 feet to intersect the hereinafter described Line X; thence easterly along said Line X to the hereinafter described Point A; thence South, parallel with the west line of said Southwest Quarter to the south line of said North Half of said Southwest Quarter and said line there terminating. Said Line X and Point A being described as follows: commencing at the southwest corner of the Northwest Quarter of the Southwest Quarter of said Section 23; thence running North 4.37 chains; thence East, along a line referred to as Line X in the above description, a distance of 27.25 chains to a point referred to as Point A in the above description;

(5) the East Half of the Southeast Quarter of the Southwest Quarter of Section 23, Township 102, Range 12, Fillmore County, Minnesota; and

(6) the Southeast Quarter of Section 23, Township 102, Range 12, Fillmore County, Minnesota, except the North Half of the Northeast Quarter of the Northeast Quarter of said Southeast Quarter.

Subd. 2. [85.012] [Subd. 31.] Judge C. R. Magney State Park, Cook County. The following areas are added to Judge C. R. Magney State Park, all in Cook County: the Northwest Quarter of

the Northwest Quarter, the Northeast Quarter of the Northwest Quarter, and the Northwest Quarter of the Northeast Quarter, all in Section 5, Township 62 North, Range 3 East.

Subd. 3. [85.012] [Subd. 54.] Split Rock Lighthouse State Park, Lake County. The following areas are added to Split Rock Lighthouse State Park, all in Lake County: the Southeast Quarter of the Northwest Quarter and the Southwest Quarter of the Northeast Quarter, all in Section 32, Township 55 North, Range 8 West.

Subd. 4. [85.012] [Subd. 55a.] Tettegouche State Park, Lake County. The following areas are added to Tettegouche State Park:

(1) that part of Government Lot 2, Section 15, Township 56, Range 7, Lake County, Minnesota, described as follows: commencing at the quarter corner between said Section 15 and Section 22, Township 56, Range 7; thence East, along the section line between said Sections 15 and 22, a distance of 503.0 feet; thence northeasterly, deflecting to the left 75 degrees 00 minutes a distance of 425.0 feet, to a point designated by a two-inch iron pipe, being the point of beginning; thence northwesterly, to a point on the west line of said Lot 2 distant approximately 970.0 feet North of said quarter corner between Sections 15 and 22; thence North along said west line to the northwest corner of said Lot 2; thence East, along the north line of said Lot 2, approximately 240.0 feet; thence in a southeasterly direction to a point on the east side of a point of rocks projecting into Lake Superior, being marked by an X; thence in a southwesterly direction, along the shore of said Lake Superior to the point of beginning. (X mark on rock being in line making a deflection angle of 45 degrees 51 minutes to the left with the east-west section line from a point on the section line 503.0 feet East of the quarter corner between said Sections 15 and 22 and being approximately 830 feet from said point on said section line.); and

(2) the Northeast Quarter of the Southwest Quarter of Section 15, Township 56, Range 7, Lake County, Minnesota.

#### Sec. 8. DELETIONS FROM STATE PARKS.

Subdivision 1. [85.012] [Subd. 1a.] Afton State Park, Washington County. The following area is deleted from Afton State Park: all that part of the Southwest Quarter of Section 3, Township 27, Range 20, Washington County, Minnesota, embraced within the recorded plat of ALPS ESTATES.

Subd. 2. [85.012] [Subd. 14.] Crow Wing State Park, Crow Wing, Cass, and Morrison Counties. The following areas are deleted from Crow Wing State Park:

(1) all that part of Government Lots 7 and 8, Section 24, Township 44, Range 32, Crow Wing County, Minnesota, embraced within the recorded plat of RED RIVER TRAIL; and

(2) all that part of Government Lot 7, Section 24, Township 44, Range 32, Crow Wing County, Minnesota, embraced within the recorded plat of LOGGER RUN.

Subd. 3. [85.012] [Subd. 21.] Frontenac State Park, Goodhue County. The following area is deleted from Frontenac State Park: that part of the Southeast Quarter, Section 11, Township 112 North, Range 13 West, being described as BLOCK P, GARRARD'S SOUTH EXTENSION TO FRONTENAC according to the plat on file and of record in the Office of the Recorder for Goodhue County, Minnesota, including any portions of vacated roadway which have attached thereto.

Subd. 4. [85.012] [Subd. 26.] Hayes Lake State Park, Roseau County. The following area

is deleted from Hayes Lake State Park: the West 45.00 feet of the North 160.7 feet of the South 263.58 feet of the Southwest Quarter of the Northeast Quarter of Section 32, Township 160, Range 38, Roseau County, Minnesota.

**Subd. 5. [85.012] [Subd. 40.] McCarthy Beach State Park, St. Louis and Itasca Counties.** The following area is deleted from McCarthy Beach State Park in Itasca County: all that part of the Northeast Quarter of the Southeast Quarter, Section 1, Township 60 North, Range 22 West, embraced within the recorded plat of "TRUST," as depicted thereon.

**Subd. 6. [85.012] [Subd. 41.] Maplewood State Park, Otter Tail County.** The following areas are deleted from Maplewood State Park:

(1) that part of Government Lot 4, Section 9, Township 135, Range 42, Otter Tail County, Minnesota, embraced within the recorded plat of South Lida Shores, according to the recorded plat thereof;

(2) that part of Government Lot 4, Section 9, Township 135, Range 42, Otter Tail County, Minnesota, embraced within the recorded plat of Greens Isle View Addition, according to the recorded plat thereof;

(3) that part of Government Lot 4, Section 9, Township 135, Range 42, Otter Tail County, Minnesota, described as follows: beginning at a point located by running West 401 feet from the northeast corner of said Government Lot 4 in Section 9; thence South 47 degrees 10 minutes West 100 feet; thence South 52 degrees 19 minutes West along the lakeshore of Lake Lida a distance of 50 feet; thence South 42 degrees 50 minutes East 200 feet; thence North 52 degrees 19 minutes East 50 feet; thence North 42 degrees 50 minutes West 100 feet; thence North 47 degrees 10 minutes East 100 feet; thence North 42 degrees 50 minutes West, 100 feet to the point of beginning;

(4) that part of Government Lot 5, Section 9, Township 135, Range 42, Otter Tail County, Minnesota, described as follows: commencing at the northeast corner of Government Lot 4 in said Section 9; thence on an assumed bearing of West, along the north line of said Government Lot 4, a distance of 130 feet, to intersect the shore of South Lida Lake, said point of intersection being the point of beginning of the tract of land to be described; thence return on a bearing of East, a distance of 130 feet, to said northeast corner of Government Lot 4; thence North 03 degrees 46 minutes 00 seconds West 224.40 feet, along the centerline of a township road; thence North 08 degrees 31 minutes 00 seconds East 346.60 feet along said centerline; thence North 81 degrees 14 minutes 00 seconds West 34.00 feet to the westerly line of said township road; thence North 08 degrees 31 minutes 00 seconds East along said westerly line 125.00 feet; thence North 36 degrees 09 minutes 00 seconds West 230.00 feet; thence South 71 degrees 21 minutes 00 seconds West 93.00 feet, more or less to the easterly shoreline of South Lida Lake; thence southeasterly along said shoreline to the point of beginning; and

(5) that part of Government Lot 2, Section 33, Township 136, Range 42, Otter Tail County, Minnesota, described as follows: commencing at the East Quarter corner of said Section 33; thence on an assumed bearing of West, along the east-west quarter line of said Section 33, a distance of 3,994.0 feet; thence North 25 degrees East, a distance of 308.3 feet to the southwesterly right-of-way line of a public highway; thence North 40 degrees 00 minutes West, a distance of 169.0 feet, along said right-of-way; thence South 74 degrees 43 minutes West, a distance of 70.0 feet, more or less, to the shore of South Lida Lake; thence southwesterly, along said shoreline to the south line of said Government Lot 2; thence on a bearing of East, along the south line of said Government Lot 2, also

being said east-west quarter line to the point of beginning.

Subd. 7. [85.012] [Subd. 54.] Split Rock Lighthouse State Park, Lake County. The following area is deleted from Split Rock Lighthouse State Park: the Southeast Quarter of the Southeast Quarter, Section 31, Township 55 North, Range 8 West, Lake County.

**Sec. 9. ADDITIONS TO STATE FORESTS.**

[89.021] [Subd. 32.] Lyons State Forest. The following area is added to the Lyons State Forest: Section 16, Township 135 North, Range 32 West, Cass County.

**Sec. 10. PRIVATE SALE OF SURPLUS STATE LAND; ANOKA COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 94.09 and 94.10, the commissioner of natural resources may sell by private sale to a political subdivision the surplus land that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Anoka County and is described as: the East Half of the Southeast Quarter of Section 25, Township 32 North, Range 22 West, Anoka County, Minnesota, containing 80 acres, more or less.

(d) The Department of Natural Resources has determined that the state's land management interests would best be served if the land was conveyed to a political subdivision. A political subdivision would like to use this parcel as a wetland mitigation site.

(e) This sale is the result of the intent expressed by the city of Columbus and Anoka County to allow the commissioner of natural resources to replace the approximately 80 acres of land with land adjacent to the Carlos Avery Wildlife Management Area from willing sellers as identified in the November 19, 2007, Department of Natural Resources' land acquisition plan.

**Sec. 11. PUBLIC SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; BELTRAMI COUNTY.**

(a) Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may sell by public sale the surplus land bordering public water that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy. The conveyance must include a reservation of perpetual road easements described in paragraph (c) to the state for ingress and egress for constructing, repairing, maintaining, and operating an adjacent northern pike spawning and rearing area.

(c) The land that may be sold is located in Beltrami County and is described as: All that part of the Southwest Quarter of the Southwest Quarter and Government Lot 1, Section 21, Township 146 North, Range 31 West, bounded by the water's edge of Cass Lake and the following described lines: Commencing at the southwest corner of said section, thence North 00 degrees 07 minutes West, 691.2 feet on and along the west line of said section to the point of beginning; thence South 58 degrees 27 minutes East, 177.64 feet; thence South 65 degrees 00 minutes East, 162.35 feet; thence North 52 degrees 07 minutes East, 175.70 feet; thence North 86 degrees 05 minutes East, 232.35

feet; thence South 41 degrees 50 minutes East, 186.35 feet; thence South 25 degrees 59 minutes East, 122.0 feet; thence South 33 degrees 47 minutes West, 176.13 feet; thence South 26 degrees 31 minutes West, 157.26 feet; thence South 50 degrees 19 minutes East, 142.34 feet; thence North 88 degrees 05 minutes East, 66.15 feet to point "A"; thence North 67 degrees 06 minutes East, 442.0 feet; thence North 76 degrees 24 minutes East, 113.86 feet; thence North 80 degrees 48 minutes East, 88.96 feet to point "B"; thence South 17 degrees 17 minutes East, 138 feet, more or less, to the water's edge of Cass Lake and there terminating. And from the point of beginning; thence North 00 degrees 07 minutes West, 630.92 feet on and along the west line of said Section 21; thence South 75 degrees 27 minutes East, 206.01 feet; thence South 35 degrees 36 minutes East, 210.68 feet; thence South 37 degrees 07 minutes East, 230.53 feet; thence South 51 degrees 18 minutes East, 124.95 feet; thence North 55 degrees 37 minutes East, 156.60 feet; thence South 48 degrees 10 minutes East, 120.58 feet; thence South 89 degrees 59 minutes East, 197.76 feet; thence South 68 degrees 28 minutes East, 195.0 feet; thence South 38 degrees 25 minutes East, 162.17 feet; thence South 56 degrees 38 minutes East, 410.58 feet; thence South 31 degrees 06 minutes West, 203.30 feet; thence South 80 degrees 48 minutes West, 14.84 feet; thence South 17 degrees 17 minutes East, 133 feet, more or less, to the water's edge of Cass Lake and there terminating. Including all riparian rights to the contained 18.0 acres, more or less and subject to all existing easements.

Subject to a perpetual road easement for ingress and egress over and across the following described land in Government Lot 1 of said section described as follows: Beginning at point "B," said point being on the southerly boundary of the above described tract; thence North 80 degrees 48 minutes East, 20.2 feet; thence South 17 degrees 17 minutes East, 33.33 feet; thence South 80 degrees 48 minutes West, 20.2 feet; thence North 17 degrees 17 minutes West, 33.33 feet to point "B" and the point of beginning.

Except that part of Government Lot 1 of Section 21, Township 146 North, Range 31 West, described as follows: Commencing at the southwest corner of said Section 21; thence North 00 degrees 07 minutes West, 1,322.12 feet along the west line of said Section 21; thence South 75 degrees 27 minutes East, 206.01 feet; thence South 35 degrees 36 minutes East, 210.68 feet; thence South 37 degrees 07 minutes East, 230.53 feet; thence South 51 degrees 18 minutes East, 124.95 feet; thence North 55 degrees 37 minutes East, 156.60 feet; thence South 48 degrees 10 minutes East, 120.58 feet; thence South 89 degrees 59 minutes East, 197.76 feet; thence South 68 degrees 28 minutes East, 195.0 feet; thence South 38 degrees 25 minutes East, 162.17 feet; thence South 56 degrees 38 minutes East, 383.52 feet, to the point of beginning; thence South 56 degrees 38 minutes East, 27.06 feet; thence South 31 degrees 06 minutes West, 203.30 feet; thence South 80 degrees 48 minutes West, 2.52 feet; thence North 15 degrees 31 minutes West, 46.80 feet; thence North 32 degrees 31 minutes East, 18.96 feet; thence North 59 degrees 39 minutes East, 58.56 feet; thence North 20 degrees 23 minutes East, 105.29 feet to the point of beginning; containing 0.1 acres.

Together with a perpetual road easement for ingress and egress over and across the Southwest Quarter of the Southwest Quarter of said section being a strip of land 33 feet wide, lying 16.5 feet on each side of the following described lines: Commencing at the southwest corner of said Section 21; thence North 00 degrees 07 minutes West, 656.4 feet on and along the west line of said section to the point of beginning; thence South 42 degrees 51 minutes East, 52.16 feet; thence South 70 degrees 04 minutes East, 214.3 feet; thence South 37 degrees 58 minutes East, 219.4 feet; thence South 49 degrees 02 minutes East, 252.6 feet; thence South 45 degrees 15 minutes East, 152.5 feet; thence South 50 degrees 19 minutes East, 119.9 feet, to the south line of Section 21 and there terminating.

Together with a perpetual road easement for ingress and egress over and across the northwesterly 16.5 feet of the following described land in Government Lot 1 and the Southwest Quarter of the Southwest Quarter of said section described as follows: Beginning at point "A," said point being on the southern boundary of the above described tract; thence North 67 degrees 06 minutes East, 442.0 feet; thence North 76 degrees 24 minutes East, 113.86 feet; thence North 80 degrees 48 minutes East, 88.96 feet; thence South 17 degrees 17 minutes East, 33.33 feet; thence South 80 degrees 48 minutes West, 92.38 feet; thence South 76 degrees 24 minutes West, 109.91 feet; thence South 67 degrees 06 minutes West, 353.28 feet; thence South 88 degrees 05 minutes West, 92.15 feet to point "A" and the point of beginning.

(d) The land borders Cass Lake. The land was acquired for a northern pike spawning area but has not been used for such purpose for 30 years. The Department of Natural Resources has determined that the land is not needed for natural resource purposes.

**Sec. 12. PRIVATE SALE OF SURPLUS STATE LAND; CARLTON COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 94.09 and 94.10, the commissioner of natural resources may sell by private sale to a political subdivision the surplus land that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Carlton County and is described as: the Northeast Quarter of the Northwest Quarter of the Southeast Quarter, except state trunk highway right-of-way, Section 26, Township 49 North, Range 17 West, containing 9.324 acres, more or less.

(d) The Department of Natural Resources has determined that the land is not needed for natural resource purposes.

**Sec. 13. PRIVATE SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; CARLTON COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Carlton County may sell by private sale the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy.

(c) The land to be sold is located in Carlton County and is described as:

(1) part of Government Lot 1 commencing 42 rods 17 links East of the northwest corner of Section 6, Township 46, Range 18; thence South 82 rods 11 links; thence West to Bear Lake; thence West on the shoreline to the section line; thence North to the northwest corner; thence East to the beginning; except the highway right-of-way and except the part northwest of Highway 35, Docket 214412 and except commencing at the northwest corner of said Government Lot 1; thence South 0 degrees 5 minutes 51 seconds West on the west line thereof 1,176.49 feet to a point on the southeast right-of-way line of the Interstate Highway 35 frontage road; thence North 51 degrees 42 minutes 51 seconds East on said right-of-way line 209.76 feet; thence South 19 degrees 45 minutes East 120.0

feet to the point of beginning; thence North 19 degrees 45 minutes West 120.0 feet; thence North 51 degrees 42 minutes 51 seconds East 80.0 feet to the MNDOT right-of-way monument; thence South 71 degrees 36 minutes 52 seconds East 216.61 feet; thence South 3 degrees 30 minutes West 195 feet, more or less, to the shore of Bear Lake; thence westerly on said shore 215 feet, more or less, to a point which bears 2 degrees 55 minutes East from the point of beginning; thence North 2 degrees 55 minutes West 150 feet, more or less, to the point of beginning, on Docket 240622 and except commencing at the northwest corner of said Government Lot 1; thence East along the north line 704.22 feet; thence South parallel to the west line 1,360.26 feet to the actual point of beginning; thence North 739.16 feet, more or less, to the southeast right-of-way line of the I-35 frontage road; thence southwest along said right-of-way line 608.48 feet, more or less, to the MNDOT monument; thence South 71 degrees 36 minutes 52 seconds East 216.61 feet; thence South 3 degrees 30 minutes West 195 feet, more or less, to the shore of Bear Lake; thence East on said shore 285 feet, more or less, to a point which bears North 00 degrees West from the point of beginning; thence South 90 degrees East 15 feet, more or less, to the point of beginning, Docket 282721 (parcel identification number 39-010-0920); and

(2) that part of Government Lot 2 lying North of Moose Horn River, Docket 262968, 272524, and 272525, Section 11, Township 46, Range 19 (parcel identification number 39-030-1220).

(d) The county has determined that the county's land management interests would best be served if the land was sold to adjoining landowners.

**Sec. 14. PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; CARLTON COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Carlton County may sell the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in Carlton County and is described as:

(1) the Northwest Quarter of the Southeast Quarter, Section 27, Township 48 North, Range 18 West (parcel number 33-010-6300);

(2) the Southwest Quarter of the Northeast Quarter, except that part East of the Kettle River, Section 26, Township 48 North, Range 20 West (parcel number 90-010-4630); and

(3) the Northwest Quarter of the Southeast Quarter or Government Lot 5, Section 12, Township 49 North, Range 19 West (parcel number 94-026-2020).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

**Sec. 15. PRIVATE SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; CASS COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, and upon completion of exchange of the school trust land for acquired land, the commissioner of natural resources may

sell to a school district by private sale the surplus land bordering public water that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy. The commissioner may sell the land to a school district for less than the value of the land as determined by the commissioner, but the conveyance must provide that the land described in paragraph (c) be used for an educational unit managed forest and reverts to the state if the school district fails to provide for or abandons the educational unit managed forest use of the land.

(c) The land that may be sold is located in Cass County and is described as:

(1) the Southwest Quarter of the Southwest Quarter of Section 27;

(2) the Southeast Quarter of the Southeast Quarter of Section 28;

(3) Government Lot 11 of Section 33; and

(4) Government Lot 14 of Section 34,

all in Township 141 North, Range 28 West, containing a total of 98.7 acres, more or less.

(d) The land borders Nellie Lake. Independent School District No. 118, Longville, has inadvertently trespassed upon the land for the establishment of an educational unit managed forest under Minnesota Statutes, section 89.41. The commissioner of natural resources has determined that the state's land management interests would best be served if the land was managed as an educational unit managed forest. Since the land is currently school trust land, the commissioner of natural resources shall first exchange the school trust land for acquired land prior to sale.

**Sec. 16. PUBLIC OR PRIVATE SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; CASS COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by public or private sale the surplus land bordering public water that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy. The commissioner may sell to a local unit of government for less than the value of the land, as determined by the commissioner, but the conveyance must provide that the land be used for the public and reverts to the state if the local unit of government fails to provide for public use or abandons the public use of the land.

(c) The land that may be sold is located in Cass County and is described as: Lot 7, Block 1, Dell's Sleepy Hollow, Cass County, Minnesota, according to the recorded plat thereof, containing 0.54 acres, more or less.

(d) The land borders Woman Lake. The Department of Natural Resources has determined that the state's land management interests would best be served if the land was conveyed to a local unit of government.

**Sec. 17. PRIVATE SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER;**



**GOODHUE COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by private sale the surplus land bordering public water that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy. The conveyance must include the easement specified in paragraph (c). The purpose of the easement is to:

(1) provide for the development of fish habitat, including tree planting, erosion control, installation of instream structures, posting of signs, and other improvements;

(2) permit angling by the public; and

(3) provide ingress and egress through the property sold to the easement area.

(c) The land that may be sold is located in Goodhue County and is described as: that part of the Southwest Quarter of the Northeast Quarter and that part of the Northwest Quarter of the Southeast Quarter of Section 7, Township 112, Range 15, Goodhue County, Minnesota, which lie westerly of the centerline of County State-Aid Highway No. 6, containing 2.6 acres, more or less.

Reserving an easement over, under, and across that part of the above described property located within a strip of land 132 feet in width, and centered on the centerline of Spring Creek, as the same meanders through said Southwest Quarter of the Northeast Quarter and said Northwest Quarter of the Southeast Quarter.

(d) The land borders Spring Creek. The Department of Natural Resources has determined that the land is not needed for natural resource purposes provided that an easement right is retained. The land is separated from the wildlife management area by a county road and has been subject to inadvertent trespass by the adjacent landowner.

**Sec. 18. PRIVATE SALE OF SURPLUS STATE LAND; HENNEPIN COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 94.09 and 94.10, the commissioner of natural resources may sell to a local unit of government by private sale the surplus land that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy. The commissioner may sell to a local unit of government for less than the value of the land, as determined by the commissioner, but the conveyance must provide that the land be used for the public and reverts to the state if the local unit of government fails to provide for public use or abandons the public use of the land.

(c) The land that may be sold is located in Hennepin County and is described as: Outlot A, Block 1, Schendel Woods, Hennepin County, Minnesota, according to the recorded plat thereof, containing 13.92 acres, more or less.

(d) The Department of Natural Resources has determined that the state's land management interests would best be served if the land was conveyed to a local unit of government. A local unit

of government would like to use this parcel for a storm water runoff project.

**Sec. 19. CONVEYANCE OF TAX-FORFEITED LAND BORDERING PUBLIC WATERS; ITASCA COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Itasca County may convey to the city of Cohasset for consideration as determined by Itasca County the land described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general and provide that the land reverts to the state if the city of Cohasset fails to provide for the public use described in paragraph (d) or abandons the public use of the land. As a condition of conveyance, the city of Cohasset must provide to Itasca County a survey of the property, at no cost to Itasca County. The conveyance is subject to easements, restrictions, and reservations of record. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land to be conveyed is located in Itasca County and is described as: that part of Government Lot 7, Section 23, Township 55 North, Range 26 West, described as follows:

Commencing at the southwest corner of the Northwest Quarter of the Southwest Quarter, Section 23, Township 55 North, Range 26 West; thence South 88 degrees 02 minutes 11 seconds East, along the south line of said Northwest Quarter of Southwest Quarter and the south line of Government Lot 7 according to the plat of HILLCREST PARK, 1,351.90 feet to the centerline of the Tioga Beach Road and the point of beginning; thence northerly along the centerline of the Tioga Beach Road 123.51 feet along a nontangential curve concave to the East, said curve having a central angle of 12 degrees 08 minutes 28 seconds, radius of 582.87 feet, a chord bearing of North 07 degrees 35 minutes 37 seconds West, chord distance 123.28 feet; thence North 01 degrees 31 minutes 24 seconds West, along the centerline of the Tioga Beach Road 167.83 feet; thence northerly along the centerline of the Tioga Beach Road 139.95 feet along a tangential curve concave to the West, said curve having a central angle of 11 degrees 26 minutes 28 seconds, radius of 700.85 feet; thence North 12 degrees 57 minutes 52 seconds West, along the centerline of the Tioga Beach Road 174.21 feet; thence northerly along the centerline of the Tioga Beach Road 70.93 feet, more or less, along a tangential curve concave to the East, said curve having a central angle of 08 degrees 46 minutes 30 seconds, radius of 463.14 feet to intersect the north line of the South 665.00 feet of Government Lot 7; thence South 88 degrees 02 minutes 11 seconds East along the north line of the South 665.00 feet of said Government Lot 7, a distance of 512.74 feet; thence South 65 degrees 39 minutes 08 seconds East, 184 feet, more or less, to the waters edge of Pokegama Lake; thence southwesterly along the waters edge of Pokegama Lake to intersect the south line of said Government Lot 7; thence North 88 degrees 02 minutes 11 seconds West, along the south line of Government Lot 7, 220 feet, more or less, to the point of the beginning and there terminating. Parcel contains approximately 690 front feet of shoreland on Pokegama Lake and 6.8 acres.

(d) The county has determined that the county's land management interests would be best served if the lands are managed for a public beach and other public recreational purposes by the city of Cohasset.

**Sec. 20. PRIVATE SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; MAHNOMEN COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Mahnomen County may sell by private sale the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy. The conveyance must include a deed restriction that prohibits buildings, structures, tree cutting, removal of vegetation, and shoreland alterations within an area 75 feet from the ordinary high water level. A 15-foot strip for lake access and a dock is allowed.

(c) The land to be sold is located in Mahnomen County and is described as:

Beginning at the northeast corner of Lot 1; thence 28 rods West to the point of beginning; thence West 7 rods; thence South to the shoreline of North Twin Lake 9 rods, more or less; thence southeast on the shoreline to a point South of the point of beginning; thence North 16 rods, more or less, to the point of beginning, all in Section 29, Township 144 North, Range 39 West (parcel number R16 029 0200).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

**Sec. 21. PRIVATE SALE OF SURPLUS STATE LAND; MARTIN COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 94.09 and 94.10, the commissioner of natural resources may sell by private sale the surplus land that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Martin County and is described as: the North 700 feet of a strip of land 100 feet in width extending over and across the West Half of the Northwest Quarter and the Northwest Quarter of the Southwest Quarter of Section 25, Township 101 North, Range 32 West, Martin County, Minnesota. The centerline of said strip being the centerline of the main track (now removed) of the Minnesota and Iowa Railway Company, as said centerline was originally located and established over and across said Section 25. This parcel contains 1.6 acres, more or less.

(d) The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would best be served if the land were conveyed to the adjacent landowner to improve access to the landowner's property.

**Sec. 22. EXCHANGE OF STATE LAND WITHIN LAKE MARIA WILDLIFE MANAGEMENT AREA; MURRAY COUNTY.**

(a) The commissioner of natural resources may, with the approval of the Land Exchange Board as required under the Minnesota Constitution, article XI, section 10, and according to the provisions of Minnesota Statutes, sections 94.343 to 94.347, exchange the land described in paragraph (b).

(b) The land that may be exchanged is located in Murray County and is described as:

(1) the North 866 feet of the South 1555 feet of the Southwest Quarter of Section 7, Township

108, Range 41, lying West of the East 450 feet thereof;

(2) the South 689 feet of the Southwest Quarter of Section 7, Township 108, Range 41; and

(3) that part of the Northeast Quarter of Section 18, Township 108, Range 41, described as follows: Commencing at the northwest corner of said Section 7, Township 108, Range 41; thence running easterly along the north line of said Section 7 a distance of 2,769.50 feet to the intersection with the centerline of the township road; thence southerly along the centerline of said township road a distance of 2,653.75 feet; thence deflecting 00 degrees 31 minutes right and continuing along the centerline of said township road a distance of 2,051.75 feet; thence easterly and parallel to the south line of the Southwest Quarter of the Southeast Quarter of said Section 7, a distance of 464 feet; thence South and parallel to the west line of the Northeast Quarter of said Section 18, a distance of 3,198.00 feet, to the south line of the Northeast Quarter of said Section 18, and the point of beginning of the land to be described; thence return northerly, along the last described course, a distance of 2,635 feet to the north line of said Northeast Quarter; thence southwesterly, a distance of 999 feet, to a point on the west line of said Northeast Quarter, distant 421.5 feet South of the northwest corner of said Northeast Quarter, thence South along said west line, to the southwest corner of said Northeast Quarter; thence East, along the south line of said Northeast Quarter, a distance of 910 feet to the point of beginning.

(c) The land was acquired in part with bonding appropriations. The exchange with the adjacent landowner will provide additional wildlife acres and additional water frontage to the state.

**Sec. 23. CONVEYANCE OF SURPLUS STATE LAND; ACQUISITION; NICOLLET COUNTY.**

Subdivision 1. **Conveyance of surplus land.** (a) Notwithstanding Minnesota Statutes, sections 16B.281 to 16B.287, the commissioner of administration may upon recommendation of the commissioner of human services, convey to the city of St. Peter for no consideration the surplus land or any state interest in land that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy. The commissioner of administration may grant utility easements for no consideration in conjunction with the conveyances under this section.

(c) The land to be sold is located in Nicollet County and is described as:

(1) all that part of the following described parcel lying westerly of the westerly right-of-way of Freeman Drive, formerly the Saint Peter and Belgrade Road.

Said parcel described as follows:

That part of Government Lot 6 in Section 29, Township 110 North, Range 26 West, city of Saint Peter, Nicollet County, Minnesota, described as:

Commencing at the northeast corner of said Section 29; thence South 00 degrees 29 minutes 46 seconds East, an assumed bearing on the east line of said Northeast Quarter, a distance of 1317.06 feet to the southeast corner of the Northeast Quarter of said Northeast Quarter; thence South 89 degrees 30 minutes 18 seconds West, on the south line of said Northeast Quarter of the Northeast Quarter, a distance of 918.73 feet to the point of beginning; thence South 64 degrees 37 minutes 16

seconds East, a distance of 178.6 feet, more or less, to the centerline of Freeman Drive, formerly the Saint Peter and Belgrade Road; thence northeasterly, on said centerline, a distance of 98.3 feet, more or less, to the north line of said Government Lot 6; thence South 89 degrees 30 minutes 18 seconds West, on said north line; a distance of 220.5 feet, more or less, to the point of beginning;

(2) all that part of the following described parcel lying easterly of the westerly right-of-way of Freeman Drive, formerly the Saint Peter and Belgrade Road.

Said parcel described as follows:

That part of Government Lot 6 in Section 29, Township 110 North, Range 26 West, city of Saint Peter, Nicollet County, Minnesota, described as:

Commencing at the northeast corner of said Section 29; thence South 00 degrees 29 minutes 46 seconds East, an assumed bearing on the east line of said Northeast Quarter, a distance of 1317.06 feet to the southeast corner of the Northeast Quarter of said Northeast Quarter; thence South 89 degrees 30 minutes 18 seconds West, on the south line of said Northeast Quarter of the Northeast Quarter, a distance of 918.73 feet to the point of beginning; thence South 64 degrees 37 minutes 16 seconds East, a distance of 178.6 feet, more or less, to the centerline of Freeman Drive, formerly the Saint Peter and Belgrade Road; thence northeasterly, on said centerline, a distance of 98.3 feet, more or less, to the north line of said Government Lot 6; thence South 89 degrees 30 minutes 18 seconds West, on said north line; a distance of 220.5 feet, more or less, to the point of beginning; and

(3) that part of the East 25.00 of a 150.00 foot wide railroad right-of-way acquired in Book R page 338, in the Northeast Quarter of the Northeast Quarter of Section 29, Township 110 North, Range 26 West, city of Saint Peter, Nicollet County, Minnesota, lying South of the southerly right-of-way line of Minnesota Trunk Highway No. 99, per MN/DOT Right-of-Way Map 31-68 and North of the following described line:

Commencing at the northeast corner of said Section 29; thence South 00 degrees 29 minutes 46 seconds East, an assumed bearing on the east line of said Northeast Quarter, a distance of 1317.06 feet to the southeast corner of the Northeast Quarter of said Northeast Quarter; thence South 89 degrees 30 minutes 18 seconds West, on the south line of said Northeast Quarter of the Northeast Quarter, a distance of 918.73 feet; thence North 64 degrees 37 minutes 16 seconds West, a distance of 86.15 feet; thence northwesterly 127.21 feet on a tangential curve to the right, having a radius of 280.00 feet and a central angle of 26 degrees 01 minutes 59 seconds to the point of beginning of the line to be described; thence continuing northwesterly 31.24 feet on said tangential curve to the right, having a radius of 280.00 feet and a central angle of 06 degrees 23 minutes 34 seconds and there terminating.

(d) The commissioner has determined that the land is no longer needed for any state purpose and that the state's land management interests would best be served if the land was conveyed to and used by the city of St. Peter.

Subd. 2. **Acquisition authority.** (a) Notwithstanding any law to the contrary, the commissioner of administration, upon recommendation of the commissioner of human services, may acquire from the city of St. Peter, without monetary consideration, land located in Nicollet County, described as follows:

(1) that part of the Northeast Quarter of the Northeast Quarter of Section 29, Township 110 North, Range 26 West, city of Saint Peter, Nicollet County, Minnesota:

Lying East of the east line of the 150.007 foot wide railroad right-of-way acquired in Book R page 338, in said Northeast Quarter of the Northeast Quarter of Section 29;

AND

Lying South of the following described line:

Commencing at the northeast corner of said Section 29; thence South 00 degrees 29 minutes 46 seconds East, an assumed bearing on the east line of said Northeast Quarter, a distance of 1317.06 feet to the southeast corner of the Northeast Quarter of said Northeast Quarter; thence South 89 degrees 30 minutes 18 seconds West, on the south line of said Northeast Quarter of the Northeast Quarter, a distance of 918.73 feet to the point of beginning; thence North 64 degrees 37 minutes 16 seconds West, a distance of 86.15 feet; thence northwesterly 127.21 feet on a tangential curve to the right, having a radius of 280.00 feet and a central angle of 26 degrees 01 minutes 51 seconds to the point of termination. Said point of termination being on the east line of the previously referenced railroad right-of-way and there terminating; and

(2) that part of Government Lot 6 in Section 29, Township 110 North, Range 26 West, city of Saint Peter, Nicollet County, Minnesota described as:

Commencing at the northeast corner of said Section 29; thence South 00 degrees 29 minutes 46 seconds East, an assumed bearing on the east line of said Northeast Quarter, a distance of 1317.06 feet to the southeast corner of the Northeast Quarter of said Northeast Quarter; thence South 89 degrees 30 minutes 18 seconds West, on the south line of said Northeast Quarter of the Northeast Quarter, a distance of 918.73 feet; thence South 64 degrees 37 minutes 16 seconds East, a distance of 179 feet, more or less, to the centerline of Freeman Drive, formerly the Saint Peter and Belgrade Road, and the point of beginning; thence continuing South 64 degrees 37 minutes 16 seconds East, a distance of 25.8 feet, more or less, to the existing right-of-way of U.S. Highway No. 169, per Map 14-80; thence southwesterly along said right-of-way a distance of 91.7 feet, more or less, to the northerly line of a parcel recorded as Document No. 274882, Nicollet County records; thence northwesterly along the northerly line of said parcel a distance of 27.5 feet, more or less, to the centerline of said Freeman Drive; thence northeasterly along said centerline a distance of 93.2 feet, more or less, to the point of beginning.

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to legal descriptions to correct errors and ensure accuracy.

#### **Sec. 24. CONVEYANCE OF SURPLUS STATE LAND; OLMSTED COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 94.09 to 94.16, the commissioner of natural resources shall convey to the city of Oronoco for no consideration the surplus land that is described in paragraph (c).

(b) The conveyance shall occur upon the operation of the reversion clause contained in the deed for the land described in paragraph (c) in accordance with Minnesota Statutes 1965, section 85.188, and after the passage of resolutions by the Olmsted County Board and the Oronoco City Council, each acknowledging that the requirements set forth in the Agreement for Transfer of Oronoco Park in the City of Oronoco to the City of Oronoco by Olmsted County have been sufficiently met to

proceed with the conveyance. The conveyance must be in a form approved by the attorney general, the Olmsted County Board, and the Oronoco City Council. The conveyance must provide that the land reverts to the state if the city of Oronoco fails to maintain and operate the land as a public park. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be conveyed is located in Olmsted County and is described as:

(1) the East Half of the West Half of the Southeast Quarter of the Southeast Quarter, Section 7, Township 108 North, Range 14 West, subject to flowage rights in favor of Olmsted County; and

(2) the East Half of the Southeast Quarter of the Southeast Quarter, Section 7, Township 108 North, Range 14 West.

(d) The land is currently owned by Olmsted County and used as a public park, having been conveyed by the state according to Laws 1965, chapter 810, section 9. The 1965 law and the corresponding conveyance document require reversion to the state if the county stops operating the land as a public park. Olmsted County no longer wishes to operate the public park, but the city of Oronoco has agreed to pay consideration to Olmsted County to continue the park operation. The commissioner has determined that the state's land management interests would best be served if, upon the land's reversion to the state, the land was conveyed to and used by the city of Oronoco as a public park.

**Sec. 25. PUBLIC SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; ROSEAU COUNTY.**

(a) Notwithstanding Minnesota Statutes, section 92.45, the commissioner of natural resources may sell by public sale the surplus land bordering public water that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Roseau County and is described as: Government Lot 9, Section 30, Township 163 North, Range 36 West, containing 0.15 acres, more or less.

(d) The land borders the Warroad River and is not contiguous to other state lands. The Department of Natural Resources has determined that the land is not needed for natural resource purposes.

**Sec. 26. PUBLIC OR PRIVATE SALE OF CONSOLIDATED CONSERVATION LAND; ROSEAU COUNTY.**

(a) Notwithstanding the classification and public sale provisions of Minnesota Statutes, chapters 84A and 282, Roseau County may sell by public or private sale the consolidated conservation lands that are described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy. The consideration for the conveyance must be for no less than the appraised value of the land and timber and survey costs. Proceeds shall be disposed of according to Minnesota Statutes, chapter 84A.

(c) The land that may be sold is located in Roseau County and is described as:

(1) that part of Government Lot 1, Section 4, Township 162 North, Range 36 West, lying southwesterly of the southwesterly right-of-way of the Canadian National Railway. Subject to the right-of-way of State Highway 11. Contains 0.75 acres, more or less; and

(2) the South Half of the South Half of the Southeast Quarter of the Northwest Quarter, Section 34, Township 159 North, Range 39 West, containing 10 acres, more or less.

(d) The lands are not contiguous to other state lands. The Department of Natural Resources has determined that the land is not needed for natural resource purposes.

**Sec. 27. PRIVATE SALE OF TAX-FORFEITED LAND; ROSEAU COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, Roseau County may sell by private sale the tax-forfeited land described in paragraph (c) under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in Roseau County and is described as: the Northwest Quarter of the Northeast Quarter and the Southeast Quarter of the Southeast Quarter, Section 20, Township 163, Range 36.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

**Sec. 28. PRIVATE SALE OF TAX-FORFEITED LAND; ST. LOUIS COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in St. Louis County and is adjacent to a parcel described as: that part of the Northeast Quarter of the Southwest Quarter beginning on the east line at the southerly road right-of-way; thence southerly along the east line 760.07 feet; thence South 89 degrees 3 minutes 23 seconds West 290 feet; thence North 1 degree 12 minutes 54 seconds East 764.79 feet; thence East along the southerly road right-of-way 290 feet to the point of beginning, Section 20, Township 58 North, Range 15 West. St. Louis County shall sell an adjoining amount of land, determined by the county to rectify an inadvertent trespass. The sale will ensure that the buildings causing the inadvertent trespass will meet all setback requirements.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

**Sec. 29. PRIVATE SALE OF TAX-FORFEITED LAND; ST. LOUIS COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited land described in paragraph (c).



(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy.

(c) The land to be sold is located in St. Louis County and is described as:

(1) Lot 90, Block 75, Duluth Proper Third Division, except the West six feet of the South 50 feet of the West Half, Section 28, Township 50 North, Range 14 West;

(2) the northerly 100 feet of the Southwest Quarter of the Southwest Quarter, except the westerly 233 feet, and except the easterly 50 feet of the westerly 283 feet, Section 14, Township 51 North, Range 13 West;

(3) the South 150 feet of the Northeast Quarter of the Southeast Quarter, Section 5, Township 55 North, Range 18 West;

(4) the West 33 feet of the North 208 feet of the South 1,040 feet of the Northwest Quarter of the Northeast Quarter, Section 7, Township 60 North, Range 13 West;

(5) the North 36 feet of the North 1,076 feet of the West 449 feet of the Northwest Quarter of the Northeast Quarter, Section 7, Township 60 North, Range 13 West;

(6) the West 33 feet of the North 208 feet of the South 832 feet of the Northwest Quarter of the Northeast Quarter, Section 7, Township 60 North, Range 13 West;

(7) the West 33 feet of the North 208 feet of the South 624 feet of the Northwest Quarter of the Northeast Quarter, Section 7, Township 60 North, Range 13 West;

(8) the West 33 feet of the South 416 feet of the Northwest Quarter of the Northeast Quarter, Section 7, Township 60 North, Range 13 West; and

(9) part of the South Half of the Southwest Quarter, Section 20, Township 58 North, Range 15 West.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

**Sec. 30. PRIVATE SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER;  
ST. LOUIS COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, St. Louis County may sell by private sale the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy.

(c) The land to be sold is located in St. Louis County and is described as:

(1) Lot 4, Block 4, Greenwood Beach, town of Duluth, Section 19, Township 51 North, Range 19 West;

(2) beginning at the southwest corner of Lot 4, running thence East 450 feet; thence North 200

feet; thence West 450 feet; thence South along the section line 200 feet to the point of beginning, except the northerly 40 feet, Section 7, Township 54 North, Range 19 West;

(3) the South 560 feet of the East 300 feet of the Northeast Quarter of the Southeast Quarter, except the highway right-of-way and except the North 315 feet, Section 22, Township 61 North, Range 20 West;

(4) an undivided 1/24 interest in the Southeast Quarter of the Northwest Quarter, Section 8, Township 50 North, Range 18 West;

(5) an undivided 2/15 interest in the Southwest Quarter of the Northwest Quarter, Section 20, Township 50 North, Range 18 West;

(6) an undivided 1/3 interest in the Southwest Quarter of the Southeast Quarter, Section 21, Township 50 North, Range 18 West;

(7) an undivided 1/45 interest in the Northeast Quarter of the Southeast Quarter, Section 29, Township 50 North, Range 18 West;

(8) an undivided 1/12 interest in the Northeast Quarter of the Northwest Quarter, Section 25, Township 50 North, Range 19 West;

(9) an undivided 1/12 interest in the Southeast Quarter of the Northwest Quarter, Section 25, Township 50 North, Range 19 West;

(10) an undivided 1369/68040 interest in Lot 8, except the railway right-of-way, Section 28, Township 51 North, Range 18 West; and

(11) that part of the Southeast Quarter of the Northeast Quarter of Section 10, Township 63 North, Range 18 West, St. Louis County, Minnesota, described as follows:

Assuming the northeast line of Lot 9 in the plat of MANNIKKO (PINE RIDGE) to bear North 54 degrees 11 minutes 00 seconds West, and COMMENCING from the most northerly corner of said Lot 9 run North 28 degrees 12 minutes 30 seconds East, a distance of 107.39 feet; thence South 28 degrees 12 minutes 30 seconds West, a distance of 28.19 feet; thence South 86 degrees 24 minutes 10 seconds West, a distance of 82.17 feet; thence South 77 degrees 07 minutes 31 seconds West, a distance of 77.70 feet; thence South 82 degrees 40 minutes 33 seconds West, a distance of 83.09 feet; thence South 71 degrees 26 minutes 45 seconds West, a distance of 190.55 feet; thence North 70 degrees 55 minutes 26 seconds West, a distance of 76.14 feet to a point on a nontangential curve, the center of which bears North 35 degrees 10 minutes 49 seconds West, being also a point on the east right-of-way of "Phillips Road" as it exists in January of 1995; thence northerly along said east right-of-way, on said nontangential curve, concave to the West, central angle of 88 degrees 57 minutes 37 seconds, radius of 90.00 feet, a distance of 139.74 feet; thence North 34 degrees 08 minutes 26 seconds west, along said east right-of-way, a distance of 105.00 feet to a tangential curve; thence northerly along said east right-of-way on said tangential curve, concave to the East, central angle 69 degrees 38 minutes 31 seconds, radius 68.00 feet, a distance of 82.65 feet to a point of reverse curve; thence northerly along said east right-of-way, on said reverse curve, concave to the West, central angle of 18 degrees, more or less, radius of 116.25 feet, a distance of 36.5 feet, more or less, to the south line of said Southeast Quarter of the Northeast Quarter and the POINT OF BEGINNING of the land being described; thence northerly, continuing along said curve, a distance of 96.2 feet; thence North 29 degrees 54 minutes 20 seconds West, tangent to said curve and along

said east right-of-way, a distance of 16.32 feet; thence South 89 degrees 42 minutes 44 seconds East, a distance of 943.3 feet, more or less, to the east line of said Southeast Quarter of the Northeast Quarter; thence southerly, along said east line, a distance of 30 feet, more or less, to the shore of Lake Vermilion; thence southerly, along said shore, a distance of 100 feet, more or less, to the south line of said Southeast Quarter of the Northeast Quarter; thence westerly, along said south line, a distance of 880 feet, more or less, to the POINT OF BEGINNING. Containing 2.5 acres, more or less.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

**Sec. 31. PRIVATE SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; ST. LOUIS COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, St. Louis County may sell by private sale the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy. Prior to the sales, the commissioner of revenue shall grant permanent conservation easements according to Minnesota Statutes, section 282.37. The easements shall be up to 200 feet in width, lying 100 feet, to the extent possible given the location of property lines, on each side of the centerline of the designated trout stream to provide riparian protection and angler access.

(c) The land to be sold is located in St. Louis County and is described as:

(1) Lot 22, Block 1, Wonderland 1st Addition, town of Duluth, except the highway right-of-way and including part of the adjacent vacated road, Section 17, Township 51 North, Range 12 West; and

(2) that part of the southerly 135 feet of the northerly 543 feet of the Northwest Quarter of the Southwest Quarter lying East of the westerly 968 feet and West of the Sucker River, Section 30, Township 52 North, Range 12 West.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

**Sec. 32. PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; ST. LOUIS COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, St. Louis County may sell the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy.

(c) The land to be sold is located in St. Louis County and is described as:

(1) the East Half of the Northwest Quarter of the Northeast Quarter of the Northwest Quarter,

Section 25, Township 51 North, Range 14 West, subject to an existing easement;

(2) the North 407 feet of that part of Lot 4 lying South of the east and west centerline of Section 20, Section 20, Township 51 North, Range 16 West;

(3) Lots 1, 2, and 3, Childs Birch Grove Tracts, Grand Lake, Section 20, Township 51 North, Range 16 West;

(4) Lots 28 and 29, Briar Lake Shores 3rd Addition, North Star, Section 15, Township 53 North, Range 13 West; and

(5) the East Half of the Southeast Quarter of the Northwest Quarter, Section 26, Township 60 North, Range 17 West.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

**Sec. 33. PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; ST. LOUIS COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, St. Louis County may sell the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy. Prior to the sales, the commissioner of revenue shall grant permanent conservation easements according to Minnesota Statutes, section 282.37. The easements shall be up to 200 feet in width, lying 100 feet, to the extent possible given the location of property lines, on each side of the centerline of the designated trout stream to provide riparian protection and angler access. For the parcels described in paragraph (c), clauses (6) and (7), a 33-foot strip across the easement shall be allowed for road access and utilities.

(c) The land to be sold is located in St. Louis County and is described as:

(1) the Southwest Quarter of the Southeast Quarter, except 4.56 acres for a road and except that part lying South and West of Highway 2, Section 8, Township 50 North, Range 16 West;

(2) the East Half of the Northeast Quarter of the Northwest Quarter, except the railway right-of-way and except the highway right-of-way, Section 17, Township 51 North, Range 12 West;

(3) the West Half of the Northwest Quarter of the Northeast Quarter of the Northwest Quarter, Section 25, Township 51 North, Range 14 West;

(4) the West Half of the Southwest Quarter of the Northeast Quarter of the Northwest Quarter, Section 25, Township 51 North, Range 14 West;

(5) the West five acres of the South 15 acres of the North 30 acres of the Northeast Quarter of the Southeast Quarter, Section 27, Township 51 North, Range 14 West;

(6) the East Half of the Southeast Quarter of the Southeast Quarter of the Northwest Quarter, Section 27, Township 51 North, Range 14 West; and

(7) the East Half of the Northwest Quarter of the Southeast Quarter of the Northwest Quarter,

except the West 25 feet, Section 27, Township 51 North, Range 14 West.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

**Sec. 34. PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; ST. LOUIS COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, St. Louis County may sell the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy. Prior to the sales, the commissioner of revenue shall grant permanent conservation easements according to Minnesota Statutes, section 282.37. The easements shall be 150 feet in width, lying 75 feet on each side of the centerline of the stream to provide riparian protection and angler access. For the parcel described in paragraph (c), clause (4), a 33-foot strip across the easement shall be allowed for road access and utilities.

(c) The land to be sold is located in St. Louis County and is described as:

(1) the Northwest Quarter of the Southeast Quarter, except the North Half, Section 15, Township 50 North, Range 15 West;

(2) the Southeast Quarter of the Northeast Quarter, Section 19, Township 53 North, Range 20 West;

(3) the westerly 330 feet of the South Half of the Northwest Quarter of the Southwest Quarter, Section 11, Township 56 North, Range 20 West; and

(4) the Southwest Quarter of the Southwest Quarter, except the South Half of the Southwest Quarter of the Southwest Quarter and except the North ten acres, Section 34, Township 50 North, Range 15 West.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

**Sec. 35. PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; ST. LOUIS COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, St. Louis County may sell the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyances must be in a form approved by the attorney general. The attorney general may make changes to the land descriptions to correct errors and ensure accuracy. Prior to the sales, the commissioner of revenue shall grant permanent conservation easements according to Minnesota Statutes, section 282.37. For the parcel described in paragraph (c), clause (1), the easement must be 100 feet in width from the centerline of the designated trout stream to provide riparian protection and angler access. For the parcel described in paragraph (c), clause (2), the easement must be 200 feet in width from the centerline of the stream to provide riparian protection and angler access.

(c) The land to be sold is located in St. Louis County and is described as:

(1) Lots 511 through 515, Homecroft Park, town of Rice Lake, Section 34, Township 51 North, Range 14 West; and

(2) that part of the Lot 2 lying East of a line parallel with and 150 feet East of the centerline of the Duluth, Missabe and Iron Range Railway, Section 17, Township 51 North, Range 17 West.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

**Sec. 36. PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; ST. LOUIS COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, St. Louis County may sell the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy. The conveyance must include a deed restriction that prohibits buildings, structures, tree cutting, removal of vegetation, and shoreland alterations within an area 100 feet in width, lying 50 feet on each side of the centerline of streams that are tributaries to the Sand River.

(c) The land to be sold is located in St. Louis County and is described as: the North 416 feet of the East 416 feet of the Southwest Quarter of the Southwest Quarter, Section 10, Township 59 North, Range 17 West.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

**Sec. 37. PRIVATE SALE OF SURPLUS STATE LAND; WASHINGTON COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 94.09 and 94.10, the commissioner of natural resources may sell to a political subdivision by private sale the surplus land that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Washington County and is described as:

(1) that part of the Northwest Quarter of the Northwest Quarter of Section 19, Township 32, Range 21, lying South of the centerline of Highway 97; and

(2) that part of the Southwest Quarter of Section 19, Township 32 North, Range 21 West, Washington County, Minnesota, described as follows: beginning at the southwest corner of said Southwest Quarter; thence on an assumed bearing of South 89 degrees 50 minutes 33 seconds East along the south line of said Southwest Quarter 1555.59 feet; thence North 11 degrees 40 minutes 58 seconds East 720.70 feet; thence North 53 degrees 20 minutes 40 seconds West 436.77 feet; thence North 45 degrees 10 minutes 18 seconds West 222.72 feet to the southerly boundary of the recorded plat of BASSWOOD ESTATES, on file and of record in the Office of the County

Recorder; thence westerly along the southerly boundary of said BASSWOOD ESTATES to the southwesterly corner thereof; thence northerly along the westerly boundary of said BASSWOOD ESTATES to the most northerly corner of Lot 2 of Block 3 of said BASSWOOD ESTATES; thence westerly to a point on the west line of said Southwest Quarter 407.50 feet southerly of the northwest corner of said Southwest Quarter; thence South 00 degrees 23 minutes 19 seconds East along the west line of said Southwest Quarter 2238.63 feet to the point of beginning.

These parcels contain 57.2 acres, more or less.

(d) The Department of Natural Resources has determined that the state's land management interests would best be served if the land was conveyed to a political subdivision. A political subdivision would like to use these parcels as wetland mitigation sites.

(e) This sale is the result of the intent expressed by of the city of Columbus and Anoka County to allow the commissioner of natural resources to replace the approximately 57 acres of land with land adjacent to the Carlos Avery Wildlife Management Area from willing sellers as identified in the November 19, 2007, Department of Natural Resources' land acquisition plan.

**Sec. 38. PRIVATE SALE OF SURPLUS STATE LAND; WASHINGTON COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 94.09 and 94.10, the commissioner of natural resources may sell by private sale the surplus land that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land that may be sold is located in Washington County and is described as: the West 750 feet of the East 1,130.6 feet of the North 786.72 feet of the Northwest Quarter of the Northeast Quarter of Section 15, Township 29 North, Range 20 West, containing 13.5 acres, more or less.

(d) The Department of Natural Resources has determined that the land is not needed for natural resource purposes. The state's land management interests would best be served if the land was sold to an adjacent landowner, as the property described in paragraph (c) does not have legal access to a public road.

**Sec. 39. PRIVATE SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; WASHINGTON COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Washington County may sell by private sale or convey for no consideration to the United States of America, acting through the United States National Park Service, Department of the Interior, the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in Washington County and is described as:

(1) Parcel A (PIN 29.031.19.22.0001): Section 29, Township 31, Range 19, Government Lot 5;

(2) Parcel B (PIN 20.031.19.22.0001): Section 20, Township 31, Range 19, Government Lot 5;

(3) Parcel C (PIN 17.031.19.32.0001): Section 17, Township 31, Range 19, Government Lot 4;

(4) Parcel D (PIN 18.032.19.11.0001): Section 18, Township 32, Range 19, Government Lot 2;  
and

(5) Parcel E (PIN 18.032.19.14.0001): Section 18, Township 32, Range 19, Government Lot 3.

(d) The county has determined that the county's land management interests would best be served if the lands were sold or conveyed to the United States of America and managed by the National Park Service.

**Sec. 40. PRIVATE SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; WASHINGTON COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Washington County may sell by private sale the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in Washington County and is described as: Parcel A (PIN 09.032.21.43.0070): Lot 8, Block 3, excepting therefrom the East 200 feet thereof of Skoglund's Park Addition, as surveyed and platted and now on file and of record in the Office of the Registrar of Titles of said County of Washington, State of Minnesota.

(d) The sale would be to an adjacent landowner and the Department of Natural Resources has determined that the land is not appropriate for the department to manage. The county may split the parcel described in paragraph (c), as allowed in Minnesota Statutes, section 282.01, and sell the resulting parcels if the county finds a split to be advantageous for the purpose of sale.

**Sec. 41. CONVEYANCE OF DRAINAGE DISTRICT LAND; WINONA COUNTY.**

The Rushford Area Drainage and Conservancy District, established by order of the Tenth Judicial District Court on February 20, 1953, was terminated on January 1, 1988, by Laws 1987, chapter 239, section 140. The land that was owned by the Rushford Area Drainage and Conservancy District in Winona County is now owned by the state of Minnesota and is hereby transferred to the commissioner of natural resources for administration and management for conservation purposes.

**Sec. 42. DEPOSIT OF PROCEEDS.**

Notwithstanding Minnesota Statutes, section 97A.055, subdivision 1, the proceeds resulting from the 2010 sale of a transportation road easement on the Lamprey Pass Wildlife Management Area to construct a road overpass on County Road 83 in Washington County shall be deposited in the land acquisition account, established under Minnesota Statutes, section 94.165.

**Sec. 43. EFFECTIVE DATE.**

Sections 10 to 41 are effective the day following final enactment.

**ARTICLE 5**



**ENERGY****Section 1. [116C.7791] SOLAR PHOTOVOLTAIC MODULE REBATE PROGRAM.**

**Subdivision 1. Definitions.** For the purpose of this section, the following terms have the meaning given.

(a) "Installation" means an array of solar photovoltaic modules attached to a building that will use the electricity generated by the solar photovoltaic modules or placed on a facility or property proximate to that building.

(b) "Manufactured" means the material production of solar photovoltaic modules, including the tabbing, stringing, and lamination processes or any existing Minnesota manufacturer that produces the interconnection of low-voltage solar photo-active elements so as to produce the final useful photovoltaic output.

(c) "Qualified owner" means an owner of a residence, multifamily residence, business, or publicly owned building located in the assigned service area of the utility subject to Minnesota Statutes, section 116C.779, but does not include an entity engaged in the business of generating or selling electricity at retail, or an unregulated subsidiary of such an entity.

(d) "Solar photovoltaic module" means the smallest, nondivisible, self-contained physical structure housing interconnected photovoltaic cells and providing a single direct current of electrical output.

**Subd. 2. Establishment.** The commissioner of commerce shall establish a program consistent with this section to provide rebates to a qualified owner for installing solar photovoltaic modules manufactured in Minnesota after December 31, 2009.

**Subd. 3. Rebate eligibility.** (a) To be eligible for a rebate under this section, a solar module:

- (1) must be manufactured in Minnesota;
- (2) must be installed as part of a system whose generating capacity does not exceed 100 kilowatts;
- (3) must be certified by Underwriters Laboratory, or must have received the ETL listed mark from Intertek, or must have an equivalent certification from an independent testing agency;
- (4) may or may not be connected to a utility grid;
- (5) must be installed by a person certified as a solar photovoltaic installer by the North American Board of Certified Energy Practitioners; and
- (6) may not be used to sell, transmit, or distribute the electrical energy at retail and may not provide for end use from an off-site facility of the electrical energy. On-site generation is allowed to the extent provided for in Minnesota Statutes, section 216B.1611.

(b) To be eligible for a rebate under this section, an applicant must have applied for and been awarded a rebate or other form of financial assistance available exclusively to owners of properties on which solar photovoltaic modules are installed that is offered by:

- (1) the utility serving the property on which the solar photovoltaic modules are to be installed;

or

(2) this state, under an authority other than this section.

(c) An applicant who is otherwise ineligible for a rebate under paragraph (b) is eligible if the applicant's failure to be awarded a rebate or other form of financial assistance is due solely to a lack of available funds from a utility or the state.

Subd. 4. **Rebate amount and payment.** (a) The amount of a rebate under this section is the difference between the sum of all rebates described in subdivision 3, paragraph (b), awarded to the applicant and an amount not to exceed \$5 per watt of installed generating capacity.

(b) Notwithstanding paragraph (a), the amount of all rebates or other forms of financial assistance from a utility and the state, net of applicable federal income taxes applied at the highest applicable income tax rates, including any rebate paid under this section, shall not exceed 60 percent of the total installed cost.

(c) Rebates must be awarded to eligible applicants beginning July 1, 2010.

(d) The rebate must be paid out proportionately in five consecutive annual installments.

Subd. 5. **Rebate program funding.** (a) The following amounts must be allocated from the renewable development account established in section 116C.779 to the commissioner of commerce and are appropriated for the solar photovoltaic module rebate program in this section:

(1) \$2,000,000 in fiscal year 2011;

(2) \$4,000,000 in fiscal year 2012;

(3) \$5,000,000 in fiscal year 2013;

(4) \$5,000,000 in fiscal year 2014; and

(5) \$5,000,000 in fiscal year 2015.

(b) The amounts allocated are available until the money is expended.

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

Sec. 2. Minnesota Statutes 2008, section 116J.437, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purpose of this section, the following terms have the meanings given.

(b) "Green economy" means products, processes, methods, technologies, or services intended to do one or more of the following:

(1) increase the use of energy from renewable sources, including through achieving the renewable energy standard established in section 216B.1691;

(2) achieve the statewide energy-savings goal established in section 216B.2401, including energy savings achieved by the conservation investment program under section 216B.241;

(3) achieve the greenhouse gas emission reduction goals of section 216H.02, subdivision 1,

including through reduction of greenhouse gas emissions, as defined in section 216H.01, subdivision 2, or mitigation of the greenhouse gas emissions through, but not limited to, carbon capture, storage, or sequestration;

(4) monitor, protect, restore, and preserve the quality of surface waters, including actions to further the purposes of the Clean Water Legacy Act as provided in section 114D.10, subdivision 1; ~~or~~

(5) expand the use of biofuels, including by expanding the feasibility or reducing the cost of producing biofuels or the types of equipment, machinery, and vehicles that can use biofuels, including activities to achieve the biofuels 25 by 2025 initiative in sections 41A.10, subdivision 2, and 41A.11; or

(6) increase the use of green chemistry, as defined in section 116.9401.

For the purpose of clause (3), "green economy" includes strategies that reduce carbon emissions, such as utilizing existing buildings and other infrastructure, and utilizing mass transit or otherwise reducing commuting for employees.

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

Sec. 3. Minnesota Statutes 2008, section 216B.62, is amended by adding a subdivision to read:

Subd. 3a. **Supplemental staffing assessment.** In addition to other assessments in subdivision 3, the commission may assess up to \$800,000 per year for supplemental staffing to implement requirements of this chapter. The amount in this subdivision shall be assessed to the several public utilities in proportion to their respective gross operating revenues from retail sales of gas or electric service within the state during the last calendar year, shall be deposited into an account in the special revenue fund, and appropriated to the commission. An assessment made under this subdivision is not subject to the cap on assessments provided in subdivision 3 or any other law.

Sec. 4. Laws 2009, chapter 37, article 2, section 13, is amended to read:

**Sec. 13. APPROPRIATIONS; CANCELLATIONS.**

(a) The remaining balance of the fiscal year 2009 special revenue fund appropriation for the Green Jobs Task Force under Laws 2008, chapter 363, article 6, section 3, subdivision 4, is transferred and appropriated to the commissioner of employment and economic development for the purposes of green enterprise assistance under Minnesota Statutes, section 116J.438. This appropriation is available until spent.

(b) The unencumbered balance of the fiscal year 2008 appropriation to the commissioner of commerce for the rural and energy development revolving loan fund under Laws 2007, chapter 57, article 2, section 3, subdivision 6, is canceled and reappropriated to the commissioner of commerce as follows:

(1) \$1,500,000 is for a grant to the Board of Trustees of the Minnesota State Colleges and Universities for the International Renewable Energy Technology Institute (IRETI) to be located at Minnesota State University, Mankato, as a public and private partnership to support applied research in renewable energy and energy efficiency to aid in the transfer of technology from Sweden to Minnesota and to support technology commercialization from companies located in Minnesota and

throughout the world; and

(2) the remaining balance is for a grant to the Board of Regents of the University of Minnesota for the initiative for renewable energy and the environment to fund start up costs related to a national solar testing and certification laboratory to test, rate, and certify the performance of equipment and devices that utilize solar energy for heating and cooling air and water and for generating electricity.

This appropriation is available until expended.

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

**Sec. 5. NEIGHBORHOOD ENERGY PLANNING AND IMPLEMENTATION PROCESS.**

**Subdivision 1. Project.** The utility subject to Minnesota Statutes, section 116C.779, shall transfer \$80,000 from the renewable development account established under that section to the commissioner of commerce, who shall deposit it in the special revenue fund for a grant to the Clean Energy Resource Team serving the Twin Cities to organize and implement a community planning process that will produce and implement a comprehensive plan to promote investments in energy conservation and renewable energy in the following Minnesota neighborhoods:

(1) a neighborhood located within one mile of a below-grade bike and walking path more than four miles long that connects with other bike paths along a river, and whose population density exceeds 8,000 persons per square mile; and

(2) a neighborhood that is south of Burlington Northern Santa Fe railway lines and within one mile of a state trunk highway, located within one mile of a county border, that connects two interstate highways that cross the same river.

The planning process must seek to maximize the participation of neighborhood building owners and renters, businesses, churches, other neighborhood institutions, local hospitals, the utility serving the neighborhood, and the city in which the neighborhoods are located. The Clean Energy Resource Team shall contact representatives of similar successful planning processes in other states to benefit from their experience and to learn about best practices that can be replicated in Minnesota.

Subd. 2. Appropriation. \$80,000 from the money deposited in the special revenue fund under subdivision 1 is appropriated to the commissioner of commerce for the purposes of subdivision 1.

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

Delete the title and insert:

"A bill for an act relating to state government; modifying appropriation to prevent water pollution from polycyclic aromatic hydrocarbons; modifying certain administrative accounts; modifying electronic transaction provisions; providing for certain registration exemptions; modifying all-terrain vehicle definitions; modifying all-terrain vehicle operation restrictions; modifying state trails and canoe and boating routes; modifying fees and disposition of certain receipts; modifying certain competitive bidding exemptions; modifying horse trail pass provisions; modifying beaver dam provisions; modifying the Water Law; modifying nongame wildlife checkoffs; establishing an Environment and Natural Resources Organization Advisory Committee to advise legislature and governor on new structure for administration of environment and

natural resource policies; requiring an advisory committee to consider all powers and duties of Pollution Control Agency, Department of Natural Resources, Environmental Quality Board, Board of Water and Soil Resources, Petroleum Tank Release Compensation Board, Harmful Substances Compensation Board, and Agricultural Chemical Response Compensation Board and certain powers and duties of Departments of Agriculture, Health, Transportation, and Commerce; modifying method of determining value of acquired stream easements; providing for certain historic property exemption; modifying state forest acquisition provisions; modifying certain requirements for land sales; adding to and deleting from state parks and state forests; authorizing public and private sales, conveyances, and exchanges of certain state land; amending the definition of "green economy" to include the concept of "green chemistry;" clarifying that an appropriation is to the commissioner of commerce; establishing a program to provide rebates for solar photovoltaic modules; appropriating money; amending Minnesota Statutes 2008, sections 84.025, subdivision 9; 84.027, subdivision 15; 84.0272, subdivision 2; 84.0856; 84.0857; 84.777, subdivision 2; 84.82, subdivision 3, by adding a subdivision; 84.92, subdivisions 9, 10; 84.922, subdivision 5, by adding a subdivision; 84.925, subdivision 1; 84.9256, subdivision 1; 84.928, subdivision 5; 85.012, subdivision 40; 85.015, subdivision 14; 85.22, subdivision 5; 85.32, subdivision 1; 85.41, subdivision 3; 85.42; 85.43; 85.46, as amended; 88.17, subdivisions 1, 3; 88.79, subdivision 2; 89.032, subdivision 2; 90.041, by adding a subdivision; 90.121; 90.14; 97B.665, subdivision 2; 103A.305; 103G.271, subdivision 3; 103G.285, subdivision 5; 103G.301, subdivision 6; 103G.305, subdivision 2; 103G.315, subdivision 11; 103G.515, subdivision 5; 103G.615, subdivision 2; 115A.02; 116.07, subdivisions 4, 4h; 116J.437, subdivision 1; 216B.62, by adding a subdivision; 290.431; 290.432; 473.1565, subdivision 2; Minnesota Statutes 2009 Supplement, sections 84.415, subdivision 6; 84.793, subdivision 1; 84.9275, subdivision 1; 84.928, subdivision 1; 85.015, subdivision 13; 86A.09, subdivision 1; 103G.201; Laws 2008, chapter 368, article 1, section 34, as amended; Laws 2009, chapter 37, article 2, section 13; Laws 2009, chapter 176, article 4, section 9; Laws 2010, chapter 215, article 3, section 4, subdivision 10; proposing coding for new law in Minnesota Statutes, chapters 85; 103G; 116C; repealing Minnesota Statutes 2008, sections 84.02, subdivisions 1, 2, 3, 4, 5, 6, 7, 8; 90.172; 97B.665, subdivision 1; 103G.295; 103G.650; Minnesota Statutes 2009 Supplement, sections 3.3006; 84.02, subdivisions 4a, 6a, 6b."

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

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

**S.F. No. 2510:** A bill for an act relating to labor and industry; modifying licensing provisions; imposing and modifying certain license fees; 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, chapter 326B; repealing Minnesota Statutes 2008, sections 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, section 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.

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

Delete everything after the enacting clause and insert:

## **"ARTICLE 1**

### **EMPLOYMENT AND ECONOMIC DEVELOPMENT**

Section 1. Minnesota Statutes 2008, section 116J.437, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purpose of this section, the following terms have the meanings given.

(b) "Green economy" means products, processes, methods, technologies, or services intended to do one or more of the following:

(1) increase the use of energy from renewable sources, including through achieving the renewable energy standard established in section 216B.1691;

(2) achieve the statewide energy-savings goal established in section 216B.2401, including energy savings achieved by the conservation investment program under section 216B.241;

(3) achieve the greenhouse gas emission reduction goals of section 216H.02, subdivision 1, including through reduction of greenhouse gas emissions, as defined in section 216H.01, subdivision 2, or mitigation of the greenhouse gas emissions through, but not limited to, carbon capture, storage, or sequestration;

(4) monitor, protect, restore, and preserve the quality of surface waters, including actions to further the purposes of the Clean Water Legacy Act as provided in section 114D.10, subdivision 1; ~~or~~

(5) expand the use of biofuels, including by expanding the feasibility or reducing the cost of producing biofuels or the types of equipment, machinery, and vehicles that can use biofuels, including activities to achieve the biofuels 25 by 2025 initiative in sections 41A.10, subdivision 2, and 41A.11; or

(6) increase the use of green chemistry, as defined in section 116.9401.

For the purpose of clause (3), "green economy" includes strategies that reduce carbon emissions, such as utilizing existing buildings and other infrastructure, and utilizing mass transit or otherwise reducing commuting for employees.

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

#### **Sec. 2. [116J.872] RESPONSE TEAM.**

(a) The department shall operate a fast-action economic response team to contact and work with businesses that are identified as being:

(1) at risk for relocating or expanding outside the state; or

(2) prospects for expansion or relocation within the state.

(b) The fast-action response team must contact identified businesses within 24 hours.

Sec. 3. Minnesota Statutes 2008, section 116J.8731, subdivision 1, is amended to read:

Subdivision 1. **Purpose.** The Minnesota investment fund is created to provide financial and technical assistance, through partnership with communities, for the creation of new employment or to maintain existing employment, and for business start-up, expansions, and retention. It shall accomplish these goals by the following means:

(1) creation or retention of permanent private-sector jobs in order to create above-average economic growth consistent with environmental protection, which includes investments in technology and equipment that increase productivity and provide for a higher wage;

(2) stimulation or leverage of private investment to ensure economic renewal and competitiveness;

(3) increasing the local tax base, based on demonstrated measurable outcomes, to guarantee a diversified industry mix;

(4) improving the quality of existing jobs, based on increases in wages or improvements in the job duties, training, or education associated with those jobs;

(5) improvement of employment and economic opportunity for citizens in the region to create a reasonable standard of living, consistent with federal and state guidelines on low- to moderate-income persons; and

(6) stimulation of productivity growth through improved manufacturing or new technologies, including cold weather testing.

Sec. 4. Minnesota Statutes 2009 Supplement, section 116J.8731, subdivision 3, is amended to read:

Subd. 3. **Eligible expenditures.** The money appropriated for this section may be used to ~~fund~~:

(1) ~~fund~~ grants for infrastructure, loans, loan guarantees, interest buy-downs, and other forms of participation with private sources of financing, provided that a loan to a private enterprise must be for a principal amount not to exceed one-half of the cost of the project for which financing is sought; ~~and~~

(2) ~~fund~~ strategic investments in renewable energy market development, such as low interest loans for renewable energy equipment manufacturing, training grants to support renewable energy workforce, development of a renewable energy supply chain that represents and strengthens the industry throughout the state, and external marketing to garner more national and international investment into Minnesota's renewable sector. Expenditures in external marketing for renewable energy market development are not subject to the limitations in clause (1); and

(3) provide private entrepreneurs with training, other technical assistance, and financial assistance, as provided in the small cities development block grant program.

Sec. 5. Minnesota Statutes 2008, section 116J.8731, subdivision 4, is amended to read:

Subd. 4. **Eligible projects.** Assistance must be evaluated on the existence of the following conditions:

(1) creation of new jobs, retention of existing jobs, or improvements in the quality of existing jobs as measured by the wages, skills, or education associated with those jobs;

(2) increase in the tax base;

(3) the project can demonstrate that investment of public dollars induces private funds;

(4) the project can demonstrate an excessive public infrastructure or improvement cost beyond the means of the affected community and private participants in the project;

(5) the project provides higher wage levels to the community or will add value to current workforce skills;

(6) the project supports the development of microenterprises, as defined by federal statutes, through financial assistance, technical assistance, advice, or business services;

(7) whether assistance is necessary to retain existing business;

~~(7)~~ (8) whether assistance is necessary to attract out-of-state business; and

~~(8)~~ (9) the project promotes or advances the green economy as defined in section 116J.437.

A grant or loan cannot be made based solely on a finding that the conditions in clause ~~(6)~~ (7) or ~~(7)~~ (8) exist. A finding must be made that a condition in clause (1), (2), (3), (4), ~~or (5)~~, or (6) also exists.

Applications recommended for funding shall be submitted to the commissioner.

Sec. 6. Minnesota Statutes 2008, section 116J.996, is amended to read:

**116J.996 MILITARY RESERVIST ECONOMIC INJURY AND VETERAN-OWNED SMALL BUSINESS LOANS.**

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

(b) "Active service" has the meaning given in section 190.05.

(c) "Commissioner" means the commissioner of employment and economic development.

(d) "Eligible business" means a small business, as defined in section 645.445, that was operating in Minnesota on the date a military reservist received orders for active service.

(e) "Essential employee" means a military reservist who is an owner or employee of an eligible business and whose managerial or technical expertise is critical to the day-to-day operation of the eligible business.

(f) "Military reservist" means a member of the reserve component of the armed forces.

(g) "Reserve component of the armed forces" has the meaning given it in United States Code, title 10, section 101(c).

(h) "Substantial economic injury" means an economic harm to an eligible business that results



in the inability of the eligible business to:

- (1) meet its obligations as they mature;
- (2) pay its ordinary and necessary operating expenses; or
- (3) manufacture, produce, market, or provide a product or service ordinarily manufactured, produced, marketed, or provided by the eligible business.

(i) "Veteran-owned small business" means a small business, as defined in section 645.445, that is majority-owned and operated by a veteran as defined in section 197.447.

Subd. 2. **Loan program.** The commissioner may make onetime, interest-free loans of up to \$20,000 per borrower to: (1) eligible businesses that have sustained or are likely to sustain substantial economic injury as a result of the call to active service for 180 days or more of an essential employee; or (2) veterans who are veterans as defined in section 197.447, to start a veteran-owned small business. Loans for economic injury must be made for the purpose of preventing, remedying, or ameliorating the substantial economic injury.

Subd. 3. **Revolving loan account.** The commissioner shall use money appropriated for the purpose to establish a revolving loan account. All repayments of loans made under this section must be deposited into this account. Interest earned on money in the account accrues to the account. Money in the account is appropriated to the commissioner for purposes of the loan program created in this section, including costs incurred by the commissioner to establish and administer the program.

Subd. 4. **Rules.** Using the expedited rulemaking procedures of section 14.389, the commissioner shall develop and publish expedited rules for loan applications, use of funds, needed collateral, terms of loans, and other details of military reservist economic injury and veteran-owned small business loans.

Sec. 7. Minnesota Statutes 2009 Supplement, section 116L.20, subdivision 1, is amended to read:

Subdivision 1. **Determination and collection of special assessment.** (a) In addition to amounts due from an employer under the Minnesota unemployment insurance program, each employer, except an employer making reimbursements is liable for a special assessment levied at the rate of .10 percent per year on all taxable wages, as defined in section 268.035, subdivision 24, except that effective July 1, 2009, until June 30, 2011, the special assessment shall be levied at a rate of .12 percent per year on all taxable wages as defined in section 268.035, subdivision 24. The commissioner of employment and economic development may increase the assessment rate to meet the state's workforce development needs, from .12 percent to .14 percent per year, on all taxable wages as defined in section 268.035, subdivision 24. The assessment shall become due and be paid by each employer on the same schedule and in the same manner as other amounts due from an employer under section 268.051, subdivision 1.

(b) The special assessment levied under this section shall be subject to the same requirements and collection procedures as any amounts due from an employer under the Minnesota unemployment insurance program.

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

Sec. 8. [116W.01] MINNESOTA SCIENCE AND TECHNOLOGY AUTHORITY ACT.

This chapter may be cited as the "Minnesota Science and Technology Authority Act."

**EFFECTIVE DATE.** This section is effective July 1, 2010.

Sec. 9. [116W.02] DEFINITIONS.

Subdivision 1. **Applicability.** For the purposes of this chapter, the terms in this section have the meanings given them.

Subd. 2. **Authority.** "Authority" means the Minnesota Science and Technology Authority.

Subd. 3. **Eligible recipient.** "Eligible recipient" means an entity primarily operating to create and retain jobs in the state's industrial base and maximize the economic growth of the state through:

- (1) high-technology research and development capabilities;
- (2) product and process innovation and commercialization;
- (3) high-technology manufacturing capabilities;
- (4) science and technology business environment; or
- (5) science and technology workforce preparation.

Subd. 4. **Advisory commission.** "Advisory commission" means the advisory commission under section 116W.051.

**EFFECTIVE DATE.** This section is effective July 1, 2010.

Sec. 10. [116W.03] MINNESOTA SCIENCE AND TECHNOLOGY AUTHORITY.

Subdivision 1. **Membership.** The Minnesota Science and Technology Authority consists of the commissioner of employment and economic development, the commissioner of management and budget, the commissioner of revenue, the commissioner of commerce, and the commissioner of agriculture.

Subd. 2. **Chair; other officers.** The commissioner of employment and economic development shall serve as the chair and chief executive officer of the authority. The authority shall rotate the position of vice chair annually among its members. The commissioner of employment and economic development shall convene the first meeting of the authority no later than July 1, 2010. In the absence of the chair or vice chair at meetings of the authority members may elect a chair for the meeting, and may elect other officers as necessary from its members.

Subd. 3. **Delegation.** In addition to any powers to delegate that members of the authority have as commissioners, they may delegate to the chair, vice chair, or executive director their responsibilities as members of the authority for reviewing and approving financing of eligible projects, projects that have been authorized by law, or programs specifically authorized by resolution of the authority.

Subd. 4. **Actions.** (a) A majority of the authority, excluding vacancies, constitutes a quorum to conduct its business, to exercise its powers, and for all other purposes.

(b) The authority may conduct its business by any technological means available, including

teleconference calls or interactive video, that allows for an interaction between members. If a meeting is conducted under this paragraph, a specific location must be available for the public to attend the meeting and at least one member must be present at that location.

Subd. 5. **Executive director; staffing.** The authority shall employ an executive director in the unclassified service. The initial executive director must be the individual in the position of director of the Office of Science and Technology as of January 1, 2010, under section 116J.657. The executive director is responsible for hiring staff necessary to assist the executive director to carry out the duties and responsibilities of the authority. The executive director shall perform duties that the authority may require in carrying out its responsibilities to manage and implement the funds and programs in this chapter, and comply with all state and federal program requirements, and state and federal securities and tax laws and regulations. The executive director shall assist the advisory board in fulfilling its duties under this chapter.

Subd. 6. **Administrative services.** The authority shall enter into agreements for administrative and professional services and technical support.

Subd. 7. **Expiration.** This section expires June 30, 2018.

**EFFECTIVE DATE.** This section is effective July 1, 2010.

Sec. 11. **[116W.04] POWERS AND DUTIES.**

Subdivision 1. **Duties.** The Science and Technology Authority shall:

(1) coordinate public and private efforts to procure federal funding for collaborative research and development projects of primary benefit to small-sized and medium-sized businesses;

(2) promote contractual relationships between Minnesota businesses that are recipients of federal grants and prime contractors, and Minnesota-based subcontractors;

(3) work with Minnesota nonprofit institutions including the University of Minnesota, Minnesota State Colleges and Universities, and the Mayo Clinic in promoting collaborative efforts to respond to federal funding opportunities;

(4) develop a framework for Minnesota companies to establish sole-source relationships with federal agencies;

(5) coordinate workshops, assistance with business proposals, licensing, intellectual property protection, commercialization, and government auditing with the University of Minnesota and Minnesota State Colleges and Universities; and

(6) develop and implement a comprehensive science and technology economic development strategy for the state.

Subd. 2. **Technology matchmaking.** The authority must assist businesses in identifying qualified suppliers and vendors through a program to serve as a conduit for Minnesota-based companies to network with firms able to support their success. Firms outside Minnesota can participate in the technology matchmaking network if one of the participating companies is located in Minnesota.

Subd. 3. **Commercialization assistance.** The authority must provide commercialization

assistance to Minnesota firms that have received a Phase I Small Business Innovation Research (SBIR) or a Phase I Small Business Technology Transfer (STTR) award and are submitting a Phase II proposal. Local service providers must assist the applicant with developing and reviewing the required commercialization plan prior to Phase II submission. The authority may provide SBIR Phase I proposal technical review.

Subd. 4. **Power to sue; enter contracts.** The authority may sue and be sued. The authority may make and enter into contracts, leases, and agreements necessary to perform its duties and exercise its powers.

Subd. 5. **Gifts; grants.** The authority may apply for, accept, and disburse gifts, grants, loans, or other property from the United States, the state, private sources, or any other source for any of its purposes. Money received by the authority under this subdivision must be deposited in the state treasury and is appropriated to the authority to carry out its duties.

Subd. 6. **Contract for services.** The authority may retain or contract for the services of accountants, financial advisors, and other consultants or agents needed to perform its duties and exercise its powers.

Subd. 7. **Fees.** The authority may set and collect fees for costs incurred by the authority, the Department of Employment and Economic Development, the Department of Management and Budget, the Department of Revenue, the Department of Commerce, the Department of Labor and Industry, and the Department of Agriculture, including costs for personnel, professional, and administrative services.

Subd. 8. **Reports.** (a) The authority shall report by February 1 of each year to the chairs and the ranking minority members of the legislative committees and divisions with jurisdiction over finance and economic development on its progress to design, coordinate, and administer a strategic science and technology program for the state to promote the welfare of the people of the state, maximize the economic growth of the state, and create and retain jobs in the state's industrial base through enhancement of Minnesota's:

- (1) high-technology research and development capabilities;
- (2) product and process innovation and commercialization;
- (3) high-technology manufacturing capabilities;
- (4) science and technology business environment; and
- (5) science and technology workforce preparation.

(b) The report must include a complete operating and financial statement covering the authority's operations during the year, including amounts of income from all sources. Books and records of the authority are subject to audit by the legislative auditor in the manner prescribed for state agencies.

Subd. 9. **Consultative and technical services.** The authority may provide general consultative and technical services to assist eligible projects and enter into agreements or other transactions concerning the receipt or provision of those services.

Subd. 10. **Financial information.** Financial information, including credit reports, financial statements, and net worth calculations, received or prepared by the authority regarding financial

assistance, is private data with regard to data on individuals as defined in section 13.02, subdivision 12, and nonpublic data with regard to data not on individuals as defined in section 13.02, subdivision 9.

Subd. 11. **General.** The authority shall have all powers necessary and appropriate to fulfill its responsibilities under this chapter.

**EFFECTIVE DATE.** This section is effective July 1, 2010.

Sec. 12. **[116W.05] PROJECT FINANCIAL ASSISTANCE.**

Subdivision 1. **Determination of financial assistance.** The authority shall assist eligible recipients in identifying grants or other sources of financial assistance available to finance projects and may assist eligible recipients in applying for and obtaining grants and other forms of assistance.

Subd. 2. **Financial feasibility review.** (a) The authority shall review the proposed financing for each project submitted to the authority to determine whether: (1) the proposed project and financing plan is an eligible use of the money; and (2) the proposal is in compliance with applicable state and federal tax and securities laws and regulations. Grants in excess of \$50,000 must be approved by the authority. Grants of \$50,000 or less may be authorized by the executive director. All grant approvals or disapprovals must be completed within 30 days of submission to the authority.

(b) Unless a project is specifically authorized by law, the authority may reject the proposed financing for a project meeting the requirements in paragraph (a) if a majority of members believe the financing of the project would not be in the best interests of the state or would be detrimental to the authority's funds or programs. A determination to reject a proposed project must not be made in an arbitrary and capricious manner and must be supported by substantive evidence and documented by a resolution of the authority stating its findings.

**EFFECTIVE DATE.** This section is effective July 1, 2010.

Sec. 13. **[116W.051] ADVISORY COMMISSION.**

Subdivision 1. **Advisory commission membership.** A Science and Technology Initiative Advisory Commission of 18 members is established and is comprised of:

(1) two representatives of the University of Minnesota, selected by the president of the university, including a faculty member actively involved in science and technology research;

(2) two representatives of the Minnesota State Colleges and Universities, selected by the chancellor, including a faculty member actively involved in science and technology research;

(3) the chief executive officer of Mayo Clinic or a designee;

(4) six chief executive officers or designees from science-oriented or technology-oriented companies;

(5) four representatives from science-oriented and technology-oriented organizations;

(6) one representative of organized labor;

(7) a venture capital representative; and

(8) a representative of angel investors.

A member must have experience in science or technology in order to serve on the commission.

Members of the commission listed in clauses (4) to (8) shall be appointed by the authority.

Subd. 2. **Advisory commission duties.** The advisory commission must assist the authority in developing a comprehensive science and technology economic development plan to be presented to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over economic development by January 15, 2011. The plan must include recommendations in strategic areas for science and technology investments, recommendations on additional programs to support science and technology focused economic development activities in the state, selection of specific programs and grantees for support from program funds authorized by the advisory commission and ongoing assessment of the effectiveness of programmatic elements according to metrics to be developed by the authority in consultation with the advisory commission. The advisory commission may also advise and assist the authority in fulfilling its duties under section 116W.04.

Subd. 3. **Membership terms; vacancies; compensation.** The membership terms, removal of members, filling of vacancies and compensation of members are as provided under section 15.059. The compensation required under this section must be paid by the authority.

Subd. 4. **Expiration.** The advisory commission expires June 30, 2013.

Subd. 5. **Convening of meetings; staffing.** The executive director of the authority must convene the first meeting of the commission by August 1, 2010. The executive director must provide administrative support and staff to the commission.

**EFFECTIVE DATE.** This section is effective July 1, 2010.

**Sec. 14. [116W.20] MONEY OF THE AUTHORITY.**

Subdivision 1. **Functions of commissioner of management and budget.** Except as otherwise provided in this section, money of the authority must be paid to the commissioner of management and budget as agent of the authority and the commissioner shall not commingle the money with other money. The money in the accounts of the authority must be paid out only on warrants drawn by the commissioner of management and budget on requisition of the executive director of the authority or of another officer or employee as the authority authorizes. Deposits of the authority's money must, if required by the commissioner or the authority, be secured by obligations of the United States or of the state of a market value equal at all times to the amount of the deposit and all banks and trust companies are authorized to give security for the deposits. All money paid to the commissioner as agent of the authority is appropriated to the authority.

Subd. 2. **System of accounts.** The commissioner of management and budget shall prescribe a system of accounts.

**EFFECTIVE DATE.** This section is effective July 1, 2010.

**Sec. 15. [116W.21] NONLIABILITY.**

Subdivision 1. **Nonliability of individuals.** No member of the authority, staff of the authority, or other person executing other agreements or contracts of the authority is liable personally or is

subject to any personal liability or accountability by reason of their issuance, execution, delivery, or performance.

Subd. 2. **Nonliability of state.** The state is not liable on loans or other agreements or contracts of the authority issued or entered into under this chapter and the loans or other agreements or contracts of the authority are not a debt of the state. The loans or other agreements or contracts of the authority must contain on their face a statement to that effect.

**EFFECTIVE DATE.** This section is effective July 1, 2010.

Sec. 16. **[116W.23] STATE PLEDGE AGAINST IMPAIRMENT OF CONTRACTS.**

The state pledges and agrees with parties to any loans or other agreements or contracts of the authority that the state will not: (1) limit or alter the rights vested in the authority to fulfill the terms of any agreements made with the parties to any loans or other agreements or contracts of the authority; or (2) in any way impair the rights and remedies of the parties to any loans or other agreements or contracts of the authority. The authority may include this pledge and agreement of the state in any agreement with the parties in any loans or other agreements or contracts of the authority.

**EFFECTIVE DATE.** This section is effective July 1, 2010.

Sec. 17. **[116W.24] RESERVES; FUNDS; ACCOUNTS.**

The authority may establish reserves, funds, or accounts necessary to carry out the purposes of the authority or to comply with any agreement made by or any resolution passed by the authority.

**EFFECTIVE DATE.** This section is effective July 1, 2010.

Sec. 18. Minnesota Statutes 2008, section 462.355, subdivision 3, is amended to read:

Subd. 3. **Adoption by governing body.** A proposed comprehensive plan or an amendment to it may not be acted upon by the governing body until it has received the recommendation of the planning agency or until 60 days have elapsed from the date an amendment proposed by the governing body has been submitted to the planning agency for its recommendation. Unless otherwise provided by charter, the governing body may by resolution ~~by a two-thirds vote of all of its members~~ adopt and amend the comprehensive plan or portion thereof as the official municipal plan upon such notice and hearing as may be prescribed by ordinance. Except for amendments to permit affordable housing development, a resolution to amend or adopt a comprehensive plan must be approved by a two-thirds vote of all of the members. Amendments to permit an affordable housing development are approved by a simple majority of all of the members. For purposes of this subdivision, "affordable housing development" means a development in which at least 20 percent of the residential units are restricted to occupancy for at least ten years by residents whose household income at the time of initial occupancy does not exceed 60 percent of area median income, adjusted for household size, as determined by the United States Department of Housing and Urban Development, and with respect to rental units, the rents for affordable units do not exceed 30 percent of 60 percent of area median income, adjusted for household size, as determined annually by the United States Department of Housing and Urban Development.

Sec. 19. Laws 2009, chapter 78, article 1, section 3, subdivision 2, is amended to read:

Subd. 2. <b>Business and Community Development</b>	8,980,000	8,980,000
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## Appropriations by Fund

General	7,941,000	7,941,000
Remediation	700,000	700,000
Workforce Development	339,000	339,000

(a) \$700,000 the first year and \$700,000 the second year are from the remediation fund for contaminated site cleanup and development grants under Minnesota Statutes, section 116J.554. This appropriation is available until expended.

(b) \$200,000 each year is from the general fund for a grant to WomenVenture for women's business development programs and for programs that encourage and assist women to enter nontraditional careers in the trades; manual and technical occupations; science, technology, engineering, and mathematics-related occupations; and green jobs. This appropriation may be matched dollar for dollar with any resources available from the federal government for these purposes with priority given to initiatives that have a goal of increasing by at least ten percent the number of women in occupations where women currently comprise less than 25 percent of the workforce. The appropriation is available until expended.

(c) \$105,000 each year is from the general fund and \$50,000 each year is from the workforce development fund for a grant to the Metropolitan Economic Development Association for continuing minority business development programs in the metropolitan area. This appropriation must be used for the sole purpose of providing free or reduced fee business consulting services to minority entrepreneurs and contractors.

(d)(1) \$500,000 each year is from the general fund for a grant to BioBusiness Alliance of Minnesota for bioscience business development programs to promote and position the state as a global leader in bioscience business activities. This



appropriation is added to the department's base. These funds may be used to create, recruit, retain, and expand biobusiness activity in Minnesota; implement the destination 2025 statewide plan; update a statewide assessment of the bioscience industry and the competitive position of Minnesota-based bioscience businesses relative to other states and other nations; and develop and implement business and scenario-planning models to create, recruit, retain, and expand biobusiness activity in Minnesota.

(2) The BioBusiness Alliance must report each year by February 15 to the committees of the house of representatives and the senate having jurisdiction over bioscience industry activity in Minnesota on the use of funds; the number of bioscience businesses and jobs created, recruited, retained, or expanded in the state since the last reporting period; the competitive position of the biobusiness industry; and utilization rates and results of the business and scenario-planning models and outcomes resulting from utilization of the business and scenario-planning models.

(e)(1) Of the money available in the Minnesota Investment Fund, Minnesota Statutes, section 116J.8731, to the commissioner of the Department of Employment and Economic Development, up to \$3,000,000 is appropriated in fiscal year 2010 for a loan to an aircraft manufacturing and assembly company, associated with the aerospace industry, for equipment utilized to establish an aircraft completion center at the Minneapolis-St. Paul International Airport. The finishing center must use the state's vocational training programs designed specifically for aircraft maintenance training, and to the extent possible, work to recruit employees from these programs. The center must create at least 200 new manufacturing jobs within 24 months of receiving the loan, and create not less than 500 new manufacturing jobs over a five-year period

in Minnesota.

(2) This loan is not subject to loan limitations under Minnesota Statutes, section 116J.8731, subdivision 5. Any match requirements under Minnesota Statutes, section 116J.8731, subdivision 3, may be made from current resources. This is a onetime appropriation and is effective the day following final enactment.

(f) \$65,000 each year is from the general fund for a grant to the Minnesota Inventors Congress, of which at least \$6,500 must be used for youth inventors.

(g) \$200,000 the first year ~~and \$200,000 the second year are~~ is for the Office of Science and Technology. This is a onetime appropriation.

(h) \$500,000 the first year and \$500,000 the second year are for a grant to Enterprise Minnesota, Inc., for the small business growth acceleration program under Minnesota Statutes, section 116O.115. This is a onetime appropriation and is available until expended.

(i)(1) \$100,000 each year is from the workforce development fund for a grant under Minnesota Statutes, section 116J.421, to the Rural Policy and Development Center at St. Peter, Minnesota. The grant shall be used for research and policy analysis on emerging economic and social issues in rural Minnesota, to serve as a policy resource center for rural Minnesota communities, to encourage collaboration across higher education institutions, to provide interdisciplinary team approaches to research and problem-solving in rural communities, and to administer overall operations of the center.

(2) The grant shall be provided upon the condition that each state-appropriated dollar be matched with a nonstate dollar. Acceptable matching funds are nonstate contributions that the center has received and have not been used to match previous state grants. Any

funds not spent the first year are available the second year.

(j) Notwithstanding Minnesota Statutes, section 268.18, subdivision 2, \$414,000 of funds collected for unemployment insurance administration under this subdivision is appropriated as follows: \$250,000 to Lake County for ice storm damage; \$64,000 is for the city of Green Isle for reimbursement of fire relief efforts and other expenses incurred as a result of the fire in the city of Green Isle; and \$100,000 is to develop the construction mitigation pilot program to make grants ~~for up to five projects statewide available~~ to local government units to mitigate the impacts of transportation construction on local small business. These are onetime appropriations and are available until expended.

(k) Up to \$10,000,000 is appropriated from the Minnesota minerals 21st century fund to the commissioner of Iron Range resources and rehabilitation to make a grant or forgivable loan to a manufacturer of windmill blades at a facility to be located within the taconite tax relief area defined in Minnesota Statutes, section 273.134.

(l) \$1,000,000 is appropriated from the Minnesota minerals 21st century fund to the Board of Trustees of the Minnesota State Colleges and Universities for a grant to the Northeast Higher Education District for planning, design, and construction of classrooms and housing facilities for upper division students in the engineering program.

(m)(1) \$189,000 each year is appropriated from the workforce development fund for grants of \$63,000 to eligible organizations each year to assist in the development of entrepreneurs and small businesses. Each state grant dollar must be matched with \$1 of nonstate funds. Any balance in the first year does not cancel but is available in the second year.

(2) Three grants must be awarded to continue

or to develop a program. One grant must be awarded to the Riverbend Center for Entrepreneurial Facilitation in Blue Earth County, and two to other organizations serving Faribault and Martin Counties. Grant recipients must report to the commissioner by February 1 of each year that the organization receives a grant with the number of customers served; the number of businesses started, stabilized, or expanded; the number of jobs created and retained; and business success rates. The commissioner must report to the house of representatives and senate committees with jurisdiction over economic development finance on the effectiveness of these programs for assisting in the development of entrepreneurs and small businesses.

**EFFECTIVE DATE.** This section is effective July 1, 2010.

**Sec. 20. REPORT ON AT-RISK BUSINESSES; CREATION OF FAST-ACTION ECONOMIC RESPONSE TEAM.**

Not later than 30 days after the effective date of this section, the commissioner of employment and economic development shall submit to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over jobs and employment and economic development a report that identifies retention methods the department currently uses, and retention methods the department could use in the future, to identify businesses at risk for relocation or expansion outside of this state. The report must also include a proactive plan to identify businesses outside of this state that are seeking to relocate or expand, or that could be encouraged to relocate or expand through the use of incentives. In developing the plan, the commissioner shall collaborate with economic development stakeholders from state government, business, and nongovernmental organizations.

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

**Sec. 21. COMPARATIVE STUDY OF STATE REGULATION AFFECTING SMALL BUSINESS START-UPS.**

(a) \$65,000 is appropriated for fiscal year 2011 from the general fund to the Legislative Coordinating Commission to fund a grant for a comparative study of the effects of state regulation on the cost and delay required to start a typical small business in Minnesota, Iowa, North Dakota, South Dakota, and Wisconsin. This appropriation is available until spent.

(b) The study must examine the typical cost and delay required by state regulation in the five states to start a typical small services business, small retail business, and small manufacturing business. Within each of those three categories, the study must choose to study similar types of businesses and follow the start-up process in the two states from beginning to end, including formation, financing, licensing, permits, reporting requirements, employment laws, and state and

local taxes. The study must result in a written report submitted to the Legislative Coordinating Commission no later than December 1, 2011.

(c) The Legislative Coordinating Commission shall request proposals and choose the recipient of the grant from among higher education institutions that have a graduate program in business, business administration, or a similar field. The Legislative Coordinating Commission shall periodically monitor the recipient's progress on the study and written report. The Legislative Coordinating Commission shall submit the written report as a report to the legislature in compliance with Minnesota Statutes, sections 3.195 and 3.197.

Sec. 22. **APPROPRIATION.**

\$200,000 is appropriated from the general fund in fiscal year 2011 to the Minnesota Science and Technology Authority for the purposes of Minnesota Statutes, chapter 116W.

**EFFECTIVE DATE.** This section is effective July 1, 2010.

Sec. 23. **REPEALER.**

Minnesota Statutes 2008, section 116J.657, is repealed.

**EFFECTIVE DATE.** This section is effective July 1, 2010.

## ARTICLE 2

### UNEMPLOYMENT INSURANCE

Section 1. Minnesota Statutes 2009 Supplement, section 268.035, subdivision 19a, is amended to read:

Subd. 19a. **Immediate family member.** "Immediate family member" means ~~the applicant's~~ an individual's spouse, parent, stepparent, son or daughter, stepson or stepdaughter, or grandson or granddaughter.

Sec. 2. Minnesota Statutes 2008, section 268.035, subdivision 20, is amended to read:

Subd. 20. **Noncovered employment.** "Noncovered employment" means:

(1) employment for the United States government or an instrumentality thereof, including military service;

(2) employment for a state, other than Minnesota, or a political subdivision or instrumentality thereof;

(3) employment for a foreign government;

(4) employment for an instrumentality wholly owned by a foreign government, if the employment is of a character similar to that performed in foreign countries by employees of the United States government or an instrumentality thereof and the United States Secretary of State has certified that the foreign government grants an equivalent exemption to similar employment performed in the foreign country by employees of the United States government and instrumentalities thereof;

(5) employment covered under United States Code, title 45, section 351, the Railroad

## Unemployment Insurance Act;

(6) employment covered by a reciprocal arrangement between the commissioner and another state or the federal government that provides that all employment performed by an individual for an employer during the period covered by the reciprocal arrangement is considered performed entirely within another state;

(7) employment for a church or convention or association of churches, or an organization operated primarily for religious purposes that is operated, supervised, controlled, or principally supported by a church or convention or association of churches described in United States Code, title 26, section 501(c)(3) of the federal Internal Revenue Code and exempt from income tax under section 501(a);

(8) employment of a duly ordained or licensed minister of a church in the exercise of a ministry or by a member of a religious order in the exercise of duties required by the order, for Minnesota or a political subdivision or an organization described in United States Code, title 26, section 501(c)(3) of the federal Internal Revenue Code and exempt from income tax under section 501(a);

(9) employment of an individual receiving rehabilitation of "sheltered" work in a facility conducted for the purpose of carrying out a program of rehabilitation for individuals whose earning capacity is impaired by age or physical or mental deficiency or injury or a program providing "sheltered" work for individuals who because of an impaired physical or mental capacity cannot be readily absorbed in the competitive labor market. This clause applies only to services performed for Minnesota or a political subdivision or an organization described in United States Code, title 26, section 501(c)(3) of the federal Internal Revenue Code and exempt from income tax under section 501(a) in a facility certified by the Rehabilitation Services Branch of the department or in a day training or habilitation program licensed by the Department of Human Services;

(10) employment of an individual receiving work relief or work training as part of an unemployment work relief or work training program assisted or financed in whole or in part by any federal agency or an agency of a state or political subdivision thereof. This clause applies only to employment for Minnesota or a political subdivision or an organization described in United States Code, title 26, section 501(c)(3) of the federal Internal Revenue Code and exempt from income tax under section 501(a). This clause does not apply to programs that require unemployment benefit coverage for the participants;

(11) employment for Minnesota or a political subdivision as an elected official, a member of a legislative body, or a member of the judiciary;

(12) employment as a member of the Minnesota National Guard or Air National Guard;

(13) employment for Minnesota, a political subdivision, or instrumentality thereof, as an employee serving only on a temporary basis in case of fire, flood, tornado, or similar emergency;

(14) employment as an election official or election worker for Minnesota or a political subdivision, but only if the compensation for that employment was less than \$1,000 in a calendar year;

(15) employment for Minnesota that is a major policy-making or advisory position in the unclassified service, including those positions established under section 43A.08, subdivision 1a;

(16) employment for a political subdivision of Minnesota that is a nontenured major policy making or advisory position;

(17) domestic employment in a private household, local college club, or local chapter of a college fraternity or sorority performed for a person, only if the wages paid in any calendar quarter in either the current or prior calendar year to all individuals in domestic employment totaled less than \$1,000.

"Domestic employment" includes all service in the operation and maintenance of a private household, for a local college club, or local chapter of a college fraternity or sorority as distinguished from service as an employee in the pursuit of an employer's trade or business;

(18) employment of an individual by a son, daughter, or spouse, and employment of a child under the age of 18 by the child's father or mother;

(19) employment for a personal care assistance provider agency by an immediate family member of a recipient who provides the direct care to the recipient through the personal care assistance program under section 256B.0659;

(20) employment of an inmate of a custodial or penal institution;

~~(20)~~ (21) employment for a school, college, or university by a student who is enrolled and is regularly attending classes at the school, college, or university;

~~(21)~~ (22) employment of an individual who is enrolled as a student in a full-time program at a nonprofit or public educational institution that maintains a regular faculty and curriculum and has a regularly organized body of students in attendance at the place where its educational activities are carried on, taken for credit at the institution, that combines academic instruction with work experience, if the employment is an integral part of the program, and the institution has so certified to the employer, except that this clause does not apply to employment in a program established for or on behalf of an employer or group of employers;

~~(22)~~ (23) employment of university, college, or professional school students in an internship or other training program with the city of St. Paul or the city of Minneapolis under Laws 1990, chapter 570, article 6, section 3;

~~(23)~~ (24) employment for a hospital by a patient of the hospital. "Hospital" means an institution that has been licensed by the Department of Health as a hospital;

~~(24)~~ (25) employment as a student nurse for a hospital or a nurses' training school by an individual who is enrolled and is regularly attending classes in an accredited nurses' training school;

~~(25)~~ (26) employment as an intern for a hospital by an individual who has completed a four-year course in an accredited medical school;

~~(26)~~ (27) employment as an insurance salesperson, by other than a corporate officer, if all the wages from the employment is solely by way of commission. The word "insurance" includes an annuity and an optional annuity;

~~(27)~~ (28) employment as an officer of a township mutual insurance company or farmer's mutual insurance company operating under chapter 67A;

~~(28)~~ (29) employment of a corporate officer, if the officer owns 25 percent or more of the

employer corporation, and employment of a member of a limited liability company, if the member owns 25 percent or more of the employer limited liability company;

~~(29)~~ (30) employment as a real estate salesperson, by other than a corporate officer, if all the wages from the employment is solely by way of commission;

~~(30)~~ (31) employment as a direct seller as defined in United States Code, title 26, section 3508;

~~(31)~~ (32) employment of an individual under the age of 18 in the delivery or distribution of newspapers or shopping news, not including delivery or distribution to any point for subsequent delivery or distribution;

~~(32)~~ (33) casual employment performed for an individual, other than domestic employment under clause (17), that does not promote or advance that employer's trade or business;

~~(33)~~ (34) employment in "agricultural employment" unless considered "covered agricultural employment" under subdivision 11; or

~~(34)~~ (35) if employment during one-half or more of any pay period was covered employment, all the employment for the pay period is considered covered employment; but if during more than one-half of any pay period the employment was noncovered employment, then all of the employment for the pay period is considered noncovered employment. "Pay period" means a period of not more than a calendar month for which a payment or compensation is ordinarily made to the employee by the employer.

Sec. 3. Minnesota Statutes 2008, section 268.046, subdivision 1, is amended to read:

Subdivision 1. **Tax accounts assigned.** (a) Any person that contracts with a taxpaying employer to have that person obtain the taxpaying employer's workforce and provide workers to the taxpaying employer for a fee is, as of the effective date of the contract, assigned for the duration of the contract the taxpaying employer's account under section 268.045. That tax account must be maintained by the person separate and distinct from every other tax account held by the person and identified in a manner prescribed by the commissioner. The tax account is, for the duration of the contract, considered that person's account for all purposes of this chapter. The workers obtained from the taxpaying employer and any other workers provided by that person to the taxpaying employer, including officers of the taxpaying employer as defined in section 268.035, subdivision 20, clause (28), whose wages paid by the person are considered paid in covered employment under section 268.035, subdivision 24, for the duration of the contract between the taxpaying employer and the person, must, under section 268.044, be reported on the wage detail report under that tax account, and that person must pay any taxes due at the tax rate computed for that account under section 268.051, subdivision 2.

(b) Any workers of the taxpaying employer who are not covered by the contract under paragraph (a) must be reported by the taxpaying employer as a separate unit on the wage detail report under the tax account assigned under paragraph (a). Taxes and any other amounts due on the wages reported by the taxpaying employer under this paragraph may be paid directly by the taxpaying employer.

(c) If the taxpaying employer that contracts with a person under paragraph (a) does not have a tax account at the time of the execution of the contract, an account must be registered for the taxpaying employer under section 268.042 and the new employer tax rate under section 268.051, subdivision 5, must be assigned. The tax account is then assigned to the person as provided for in paragraph (a).



(d) A person that contracts with a taxpaying employer under paragraph (a) must, within 30 calendar days of the execution or termination of a contract, notify the commissioner by electronic transmission, in a format prescribed by the commissioner, of that execution or termination. The taxpaying employer's name, the account number assigned, and any other information required by the commissioner must be provided by that person.

(e) Any contract subject to paragraph (a) must specifically inform the taxpaying employer of the assignment of the tax account under this section and the taxpaying employer's obligation under paragraph (b). If there is a termination of the contract, the tax account is, as of the date of termination, immediately assigned to the taxpaying employer.

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

Sec. 4. Minnesota Statutes 2008, section 268.051, subdivision 2, is amended to read:

Subd. 2. **Computation of tax rates; additional assessments.** (a) For each calendar year the commissioner shall must compute the tax rate of each taxpaying employer that qualifies for an experience rating by adding the base tax rate to the employer's experience rating along with assigning any appropriate additional assessment under paragraph ~~(d)~~ (c).

(b) The base tax rate for the calendar year and any additional assessments under this subdivision are determined based upon the amount in the trust fund on March 31 of the prior year as a percentage of total wages paid in covered employment. The base tax rate is:

- (1) one-tenth of one percent if the trust fund is equal to or more than 0.75 percent;
- (2) two-tenths of one percent if the trust fund is less than 0.75 percent but equal to or more than 0.65 percent;
- (3) three-tenths of one percent if the trust fund is less than 0.65 percent but equal to or more than 0.55 percent; ~~or~~
- (4) four-tenths of one percent if the trust fund is less than 0.55 percent, but has a positive balance;  
or
- (5) five-tenths of one percent if the trust fund has a negative balance and is borrowing from the federal unemployment trust fund in order to pay unemployment benefits as provided for under section 268.194, subdivision 6.

~~(c) There is a "falling trust fund adjustment" to the base tax rate for the calendar year if the amount in the trust fund on March 31 of the prior year is less than 0.75 percent of total wages paid in covered employment and:~~

- ~~(1) the amount in the trust fund on March 31 of the prior year is ten percent or more below the amount in the trust fund on March 31 of the year before that; or~~
- ~~(2) the amount in the trust fund on March 31 of the prior year is greater than the amount in the trust fund on June 30 of that same year.~~

~~If a "falling trust fund adjustment" is applicable, then the base tax rate is one-tenth of one percent greater than otherwise provided for under paragraph (b).~~

~~(d)~~ In addition to the base tax rate, there is an additional assessment for the calendar year on the quarterly unemployment taxes due from every taxpaying employer if the amount in the trust fund on March 31 of the prior year is less than 0.55 percent of total wages paid in covered employment. The assessment is as follows:

(1) a five percent assessment if the trust fund is less than 0.55 percent but equal to or more than 0.45 percent;

(2) a ten percent assessment if the trust fund is less than 0.45 percent but equal to or more than 0.35 percent; or

(3) a 14 percent assessment if the trust fund is less than 0.35 percent.

~~(e)~~(d) For the purposes of this subdivision, the trust fund does not include any money borrowed from the federal unemployment trust fund provided for in section 268.194, subdivision 6.

~~(f)~~(e) For the purposes of this subdivision, total wages paid in covered employment are those wages paid to all employees in covered employment during the calendar year before the March 31 date used in paragraph (b).

~~(g)~~(f) The base tax rate and any additional assessments are assessed on all taxpaying employers to cover a portion of the costs to the trust fund for unemployment benefits paid that do not affect any single employer's future experience rating because:

(1) the employer's experience rating is limited by the maximum under subdivision 3, paragraph (b);

(2) the employer has ceased doing business; or

(3) the unemployment benefits paid have been determined not to be used in computing the employer's experience rating under section 268.047, subdivision 2 or 3.

Sec. 5. Minnesota Statutes 2008, section 268.051, subdivision 5, is amended to read:

**Subd. 5. Tax rate for new employers.** (a) Each new taxpaying employer that does not qualify for an experience rating under subdivision 3, except new employers in a high experience rating industry, must be assigned, for a calendar year, a tax rate the higher of (1) one percent, or (2) the tax rate computed, to the nearest ~~one hundredth~~ 1/100 of a percent, by dividing the total amount of unemployment benefits paid all applicants during the 48 calendar months ending on June 30 of the prior calendar year by the total taxable wages of all taxpaying employers during the same period, plus the applicable base tax rate and any additional assessments under subdivision 2, paragraph (d).

(b) Each new taxpaying employer in a high experience rating industry that does not qualify for an experience rating under subdivision 3, must be assigned, for a calendar year, a tax rate the higher of 8.00 percent, (1) that assigned under paragraph (a), or (2) the tax rate, computed to the nearest 1/100 of a percent, by dividing the total amount of unemployment benefits paid to all applicants from high experience rating industry employers during the 48 calendar months ending on June 30 of the prior calendar year by the total taxable wages of all high experience rating industry employers during the same period, to a maximum provided for under subdivision 3, paragraph (b), plus the applicable base tax rate and any additional assessments under subdivision 2, paragraph (d).

(c) An employer is considered to be in a high experience rating industry if:

(1) the employer is engaged in residential, commercial, or industrial construction, including general contractors;

(2) the employer is engaged in sand, gravel, or limestone mining;

(3) the employer is engaged in the manufacturing of concrete, concrete products, or asphalt; or

(4) the employer is engaged in road building, repair, or resurfacing, including bridge and tunnels and residential and commercial driveways and parking lots.

~~(e)~~ (d) The commissioner ~~shall~~ must send to the new employer, by mail or electronic transmission, notice of the tax rate assigned. An employer may appeal the assignment of a tax rate in accordance with the procedures in subdivision 6, paragraph (c).

Sec. 6. Minnesota Statutes 2008, section 268.051, subdivision 7, is amended to read:

Subd. 7. **Tax rate buydown.** (a) Any taxpaying employer that has been assigned a tax rate based upon an experience rating, and has no amounts past due under this chapter, may, upon the payment of an amount equivalent to any portion or all of the unemployment benefits used in computing the experience rating plus a surcharge of 25 percent, obtain a cancellation of unemployment benefits used equal to the payment made, less the surcharge. The payment is applied to the most recent unemployment benefits paid that are used in computing the experience rating. Upon the payment, the commissioner ~~shall~~ must compute a new experience rating for the employer, and compute a new tax rate.

(b) Payments for a tax rate buydown may be made only by electronic payment and must be received within 120 calendar days from the beginning of the calendar year for which the tax rate is effective.

(c) For calendar years 2011, 2012, and 2013, the surcharge of 25 percent provided for in paragraph (a) does not apply.

Sec. 7. Minnesota Statutes 2009 Supplement, section 268.052, subdivision 2, is amended to read:

Subd. 2. **Election by state or political subdivision to be taxpaying employer.** (a) The state or political subdivision may elect to be a taxpaying employer ~~for any calendar year~~ if a notice of election is filed ~~within 30 calendar days following January 1 of that calendar year.~~ The election is effective at the beginning of the next calendar quarter. Upon election, the state or political subdivision must be assigned the new employer tax rate under section 268.051, subdivision 5, for the calendar year of the election and unless or until it qualifies for an experience rating under section 268.051, subdivision 3.

~~(b)~~ An election is for a minimum period of ~~two 24 calendar years~~ 24 calendar months following the effective date of the election and continue unless a notice terminating the election is filed ~~not later than 30 calendar days before the beginning of the calendar year.~~ The termination is effective at the beginning of the next calendar ~~year~~ quarter.

~~(e)~~ (b) The method of payments to the trust fund under subdivisions 3 and 4 applies to all taxes paid by or due from the state or political subdivision that elects to be taxpaying employers under this subdivision.

~~(d)~~ (c) A notice of election or a notice terminating election must be filed by electronic

transmission in a format prescribed by the commissioner.

**EFFECTIVE DATE.** This section is effective November 30, 2010.

Sec. 8. Minnesota Statutes 2009 Supplement, section 268.053, subdivision 1, is amended to read:

Subdivision 1. **Election.** (a) Any nonprofit organization that has employees in covered employment must pay taxes on a quarterly basis in accordance with section 268.051 unless it elects to make reimbursements to the trust fund the amount of unemployment benefits charged to its reimbursable account under section 268.047.

The organization may elect to make reimbursements for a period of not less than ~~two~~ 24 calendar ~~years~~ months beginning with the date that the organization was determined to be an employer with covered employment by filing a notice of election not later than 30 calendar days after the date of the determination.

(b) Any nonprofit organization that makes an election will continue to be liable for reimbursements until it files a notice terminating its election ~~not later than 30 calendar days before the beginning of the calendar year~~ quarter the termination is to be effective.

~~(e)~~ A nonprofit organization that has been making reimbursements that files a notice of termination of election must be assigned the new employer tax rate under section 268.051, subdivision 5, ~~for the calendar year of the termination of election and unless or until it qualifies for an experience rating under section 268.051, subdivision 3.~~

~~(d)~~ (c) Any nonprofit organization that has been paying taxes may elect to make reimbursements by filing ~~no less than 30 calendar days before January 1 of any calendar year~~ a notice of election. The election is effective at the beginning of the next calendar quarter. The election is not terminable by the organization for that and the next 24 calendar year months.

~~(e)~~ (d) The commissioner may for good cause extend the period that a notice of election, or a notice of termination, must be filed and may permit an election to be retroactive.

~~(f)~~ (e) A notice of election or notice terminating election must be filed by electronic transmission in a format prescribed by the commissioner.

**EFFECTIVE DATE.** This section is effective November 30, 2010.

Sec. 9. Minnesota Statutes 2008, section 268.07, as amended by Laws 2009, chapter 15, sections 5 and 6, and chapter 78, article 3, section 6, and article 4, sections 19 to 21, is amended to read:

**268.07 BENEFIT ACCOUNT.**

Subdivision 1. **Application for unemployment benefits; determination of benefit account.**  
 (a) An application for unemployment benefits may be filed in person, by mail, or by electronic transmission as the commissioner may require. The applicant must be unemployed at the time the application is filed and must provide all requested information in the manner required. If the applicant is not unemployed at the time of the application or fails to provide all requested information, the communication is not considered an application for unemployment benefits.

(b) The commissioner must examine each application for unemployment benefits to determine the base period and the benefit year, and based upon all the covered employment in the base period

the commissioner ~~shall~~ must determine the weekly unemployment benefit amount available, if any, and the maximum amount of unemployment benefits available, if any. The determination, which is a document separate and distinct from a document titled a determination of eligibility or determination of ineligibility issued under section 268.101, must be titled determination of benefit account. A determination of benefit account must be sent to the applicant and all base period employers, by mail or electronic transmission.

(c) If a base period employer did not provide wage detail information for the applicant as required under section 268.044, or provided erroneous information, or wage detail is not yet due and the applicant is using an alternate base period under section 268.035, subdivision 4, paragraph (d), the commissioner may accept an applicant certification of wage credits, based upon the applicant's records, and issue a determination of benefit account.

(d) An employer must provide wage detail information on an applicant within five calendar days of request by the commissioner, in a manner and format requested, when:

(1) the applicant is using an alternate base period under section 268.035, subdivision 4, paragraph (d); and

(2) wage detail under section 268.044 is not yet required to have been filed by the employer.

(e) The commissioner may, at any time within 24 months from the establishment of a benefit account, reconsider any determination of benefit account and make an amended determination if the commissioner finds that the wage credits listed in the determination ~~was~~ were incorrect for any reason. An amended determination of benefit account must be promptly sent to the applicant and all base period employers, by mail or electronic transmission. This subdivision does not apply to documents titled determinations of eligibility or determinations of ineligibility issued under section 268.101.

(f) If an amended determination of benefit account reduces the weekly unemployment benefit amount or maximum amount of unemployment benefits available, any unemployment benefits that have been paid greater than the applicant was entitled is considered an overpayment of unemployment benefits. A determination or amended determination issued under this section that results in an overpayment of unemployment benefits must set out the amount of the overpayment and the requirement under section 268.18, subdivision 1, that the overpaid unemployment benefits must be repaid.

Subd. 2. **Benefit account requirements and ~~weekly unemployment benefit amount and maximum amount of unemployment benefits.~~** (a) Unless paragraph (b) applies, to establish a benefit account:

(1) using the primary base period under section 268.035, subdivision 4, paragraph (a), an applicant must have:

~~(1)~~ (i) wage credits in the high quarter of \$1,000 or more; and

~~(2)~~ (ii) wage credits, in other than the high quarter, of \$250 or more.

~~To establish a benefit account; or~~

(2) using the secondary base period under section 268.035, subdivision 4, paragraph (b), an

applicant must have wage credits in the high quarter of \$1,000 or more.

(b) To establish a new benefit account within 52 calendar weeks following the expiration of the benefit year on a prior benefit account, an applicant must meet the requirements of paragraph (a) and must have performed services in covered employment in a calendar quarter that started after the effective date of the prior benefit account. The wage credits for those services must be at least eight times the weekly benefit amount on the prior benefit account. One of the reasons for this paragraph is to prevent an applicant from establishing a second benefit account as a result of one loss of employment.

**Subd. 2a. Weekly unemployment benefit amount and maximum amount of unemployment benefits available.** ~~(b)~~ (a) If an applicant has established a benefit account under subdivision 2, the weekly unemployment benefit amount available during the applicant's benefit year is the higher of:

(1) 50 percent of the applicant's average weekly wage during the base period, to a maximum of 66-2/3 percent of the state's average weekly wage; or

(2) 50 percent of the applicant's average weekly wage during the high quarter, to a maximum of 43 percent of the state's average weekly wage.

The applicant's average weekly wage under clause (1) is computed by dividing the total wage credits by 52. The applicant's average weekly wage under clause (2) is computed by dividing the high quarter wage credits by 13.

~~(e)~~ (b) The state's maximum weekly benefit amount, computed in accordance with section 268.035, subdivision 23, applies to a benefit account established effective on or after the last Sunday in October. Once established, an applicant's weekly unemployment benefit amount is not affected by the last Sunday in October change in the state's maximum weekly unemployment benefit amount.

~~(d)~~ (c) The maximum amount of unemployment benefits available on any benefit account is the lower of:

(1) 33-1/3 percent of the applicant's total wage credits; or

(2) 26 times the applicant's weekly unemployment benefit amount.

~~Subd. 3. Second benefit account requirements. To establish a second benefit account following the expiration of a benefit year on a prior benefit account, an applicant must meet the requirements of subdivision 2 and must have performed services in covered employment after the effective date of the prior benefit account. The wages paid for those services must be at least eight times the weekly unemployment benefit amount of the prior benefit account. Part of the reason for this subdivision is to prevent an applicant from establishing more than one benefit account as a result of one loss of employment.~~

**Subd. 3a. Right of appeal.** (a) A determination or amended determination of benefit account is final unless an applicant or base period employer within 20 calendar days after the sending of the determination or amended determination files an appeal. Every determination or amended determination of benefit account must contain a prominent statement indicating in clear language the consequences of not appealing. Proceedings on the appeal are conducted in accordance with section 268.105.

(b) Any applicant or base period employer may appeal from a determination or amended determination of benefit account on the issue of whether services performed constitute employment and, whether the employment is considered covered employment, and whether money paid constitutes wages. Proceedings on the appeal are conducted in accordance with section 268.105.

Subd. 3b. **Limitations on applications and benefit accounts.** (a) An application for unemployment benefits is effective the Sunday of the calendar week that the application was filed. An application for unemployment benefits may be backdated one calendar week before the Sunday of the week the application was actually filed if the applicant requests the backdating at the time the application is filed. An application may be backdated only if the applicant had no employment during the period of the backdating. If an individual attempted to file an application for unemployment benefits, but was prevented from filing an application by the department, the application is effective the Sunday of the calendar week the individual first attempted to file an application.

(b) A benefit account established under subdivision 2 is effective the date the application for unemployment benefits was effective.

(c) A benefit account, once established, may later be withdrawn only if:

- (1) the applicant has not been paid any unemployment benefits on that benefit account; and
- (2) a new application for unemployment benefits is filed and a new benefit account is established at the time of the withdrawal.

A determination or amended determination of eligibility or ineligibility issued under section 268.101, that was sent before the withdrawal of the benefit account, remains in effect and is not voided by the withdrawal of the benefit account. A determination of ineligibility requiring subsequent earnings to satisfy the period of ineligibility under section 268.095, subdivision 10, applies to the weekly unemployment benefit amount on the new benefit account.

(d) An application for unemployment benefits is not allowed before the Sunday following the expiration of the benefit year on a prior benefit account. Except as allowed under paragraph (c), an applicant may establish only one benefit account each 52 calendar weeks.

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

Sec. 10. Minnesota Statutes 2009 Supplement, section 268.085, subdivision 1, is amended to read:

Subdivision 1. **Eligibility conditions.** An applicant may be eligible to receive unemployment benefits for any week if:

- (1) the applicant has filed a continued request for unemployment benefits for that week under section 268.0865;
- (2) the week for which unemployment benefits are requested is in the applicant's benefit year;
- (3) the applicant was unemployed as defined in section 268.035, subdivision 26;
- (4) the applicant was available for suitable employment as defined in subdivision 15. The applicant's weekly unemployment benefit amount is reduced one-fifth for each day the applicant

is unavailable for suitable employment. This clause does not apply to an applicant who is in reemployment assistance training, or each day the applicant is on jury duty or serving as an election judge;

(5) the applicant was actively seeking suitable employment as defined in subdivision 16. This clause does not apply to an applicant who is in reemployment assistance training or who was on jury duty throughout the week;

(6) the applicant has served a nonpayable ~~waiting~~ period of one week that the applicant is otherwise entitled to some amount of unemployment benefits. This clause does not apply if the applicant would have been entitled to federal disaster unemployment assistance because of a disaster in Minnesota, but for the applicant's establishment of a benefit account under section 268.07; and

(7) the applicant has been participating in reemployment assistance services, such as job search and resume writing classes, if the applicant has been determined in need of reemployment assistance services by the commissioner, unless the applicant has good cause for failing to participate.

Sec. 11. Minnesota Statutes 2008, section 268.085, subdivision 9, is amended to read:

Subd. 9. **Business owners.** (a) Wage credits from an employer may not be used for unemployment benefit purposes by any applicant who:

(1) individually, jointly, or in combination with the applicant's spouse, parent, or child owns or controls directly or indirectly 25 percent or more interest in the employer; or

(2) is the spouse, parent, or ~~minor~~ child of any individual who owns or controls directly or indirectly 25 percent or more interest in the employer.

This subdivision is effective when the applicant has been paid five times the applicant's weekly unemployment benefit amount in the current benefit year. This subdivision does not apply if the applicant had wages paid in covered employment of \$7,500 or more from the employer covered by this subdivision in each of the 16 calendar quarters prior to the effective date of the benefit account and all taxes due on those wages have been paid.

(b) An officer of a taxpaying employer referred to in section 268.046, subdivision 1, is subject to the limitations of this subdivision.

Sec. 12. Minnesota Statutes 2009 Supplement, section 268.136, subdivision 1, is amended to read:

Subdivision 1. **Shared work agreement requirements.** (a) An employer may submit a proposed shared work plan for an employee group to the commissioner for approval in a manner and format set by the commissioner. The proposed agreement must include:

(1) a certified statement that the normal weekly hours of work of all of the proposed participating employees were full time but are now reduced, or will be reduced, with a corresponding reduction in pay, in order to prevent layoffs;

(2) the name and Social Security number of each participating employee;

(3) a certified statement of when each participating employee was first hired by the employer,



which must be at least one year before the proposed agreement is submitted;

(4) the hours of work each participating employee will work each week for the duration of the agreement, which must be at least 20 hours and no more than 32 hours per week, except that the agreement may provide for a uniform vacation shutdown of up to two weeks;

(5) the proposed duration of the agreement, which must be at least two months and not more than one year, although an agreement may be extended for up to an additional year upon approval of the commissioner;

(6) a starting date beginning on a Sunday at least 15 calendar days after the date the proposed agreement is submitted; and

(7) a signature of an owner or officer of the employer who is listed as an owner or officer on the employer's account under section 268.045.

(b) An agreement may not be approved for an employer that:

(1) has any unemployment tax or reimbursements, including any interest, fees, or penalties, due but unpaid; or

(2) has the maximum experience rating provided for under section 268.051, subdivision 3; ~~or~~

~~(3) is in a high experience rating industry as defined in section 268.051, subdivision 5.~~

### Sec. 13. **SPECIAL STATE EXTENDED UNEMPLOYMENT INSURANCE PROGRAM.**

Subdivision 1. **Eligibility.** (a) Special state extended unemployment insurance benefits are payable under this section to an applicant who does not qualify for extended unemployment insurance benefits under Minnesota Statutes, section 268.115, solely because the applicant does not have wage credits of at least 40 times the applicant's weekly benefit amount.

(b) Except as provided in paragraph (a), all requirements for extended unemployment benefits under Minnesota Statutes, section 268.115, and all other requirements of Minnesota Statutes, chapter 268, must be met in order for an applicant to be eligible for special state extended unemployment insurance benefits under this section.

(c) Except as provided for in paragraph (d), special state extended unemployment insurance benefits are payable in the same amounts, for the same duration, and for the same time period as provided for under Minnesota Statutes, section 268.115.

(d) The maximum amount of special state extended unemployment insurance benefits under this section available to an applicant is reduced by the amount of special state emergency unemployment insurance benefits paid the applicant under Laws 2009, chapter 1, section 2.

Subd. 2. **Payment from trust fund.** Special state extended unemployment insurance benefits are payable from the Minnesota unemployment insurance trust fund. Special state extended unemployment insurance benefits must not be used in computing the future unemployment insurance tax rate of a taxpaying employer, and they must not be charged to the reimbursing account of government or nonprofit employers.

Subd. 3. **Expiration.** This section expires on March 26, 2011, and no benefits may be paid under

this section for a week beginning after that date.

**EFFECTIVE DATE.** This section is effective June 30, 2010.

**Sec. 14. LEAVES OF ABSENCE.**

Minnesota Statutes, section 268.088, applies to leaves of absence taken by workers at the New Ulm location of 3M during 2009. The department must, notwithstanding any prior determination or appeal decision, redetermine an applicant's entitlement to unemployment benefits under this section.

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

**Sec. 15. SPECIAL STATE EMERGENCY UNEMPLOYMENT COMPENSATION.**

Notwithstanding the June 30, 2010, expiration date of Laws 2009, chapter 1, section 2, subdivision 4, if an applicant has received special state emergency unemployment compensation under that law for a week beginning prior to June 30, 2010, but has not exhausted the maximum amount available to the applicant under that law, the applicant may continue to receive special state emergency unemployment compensation under that law up to the applicant's determined maximum under that law. This section expires March 26, 2011, and no benefits may be paid pursuant to this section for a week beginning after that date.

**Sec. 16. NEW BENEFIT ACCOUNTS.**

If an applicant establishes a new benefit account under Minnesota Statutes, section 268.07, subdivision 2, paragraph (b), within 39 weeks of the expiration of the benefit year on a prior benefit account, notwithstanding Minnesota Statutes, section 268.07, subdivision 2a, paragraph (a), the weekly benefit amount on the new benefit account will not be less than 80 percent of the weekly benefit amount on the prior benefit account.

**EFFECTIVE DATE.** This section applies to benefit accounts effective on or after the first Sunday following enactment and expires the earlier of: (1) the effective date of any federal legislation allowing an applicant to continue to collect federal emergency unemployment compensation, notwithstanding the applicant qualifying for a new regular state benefit account under Minnesota Statutes, section 268.07, subdivision 2, paragraph (b); or (2) June 30, 2011.

**Sec. 17. REVISOR'S INSTRUCTION.**

The revisor of statutes shall renumber each section of Minnesota Statutes listed in column A with the number in column B.

<u>Column A</u>	<u>Column B</u>
<u>268.035, subdivision 12b</u>	<u>268.035, subdivision 12d</u>
<u>268.035, subdivision 21a</u>	<u>268.035, subdivision 21c</u>
<u>268.035, subdivision 20a</u>	<u>268.035, subdivision 21b</u>
<u>268.035, subdivision 25a</u>	<u>268.035, subdivision 25c</u>

**ARTICLE 3**

**LABOR STANDARDS AND WAGES; LICENSING AND FEES**Section 1. **[184B.20] INFLATABLE AMUSEMENT EQUIPMENT.**

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

(b) "Commercial use" means regular use of an inflatable for profit by an owner at a permanently located facility:

(1) to which the general public is invited; or

(2) which the owner makes available at that facility for private parties or other events.

"Commercial use" does not include use of an inflatable (i) at a carnival, festival, fair, private party, or similar venue at a location other than the permanently located facility, or (ii) at a facility where the use of the inflatable is incidental to the primary use of the facility.

(c) "Inflatable" means an amusement device, used to bounce or otherwise play on, that incorporates a structural and mechanical system and employs a high-strength fabric or film that achieves its strength, shape, and stability by tensioning from internal air pressure.

(d) "Owner" means a person who owns, leases as lessee, or controls the operation of an inflatable for commercial use.

(e) "Person" has the meaning given in section 302A.011, subdivision 22.

(f) "Supervisor" means an individual stationed within close proximity to an inflatable during its use, for the purpose of supervising its safe use.

(g) "Trained" means that an individual has received instruction in how to supervise the safe use of inflatables in accordance with industry and ASTM standards.

Subd. 2. **Prohibition.** No owner shall provide an inflatable for commercial use in this state by others unless the owner complies with this section.

Subd. 3. **Protection against injuries from falls.** An inflatable that is in commercial use must be placed in a manner that complies with ASTM Standard F 2374.07, adopted by the American Society for Testing and Materials, including any future updates to that standard.

Subd. 4. **Supervision by trained person required.** No owner of an inflatable shall allow commercial use of the inflatable unless a trained supervisor is present in close proximity to the inflatable and is actively supervising its use. The ratio of supervisors to inflatables must comply with ASTM Standard F 2374.07, as referenced under subdivision 3.

Subd. 5. **Insurance required; waiver of liability limited.** (a) An owner of an inflatable that is subject to subdivision 2 shall maintain liability insurance covering liability for a death or injury resulting from commercial use of the inflatable with limits of no less than \$1,000,000 per occurrence and \$2,000,000 aggregate per year. The insurance shall also include medical payments coverage of no less than \$5,000 per occurrence, which may be limited to injuries incurred while using an inflatable, including getting on or off of the inflatable. The insurance must be issued by an insurance company authorized to issue the coverage in this state by the commissioner of commerce, and must

be kept in force during the entire period of registration. In the event of a policy cancellation, the insurer will send written notice to the commissioner of labor and industry at the same time that a cancellation request is received from or a notice is sent to the insured.

(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.

Subd. 6. **Registration required.** An owner of an inflatable that is subject to subdivision 2 must obtain and maintain a current registration with the commissioner of labor and industry. The registration information must include the name, address, telephone number, and e-mail address of the owner, the street address of each facility at which the owner regularly provides inflatables for commercial use in this state by others, and a current insurance certificate of coverage proving full compliance with subdivision 5. The commissioner shall issue and renew a certificate of registration only to owners who comply with this section. The commissioner shall charge a registration fee of \$100 for a two-year registration designed to cover the cost of registration and enforcement. Fee receipts must be deposited in the state treasury and credited to the construction code fund. The registration certificate shall be issued and renewed for a two-year period. The registrant shall promptly notify the commissioner in writing of any changes in the registration information required in this subdivision.

Subd. 7. **Enforcement.** The commissioner of labor and industry shall enforce this section and may use for that purpose section 326B.082 and any powers otherwise available to the commissioner for enforcement purposes, including suspension or revocation of the person's registration and assessment of fines.

**EFFECTIVE DATE.** This section is effective August 1, 2010.

Sec. 2. **[326B.091] DEFINITIONS.**

Subdivision 1. **Applicability.** For purposes of sections 326B.091 to 326B.098, the terms defined in this section have the meanings given them.

Subd. 2. **Applicant.** "Applicant" means a person who has submitted to the department an application for a license.

Subd. 3. **License.** "License" means any registration, certification, or other form of approval authorized by chapters 326B and 327B to be issued by the commissioner or department as a condition of doing business or conducting a trade, profession, or occupation in Minnesota. License includes specifically but not exclusively an authorization issued by the commissioner or department: to perform electrical work, plumbing or water conditioning work, high pressure piping work, or residential building work of a residential contractor, residential remodeler, or residential roofer; to install manufactured housing; to serve as a building official; or to operate a boiler or boat.

Subd. 4. **Licensee.** "Licensee" means the person named on the license as the person authorized to do business or conduct the trade, profession, or occupation in Minnesota.

Subd. 5. **Notification date.** "Notification date" means the date of the written notification from the department to an applicant that the applicant is qualified to take the examination required for licensure.

Subd. 6. **Renewal deadline.** "Renewal deadline," when used with respect to a license, means 30

days before the date that the license expires.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 3. **[326B.092] FEES.**

Subdivision 1. **Licenses requiring examination administered by commissioner.** (a) If the applicant for a license must pass an examination administered by the commissioner in order to obtain the license, then the application for the initial license must be accompanied by an application and examination fee of \$50, which is separate from the license fee. The license fee is due after the applicant passes the examination and before the license is issued.

(b) If the applicant for a Minnesota license holds a license in another state and is seeking Minnesota licensure without examination based on reciprocity, then the application for the Minnesota license must be accompanied by the application and examination fee of \$50, which is separate from the license fee. If the commissioner approves the application, then the license fee is due before the license is issued.

Subd. 2. **Licenses not requiring examination administered by commissioner.** If the applicant for a license is not required to pass an examination in order to obtain the license, or is required to pass an examination that is not administered by the commissioner, then the license fee must accompany the application for the license. If the application is for a license issued under sections 326B.802 to 326B.885 and is not an application for license renewal, then the contractor recovery fund fee required under section 326B.89, subdivision 3, is due after the department has determined that the applicant meets the qualifications for licensing and before the license is issued.

Subd. 3. **Late fee.** The department must receive a complete application for license renewal by the renewal deadline but not more than 90 days before the renewal deadline. If the department receives a renewal application after the expiration of the license, then the renewal application must be accompanied by a late fee equal to one-half of the license renewal fee; except that, for the purpose of calculating the late fee only, the license renewal fee shall not include any contractor recovery fund fee required by section 326B.89, subdivision 3.

Subd. 4. **Lapsed licensed fee.** If the department receives a renewal application within two years after expiration of the license, the renewal application must be accompanied by all license renewal fees to cover the period that the license was expired, plus the late fee described in subdivision 3 and the license renewal fee for the current renewal period.

Subd. 5. **Insufficient fees.** If the applicant does not include all required fees with the application, then the application will be incomplete and the department will notify the applicant of the amount of the deficiency.

Subd. 6. **Fees nonrefundable.** Application and examination fees, license fees, license renewal fees, and late fees are nonrefundable except for:

(1) license renewal fees received more than two years after expiration of the license, as described in section 326B.094, subdivision 2;

(2) any overpayment of fees; and

(3) if the license is not renewed, the contractor recovery fund fee and any additional assessment

paid under subdivision 7, paragraph (e).

Subd. 7. License fees and license renewal fees. (a) The license fee for each license except a renewed license shall be the base license fee plus any applicable board fee, as set forth in this subdivision. The license renewal fee for each renewed license is the base license fee plus any applicable board fee, continuing education fee, and contractor recovery fund fee and additional assessment, as set forth in this subdivision.

(b) For purposes of this section, "license duration" means the number of years for which the license is issued except that:

(1) if the initial license is not issued for a whole number of years, the license duration shall be rounded up to the next whole number; and

(2) if the department receives an application for license renewal after the renewal deadline, license duration means the number of years for which the renewed license would have been issued if the renewal application had been submitted on time and all other requirements for renewal had been met.

(c) The base license fee shall depend on whether the license is classified as an entry level, master, journeyman, or business license, and on the license duration. The base license fee shall be:

<u>License Classification</u>	<u>License Duration</u>		
	<u>1 Year</u>	<u>2 Years</u>	<u>3 Years</u>
<u>Entry level</u>	<u>\$10</u>	<u>\$20</u>	<u>\$30</u>
<u>Journeyman</u>	<u>\$20</u>	<u>\$40</u>	<u>\$60</u>
<u>Master</u>	<u>\$40</u>	<u>\$80</u>	<u>\$120</u>
<u>Business</u>	<u>\$90</u>	<u>\$180</u>	<u>\$270</u>

(d) If there is a continuing education requirement for renewal of the license, then a continuing education fee must be included in the renewal license fee. The continuing education fee for all license classifications shall be: \$10 if the renewal license duration is one year; \$20 if the renewal license duration is two years; and \$30 if the renewal license duration is three years.

(e) If the license is issued under sections 326B.31 to 326B.59 or 326B.90 to 326B.93, then a board fee must be included in the license fee and the renewal license fee. The board fee for all license classifications shall be: \$4 if the license duration is one year; \$8 if the license duration is two years; and \$12 if the license duration is three years.

(f) If the application is for the renewal of a license issued under sections 326B.802 to 326B.885, then the contractor recovery fund fee required under section 326B.89, subdivision 3, and any additional assessment required under section 326B.89, subdivision 16, must be included in the license renewal fee.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

**Sec. 4. [326B.093] LICENSES REQUIRING EXAMINATION ADMINISTERED BY COMMISSIONER.**

Subdivision 1. **Qualifications for examination.** If the applicant for a license must pass an examination administered by the commissioner in order to obtain the license, then the applicant's complete application must demonstrate that the applicant is qualified to take the examination. The applicant is qualified to take the examination if the applicant meets all requirements for the license except for passing the examination.

Subd. 2. **Not qualified for examination.** If the applicant is not qualified to take the examination, then the commissioner must deny the application. The applicant may subsequently submit another application, accompanied by the required fee.

Subd. 3. **Taking the examination.** If the applicant is qualified to take the examination, then the department must notify the applicant, and the applicant may schedule a time to take the examination within one year after the notification date. If the applicant does not take the examination at the scheduled time, the applicant may, one time only, reschedule a time to take the examination on a date within one year after the notification date. If the applicant fails to take the examination within one year after the notification date, the commissioner must deny the application and the applicant forfeits the application/examination fee. The applicant may subsequently submit another application, accompanied by the required application/examination fee.

Subd. 4. **Examination results.** If the applicant receives a passing score on the examination and meets all other requirements for licensure, the commissioner must approve the application and notify the applicant of the approval within 60 days of the date of the passing score. The applicant must, within 90 days after the notification of approval, pay the license fee. Upon receipt of the license fee, the commissioner must issue the license. If the applicant does not pay the license fee within 90 days after the notification of approval, the commissioner will rescind the approval and must deny the application. If the applicant does not receive a passing score on the examination, the commissioner must deny the application. If the application is denied because of the applicant's failure to receive a passing score on the examination, then the applicant cannot submit a new application for the license until at least 30 days after the notification of denial.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 5. **[326B.094] RENEWAL OF LICENSES.**

Subdivision 1. **Expiration of licenses.** Unless and until the department or commissioner issues a renewal of a license, the license expires on the expiration date printed on the license. While the license is expired, the licensee cannot perform the activities authorized by the license.

Subd. 2. **Availability of renewal.** A licensee may apply to renew a license no later than two years after the expiration of the license. If the department receives a complete renewal application no later than two years after the expiration of the license, then the department must approve or deny the renewal application within 60 days of receiving the complete renewal application. If the department receives a renewal application more than two years after the expiration of the license, the department must return the renewal license fee to the applicant without approving or denying the application. If the licensee wishes to obtain a valid license more than two years after expiration of the license, the licensee must apply for a new license.

Subd. 3. **Deadline for avoiding license expiration.** The department must receive a complete application to renew a license no later than the renewal deadline. If the department does not receive a complete application by the renewal deadline, the license may expire before the department has

either approved or denied the renewal application.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

**Sec. 6. [326B.095] INCOMPLETE LICENSE APPLICATIONS.**

This section applies to both applications for initial licenses and license renewal applications. If the department determines that an application is incomplete, the department must notify the applicant of the deficiencies that must be corrected in order to complete the application. If the applicant wishes to complete the application, the department must receive the completed application within 90 days after the date the department mailed or delivered the incomplete application to the applicant. If the department does not receive the completed application by this deadline, the commissioner must deny the application and the applicant will forfeit all fees except as provided in section 326B.092, subdivision 6. If the application is for license renewal and the department receives the corrected application after the license has expired, then the corrected application must be accompanied by the late fee.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

**Sec. 7. [326B.096] REINSTATEMENT OF LICENSES.**

Subdivision 1. **Reinstatement after revocation.** (a) If a license is revoked under this chapter and if an applicant for a license needs to pass an examination administered by the commissioner before becoming licensed, then, in order to have the license reinstated, the person who holds the revoked license must:

(1) retake the examination and achieve a passing score; and

(2) meet all other requirements for an initial license, including payment of the application and examination fee and the license fee. The person holding the revoked license is not eligible for Minnesota licensure without examination based on reciprocity.

(b) If a license is revoked under a chapter other than this chapter, then, in order to have the license reinstated, the person who holds the revoked license must:

(1) apply for reinstatement to the commissioner no later than two years after the effective date of the revocation;

(2) pay a \$100 reinstatement application fee and any applicable renewal license fee; and

(3) meet all applicable requirements for licensure, except that, unless required by the order revoking the license, the applicant does not need to retake any examination and does not need to repay a license fee that was paid before the revocation.

Subd. 2. **Reinstatement after suspension.** If a license is suspended, then, in order to have the license reinstated, the person who holds the suspended license must:

(1) apply for reinstatement to the commissioner no later than two years after the completion of the suspension period;

(2) pay a \$100 reinstatement application fee and any applicable renewal license fee; and

(3) meet all applicable requirements for licensure, except that, unless required by the order



suspending the license, the applicant does not need to retake any examination and does not need to repay a license fee that was paid before the suspension.

Subd. 3. **Reinstatement after voluntary termination.** A licensee who is not an individual may voluntarily terminate a license issued to the person under this chapter. If a licensee has voluntarily terminated a license under this subdivision, then, in order to have the license reinstated, the person who holds the terminated license must:

(1) apply for reinstatement to the commissioner no later than the date that the license would have expired if it had not been terminated;

(2) pay a \$100 reinstatement application fee and any applicable renewal license fee; and

(3) meet all applicable requirements for licensure, except that the applicant does not need to repay a license fee that was paid before the termination.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 8. **[326B.097] PROHIBITION OF TRANSFER.**

A licensee shall not transfer or sell any license.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 9. **[326B.098] CONTINUING EDUCATION.**

Subdivision 1. **Applicability.** This section applies to seminars offered by the department for the purpose of allowing licensees to meet continuing education requirements for license renewal.

Subd. 2. **Rescheduling.** An individual who is registered with the department to attend a seminar may reschedule one time only, to attend the same seminar on a date within one year after the date of the seminar the individual was registered to attend.

Subd. 3. **Fees nonrefundable.** All seminar fees paid to the department are nonrefundable except for any overpayment of fees.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 10. Minnesota Statutes 2008, section 326B.133, subdivision 1, is amended to read:

Subdivision 1. **Designation.** Each municipality shall designate a building official to administer the code. A municipality may designate no more than one building official responsible for code administration defined by each certification category ~~established in rule~~ created by statute or rule. Two or more municipalities may combine in the designation of a building official for the purpose of administering the provisions of the code within their communities. In those municipalities for which no building officials have been designated, the state building official may use whichever state employees are necessary to perform the duties of the building official until the municipality makes a temporary or permanent designation. All costs incurred by virtue of these services rendered by state employees must be borne by the involved municipality and receipts arising from these services must be paid to the commissioner.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 11. Minnesota Statutes 2008, section 326B.133, is amended by adding a subdivision to read:

Subd. 2a. **Application; renewal; fees; expiration.** (a) An applicant for certification shall submit a completed application on a form approved by the commissioner to the department. The commissioner shall review applications for compliance with the requirements established by rule.

(b) Application for initial certification or renewal certification as a building official, building official-limited, or accessibility specialist shall be according to this section and sections 326B.092 to 326B.095.

(c) Fees shall be paid to the department according to section 326B.092.

(d) Unless revoked or suspended under this chapter, all certifications issued or renewed under this section expire two years from the date of original issuance and every two years thereafter.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 12. Minnesota Statutes 2008, section 326B.133, subdivision 3, is amended to read:

Subd. 3. **Certification criteria.** The commissioner shall by rule establish certification criteria as proof of qualification pursuant to subdivision 2. The commissioner may:

(1) develop and administer written and practical examinations to determine if a person is qualified pursuant to subdivision 2 to be a building official;

(2) accept documentation of successful completion of testing programs developed and administered by nationally recognized testing agencies, as proof of qualification pursuant to subdivision 2; or

(3) determine qualifications by satisfactory completion of clause (2) and a mandatory training program developed or approved by the commissioner.

Upon a determination of qualification under clause (1), (2), or (3), the commissioner shall issue a certificate to the building official stating that the official is certified. ~~Each person applying for examination and certification pursuant to this section shall pay a nonrefundable fee of \$70.~~ The commissioner or a designee may establish categories of certification that will recognize the varying complexities of code enforcement in the municipalities within the state. The commissioner shall provide educational programs designed to train and assist building officials in carrying out their responsibilities.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 13. Minnesota Statutes 2008, section 326B.133, is amended by adding a subdivision to read:

Subd. 3a. **Certification categories.** (a) If a municipality has adopted or adopts the State Building Code, the responsibilities for code administration and enforcement are under the authority of its designated building official or the certified building official-limited.

(b) Certified building official. This certification is identified as "certified building official" on the certificate card. This certification is granted to an individual who has met the certified building official requirements established by rule and passed the written examination prepared by the state. A person with this certification may serve as the designated building official for any municipality.

For the purposes of calculating fees under section 326B.092, certification as a building official is a master license.

(c) Certified building official-limited. This certification is identified as "certified building official-limited" on the certification card. This certification is granted to an individual who has met the certified building official-limited requirements established by rule and passed the written examination prepared by the state. An individual with this certification may perform code administration for one- and two-family dwellings, their accessory structures, and "exempt classes of buildings" as provided in Minnesota Rules, part 1800.5000, of the Board of Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience, and Interior Design, and "facilities for persons with physical disabilities" that are governed by the State Building Code. Subject to the limitations of the building official-limited certification, an individual with this certification may serve as the designated building official for any municipality. Code administration for all other buildings must be performed by a certified building official as defined in paragraph (b). A certified building official-limited may conduct inspections for other structures regulated by the State Building Code under the direction of a designated certified building official or the state building official.

Subject to all other certification requirements, as of January 1, 2012, valid Class I certifications shall be included in the certified building official-limited category upon the next immediate renewal. For the purposes of calculating fees under section 326B.092, certification as a building official-limited is a journeyman license.

(d) Accessibility specialist. This certification is identified as accessibility specialist on the certification card. This certification is granted to an individual who has met the "accessibility specialist" requirements established by rule and passed the written examination prepared by the state. An individual with this classification is limited to the administration of those provisions of the State Building Code that provide access for persons with disabilities. For the purposes of calculating fees under section 326B.092, certification as an accessibility specialist is a journeyman license.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 14. Minnesota Statutes 2008, section 326B.133, subdivision 8, is amended to read:

**Subd. 8. Continuing education requirements; extension of time.** (a) This subdivision establishes the number of continuing education units required within each two-year certification period.

A certified building official shall accumulate 16 continuing education units in any education program that is approved under Minnesota Rules, part 1301.1000.

A certified building official-limited shall, in each year of the initial two-year certification period, accumulate eight continuing education units in any education program that is approved under Minnesota Rules, part 1301.1000. Continuing education units shall be reported annually during the initial two-year certification period by the method established in rule. A certified building official-limited shall accumulate 16 continuing education units for each two-year certification period thereafter in any education program that is approved under Minnesota Rules, part 1301.1000.

An accessibility specialist must accumulate four continuing education units in any of the

programs described in Minnesota Rules, part 1301.1000, subpart 1 or 2. The four units must be for courses relating to building accessibility, plan review, field inspection, or building code administration.

Continuing education programs may be approved as established in rule.

(b) Subject to sections 326B.101 to 326B.194, the commissioner may by rule establish or approve continuing education programs for certified building officials dealing with matters of building code administration, inspection, and enforcement.

Each person certified as a building official for the state must satisfactorily complete applicable educational programs established or approved by the commissioner to ~~retain~~ renew certification.

(c) The state building official may grant an extension of time to comply with continuing education requirements if the certificate holder requesting the extension of time shows cause for the extension. The request for the extension must be in writing. For purposes of this section, the certificate holder's current certification effective dates shall remain the same. The extension does not relieve the certificate holder from complying with the continuing education requirements for the next two-year period.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 15. Minnesota Statutes 2008, section 326B.133, subdivision 11, is amended to read:

Subd. 11. **Failure to renew.** An individual who has failed to make a timely application for renewal of a certificate is not certified and must not serve as the designated building official for any municipality, or a certified building official, a certified building official-limited, or an accessibility specialist until a renewed certificate has been issued by the commissioner.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 16. Minnesota Statutes 2008, section 326B.197, is amended to read:

**326B.197 BOND REQUIRED FOR CERTAIN CONTRACTORS.**

(a) A person contracting to do gas, heating, ventilation, cooling, air conditioning, fuel burning, or refrigeration work must give and maintain bond to the state in the amount of \$25,000 for all work entered into within the state. The bond must be for the benefit of persons suffering financial loss by reason of the contractor's failure to comply with the requirements of the State Mechanical Code. A bond given to the state must be filed with the commissioner of labor and industry and is in lieu of all other bonds to any political subdivision required for work covered by this section. The bond must be written by a corporate surety licensed to do business in the state.

(b) The commissioner of labor and industry may charge each person giving bond under this section ~~an annual~~ a biennial bond filing fee of ~~\$15~~ \$100.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 17. Minnesota Statutes 2008, section 326B.33, subdivision 18, is amended to read:

Subd. 18. **Examination.** In addition to the other requirements described in this section and sections 326B.091 to 326B.098, and except as provided in subdivision 20, as a precondition to

issuance of a personal license, each applicant must pass a written or oral examination developed and administered by the commissioner to ensure the competence of each applicant for license. An oral examination shall be administered only to an applicant who furnishes a written statement from a certified teacher or other professional, trained in the area of reading disabilities stating that the applicant has a specific reading disability which would prevent the applicant from performing satisfactorily on a written test. The oral examination shall be structured so that an applicant who passes the examination will not impair the applicant's own safety or that of others while acting as a licensed individual. ~~No individual failing an examination may retake it for six months thereafter, but within such six months the individual may take an examination for a lesser grade of license. Any individual failing to renew a personal license for two years or more after its expiration, and any licensee whose personal license is revoked under this chapter, shall be required to retake the examination before being issued a new license. An individual whose personal license is revoked under any other chapter is not required to retake the examination before being issued a new license, unless the personal license was revoked two years or more before the commissioner received the completed application for a new license. A licensee whose personal license is suspended for any reason is not required to retake the examination before the personal license is reinstated, unless the personal license has not been reinstated within two years after the suspension began.~~

~~An applicant for a personal license shall submit to the commissioner an application and examination fee at the time of application. Upon approval of the application, the commissioner shall schedule the applicant for the next available examination, which shall be held within 60 days. The applicant shall be allowed one opportunity to reschedule an examination without being required to submit another application and examination fee. Additionally, an applicant who fails an examination, or whose application was not approved, shall submit another application and examination fee.~~

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 18. Minnesota Statutes 2009 Supplement, section 326B.33, subdivision 19, is amended to read:

**Subd. 19. License, registration, and renewal fees; expiration.** (a) Unless revoked or suspended under this chapter, all licenses issued or renewed under this section expire on the date specified in this subdivision. Master licenses expire March 1 of each odd-numbered year after issuance or renewal. Electrical contractor licenses expire March 1 of each even-numbered year after issuance or renewal. Technology system contractor licenses expire August 1 of each even-numbered year after issuance or renewal. All other personal licenses expire two years from the date of original issuance and every two years thereafter. Registrations of unlicensed individuals expire one year from the date of original issuance and every year thereafter.

~~(b) Fees for application and examination, and for the original issuance and each subsequent renewal, are:~~

~~(1) For each personal license application and examination: \$35;~~

~~(2) For original issuance and each subsequent renewal of:~~

~~Class A Master or master special electrician, including master elevator constructor: \$40 per year;~~

~~Class B Master: \$25 per year;~~

~~Power Limited Technician: \$15 per year;~~

~~Class A Journeyman, Class B Journeyman, Installer, Elevator Constructor, Lineman, or Maintenance Electrician other than master special electrician: \$15 per year;~~

~~Contractor: \$100 per year;~~

~~Unlicensed individual registration: \$15 per year.~~

~~(c) If any new license is issued in accordance with this subdivision for less than two years, the fee for the license shall be prorated on an annual basis.~~

~~(d) A license fee may not be refunded after a license is issued or renewed. However, if the fee paid for a license was not prorated in accordance with this subdivision, the amount of the overpayment shall be refunded.~~

~~(e) Any contractor who seeks reissuance of a license after it has been revoked or suspended under this chapter shall submit a reissuance fee of \$100 before the license is reinstated.~~

~~(f) An individual or contractor who fails to renew a license before 30 days after the expiration or registration of the license must submit a late fee equal to one year's license fee in addition to the full renewal fee. Fees for renewed licenses or registrations are not prorated. An individual or contractor that fails to renew a license or registration by the expiration date is unlicensed until the license or registration is renewed.~~

(b) For purposes of calculating license fees and renewal license fees required under section 326B.092:

(1) the registration of an unlicensed individual under subdivision 12 shall be considered an entry level license;

(2) the following licenses shall be considered journeyman licenses: Class A journeyman electrician, Class B journeyman electrician, Class A installer, Class B installer, elevator constructor, lineman, maintenance electrician, and power limited technician;

(3) the following licenses shall be considered master licenses: Class A master electrician, Class B master electrician, and master elevator constructor; and

(4) the following licenses shall be considered business licenses: Class A electrical contractor, Class B electrical contractor, elevator contractor, and technology systems contractor.

(c) For each filing of a certificate of responsible person by an employer, the fee is \$100.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 19. Minnesota Statutes 2008, section 326B.33, subdivision 20, is amended to read:

Subd. 20. **Reciprocity.** The commissioner may enter into reciprocity agreements for personal licenses with another state if approved by the board. Once approved by the board, the commissioner may issue a personal license without requiring the applicant to pass an examination provided the applicant:

(a) submits an application under this section;

(b) pays the application and examination fee and license fee required under ~~this~~ section 326B.092; and

(c) holds a valid comparable license in the state participating in the agreement.

Agreements are subject to the following:

(1) The parties to the agreement must administer a statewide licensing program that includes examination and qualifying experience or training comparable to Minnesota's.

(2) The experience and training requirements under which an individual applicant qualified for examination in the qualifying state must be deemed equal to or greater than required for an applicant making application in Minnesota at the time the applicant acquired the license in the qualifying state.

(3) The applicant must have acquired the license in the qualifying state through an examination deemed equivalent to the same class of license examination in Minnesota. A lesser class of license may be granted where the applicant has acquired a greater class of license in the qualifying state and the applicant otherwise meets the conditions of this subdivision.

(4) At the time of application, the applicant must hold a valid license in the qualifying state and have held the license continuously for at least one year before making application in Minnesota.

(5) An applicant is not eligible for a license under this subdivision if the applicant has failed the same or greater class of license examination in Minnesota, or if the applicant's license of the same or greater class has been revoked or suspended.

(6) An applicant who has failed to renew a personal license for two years or more after its expiration is not eligible for a license under this subdivision.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 20. Minnesota Statutes 2008, section 326B.33, subdivision 21, is amended to read:

Subd. 21. **Exemptions from licensing.** (a) An individual who is a maintenance electrician is not required to hold or obtain a license under sections 326B.31 to 326B.399 if:

(1) the individual is engaged in the maintenance and repair of electrical equipment, apparatus, and facilities that are owned or leased by the individual's employer and that are located within the limits of property operated, maintained, and either owned or leased by the individual's employer;

(2) the individual is supervised by:

(i) the responsible master electrician for a contractor who has contracted with the individual's employer to provide services for which a contractor's license is required; or

(ii) a licensed master electrician, a licensed maintenance electrician, an electrical engineer, or, if the maintenance and repair work is limited to technology circuits or systems work, a licensed power limited technician; and

(3) the individual's employer has filed on file with the commissioner a current certificate of responsible person, signed by the responsible master electrician of the contractor, the licensed master electrician, the licensed maintenance electrician, the electrical engineer, or the licensed power limited technician, and stating that the person signing the certificate is responsible for

ensuring that the maintenance and repair work performed by the employer's employees complies with the Minnesota Electrical Act and the rules adopted under that act. The employer must pay a filing fee to file a certificate of responsible person with the commissioner. The certificate shall expire two years from the date of filing. In order to maintain a current certificate of responsible person, the employer must resubmit a certificate of responsible person, with a filing fee, no later than two years from the date of the previous submittal.

(b) Employees of a licensed electrical or technology systems contractor or other employer where provided with supervision by a master electrician in accordance with subdivision 1, or power limited technician in accordance with subdivision 7, paragraph (a), clause (1), are not required to hold a license under sections 326B.31 to 326B.399 for the planning, laying out, installing, altering, and repairing of technology circuits or systems except planning, laying out, or installing:

(1) in other than residential dwellings, class 2 or class 3 remote control circuits that control circuits or systems other than class 2 or class 3, except circuits that interconnect these systems through communication, alarm, and security systems are exempted from this paragraph;

(2) class 2 or class 3 circuits in electrical cabinets, enclosures, or devices containing physically unprotected circuits other than class 2 or class 3; or

(3) technology circuits or systems in hazardous classified locations as covered by chapter 5 of the National Electrical Code.

(c) Companies and their employees that plan, lay out, install, alter, or repair class 2 and class 3 remote control wiring associated with plug or cord and plug connected appliances other than security or fire alarm systems installed in a residential dwelling are not required to hold a license under sections 326B.31 to 326B.399.

(d) Heating, ventilating, air conditioning, and refrigeration contractors and their employees are not required to hold or obtain a license under sections 326B.31 to 326B.399 when performing heating, ventilating, air conditioning, or refrigeration work as described in section 326B.38.

(e) Employees of any electrical, communications, or railway utility, cable communications company as defined in section 238.02, or a telephone company as defined under section 237.01 or its employees, or of any independent contractor performing work on behalf of any such utility, cable communications company, or telephone company, shall not be required to hold a license under sections 326B.31 to 326B.399:

(1) while performing work on installations, materials, or equipment which are owned or leased, and operated and maintained by such utility, cable communications company, or telephone company in the exercise of its utility, antenna, or telephone function, and which

(i) are used exclusively for the generation, transformation, distribution, transmission, or metering of electric current, or the operation of railway signals, or the transmission of intelligence and do not have as a principal function the consumption or use of electric current or provided service by or for the benefit of any person other than such utility, cable communications company, or telephone company, and

(ii) are generally accessible only to employees of such utility, cable communications company, or telephone company or persons acting under its control or direction, and



(iii) are not on the load side of the service point or point of entrance for communication systems;

(2) while performing work on installations, materials, or equipment which are a part of the street lighting operations of such utility; or

(3) while installing or performing work on outdoor area lights which are directly connected to a utility's distribution system and located upon the utility's distribution poles, and which are generally accessible only to employees of such utility or persons acting under its control or direction.

(f) An owner shall not be required to hold or obtain a license under sections 326B.31 to 326B.399.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 21. Minnesota Statutes 2008, section 326B.42, is amended by adding a subdivision to read:

Subd. 1a. **Contractor.** "Contractor" means a person who performs or offers to perform any plumbing work, with or without compensation, who is licensed as a contractor by the commissioner. Contractor includes plumbing contractors and restricted plumbing contractors.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 22. Minnesota Statutes 2008, section 326B.42, is amended by adding a subdivision to read:

Subd. 8. **Plumbing contractor.** "Plumbing contractor" means a licensed contractor whose responsible licensed plumber is a licensed master plumber.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 23. Minnesota Statutes 2008, section 326B.42, is amended by adding a subdivision to read:

Subd. 9. **Responsible licensed plumber.** A contractor's "responsible licensed plumber" means the licensed master plumber or licensed restricted master plumber designated in writing by the contractor in the contractor's license application, or in another manner acceptable to the commissioner, as the individual responsible for the contractor's compliance with sections 326B.41 to 326B.49, all rules adopted under these sections and sections 326B.50 to 326B.59, and all orders issued under section 326B.082.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 24. Minnesota Statutes 2008, section 326B.42, is amended by adding a subdivision to read:

Subd. 10. **Restricted plumbing contractor.** "Restricted plumbing contractor" means a licensed contractor whose responsible licensed plumber is a licensed restricted master plumber.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 25. Minnesota Statutes 2008, section 326B.44, is amended to read:

#### **326B.44 LOCAL REGULATIONS.**

Any of the following entities may, by ordinance, adopt local regulations providing for plumbing permits, approval of plans and specifications, and inspections of plumbing, which regulations are not in conflict with the plumbing code: any city having a system of waterworks or sewerage, regardless

of population; any town having a population of 5,000 or more according to the last federal census, exclusive of any statutory cities located therein; and the Metropolitan Airports Commission. No such entity shall prohibit ~~plumbers~~ plumbing contractors licensed by the commissioner from engaging in or working at the business of plumbing, except cities and statutory cities which, prior to April 21, 1933, by ordinance required the licensing of plumbers. No such entity shall require any person who engages in the business of plumbing to post a bond as a prerequisite for engaging in the business of plumbing, except the bond to the state required under section 326B.46 and except any performance bond required under a contract with the person for the performance of plumbing work for the entity. No such entity shall require any person who engages in the business of plumbing to maintain public liability insurance as a prerequisite for engaging in the business of plumbing, except the insurance required under section 326B.46 and except any public liability insurance required under a contract with the person for the performance of plumbing work for the entity. No city or town may require a license for persons performing building sewer or water service installation who have completed pipe laying training as prescribed by the commissioner of labor and industry. Any city by ordinance may prescribe regulations, reasonable standards, and inspections and grant permits to any person engaged in the business of installing water softeners, who is not licensed as a ~~master plumber or journeyman plumber~~ contractor by the commissioner, to connect water softening and water filtering equipment to private residence water distribution systems, where provision has been previously made therefor and openings left for that purpose or by use of cold water connections to a domestic water heater; where it is not necessary to rearrange, make any extension or alteration of, or addition to any pipe, fixture or plumbing connected with the water system except to connect the water softener, and provided the connections so made comply with minimum standards prescribed by the Plumbing Board.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 26. Minnesota Statutes 2008, section 326B.46, as amended by Laws 2009, chapter 78, article 5, section 14, and chapter 109, section 13, is amended to read:

**326B.46 LICENSING, BOND AND INSURANCE.**

Subdivision 1. **License required.** (a) No ~~person~~ individual shall engage in or work at the business of a master plumber, restricted master plumber, journeyman plumber, and restricted journeyman plumber unless licensed to do so by the state commissioner. A license is not required for individuals performing building sewer or water service installation who have completed pipe laying training as prescribed by the commissioner ~~of labor and industry~~. A master plumber may also work as a journeyman plumber, a restricted journeyman plumber, and a restricted master plumber. A journeyman plumber may also work as a restricted journeyman plumber. Anyone not so licensed may do plumbing work which complies with the provisions of the minimum standards prescribed by the Plumbing Board on premises or that part of premises owned and actually occupied by the worker as a residence, unless otherwise forbidden to do so by a local ordinance.

(b) No person shall engage in the business of planning, superintending, or installing plumbing or shall install plumbing in connection with the dealing in and selling of plumbing material and supplies unless at all times a licensed master plumber, or in cities and towns with a population of fewer than 5,000 according to the last federal census, a restricted master plumber, who shall be responsible for proper installation, is in charge of the plumbing work of the person, ~~firm, or corporation.~~

(c) Except as provided in subdivision 2, no person shall perform or offer to perform plumbing

work with or without compensation unless the person obtains a contractor's license. A contractor's license does not of itself qualify its holder to perform the plumbing work authorized by holding a master, journeyman, restricted master, or restricted journeyman license.

Subd. 1a. **Exemptions from licensing.** (a) An individual without a contractor license may do plumbing work on the individual's residence in accordance with subdivision 1, paragraph (a).

(b) An individual who is an employee working on the maintenance and repair of plumbing equipment, apparatus, or facilities owned or leased by the individual's employer and which is within the limits of property owned or leased, and operated or maintained by the individual's employer, shall not be required to maintain a contractor license as long as the employer has on file with the commissioner a current certificate of responsible person. The certificate must be signed by the responsible master plumber or, in an area of the state that is not a city or town with a population of more than 5,000 according to the last federal census, restricted master plumber, and must state that the person signing the certificate is responsible for ensuring that the maintenance and repair work performed by the employer's employees comply with sections 326B.41 to 326B.49, all rules adopted under those sections and sections 326B.50 to 326B.59, and all orders issued under section 326B.082. The employer must pay a filing fee to file a certificate of responsible person with the commissioner. The certificate shall expire two years from the date of filing. In order to maintain a current certificate of responsible person, the employer must resubmit a certificate of responsible person, with a filing fee, no later than two years from the date of the previous submittal. The filing of the certificate of responsible person does not exempt any employee of the employer from the requirements of this chapter regarding individual licensing as a plumber or registration as a plumber's apprentice.

(c) If a contractor employs a licensed plumber, the licensed plumber does not need a separate contractor license to perform plumbing work on behalf of the employer within the scope of the licensed plumber's license.

Subd. 1b. **Employment of master plumber or restricted master plumber.** (a) Each contractor must designate a responsible licensed plumber, who shall be responsible for the performance of all plumbing work in accordance with sections 326B.41 to 326B.49, all rules adopted under these sections and sections 326B.50 to 326B.59, and all orders issued under section 326B.082. A plumbing contractor's responsible licensed plumber must be a master plumber. A restricted plumbing contractor's responsible licensed plumber must be a master plumber or a restricted master plumber. A plumbing contractor license authorizes the contractor to offer to perform and, through licensed and registered individuals, to perform plumbing work in all areas of the state. A restricted plumbing contractor license authorizes the contractor to offer to perform and, through licensed and registered individuals, to perform plumbing work in all areas of the state except in cities and towns with a population of more than 5,000 according to the last federal census.

(b) If the contractor is an individual or sole proprietorship, the responsible licensed plumber must be the individual, proprietor, or managing employee. If the contractor is a partnership, the responsible licensed plumber must be a general partner or managing employee. If the contractor is a limited liability company, the responsible licensed plumber must be a chief manager or managing employee. If the contractor is a corporation, the responsible licensed plumber must be an officer or managing employee. If the responsible licensed plumber is a managing employee, the responsible licensed plumber must be actively engaged in performing plumbing work on behalf of the contractor, and cannot be employed in any capacity as a plumber for any other contractor. An individual may be the responsible licensed plumber for only one contractor.

(c) All applications and renewals for contractor licenses shall include a verified statement that the applicant or licensee has complied with this subdivision.

Subd. 2. **Bond; insurance.** ~~Any person contracting to do plumbing work must give~~ As a condition of licensing, each contractor shall give and maintain bond to the state in the amount of at least \$25,000 for (1) all plumbing work entered into within the state or (2) all plumbing work and subsurface sewage treatment work entered into within the state. If the bond is for both plumbing work and subsurface sewage treatment work, the bond must comply with the requirements of this section and section 115.56, subdivision 2, paragraph (e). The bond shall be for the benefit of persons injured or suffering financial loss by reason of failure to comply with the requirements of the State Plumbing Code and, if the bond is for both plumbing work and subsurface sewage treatment work, financial loss by reason of failure to comply with the requirements of sections 115.55 and 115.56. The bond shall be filed with the commissioner and shall be written by a corporate surety licensed to do business in the state.

~~In addition, each applicant for a master plumber license or restricted master plumber license, or renewal thereof, shall provide evidence of~~ as a condition of licensing, each contractor shall have and maintain in effect public liability insurance, including products liability insurance with limits of at least \$50,000 per person and \$100,000 per occurrence and property damage insurance with limits of at least \$10,000. The insurance shall be written by an insurer licensed to do business in the state of Minnesota and each licensed master plumber shall maintain on file with the commissioner a certificate evidencing the insurance providing that the insurance shall not be canceled without the insurer first giving 15 days written notice to the commissioner. The term of the insurance shall be concurrent with the term of the license.

Subd. 3. **Bond and insurance exemption.** ~~If a master plumber or restricted master plumber who is in compliance with the bond and insurance requirements of subdivision 2, employs a licensed plumber, the employee plumber shall not be required to meet the bond and insurance requirements of subdivision 2. An individual who is an employee working on the maintenance and repair of plumbing equipment, apparatus, or facilities owned or leased by the individual's employer and which is within the limits of property owned or leased, and operated or maintained by the individual's employer, shall not be required to meet the bond and insurance requirements of subdivision 2.~~

Subd. 4. **Fee.** (a) ~~Each person giving bond to the state under subdivision 2 shall pay the department a bond registration fee of \$40 for one year or \$80 for two years.~~

(b) ~~The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the bond registration from one year to two years so that the expiration of bond registration corresponds with the expiration of the license issued under section 326B.475 or 326B.49, subdivision 1.~~

Subd. 5. **Exterior connections.** Persons licensed as manufactured home installers under chapter 327B are not required to be licensed under sections 326B.42 to 326B.49 when connecting the exterior building drain sewer outlets to the aboveground building sewer system and when connecting the exterior water line to the aboveground water system to the manufactured home as described in National Manufactured Housing Construction and Safety Standards Act of 1974, United States Code, title 42, section 5401 et seq. No additional licensure, bond, or insurance related to the scope of work permitted under this subdivision may be required of a licensed manufactured home installer by any unit of government.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 27. Minnesota Statutes 2008, section 326B.47, is amended to read:

**326B.47 PLUMBER'S APPRENTICES.**

Subdivision 1. **Registration; supervision; records.** (a) All plumber's apprentices must be registered. To be a registered plumber's apprentice, an individual must either:

(1) be an individual employed in the trade of plumbing under an apprenticeship agreement approved by the department under Minnesota Rules, part 5200.0300; or

(2) be an unlicensed individual registered with the commissioner under subdivision 3.

(b) A plumber's apprentice is authorized to assist in the installation of plumbing only while under the direct supervision of a master, restricted master, journeyman, or restricted journeyman plumber. The master, restricted master, journeyman, or restricted journeyman plumber is responsible for ensuring that all plumbing work performed by the plumber's apprentice complies with the plumbing code. The supervising master, restricted master, journeyman, or restricted journeyman must be licensed and must be employed by the same employer as the plumber's apprentice. Licensed individuals shall not permit plumber's apprentices to perform plumbing work except under the direct supervision of an individual actually licensed to perform such work. Plumber's apprentices shall not supervise the performance of plumbing work or make assignments of plumbing work to unlicensed individuals.

(c) Contractors employing plumber's apprentices to perform plumbing work shall maintain records establishing compliance with this subdivision that shall identify all plumber's apprentices performing plumbing work, and shall permit the department to examine and copy all such records.

Subd. 2. **Journeyman exam.** A plumber's apprentice who has completed four years of practical plumbing experience is eligible to take the journeyman plumbing examination. Up to 24 months of practical plumbing experience prior to becoming a plumber's apprentice may be applied to the four-year experience requirement. However, none of this practical plumbing experience may be applied if the individual did not have any practical plumbing experience in the 12-month period immediately prior to becoming a plumber's apprentice. The Plumbing Board may adopt rules to evaluate whether the individual's past practical plumbing experience is applicable in preparing for the journeyman's examination. If two years after completing the training the individual has not taken the examination, the four years of experience shall be forfeited.

The commissioner may allow an extension of the two-year period for taking the exam for cases of hardship or other appropriate circumstances.

Subd. 3. **Registration, rules, applications, renewals, and fees.** An unlicensed individual may register by completing and submitting to the commissioner ~~a registration~~ an application form provided by the commissioner, with all fees required by section 326B.092. A completed registration application form must state the date the individual began training, the individual's age, schooling, previous experience, and employer, and other information required by the commissioner. The board may prescribe rules, not inconsistent with this section, for the registration of unlicensed individuals. Each applicant for initial registration as a plumber's apprentice shall pay the department an application fee of \$25. Applications for initial registration may be submitted at any time. Registration must be renewed annually and shall be for the period from July 1 of each

~~year to June 30 of the following year. Applications for renewal registration must be received by the commissioner by June 30 of each registration period on forms provided by the commissioner, and must be accompanied by a fee of \$25. An application for renewal registration received on or after July 1 in any year but no more than three months after expiration of the previously issued registration must pay the past due renewal fee plus a late fee of \$25. No applications for renewal registration will be accepted more than three months after expiration of the previously issued registration.~~

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 28. Minnesota Statutes 2008, section 326B.475, subdivision 2, is amended to read:

Subd. 2. **Use of license.** A restricted master plumber and restricted journeyman plumber may engage in the plumbing trade in all areas of the state except in cities and towns with a population of more than 5,000 according to the last federal census.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 29. Minnesota Statutes 2009 Supplement, section 326B.475, subdivision 4, is amended to read:

Subd. 4. **Renewal; use period for license.** (a) A restricted master plumber and restricted journeyman plumber license must be renewed for as long as that licensee engages in the plumbing trade. Notwithstanding section 326B.094, failure to renew a restricted master plumber and restricted journeyman plumber license within 12 months after the expiration date will result in permanent forfeiture of the restricted master plumber and restricted journeyman plumber license.

(b) The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the renewal of restricted master plumber and restricted journeyman plumber licenses from one year to two years. By June 30, 2011, all restricted master plumber and restricted journeyman plumber licenses shall be two-year licenses.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 30. Minnesota Statutes 2009 Supplement, section 326B.49, subdivision 1, is amended to read:

Subdivision 1. **Application, examination, and license fees.** (a) Applications for master and journeyman plumber's license licenses shall be made to the commissioner, with fee all fees required by section 326B.092. Unless the applicant is entitled to a renewal, the applicant shall be licensed by the commissioner only after passing a satisfactory examination developed and administered by the commissioner, based upon rules adopted by the Plumbing Board, showing fitness. Examination fees for both journeyman and master plumbers shall be \$50 for each examination. Upon being notified of having successfully passed the examination for original license the applicant shall submit an application, with the license fee herein provided. The license fee for each initial master plumber's license shall be \$240. The license fee for each initial journeyman plumber's license shall be \$110.

(b) All initial ~~master and journeyman plumber's licenses~~ shall be effective for more than one calendar year and shall expire on December 31 of the year after the year in which the application is made. ~~The license fee for each renewal master plumber's license shall be \$120 for one year or \$240 for two years. The license fee for each renewal journeyman plumber's license shall be \$55 for~~

one year or \$110 for two years. All master plumber's licenses shall expire on December 31 of each even-numbered year after issuance or renewal. The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the renewal of master and journeyman plumber's licenses from one year to two years. By June 30, 2011, all renewed master and journeyman plumber's licenses shall be two-year licenses.

(c) Any licensee who does not renew a license within two years after the license expires is no longer eligible for renewal. Such an individual must retake and pass the examination before a new license will be issued. A journeyman or master plumber who submits a license renewal application after the time specified in rule but within two years after the license expired must pay all past due renewal fees plus a late fee of \$25. Applications for contractor licenses shall be made to the commissioner, with all fees required by section 326B.092. All contractor licenses shall expire on December 31 of each odd-numbered year after issuance or renewal.

(d) For purposes of calculating license fees and renewal license fees required under section 326B.092:

(1) the following licenses shall be considered business licenses: plumbing contractor and restricted plumbing contractor;

(2) the following licenses shall be considered master licenses: master plumber and restricted master plumber;

(3) the following licenses shall be considered journeyman licenses: journeyman plumber and restricted journeyman plumber; and

(4) the registration of a plumber's apprentice under section 326B.47, subdivision 3, shall be considered an entry level license.

(e) For each filing of a certificate of responsible person by an employer, the fee is \$100.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 31. Minnesota Statutes 2008, section 326B.50, is amended by adding a subdivision to read:

Subd. 1a. **Responsible licensed master.** "Responsible licensed master" means the licensed water conditioning master or licensed master plumber designated in writing by the water conditioning contractor in the water conditioning contractor's license application, or in another manner acceptable to the commissioner, as the individual responsible for the water conditioning contractor's compliance with sections 326B.50 to 326B.59, all rules adopted under these sections, the Minnesota Plumbing Code, and all orders issued under section 326B.082.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 32. Minnesota Statutes 2008, section 326B.50, is amended by adding a subdivision to read:

Subd. 2a. **Water conditioning contractor.** "Water conditioning contractor" means a person who performs or offers to perform any water conditioning installation or water conditioning servicing, with or without compensation, who is licensed as a water conditioning contractor by the commissioner.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 33. Minnesota Statutes 2008, section 326B.50, is amended by adding a subdivision to read:

Subd. 3a. **Water conditioning journeyman.** "Water conditioning journeyman" means an individual, other than a water conditioning master, who has demonstrated practical knowledge of water conditioning installation and servicing, and who is licensed by the commissioner as a water conditioning journeyman.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 34. Minnesota Statutes 2008, section 326B.50, is amended by adding a subdivision to read:

Subd. 3b. **Water conditioning master.** "Water conditioning master" means an individual who has demonstrated skill in planning, superintending, installing, and servicing water conditioning installations, and who is licensed by the commissioner as a water conditioning master.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 35. Minnesota Statutes 2008, section 326B.54, is amended to read:

**326B.54 VIOLATIONS TO BE REPORTED TO COMMISSIONER.**

Such local authority as may be designated by any such ordinance for the issuance of such water conditioning installation and servicing permits and approval of such plans shall report to the commissioner persistent or willful violations of the same and any incompetence of a licensed water conditioning contractor, licensed water conditioning master, or licensed water conditioning installer journeyman observed by the local authority.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 36. Minnesota Statutes 2008, section 326B.55, as amended by 2010 H.F. No. 927, section 13, if enacted, is amended to read:

**326B.55 LICENSING IN CERTAIN CITIES; QUALIFICATIONS; RULES.**

Subdivision 1. **Licensing.** (a) Except as provided in paragraph (d), no individual shall perform water conditioning installation or water conditioning servicing unless licensed by the commissioner as a master plumber, journeyman plumber, water conditioning master, or water conditioning journeyman, or, in all areas of the state except in cities and towns with a population of more than 5,000 according to the last federal census, as a restricted master plumber or restricted journeyman plumber.

(b) Except as provided in paragraph (d), no person shall perform or offer to perform water conditioning installation or water conditioning servicing with or without compensation unless the person obtains a water conditioning contractor's license. A water conditioning contractor's license does not of itself qualify its holder to perform the water conditioning installation or water conditioning servicing authorized by holding a water conditioning master or water conditioning journeyman license.

(c) Except as provided in paragraph (d), no person shall engage in or work at the business of water conditioning installation or servicing anywhere in the state unless ~~(1)~~ at all times an individual licensed as a master plumber or water conditioning ~~contractor~~ master by the commissioner ~~shall be,~~ who is responsible for the proper installation and servicing, is in charge of the water conditioning



installation and servicing work of such person, and (2) all installations, other than.

If a water conditioning contractor employs a licensed master, restricted master, journeyman or restricted journeyman plumber, or a licensed water conditioning master or journeyman, then the licensed individual does not need a separate water conditioning contractor license to perform water conditioning installation or servicing on behalf of the employer within the scope of the individual's plumber license.

(d) No water conditioning contractor, water conditioning master, or water conditioning journeyman license is required:

(1) for exchanges of portable water conditioning equipment, are performed by a licensed water conditioning contractor or licensed water conditioning installer. Any individual not so licensed may; or

(2) for an individual to perform water conditioning work that complies with the minimum standards prescribed by the Plumbing Board on premises or that part of premises owned and occupied by the worker individual as a residence, unless otherwise prohibited by a local ordinance.

Subd. 2. **Qualifications for licensing.** (a) A water conditioning contractor master license shall be issued only to an individual who has demonstrated skill in planning, superintending, and servicing water conditioning installations, and has successfully passed the examination for water conditioning contractors masters. A water conditioning installer journeyman license shall only be issued to an individual other than a water conditioning contractor master who has demonstrated practical knowledge of water conditioning installation, and has successfully passed the examination for water conditioning installers journeymen. A water conditioning installer journeyman must successfully pass the examination for water conditioning contractors masters before being licensed as a water conditioning contractor master.

(b) Each water conditioning contractor must designate a responsible licensed master plumber or a responsible licensed water conditioning master, who shall be responsible for the performance of all water conditioning installation and servicing in accordance with the requirements of sections 326B.50 to 326B.59, all rules adopted under these sections, the Minnesota Plumbing Code, and all orders issued under section 326B.082. If the water conditioning contractor is an individual or sole proprietorship, the responsible licensed master must be the individual, proprietor, or managing employee. If the water conditioning contractor is a partnership, the responsible licensed master must be a general partner or managing employee. If the water conditioning contractor is a limited liability company, the responsible licensed master must be a chief manager or managing employee. If the water conditioning contractor is a corporation, the responsible licensed master must be an officer or managing employee. If the responsible licensed master is a managing employee, the responsible licensed master must be actively engaged in performing water conditioning work on behalf of the water conditioning contractor, and cannot be employed in any capacity as a water conditioning master or water conditioning journeyman for any other water conditioning contractor. An individual must not be the responsible licensed master for more than one water conditioning contractor.

(c) All applications and renewals for water conditioning contractor licenses shall include a verified statement that the applicant or licensee has complied with paragraph (b).

(d) Each application and renewal for a water conditioning master license, water conditioning journeyman license, or a water conditioning contractor license shall be accompanied by all fees

required by section 326B.092.

Subd. 3. **Commissioner.** The commissioner shall:

(1) license water conditioning contractors, water conditioning masters, and installers water conditioning journeymen; and

(2) collect ~~an examination fee from each examinee for a license as a water conditioning contractor and an examination fee from each examinee for a license as a water conditioning installer in an amount set forth in section 326B.58~~ the fees required by section 326B.092.

Subd. 4. **Plumber's apprentices.** (a) A plumber's apprentice who is registered under section 326B.47 is authorized to assist in water conditioning installation and water conditioning servicing only while under the direct supervision of a master plumber, journeyman plumber, water conditioning master, or water conditioning journeyman. The master or journeyman is responsible for ensuring that all water conditioning work performed by the plumber's apprentice complies with the plumbing code and rules adopted under sections 326B.50 to 326B.59. The supervising master or journeyman must be licensed and must be employed by the same employer as the plumber's apprentice. Licensed individuals shall not permit plumber's apprentices to perform water conditioning work except under the direct supervision of an individual actually licensed to perform such work. Plumber's apprentices shall not supervise the performance of plumbing work or make assignments of plumbing work to unlicensed individuals.

(b) Water conditioning contractors employing plumber's apprentices to perform water conditioning work shall maintain records establishing compliance with this subdivision that shall identify all plumber's apprentices performing water conditioning work, and shall permit the department to examine and copy all such records.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 37. Minnesota Statutes 2008, section 326B.56, as amended by Laws 2009, chapter 78, article 5, section 18, is amended to read:

**326B.56 ALTERNATIVE STATE BONDING AND INSURANCE REGULATION.**

Subdivision 1. **Bonds.** (a) ~~An applicant for a water conditioning contractor or installer license or renewal thereof who is required by any political subdivision to give a bond to obtain or maintain the license, may comply with any political subdivision bonding requirement by giving~~ As a condition of licensing, each water conditioning contractor shall give and maintain a bond to the state as described in paragraph (b). No applicant for a water conditioning contractor or installer license who maintains the bond under paragraph (b) shall be otherwise required to meet the bond requirements of any political subdivision.

(b) Each bond given to the state under this subdivision shall be in the total sum of \$3,000 conditioned upon the faithful and lawful performance of all water conditioning ~~contracting or installing work~~ installation or servicing done within the state. The bond shall be for the benefit of persons suffering injuries or damages due to the work. The bond shall be filed with the commissioner and shall be written by a corporate surety licensed to do business in this state. The bond must remain in effect at all times while the application is pending and while the license is in effect.

Subd. 2. **Insurance.** ~~(a) Each applicant for a water conditioning contractor or installer license or renewal thereof who is required by any political subdivision to maintain insurance to obtain or maintain the license may comply with any political subdivision's insurance requirement by maintaining~~ As a condition of licensing, each water conditioning contractor shall have and maintain in effect the insurance described in paragraph (b). ~~No applicant for a water conditioning contractor or installer license who maintains the insurance described in paragraph (b) shall be otherwise required to meet the insurance requirements of any political subdivision.~~

(b) The insurance shall provide coverage, including products liability coverage, for all damages in connection with licensed work for which the licensee is liable, with personal damage limits of at least \$50,000 per person and \$100,000 per occurrence and property damage insurance with limits of at least \$10,000. The insurance shall be written by an insurer licensed to do business in this state and a certificate evidencing the insurance shall be filed with the commissioner. The insurance must remain in effect at all times while the application is pending and while the license is in effect. The insurance shall not be canceled without the insurer first giving 15 days' written notice to the commissioner.

Subd. 3. **Bond and insurance exemption.** A water conditioning contractor or installer who is an employee of a water conditioning contractor or installer, including an employee engaged in the maintenance and repair of water conditioning equipment, apparatus, or facilities owned, leased and operated, or maintained by the employer, is not required to meet the bond and insurance requirements of subdivisions 1 and 2 or of any political subdivision.

Subd. 4. **Fee.** (a) The commissioner shall collect a \$40 bond registration fee for one year or \$80 for two years from each applicant for issuance or renewal of a water conditioning contractor or installer license who elects to proceed under subdivisions 1 and 2.

(b) The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the bond registration from one year to two years so that the expiration of bond registration corresponds with the expiration of the license issued under section 326B.55.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 38. Minnesota Statutes 2009 Supplement, section 326B.58, is amended to read:

**326B.58 FEES; RENEWAL.**

~~(a) Examination fees for both water conditioning contractors and water conditioning installers shall be \$50 for each examination. Each initial water conditioning contractor and installer master and water conditioning journeyman license shall be effective for more than one calendar year and shall expire on December 31 of the year after the year in which the application is made. The license fee for each initial water conditioning contractor's license shall be \$140, except that the license fee shall be \$105 if the application is submitted during the last three months of the calendar year. The license fee for each renewal water conditioning contractor's license shall be \$70 for one year or \$140 for two years. The license fee for each initial water conditioning installer license shall be \$70, except that the license fee shall be \$52.50 if the application is submitted during the last three months of the calendar year. The license fee for each renewal water conditioning installer license shall be \$35 for one year or \$70 for two years.~~

(b) The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the renewal of water conditioning ~~contractor and installer~~ master and journeyman licenses from one year to two years. By June 30, 2011, all renewed water conditioning contractor and installer licenses shall be two-year licenses. The ~~commissioner~~ Plumbing Board may by rule prescribe for the expiration and renewal of licenses.

~~(c) Any licensee who does not renew a license within two years after the license expires is no longer eligible for renewal. Such an individual must retake and pass the examination before a new license will be issued. A water conditioning contractor or water conditioning installer who submits a license renewal application after the time specified in rule but within two years after the license expired must pay all past due renewal fees plus a late fee of \$25. All water conditioning contractor licenses shall expire on December 31 of the year after issuance or renewal.~~

(d) For purposes of calculating license fees and renewal fees required under section 326B.092:

(1) a water conditioning journeyman license shall be considered a journeyman license;

(2) a water conditioning master license shall be considered a master license; and

(3) a water conditioning contractor license shall be considered a business license.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 39. Minnesota Statutes 2008, section 326B.805, subdivision 6, is amended to read:

Subd. 6. **Exemptions.** The license requirement does not apply to:

(1) an employee of a licensee performing work for the licensee;

(2) a material person, manufacturer, or retailer furnishing finished products, materials, or articles of merchandise who does not install or attach the items;

(3) an owner of residential real estate who builds or improves any structure on residential real estate, if the building or improving is performed by the owner's bona fide employees or by individual owners personally. This exemption does not apply to an owner who constructs or improves property for purposes of speculation if the building or improving is performed by the owner's bona fide employees or by individual owners personally. A residential building contractor or residential remodeler will be presumed to be building or improving for purposes of speculation if the contractor or remodeler constructs or improves more than one property within any 24-month period;

(4) an architect or professional engineer engaging in professional practice as defined by section 326.02, subdivisions 2 and 3;

(5) a person whose total gross annual receipts for performing specialty skills for which licensure would be required under this section do not exceed \$15,000;

(6) a mechanical contractor;

(7) a plumber, electrician, or other person whose profession is otherwise subject to statewide licensing, when engaged in the activity which is the subject of that licensure;

(8) specialty contractors who provide only one special skill as defined in section 326B.802;

(9) a school district, or a technical college governed under chapter 136F; and

(10) Habitat for Humanity and Builders Outreach Foundation, and their individual volunteers when engaged in activities on their behalf.

To qualify for the exemption in clause (5), a person must obtain a certificate of exemption from licensure from the commissioner. A certificate of exemption will be issued upon the applicant's filing with the commissioner, an affidavit stating that the applicant does not expect to exceed \$15,000 in gross annual receipts derived from performing services which require licensure under this section during the calendar year in which the affidavit is received. For the purposes of calculating fees under section 326B.092, a certificate of exemption is an entry level license. To renew the exemption in clause (5), the applicant must file an affidavit stating that the applicant did not exceed \$15,000 in gross annual receipts during the past calendar year. If a person, operating under the exemption in clause (5), exceeds \$15,000 in gross receipts during any calendar year, the person must immediately surrender the ~~exemption~~ certificate of exemption and apply for the appropriate license. The person must remain licensed until such time as the person's gross annual receipts during a calendar year fall below \$15,000. The person may then apply for an exemption for the next calendar year.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 40. Minnesota Statutes 2009 Supplement, section 326B.815, subdivision 1, is amended to read:

Subdivision 1. **Licensing fee Fees.** (a) ~~The licensing fee for persons licensed pursuant to sections 326B.802 to 326B.885, except for manufactured home installers, is \$200 for a two-year period. The~~ For the purposes of calculating fees under section 326B.092, an initial or renewed residential contractor, residential remodeler, or residential roofer license is a business license. Notwithstanding section 326B.092, the licensing fee for manufactured home installers under section 327B.041 is \$300 for a three-year period.

(b) All initial and renewal licenses, except for manufactured home installer licenses, shall be effective for two years and shall expire on March 31 of the year after the year in which the application is made. ~~The license fee for each renewal of a residential contractor, residential remodeler, or residential roofer license shall be \$100 for one year and \$200 for two years.~~

(c) The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the renewal of residential contractor, residential remodeler, and residential roofer licenses from one year to two years. By June 30, 2011, all renewed residential contractor, residential remodeler, and residential roofer licenses shall be two-year licenses.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 41. Minnesota Statutes 2008, section 326B.83, subdivision 1, is amended to read:

Subdivision 1. **Form.** (a) An applicant for a license under sections 326B.802 to 326B.885 must submit an application, under oath and accompanied by the ~~license fee~~ fees required by section ~~326B.815~~ 326B.092, on a form prescribed by the commissioner. ~~Within 30 business days of receiving all required information, the commissioner must act on the license request.~~

(b) If one of the categories in the application does not apply, the applicant must identify the

category and state the reason the category does not apply. The commissioner may refuse to issue a license if the application is not complete or contains unsatisfactory information.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 42. Minnesota Statutes 2008, section 326B.83, subdivision 3, is amended to read:

Subd. 3. **Examination.** (a) Each qualifying person must ~~satisfactorily complete~~ pass a written examination for the type of license requested. The commissioner may establish the examination qualifications, including related education experience and education, the examination procedure, and the examination for each licensing group. The examination must include at a minimum the following areas:

(1) appropriate knowledge of technical terms commonly used and the knowledge of reference materials and code books to be used for technical information; and

(2) understanding of the general principles of business management and other pertinent state laws.

(b) Each examination must be designed for the specified type of license requested.

~~(c) An individual's passing examination results expire two years from the examination date. An individual who passes the examination but does not choose to apply to act as a qualifying person for a licensee within two years from the examination date, must, upon application provide:~~

~~(1) passing examination results within two years from the date of application; or~~

~~(2) proof that the person has fulfilled the continuing education requirements in section 326B.821 in the manner required for a qualifying person of a licensee for each license period after the expiration of the examination results.~~

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 43. Minnesota Statutes 2008, section 326B.83, subdivision 6, is amended to read:

Subd. 6. **License.** A nonresident of Minnesota may be licensed as a residential building contractor, residential remodeler, residential roofer, or manufactured home installer upon compliance with all the provisions of sections 326B.092 to 326B.098 and 326B.802 to 326B.885.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 44. Minnesota Statutes 2009 Supplement, section 326B.86, subdivision 1, is amended to read:

Subdivision 1. **Bond.** (a) Licensed manufactured home installers and licensed residential roofers must post a biennial surety bond in the name of the licensee with the commissioner, conditioned that the applicant shall faithfully perform the duties and in all things comply with all laws, ordinances, and rules pertaining to the license or permit applied for and all contracts entered into. The biennial bond must be continuous and maintained for so long as the licensee remains licensed. The aggregate liability of the surety on the bond to any and all persons, regardless of the number of claims made against the bond, may not exceed the amount of the bond. The bond may be canceled as to future liability by the surety upon 30 days' written notice mailed to the commissioner by regular mail.

(b) A licensed residential roofer must post a bond of at least \$15,000.

(c) A licensed manufactured home installer must post a bond of at least \$2,500.

Bonds issued under sections 326B.802 to 326B.885 are not state bonds or contracts for purposes of sections 8.05 and 16C.05, subdivision 2.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 45. Minnesota Statutes 2008, section 326B.865, is amended to read:

**326B.865 SIGN CONTRACTOR; BOND.**

(a) A sign contractor may post a compliance bond with the commissioner, conditioned that the sign contractor shall faithfully perform duties and comply with laws, ordinances, rules, and contracts entered into for the installation of signs. The bond must be renewed ~~annually~~ biennially and maintained for so long as determined by the commissioner. The aggregate liability of the surety on the bond to any and all persons, regardless of the number of claims made against the bond, may not exceed the annual amount of the bond. The bond may be canceled as to future liability by the surety upon 30 days' written notice mailed to the commissioner by United States mail.

(b) The amount of the bond shall be \$8,000. The bond may be drawn upon only by a local unit of government that requires sign contractors to post a compliance bond. The bond is in lieu of any compliance bond required by a local unit of government.

(c) For purposes of this section, "sign" means a device, structure, fixture, or placard using graphics, symbols, or written copy that is erected on the premises of an establishment including the name of the establishment or identifying the merchandise, services, activities, or entertainment available on the premises.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 46. Minnesota Statutes 2008, section 326B.921, subdivision 2, is amended to read:

Subd. 2. **High pressure pipefitting business license.** Before obtaining a permit for high pressure piping work, a person must obtain or utilize a business with a high pressure piping business license.

A person must have at all times as a full-time employee at least one individual holding a contracting high pressure pipefitter competency license. Only full-time employees who hold contracting high pressure pipefitter licenses are authorized to obtain high pressure piping permits in the name of the business. The contracting high pressure pipefitter competency license holder can be the employee of only one high pressure piping business at a time. An application for a high pressure piping business license shall include a verified statement that the applicant or licensee has complied with this subdivision.

To retain its business license without reapplication, a person holding a high pressure piping business license that ceases to employ an individual holding a contracting high pressure pipefitter competency license shall have 60 days from the last day of employment of its previous contracting pipefitter competency license holder to employ another license holder. The department must be notified no later than five days after the last day of employment of the previous license holder.

No high pressure pipefitting work may be performed during any period when the high pressure

pipefitting business does not have a contracting high pressure pipefitter competency license holder on staff. If a license holder is not employed within 60 days after the last day of employment of the previous license holder, the pipefitting business license shall lapse.

The board shall prescribe by rule procedures for application for and issuance of business licenses.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 47. Minnesota Statutes 2008, section 326B.921, subdivision 4, is amended to read:

Subd. 4. **Registration with commissioner.** An unlicensed individual may register to assist in the practical construction and installation of high pressure piping and appurtenances while in the employ of a licensed high pressure piping business by completing and submitting to the commissioner a registration form provided by the commissioner, with all fees required by section 326B.092. The board may prescribe rules, not inconsistent with this section, for the registration of unlicensed individuals.

~~An unlicensed individual applying for initial registration shall pay the department an application fee of \$50. Applications for initial registration may be submitted at any time. Registration must be renewed annually and shall be valid for one calendar year beginning January 1. Applications for renewal registration must be submitted to the commissioner before December 31 of each registration period on forms provided by the commissioner, and must be accompanied by a fee of \$50. There shall be no refund of fees paid.~~

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 48. Minnesota Statutes 2008, section 326B.921, subdivision 7, is amended to read:

Subd. 7. **License fee, registration, and renewal fees.** The department shall charge the following license fees:

- ~~(a) application for journeyman high pressure pipefitter competency license, \$120;~~
- ~~(b) renewal of journeyman high pressure pipefitter competency license, \$80;~~
- ~~(c) application for contracting high pressure pipefitter competency license, \$270;~~
- ~~(d) renewal of contracting high pressure pipefitter competency license, \$240;~~
- ~~(e) application for high pressure piping business license, \$450;~~
- ~~(f) application to inactivate a contracting high pressure pipefitter competency license or inactivate a journeyman high pressure pipefitter competency license, \$40; and~~
- ~~(g) renewal of an inactive contracting high pressure pipefitter competency license or inactive journeyman high pressure pipefitter competency license, \$40.~~

~~If an application for renewal of an active or inactive journeyman high pressure pipefitter competency license or active or inactive contracting high pressure pipefitter competency license is received by the department after the date of expiration of the license, a \$30 late renewal fee shall be added to the license renewal fee.~~

~~Payment must accompany the application for a license or renewal of a license. There shall be~~



~~no refund of fees paid.~~

For purposes of calculating license, registration, and renewal fees required under section 326B.092:

- (1) the registration of an unlicensed individual under subdivision 4 is an entry level license;
- (2) a journeyman high pressure pipefitter license is a journeyman license;
- (3) a contracting high pressure pipefitter license is a master license; and
- (4) a high pressure piping business license is a business license.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 49. Minnesota Statutes 2008, section 326B.922, is amended to read:

**326B.922 LICENSE APPLICATION AND RENEWAL.**

(a) Application for a contracting high pressure pipefitter competency or, a journeyman high pressure pipefitter competency, or a high pressure piping business license shall be made to the department, with all fees required by section 326B.092.

(b) The applicant for a contracting high pressure pipefitter or a journeyman high pressure pipefitter license shall be licensed only after passing an examination developed and administered by the department in accordance with rules adopted by the board. A competency license issued by the department shall expire on December 31 of each year. A renewal application must be received by the department within one year after expiration of the competency license. A license that has been expired for more than one year cannot be renewed, and can only be reissued if the applicant submits a new application for the competency license, pays a new application fee, and retakes and passes the applicable license examination.

(c) All initial contracting high pressure pipefitter licenses, journeyman high pressure pipefitter licenses, and high pressure piping business licenses are effective for more than one calendar year and expire on December 31 of the year after the year in which the application is made. The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the renewal of contracting high pressure pipefitter, journeyman high pressure pipefitter, and high pressure piping business licenses from one year to two years. By June 30, 2012, all such licenses shall be two-year licenses.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 50. Minnesota Statutes 2009 Supplement, section 326B.94, subdivision 4, is amended to read:

Subd. 4. **Examinations, licensing.** Every individual that operates a boat must hold a current master's license issued by the commissioner, unless the individual holds a valid, unlimited, current United States Coast Guard master's license. The commissioner shall develop and administer an examination for all masters of boats carrying passengers for hire on the inland waters of the state as to their qualifications and fitness. If found qualified and competent to perform their duties as a master of a boat carrying passengers for hire, they shall be issued a license authorizing them to act as such on the inland waters of the state. All initial master's licenses shall be for two years.

The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the renewal of master's licenses from one year to two years. By June 30, 2011, all renewed master's licenses shall be two-year licenses. Fees for the original issue and renewal of the license authorized under this section shall be pursuant to section ~~326B.986, subdivision 2~~ 326B.092.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 51. Minnesota Statutes 2008, section 326B.978, subdivision 2, is amended to read:

Subd. 2. **Applications.** Any individual who desires an engineer's license shall submit an application on a written or electronic form prescribed by the commissioner, ~~at least 15 days before the requested exam date. If the commissioner approves the applicant for examination, the applicant may take the examination on one occasion within one year from the date the commissioner receives the application~~ with all fees required by section 326B.092.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 52. Minnesota Statutes 2008, section 326B.978, is amended by adding a subdivision to read:

Subd. 19. **Applicability.** This section shall not apply to traction or hobby boiler engineer's licenses or provisional licenses.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 53. Minnesota Statutes 2009 Supplement, section 326B.986, subdivision 5, is amended to read:

Subd. 5. **Boiler engineer license fees.** ~~(a) For the following licenses, the nonrefundable license and application fee is:~~

- ~~(1) chief engineer's license, \$70;~~
- ~~(2) first class engineer's license, \$70;~~
- ~~(3) second class engineer's license, \$70;~~
- ~~(4) special engineer's license, \$40;~~
- ~~(5) traction or hobby boiler engineer's license, \$50; and~~
- ~~(6) provisional license, \$50.~~

~~(b) An engineer's license, except a provisional license, may be renewed upon application and payment of a renewal fee of \$20 for one year or \$40 for two years. If the renewal fee is paid later than 30 days after expiration, then a late fee of \$15 will be added to the renewal fee.~~

(a) For purposes of calculating license fees and renewal license fees required under section 326B.092:

- (1) the boiler special engineer license is an entry level license;
- (2) the following licenses are journeyman licenses: first class engineer, Grade A; first class engineer, Grade B; first class engineer, Grade C; second class engineer, Grade A; second class

engineer, Grade B; second class engineer, Grade C; and provisional license; and

(3) the following licenses are master licenses: boiler chief engineer, Grade A; boiler chief engineer, Grade B; boiler chief engineer, Grade C; boiler commissioner inspector; or traction or hobby boiler engineer.

(b) Notwithstanding section 326B.092, subdivision 7, paragraph (a), the license duration for steam traction and hobby engineer licenses are one year only for the purpose of calculating license fees under section 326B.092, subdivision 7, paragraph (b).

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 54. Minnesota Statutes 2008, section 327.31, subdivision 17, is amended to read:

Subd. 17. **Installation.** "Installation" of a manufactured home means assembly installation or reinstallation, at the site of occupancy, of all portions of a manufactured home, connection of the manufactured home to existing utility connections and installation of support and/or anchoring systems.

Sec. 55. Minnesota Statutes 2008, section 327.31, is amended by adding a subdivision to read:

Subd. 21. **Used manufactured home.** "Used manufactured home" means a home being offered for sale not less than 24 months after the first purchaser took legal ownership or possession of the home.

Sec. 56. Minnesota Statutes 2008, section 327.31, is amended by adding a subdivision to read:

Subd. 22. **Seller.** "Seller" means either the homeowner, manufactured home retailer or dealer, broker, limited dealer or retailer, or listing agent.

Sec. 57. Minnesota Statutes 2008, section 327.32, subdivision 1, is amended to read:

Subdivision 1. **Requirement; new manufactured homes.** No person shall sell, or offer for sale, in this state, any new manufactured home manufactured after July 1, 1972, or manufacture any manufactured home in this state or install for occupancy any manufactured home manufactured after July 1, 1972, in any manufactured home park in this state unless the manufactured home complies with the Manufactured Home Building Code and: bears a label as required by the secretary.

~~(a) bears a seal issued by the commissioner, and is, whenever possible, accompanied by a certificate by the manufacturer or dealer, both evidencing that it complies with the Manufactured Home Building Code; or~~

~~(b) if manufactured after June 14, 1976, bears a label as required by the secretary.~~

Sec. 58. Minnesota Statutes 2008, section 327.32, is amended by adding a subdivision to read:

Subd. 1a. **Requirement; used manufactured homes.** No person shall sell or offer for sale in this state any used manufactured home manufactured after June 14, 1976, or install for occupancy any used manufactured home manufactured after June 14, 1976, unless the used manufactured home complies with the Notice of Compliance Form as provided in this subdivision. If manufactured after June 14, 1976, the home must bear a label as required by the secretary. The Notice of Compliance Form shall be signed by the seller and purchaser indicating which party is responsible for either



Complies .....

Correction required .....

Initialed by Responsible Party: Buyer .....

Seller .....

The furnace compartment of the home is required to have interior finish with a flame spread rating not exceeding 25 feet, as specified in the 1976 United States Department of Housing and Urban Development Code governing manufactured housing construction.

Complies .....

Correction required .....

Initialed by Responsible Party: Buyer .....

Seller .....

The water heater enclosure in this home is required to have interior finish with a flame spread rating not exceeding 25 feet, as specified in the 1976 United States Department of Housing and Urban Development Code governing manufactured housing construction.

Complies .....

Correction required .....

Initialed by Responsible Party: Buyer .....

Seller .....

The home complies with the snowload and heat zone requirements for the state of Minnesota as indicated by the data plate.

Complies .....

Correction required .....

Initialed by Responsible Party: Buyer .....

Seller .....

The parties to this agreement have initialed all required sections and agree by their signature to complete any necessary corrections prior to the sale or transfer of ownership of the home described below as listed in the purchase agreement. The state of Minnesota or a local building official has the authority to inspect the home in the manner described in Minnesota Statutes, section 327.33, prior to or after the sale to ensure compliance was properly executed as provided under the Manufactured Home Building Code.

Signature of Purchaser(s) of Home

.....date.....

.....date.....

.....

.....

Print name as appears on purchase agreement

Print name as appears on purchase agreement

Signature of Seller(s) of Home

.....date.....

.....date.....

.....

.....

Print name and license number, if applicable

Print name and license number, if applicable

**(Street address of home at time of sale**

.....

**City/State/Zip).....**

**Name of manufacturer of home.....**

**Model and Year.....**

**Serial Number....."**

Sec. 59. Minnesota Statutes 2008, section 327.32, is amended by adding a subdivision to read:

Subd. 1b. **Alternative design plan.** An alternative frost-free design slab that is submitted to the department, stamped by a licensed professional engineer or architect, and is in compliance with the federal installation standards in effect at the date of manufacture or the Minnesota State Building Code, when applicable, shall be issued a permit by the department within ten days.

Sec. 60. Minnesota Statutes 2008, section 327.32, is amended by adding a subdivision to read:

Subd. 1c. **Manufacturer's installation instructions; new home.** All new single-section manufactured homes and new multisection manufactured homes shall be installed in compliance with the manufacturer's installation instructions in effect at the date of manufacture or, when applicable, the Minnesota State Building Code.

Sec. 61. Minnesota Statutes 2008, section 327.32, is amended by adding a subdivision to read:

Subd. 1d. **Manufacturer's installation instructions; used multisection homes.** All used multisection manufactured homes shall be installed in compliance with either the manufacturer's installation instructions in effect at the date of manufacture, approved addenda or, when applicable, the Minnesota State Building Code.

Sec. 62. Minnesota Statutes 2008, section 327.32, is amended by adding a subdivision to read:

Subd. 1e. **Reinstallation requirements for single-section used manufactured homes.** (a) All single-section used manufactured homes reinstalled less than 24 months from the date of installation by the first purchaser must be reinstalled in compliance with subdivision 1c. All single-section used manufactured homes reinstalled more than 24 months from the date of installation by the first purchaser may be reinstalled without a frost-protected foundation if the home is reinstalled in compliance with Minnesota Rules, chapter 1350, for above frost-line installations and the notice requirement of subdivision 1f is complied with by the seller and the purchaser of the single-section used manufactured home.

(b) The installer shall affix an installation seal issued by the department to the outside of the home as required by the Minnesota State Building Code. The certificate of installation issued by the installer of record shall clearly state that the home has been reinstalled with an above frost-line foundation. Fees for inspection of a reinstallation and for issuance of reinstallation seals shall follow the requirements of sections 326B.802 to 326B.885. Fees for review of plans, specifications, and on-site inspections shall be those as specified in section 326B.153, subdivision 1, paragraph (c). Whenever an installation certificate for an above frost-line installation is issued to a single-section used manufactured home being listed for sale, the purchase agreement must disclose that the home is installed on a nonfrost-protected foundation and recommend that the purchaser have the home inspected to determine the effects of frost on the home.

Sec. 63. Minnesota Statutes 2008, section 327.32, is amended by adding a subdivision to read:

Subd. 1f. **Notice requirement.** The seller of the single-section used manufactured home being reinstalled under subdivision 1e shall provide the following notice to the purchaser and secure

signatures of all parties to the purchase agreement on or before signing a purchase agreement prior to submitting an application for an installation certificate. Whenever a current owner of a manufactured home reinstalls the manufactured home under subdivision 1e, the current owner is not required to comply with the notice requirement under this subdivision. The notice, which shall be in the same font size as required for the purchase agreement and becomes a part of the purchase agreement, shall be substantially in the following form:

**"Notice of Reinstalling of a Single-Section Used Manufactured Home Above Frost Line**

It is recommended that the single-section used manufactured home being reinstalled follow the instructions in the manufacturer's installation manual. By signing this notice, the purchaser(s) are acknowledging they have elected to use footings placed above the local frost line in accordance with the Minnesota State Building Code.

The seller has explained the differences between the manufacturer's installation instructions and the installation system selected by the purchaser(s) with respect to possible effects of frost on the manufactured home.

The purchaser(s) acknowledge by signing this notice that there is no manufacturer's original warranty remaining on the home and recognize that any other extended or ancillary warranty could be adversely affected if any applicable warranty stipulates that the home be installed in accordance with the manufacturer's installation manual to remain effective.

After the reinstallation of the manufactured home, it is highly recommended that the purchaser(s) have a licensed manufactured home installer recheck the home's installation for any releveing needs or anchoring system adjustments each freeze-thaw cycle.

The purchaser(s) of the used manufactured home described below that is being reinstalled acknowledge they have read this notice and have been advised to contact the manufacturer of the home and/or the Department of Labor and Industry if they desire additional information before signing this notice. It is the intent of this notice to inform the purchaser(s) that the purchaser(s) elected not to use a frost-protected foundation system for the reinstallation of the manufactured home as originally required by the home's installation manual.

**Plain language notice.**

I understand that because this home will be installed with footings placed above the local frost line, this home may be subject to adverse effects from frost heave that may damage this home. Purchaser(s) initials: .....

I understand that the installation of this home with footings placed above the local frost line could affect my ability to obtain a mortgage or mortgage insurance on this home. Purchaser(s) initials: .....

I understand that the installation of this home with footings placed above the local frost line could void my warranty on the home if any warranty is still in place on this home. Purchaser(s) initials: .....

Signature of Purchaser(s)

.....date.....

.....date.....

.....

.....

Print name

Print name

(Street address of location where  
manufactured home is being reinstalled)

.....

(City/State/Zip).....

Name of manufacturer of home.....

Model and year.....

Serial number.....

Name of licensed installer and license number or homeowner responsible for the installation of the  
home as described above.

Installer name:.....

License number:....."

Sec. 64. Minnesota Statutes 2008, section 327B.04, subdivision 2, is amended to read:

Subd. 2. **Subagency licenses.** Any dealer who has a place of business at more than one location shall designate one location as its principal place of business, one name as its principal name, and all other established places of business as subagencies. A subagency license shall be required for each subagency. Subagency license renewal must coincide with the principal license date. No dealer shall do business as a dealer under any other name than the name on its license.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 65. Minnesota Statutes 2009 Supplement, section 327B.04, subdivision 7, is amended to read:

Subd. 7. **Licenses; when granted renewal.** In addition to the requirements of this section, each application for a license or license renewal must be accompanied by a fee in an amount established by subdivision 7a all applicable fees required by section 326B.092. The fees shall be set in an amount which over the fiscal biennium will produce revenues approximately equal to the expenses which the commissioner expects to incur during that fiscal biennium while administering and enforcing sections 327B.01 to 327B.12. ~~The commissioner shall grant or deny a license application or a renewal application within 60 days of its filing.~~ If the license is granted, the commissioner shall license the applicant as a dealer or manufacturer for the remainder of the licensure period. Upon application by the licensee, the commissioner shall renew the license for a two-year period, if:

- (1) the renewal application satisfies the requirements of subdivisions 3 and 4;
- (2) the renewal applicant has made all listings, registrations, notices and reports required by the commissioner during the preceding licensure period; and
- (3) the renewal applicant has paid all fees owed pursuant to sections 327B.01 to 327B.12 and all taxes, arrearages, and penalties owed to the state.

**EFFECTIVE DATE.** This section is effective January 1, 2012.



Sec. 66. Minnesota Statutes 2009 Supplement, section 327B.04, subdivision 7a, is amended to read:

Subd. 7a. **Fees.** (a) Fees for licenses issued pursuant to this section ~~are as follows:~~ shall be calculated pursuant to section 326B.092.

- ~~(1) initial dealer license for principal location, \$400. Fee is not refundable;~~
- ~~(2) initial dealer license for subagency location, \$80;~~
- ~~(3) dealer license biennial renewal, principal location, \$400; dealer subagency location biennial renewal, \$160. Subagency license renewal must coincide with the principal license date;~~
- ~~(4) initial limited dealer license, \$200;~~
- ~~(5) change of bonding company, \$10;~~
- ~~(6) reinstatement of bond after cancellation notice has been received, \$10;~~
- ~~(7) checks returned without payment, \$15; and~~
- ~~(8) change of address, \$10.~~

(b) All initial limited dealer licenses shall be effective for more than one calendar year and shall expire on December 31 of the year after the year in which the application is made.

(c) ~~The license fee for each renewed limited dealer license shall be \$100 for one year and \$200 for two years.~~ For the purposes of calculating fees under section 326B.092, any license issued under this section is a business license, except that a subagency license is a master license. The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the renewal of limited dealer licenses from one year to two years. By June 30, 2011, all renewed limited dealer licenses shall be two-year licenses.

~~(d) All fees are not refundable.~~

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 67. Minnesota Statutes 2009 Supplement, section 327B.04, subdivision 8, is amended to read:

Subd. 8. **Limited dealer's license.** The commissioner shall issue a limited dealer's license to an owner of a manufactured home park authorizing the licensee as principal only to engage in the sale, offering for sale, soliciting, or advertising the sale of used manufactured homes located in the owned manufactured home park. The licensee must be the title holder of the homes and may engage in no more than ten sales during each year of the two-year licensure period. An owner may, upon payment of the applicable fee and compliance with this subdivision, obtain a separate license for each owned manufactured home park and is entitled to sell up to 20 homes per license period provided that only one limited dealer license may be issued for each park. The license shall be issued after:

(1) receipt of an application on forms provided by the commissioner containing the following information:

- (i) the identity of the applicant;

- (ii) the name under which the applicant will be licensed and do business in this state;
  - (iii) the name and address of the owned manufactured home park, including a copy of the park license, serving as the basis for the issuance of the license;
  - (iv) the name, home, and business address of the applicant;
  - (v) the name, address, and telephone number of one individual that is designated by the applicant to receive all communications and cooperate with all inspections and investigations of the commissioner pertaining to the sale of manufactured homes in the manufactured home park owned by the applicant;
  - (vi) whether the applicant or its designated individual has been convicted of a crime within the previous ten years that is either related directly to the business for which the license is sought or involved fraud, misrepresentation or misuse of funds, or has suffered a judgment in a civil action involving fraud, misrepresentation, or conversion within the previous five years or has had any government license or permit suspended or revoked as a result of an action brought by a federal or state governmental agency in this or any other state within the last five years; and
  - (vii) the applicant's qualifications and business history, including whether the applicant or its designated individual has ever been adjudged bankrupt or insolvent, or has any unsatisfied court judgments outstanding against it or them;
- (2) payment of the license fee established by subdivision 7a; and
  - (3) provision of a surety bond in the amount of \$5,000. A separate surety bond must be provided for each limited license.

The applicant need not comply with section 327B.04, subdivision 4, paragraph (e). The holding of a limited dealer's license does not satisfy the requirement contained in section 327B.04, subdivision 4, paragraph (e), for the licensee or salespersons with respect to obtaining a dealer license. The commissioner may, upon application for a renewal of a license, require only a verification that copies of sales documents have been retained and payment of the renewal fee fees established by ~~subdivision 7a~~ section 326B.092. "Sales documents" mean only the safety feature disclosure form defined in section 327C.07, subdivision 3a, title of the home, financing agreements, and purchase agreements.

The license holder shall, upon request of the commissioner, make available for inspection during business hours sales documents required to be retained under this subdivision.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 68. Minnesota Statutes 2009 Supplement, section 327B.041, is amended to read:

**327B.041 MANUFACTURED HOME INSTALLERS.**

(a) Manufactured home installers are subject to all of the fees in section 326B.092 and the requirements of sections 326B.802 to 326B.885, except for the following:

- (1) manufactured home installers are not subject to the continuing education requirements of section 326B.821, but are subject to the continuing education requirements established in rules adopted under section 327B.10;

(2) the examination requirement of section 326B.83, subdivision 3, for manufactured home installers shall be satisfied by successful completion of a written examination administered and developed specifically for the examination of manufactured home installers. The examination must be administered and developed by the commissioner. The commissioner and the state building official shall seek advice on the grading, monitoring, and updating of examinations from the Minnesota Manufactured Housing Association;

(3) a local government unit may not place a surcharge on a license fee, and may not charge a separate fee to installers;

(4) a dealer or distributor who does not install or repair manufactured homes is exempt from licensure under sections 326B.802 to 326B.885;

(5) the exemption under section 326B.805, subdivision 6, clause (5), does not apply; and

(6) manufactured home installers are not subject to the contractor recovery fund in section 326B.89.

(b) The commissioner may waive all or part of the requirements for licensure as a manufactured home installer for any individual who holds an unexpired license or certificate issued by any other state or other United States jurisdiction if the licensing requirements of that jurisdiction meet or exceed the corresponding licensing requirements of the department and the individual complies with section 326B.092, subdivisions 1 and 3 to 7. For the purposes of calculating fees under section 326B.092, licensure as a manufactured home installer is a business license.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 69. **WATER-FREE URINALS.**

The Plumbing Board shall have expedited rulemaking authority provided under section 14.389 for expedited rules regarding water-free urinals that meet the Minnesota Plumbing Board standards. This authority expires December 31, 2010.

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

Sec. 70. **REVISOR'S INSTRUCTION.**

In Minnesota Rules, the revisor of statutes shall change all references to Minnesota Rules, part 1350.8300 to Minnesota Statutes, section 327B.04.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 71. **REPEALER.**

(a) Minnesota Statutes 2008, sections 326B.133, subdivisions 9 and 10; 326B.37, subdivision 13; 326B.475, subdivisions 5 and 6; 326B.56, subdivision 3; 326B.885, subdivisions 3 and 4; and 326B.976, are repealed.

(b) Minnesota Statutes 2008, sections 327.32, subdivision 4; and 327C.07, subdivisions 3, 3a, and 8, are repealed.

(c) Minnesota Statutes 2009 Supplement, section 326B.56, subdivision 4, is repealed.

(d) Minnesota Rules, parts 1301.0500; 1301.0900; 1301.1100, subparts 2, 3, and 4; 1350.7200, subpart 3; and 1350.8000, subpart 2, are repealed.

**EFFECTIVE DATE.** Paragraphs (a), (c), and (d) are effective January 1, 2012.

#### ARTICLE 4

#### COMMERCE

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.

**EFFECTIVE DATE.** This section is effective July 31, 2010.

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) 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.

**EFFECTIVE DATE.** This section is effective July 31, 2010.

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 in section 58A.02, subdivision 7.

**EFFECTIVE DATE.** This section is effective July 31, 2010.

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).~~

**EFFECTIVE DATE.** This section is effective July 31, 2010.

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.

**EFFECTIVE DATE.** This section is effective July 31, 2010.

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.

**EFFECTIVE DATE.** This section is effective July 31, 2010.

Sec. 7. **[58A.01] TITLE.**

This chapter may be cited as the "Minnesota Secure and Fair Enforcement for Mortgage Licensing Act of 2010" or "Minnesota S.A.F.E. Mortgage Licensing Act of 2010."

**EFFECTIVE DATE.** This section is effective July 31, 2010.

Sec. 8. **[58A.02] DEFINITIONS.**

Subdivision 1. **Application.** For purposes of this chapter, the definitions in subdivisions 2 to 15 have the meanings given them.

Subd. 2. **Depository institution.** "Depository institution" has the meaning given in United States Code, title 12, section 1813, and includes a credit union.

Subd. 3. **Federal banking agencies.** "Federal banking agencies" means the Board of Governors of the Federal Reserve System, the comptroller of the currency, the director of the Office of Thrift Supervision, the National Credit Union Administration, and the Federal Deposit Insurance Corporation.

Subd. 4. **Immediate family member.** "Immediate family member" means a spouse, child, sibling, parent, grandparent, or grandchild. This includes stepparents, stepchildren, stepsiblings, and adoptive relationships.

Subd. 5. **Individual.** "Individual" means a natural person.

Subd. 6. **Loan processor or underwriter.** "Loan processor or underwriter" means an individual who performs clerical or support duties as an employee at the direction of and subject to the supervision and instruction of a person licensed or exempt from licensing under chapter 58. For purposes of this subdivision, the term "clerical or support duties" may include after the receipt of an application:

(1) the receipt, collection, distribution, and analysis of information common for the processing or underwriting of a residential mortgage loan; and

(2) communicating with a consumer to obtain the information necessary for the processing or underwriting of a loan, to the extent that the communication does not include offering or negotiating loan rates or terms, or counseling consumers about residential mortgage loan rates or terms.

Subd. 7. **Mortgage loan originator.** "Mortgage loan originator":

(1) means an individual who for compensation or gain or in the expectation of compensation or gain:

(i) takes a residential mortgage loan application; or

(ii) offers or negotiates terms of a residential mortgage loan;

(2) does not include an individual engaged solely as a loan processor or underwriter except as otherwise provided in section 58A.03, subdivision 3;

(3) does not include a person or entity that only performs real estate brokerage activities and is



licensed or registered according to Minnesota law, unless the person or entity is compensated by a lender, a mortgage broker, or other mortgage loan originator or by an agent of the lender, mortgage broker, or other mortgage loan originator;

(4) does not include a person or entity solely involved in extensions of credit relating to timeshare plans, as that term is defined in United States Code, title 11, section 101(53D); and

(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.

Subd. 8. **Nationwide Mortgage Licensing System and Registry.** "Nationwide Mortgage Licensing System and Registry" means a mortgage licensing system developed and maintained by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators for the licensing and registration of licensed mortgage loan originators.

Subd. 9. **Nontraditional mortgage product.** "Nontraditional mortgage product" means a mortgage product other than a 30-year fixed rate mortgage loan.

Subd. 10. **Person.** "Person" means a natural person, corporation, company, limited liability company, partnership, or association.

Subd. 11. **Real estate brokerage activity.** "Real estate brokerage activity" means an activity that involves offering or providing real estate brokerage services to the public, including:

(1) acting as a real estate agent or real estate broker for a buyer, seller, lessor, or lessee of real property;

(2) bringing together parties interested in the sale, purchase, lease, rental, or exchange of real property;

(3) negotiating, on behalf of a party, a portion of a contract relating to the sale, purchase, lease, rental, or exchange of real property other than in connection with providing financing with respect to the transaction;

(4) engaging in an activity for which a person engaged in the activity is required to be registered or licensed as a real estate agent or real estate broker under any applicable law; and

(5) offering to engage in any activity, or act in any capacity, described in clause (1), (2), (3), or (4).

Subd. 12. **Registered mortgage loan originator.** "Registered mortgage loan originator" means an individual who:

(1) meets the definition of mortgage loan originator and is an employee of:

(i) a depository institution;

(ii) a subsidiary that is owned and controlled by a depository institution and regulated by a federal banking agency; or

(iii) an institution regulated by the Farm Credit Administration; and

(2) is registered with, and maintains a unique identifier through, the Nationwide Mortgage Licensing System and Registry.

Subd. 13. **Residential mortgage loan.** "Residential mortgage loan" means a loan primarily for personal, family, or household use that is secured by a mortgage, deed of trust, or other equivalent consensual security interest on a dwelling, as defined in United States Code, title 15, section 1602(v), or residential real estate upon which a dwelling is constructed or intended to be constructed.

Subd. 14. **Residential real estate.** "Residential real estate" means real property located in Minnesota, upon which a dwelling is constructed or is intended to be constructed.

Subd. 15. **Unique identifier.** "Unique identifier" means a number or other identifier assigned by protocols established by the Nationwide Mortgage Licensing System and Registry.

**EFFECTIVE DATE.** This section is effective July 31, 2010.

Sec. 9. **[58A.03] LICENSE AND REGISTRATION REQUIRED.**

Subdivision 1. **Generally.** An individual, unless specifically exempted from this chapter under subdivision 2, shall not engage in the business of a mortgage loan originator with respect to a dwelling located in this state without first obtaining and maintaining a license under this chapter. An individual may not engage in the mortgage loan business unless the individual is employed and supervised by an entity which is either licensed or exempt from licensing under chapter 58. A licensed mortgage loan originator must register with and maintain a valid unique identifier issued by the Nationwide Mortgage Licensing System and Registry.

Subd. 2. **Exemptions.** The following are exempt from this chapter:

(1) a registered mortgage loan originator, when acting for an entity described in section 58A.02, subdivision 12, clause (1);

(2) an individual who offers or negotiates terms of a residential mortgage loan with or on behalf of an immediate family member of the individual;

(3) an individual who offers or negotiates terms of a residential mortgage loan secured by a dwelling that served as the individual's residence; and

(4) a licensed attorney who negotiates the terms of a residential mortgage loan on behalf of a client as an ancillary matter to the attorney's representation of the client, unless the attorney is compensated by a lender, a mortgage broker, or other mortgage loan originator or by any agent of the lender, mortgage broker, or other mortgage loan originator.

Subd. 3. **Independent contractor loan processors or underwriters.** A loan processor or underwriter who is an independent contractor may not engage in the activities of a loan processor or underwriter unless the independent contractor loan processor or underwriter obtains and maintains a license under subdivision 1. An independent contractor loan processor or underwriter licensed as a mortgage loan originator must have and maintain a valid unique identifier issued by the Nationwide Mortgage Licensing System and Registry.

**EFFECTIVE DATE.** In order to facilitate an orderly transition to licensing and minimize

disruption in the mortgage marketplace, the effective date for subdivision 1 is July 31, 2010, or a later date approved by the Secretary of the U.S. Department of Housing and Urban Development, under the authority granted in Public Law 110-289, section 1508(a).

Sec. 10. **[58A.04] STATE LICENSE AND REGISTRATION APPLICATION AND ISSUANCE.**

Subdivision 1. **Application form.** An applicant for a license shall apply in a form as prescribed by the commissioner. The form must contain content as set forth by rule, instruction, or procedure of the commissioner and may be changed or updated as necessary by the commissioner in order to carry out the purposes of this chapter.

Subd. 2. **Commissioner may establish relationships or contracts.** In order to fulfill the purposes of this chapter, the commissioner is authorized to establish relationships or contracts with the Nationwide Mortgage Licensing System and Registry or other entities designated by the Nationwide Mortgage Licensing System and Registry to collect and maintain records and process transaction fees or other fees related to licensees or other persons subject to this chapter.

Subd. 3. **Waive or modify requirements.** For the purpose of participating in the Nationwide Mortgage Licensing System and Registry, the commissioner is authorized to waive or modify, in whole or in part, by rule or order, any or all of the requirements of this chapter and to establish new requirements as reasonably necessary to participate in the Nationwide Mortgage Licensing System and Registry.

Subd. 4. **Background checks.** In connection with an application for licensing as a mortgage loan originator, the applicant shall, at a minimum, furnish to the Nationwide Mortgage Licensing System and Registry information concerning the applicant's identity, including:

(1) fingerprints for submission to the Federal Bureau of Investigation, and a governmental agency or entity authorized to receive the information for a state, national, and international criminal history background check; and

(2) personal history and experience in a form prescribed by the Nationwide Mortgage Licensing System and Registry, including the submission of authorization for the Nationwide Mortgage Licensing System and Registry and the commissioner to obtain:

(i) an independent credit report obtained from a consumer reporting agency described in United States Code, title 15, section 1681a(p); and

(ii) information related to administrative, civil, or criminal findings by a governmental jurisdiction.

Subd. 5. **Agent for purposes of requesting and distributing criminal information.** For the purposes of this section and in order to reduce the points of contact which the Federal Bureau of Investigation may have to maintain for purposes of subdivision 4, clauses (1) and (2), the commissioner may use the Nationwide Mortgage Licensing System and Registry as a channeling agent for requesting information from and distributing information to the Department of Justice or any governmental agency.

Subd. 6. **Agent for purposes of requesting and distributing noncriminal information.** For the purposes of this section and in order to reduce the points of contact which the commissioner

may have to maintain for purposes of subdivision 4, clause (2)(i) and (ii), the commissioner may use the Nationwide Mortgage Licensing System and Registry as a channeling agent for requesting and distributing information to and from any source so directed by the commissioner.

**EFFECTIVE DATE.** This section is effective July 31, 2010.

**Sec. 11. [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.

**EFFECTIVE DATE.** This section is effective July 31, 2010.

**Sec. 12. [58A.05] ISSUANCE OF LICENSE.**

The commissioner shall not issue a mortgage loan originator license unless the commissioner finds, at a minimum, that:

(1) the applicant has never had a mortgage loan originator license revoked in a governmental jurisdiction, except that a subsequent formal vacation of a revocation shall not be deemed a revocation;

(2) the applicant has not been convicted of, or pled guilty or nolo contendere to, a felony in a domestic, foreign, or military court:

(i) during the seven-year period preceding the date of the application for licensing and registration;

(ii) at any time preceding the date of application, if the felony involved an act of fraud, dishonesty, or a breach of trust, or money laundering; or

(iii) provided that a pardon of a conviction is not a conviction for purposes of this clause;

(3) the applicant has demonstrated financial responsibility, character, and general fitness such as to command the confidence of the community and to warrant a determination that the mortgage loan originator will operate honestly, fairly, and efficiently within the purposes of this chapter. For purposes of this chapter, a person has shown that the person is not financially responsible when the person has shown a disregard in the management of the person's own financial condition. A determination that an individual has not shown financial responsibility may include, but is not limited to:

(i) current outstanding judgments, except judgments solely as a result of medical expenses;

(ii) current outstanding tax liens or other government liens and filings;

(iii) foreclosures within the past three years; and

(iv) a pattern of seriously delinquent accounts within the past three years;

(4) the applicant has completed the prelicensing education requirement described in section 58A.06;

(5) the applicant has passed a written test that meets the test requirement described in section 58A.07; and

(6) the applicant has met the surety bond requirement as required under section 58A.13.

**EFFECTIVE DATE.** This section is effective July 31, 2010.

**Sec. 13. [58A.06] PRELICENSING AND RELICENSING EDUCATION OF LOAN ORIGINATORS.**

Subdivision 1. **Minimum educational requirements.** In order to meet the prelicensing education requirement referred to in section 58A.05, clause (4), a person shall complete at least 20 hours of education approved according to subdivision 2, that includes at least:

(1) three hours of federal law and regulations;

(2) three hours of ethics, which includes instruction on fraud, consumer protection, and fair lending issues; and

(3) two hours of training related to lending standards for the nontraditional mortgage product marketplace.

Subd. 2. **Approved educational courses.** For purposes of subdivision 1, prelicensing education courses must be reviewed and approved by the Nationwide Mortgage Licensing System and Registry based upon reasonable standards. Review and approval of a prelicensing education course must include review and approval of the course provider.

Subd. 3. **Approval of employer and affiliate educational courses.** Nothing in this section precludes a prelicensing education course, as approved by the Nationwide Mortgage Licensing System and Registry, that is provided by the employer of the applicant or an entity that is affiliated with the applicant by an agency contract, or any subsidiary or affiliate of the employer or entity.

Subd. 4. **Venue of education.** Prelicensing education may be offered in a classroom, online, or by any other means approved by the Nationwide Mortgage Licensing System and Registry.

Subd. 5. **Reciprocity of education.** The prelicensing education requirements approved by the Nationwide Mortgage Licensing System and Registry in subdivision 1 for a state must be accepted as credit toward completion of prelicensing education requirements in Minnesota.

Subd. 6. **Relicensing education requirements.** A person previously licensed under this chapter after the effective date of this chapter applying to be licensed again must prove that the person has completed all of the continuing education requirements for the year in which the license was last held.

**EFFECTIVE DATE.** This section is effective July 31, 2010.

**Sec. 14. [58A.07] TESTING OF LOAN ORIGINATORS.**

Subdivision 1. **Generally.** In order to meet the written test requirement referred to in section 58A.05, clause (5), an individual shall pass, in accordance with the standards established under

this section, a qualified written test developed by the Nationwide Mortgage Licensing System and Registry and administered by a test provider approved by the Nationwide Mortgage Licensing System and Registry based upon reasonable standards.

Subd. 2. **Qualified test.** A written test must not be treated as a qualified written test for purposes of subdivision 1 unless the test adequately measures the applicant's knowledge and comprehension in appropriate subject areas, including:

- (1) ethics;
- (2) federal law and regulation pertaining to mortgage origination;
- (3) state law and rule pertaining to mortgage origination; and
- (4) federal and state law and rule, including instruction on fraud, consumer protection, the nontraditional mortgage marketplace, and fair lending issues.

Subd. 3. **Testing location.** Nothing in this section prohibits a test provider approved by the Nationwide Mortgage Licensing System and Registry from providing a test at the location of the employer of the applicant or the location of a subsidiary or affiliate of the employer of the applicant, or the location of an entity with which the applicant holds an exclusive arrangement to conduct the business of a mortgage loan originator.

Subd. 4. **Minimum competence.** (a) An individual is not considered to have passed a qualified written test unless the individual achieves a test score of not less than 75 percent correct answers to questions.

(b) An individual may retake a test three consecutive times with each consecutive taking occurring at least 30 days after the preceding test.

(c) After failing three consecutive tests, an individual shall wait at least six months before taking the test again.

(d) A licensed mortgage loan originator who fails to maintain a valid license for a period of five years or longer shall retake the test, not taking into account any time during which the individual is a registered mortgage loan originator.

**EFFECTIVE DATE.** This section is effective July 31, 2010.

Sec. 15. **[58A.08] STANDARDS FOR LICENSE RENEWAL.**

Subdivision 1. **Generally.** The minimum standards for license renewal for a mortgage loan originator include that the mortgage loan originator:

- (1) continues to meet the minimum standards for license issuance under section 58A.05;
- (2) has satisfied the annual continuing education requirements described in section 58A.09; and
- (3) has paid all required fees for renewal of the license.

Subd. 2. **Failure to satisfy minimum standards of license renewal.** The license of a mortgage loan originator failing to satisfy the minimum standards for license renewal expires. The commissioner may adopt procedures for the reinstatement of expired licenses consistent with the

standards established by the Nationwide Mortgage Licensing System and Registry.

**EFFECTIVE DATE.** This section is effective July 31, 2010.

**Sec. 16. [58A.09] CONTINUING EDUCATION FOR MORTGAGE LOAN ORIGINATORS.**

**Subdivision 1. Generally.** In order to meet the annual continuing education requirements referred to in section 58A.08, subdivision 1, clause (2), a licensed mortgage loan originator shall complete at least eight hours of education approved according to subdivision 2 that includes at least:

- (1) three hours of federal law and regulations;
- (2) two hours of ethics, which includes instruction on fraud, consumer protection, and fair lending issues; and
- (3) two hours of training related to lending standards for the nontraditional mortgage product marketplace.

**Subd. 2. Approved educational courses.** For purposes of subdivision 1, continuing education courses must be reviewed and approved by the Nationwide Mortgage Licensing System and Registry based upon reasonable standards. Review and approval of a continuing education course must include review and approval of the course provider.

**Subd. 3. Approval of employer and affiliate educational courses.** Nothing in this section precludes an education course, as approved by the Nationwide Mortgage Licensing System and Registry, that is provided by the employer of the mortgage loan originator or an entity that is affiliated with the mortgage loan originator by an agency contract, or a subsidiary or affiliate of the employer or entity.

**Subd. 4. Venue of education.** Continuing education may be offered either in a classroom, online, or by other means approved by the Nationwide Mortgage Licensing System and Registry.

**Subd. 5. Calculation of continuing education credits.** A licensed mortgage loan originator:

- (1) except for subdivision 9 and section 58A.08, subdivision 2, may only receive credit for a continuing education course in the year in which the course is taken; and
- (2) may not take the same approved course in the same or successive years to meet the annual requirements for continuing education.

**Subd. 6. Instructor credit.** A licensed mortgage loan originator who is an approved instructor of an approved continuing education course may receive credit for the licensed mortgage loan originator's own annual continuing education requirement at the rate of two hours credit for every one hour taught.

**Subd. 7. Reciprocity of education.** A person having successfully completed the education requirements approved by the Nationwide Mortgage Licensing System and Registry in subdivision 1 for a state must be accepted as credit toward completion of continuing education requirements in Minnesota.

Subd. 8. **Lapse in license.** A licensed mortgage loan originator who subsequently becomes unlicensed must complete the continuing education requirements for the last year in which the license was held before a new or renewed license is issued.

Subd. 9. **Deficiency.** A person meeting the requirements of section 58A.08, subdivision 1, clauses (1) and (3), may make up a deficiency in continuing education as established by rule of the commissioner.

**EFFECTIVE DATE.** This section is effective July 31, 2010.

Sec. 17. **[58A.10] AUTHORITY TO REQUIRE LICENSE.**

In addition to any other duties imposed upon the commissioner by law, the commissioner shall require mortgage loan originators to be licensed and registered through the Nationwide Mortgage Licensing System and Registry. In order to carry out this requirement, the commissioner may participate in the Nationwide Mortgage Licensing System and Registry. For this purpose, the commissioner may establish by rule or order requirements as necessary, including but not limited to:

(1) background checks for:

(i) criminal history through fingerprint or other databases;

(ii) civil or administrative records;

(iii) credit history; or

(iv) other information as determined necessary by the Nationwide Mortgage Licensing System and Registry;

(2) the payment of fees to apply for or renew licenses through the Nationwide Mortgage Licensing System and Registry;

(3) the setting or resetting as necessary of renewal or reporting dates; and

(4) requirements for amending or surrendering a license or other activities the commissioner considers necessary for participation in the Nationwide Mortgage Licensing System and Registry.

**EFFECTIVE DATE.** This section is effective July 31, 2010.

Sec. 18. **[58A.11] NATIONWIDE MORTGAGE LICENSING SYSTEM AND REGISTRY INFORMATION CHALLENGE PROCESS.**

The commissioner shall establish a process that allows mortgage loan originators to challenge information entered into the Nationwide Mortgage Licensing System and Registry by the commissioner.

**EFFECTIVE DATE.** This section is effective July 31, 2010.

Sec. 19. **[58A.12] ENFORCEMENT AUTHORITIES, VIOLATIONS, AND PENALTIES.**

(a) In order to ensure the effective supervision and enforcement of this chapter, the commissioner may, pursuant to chapter 14:



(1) deny, suspend, revoke, condition, or decline to renew a license for a violation of this chapter, rules issued under this chapter, or order or directive entered under this chapter;

(2) deny, suspend, revoke, condition, or decline to renew a license if an applicant or licensee fails at any time to meet the requirements of section 58A.05 or 58A.08, or withholds information or makes a material misstatement in an application for a license or renewal of a license;

(3) order restitution against persons subject to this chapter for violations of this chapter;

(4) impose fines on persons subject to this chapter pursuant to paragraphs (b) to (d); and

(5) issue orders or directives under this chapter as follows:

(i) order or direct persons subject to this chapter to cease and desist from conducting business, including immediate temporary orders to cease and desist;

(ii) order or direct persons subject to this chapter to cease any harmful activities or violations of this chapter, including immediate temporary orders to cease and desist;

(iii) enter immediate temporary orders to cease business under a license or interim license issued pursuant to the authority granted under section 58A.04 if the commissioner determines that the license was erroneously granted or the licensee is currently in violation of this chapter; and

(iv) order or direct other affirmative action the commissioner considers necessary.

(b) The commissioner may impose a civil penalty on a mortgage loan originator or person subject to this chapter, if the commissioner finds, on the record after notice and opportunity for hearing, that the mortgage loan originator or person subject to this chapter has violated or failed to comply with any requirement of this chapter or any rule prescribed by the commissioner under this chapter or order issued under authority of this chapter.

(c) The maximum amount of penalty for each act or omission described in paragraph (b) is \$25,000.

(d) Each violation or failure to comply with any directive or order of the commissioner is a separate and distinct violation or failure.

**EFFECTIVE DATE.** This section is effective July 31, 2010.

**Sec. 20. [58A.13] SURETY BOND REQUIRED.**

**Subdivision 1. Coverage, form, and rules.** (a) Each mortgage loan originator must be covered by a surety bond meeting the requirements of this section. In the event that the mortgage loan originator is an employee or exclusive agent of a person subject to this chapter, the surety bond of the person subject to this chapter can be used in lieu of the mortgage loan originator's surety bond requirement.

(b) The surety bond shall provide coverage for each mortgage loan originator in an amount as prescribed in subdivision 2.

(c) The surety bond must be in a form as prescribed by the commissioner.

**Subd. 2. Penal sum of surety bond.** The penal sum of the surety bond must be maintained in

an amount that reflects the dollar amount of loans originated as determined by the commissioner.

Subd. 3. **Action on bond.** When an action is commenced on a licensee's bond the commissioner may require the filing of a new bond.

Subd. 4. **New bond.** Immediately upon recovery upon any action on the bond the licensee shall file a new bond.

**EFFECTIVE DATE.** This section is effective July 31, 2010.

Sec. 21. **[58A.14] CONFIDENTIALITY.**

Subdivision 1. **Protections.** Except as otherwise provided in Public Law 110-289, section 1512, the requirements under chapter 13 or any federal law regarding the privacy or confidentiality of any information or material provided to the Nationwide Mortgage Licensing System and Registry, and any privilege arising under federal or state law, including the rules of any federal or state court, with respect to the information or material, continue to apply to the information or material after the information or material has been disclosed to the Nationwide Mortgage Licensing System and Registry. The information and material may be shared with all state and federal regulatory officials with mortgage industry oversight authority without the loss of privilege or the loss of confidentiality protections provided by chapter 13 or federal law.

Subd. 2. **Agreements and sharing arrangements.** For purposes of this section, the commissioner is authorized to enter agreements or sharing arrangements with other governmental agencies, the Conference of State Bank Supervisors, the American Association of Residential Mortgage Regulators, or other associations representing governmental agencies as established by rule or order of the commissioner.

Subd. 3. **Nonapplicability of certain requirements.** Information or material that is subject to a privilege or confidentiality under subdivision 1 is not subject to:

(1) disclosure under any federal or state law governing the disclosure to the public of information held by an officer or an agency of the federal government or the respective state; or

(2) subpoena or discovery, or admission into evidence, in any private civil action or administrative process, unless with respect to any privilege held by the Nationwide Mortgage Licensing System and Registry with respect to the information or material, the person to whom the information or material pertains waives, in whole or in part, in the discretion of the person, that privilege.

Subd. 4. **Coordination with Minnesota Government Data Practices Act.** Chapter 13 relating to the disclosure of confidential supervisory information or any information or material described in subdivision 1 that is inconsistent with subdivision 1 is superseded by the requirements of this section.

Subd. 5. **Public access to information.** This section does not apply with respect to the information or material relating to the employment history of, and publicly adjudicated disciplinary and enforcement actions against, mortgage loan originators that are included in the Nationwide Mortgage Licensing System and Registry for access by the public.

**EFFECTIVE DATE.** This section is effective July 31, 2010.

Sec. 22. **[58A.15] INVESTIGATION AND EXAMINATION AUTHORITY.**

Subdivision 1. **Generally.** In addition to any authority allowed under this chapter, the commissioner may conduct investigations and examinations according to subdivisions 2 to 9.

Subd. 2. **Authority to access information.** For purposes of initial licensing, license renewal, license suspension, license conditioning, license revocation or termination, or general or specific inquiry or investigation to determine compliance with this chapter, the commissioner may access, receive, and use any books, accounts, records, files, documents, information or evidence including but not limited to:

- (1) criminal, civil, and administrative history information, including nonconviction data;
- (2) personal history and experience information including independent credit reports obtained from a consumer reporting agency described in United States Code, title 15, section 1681a(p); and
- (3) any other documents, information, or evidence the commissioner considers relevant to the inquiry or investigation regardless of the location, possession, control, or custody of the documents, information, or evidence.

Subd. 3. **Investigation, examination, and subpoena authority.** For the purposes of investigating violations or complaints arising under this chapter, or for the purposes of examination, the commissioner may review, investigate, or examine a licensee, individual, or person subject to this chapter, as often as necessary in order to carry out the purposes of this chapter. The commissioner may direct, subpoena, or order the attendance of and examine under oath all persons whose testimony may be required about the loans or the business or subject matter of any such examination or investigation, and may direct, subpoena, or order such person to produce books, accounts, records, files, and any other documents the commissioner considers relevant to the inquiry.

Subd. 4. **Availability of books and records.** A licensee, individual, or person subject to this chapter shall make available to the commissioner upon request the books and records relating to the operations of the licensee, individual, or person subject to this chapter. The commissioner shall have access to the books and records and interview the officers, principals, mortgage loan originators, employees, independent contractors, agents, and customers of the licensee, individual, or person subject to this chapter concerning the licensee's, individual's, or person's business.

Subd. 5. **Reports and other information as directed.** A licensee, individual, or person subject to this chapter shall make or compile reports or prepare other information as directed by the commissioner in order to carry out the purposes of this section including but not limited to:

- (1) accounting compilations;
- (2) information lists and data concerning loan transactions in a format prescribed by the commissioner; or
- (3) other information the commissioner considers necessary to carry out the purposes of this section.

Subd. 6. **Control access to records.** In making an examination or investigation authorized by this chapter, the commissioner may control access to documents and records of the licensee or person

under examination or investigation. The commissioner may take possession of the documents and records or place a person in exclusive charge of the documents and records in the place where they are usually kept. During the period of control, no individual or person shall remove or attempt to remove any of the documents and records except pursuant to a court order or with the consent of the commissioner. Unless the commissioner has reasonable grounds to believe the documents or records of the licensee have been, or are at risk of being, altered or destroyed for purposes of concealing a violation of this chapter, the licensee or owner of the documents and records has access to the documents or records as necessary to conduct its ordinary business affairs.

Subd. 7. **Additional authority.** In order to carry out the purposes of this section, the commissioner may:

(1) retain attorneys, accountants, or other professionals and specialists as examiners, auditors, or investigators to conduct or assist in the conduct of examinations or investigations;

(2) enter into agreements or relationships with other government officials or regulatory associations in order to improve efficiencies and reduce regulatory burden by sharing resources, standardized or uniform methods or procedures, and documents, records, information, or evidence obtained under this section;

(3) use, hire, contract, or employ public or privately available analytical systems, methods, or software to examine or investigate the licensee, individual, or person subject to this chapter;

(4) accept and rely on examination or investigation reports made by other government officials, within or without this state; or

(5) accept audit reports made by an independent certified public accountant for the licensee, individual, or person subject to this chapter in the course of that part of the examination covering the same general subject matter as the audit and incorporate the audit report in the report of the examination, report of investigation or other writing of the commissioner.

Subd. 8. **Effect of authority.** The authority of this section remains in effect, whether a licensee, individual, or person subject to this chapter acts or claims to act under any licensing or registration law of this state, or claims to act without such authority.

Subd. 9. **Withhold records.** A licensee, individual, or person subject to investigation or examination under this section shall not knowingly withhold, abstract, remove, mutilate, destroy, or secrete any books, records, computer records, or other information.

**EFFECTIVE DATE.** This section is effective July 31, 2010.

Sec. 23. **[58A.16] PROHIBITED ACTS AND PRACTICES.**

Subdivision 1. **Generally.** It is a violation of this chapter for a person or individual subject to this chapter to:

(1) directly or indirectly employ any scheme, device, or artifice to defraud or mislead borrowers or lenders or to defraud any person;

(2) engage in any unfair or deceptive practice toward any person;

(3) obtain property by fraud or misrepresentation;

(4) solicit or enter into a contract with a borrower that provides in substance that the person or individual subject to this chapter may earn a fee or commission through "best efforts" to obtain a loan even though no loan is actually obtained for the borrower;

(5) solicit, advertise, or enter into a contract for specific interest rates, points, or other financing terms unless the terms are actually available at the time of soliciting, advertising, or contracting;

(6) conduct any business covered by this chapter without holding a valid license as required under this chapter, or assist or aide and abet any person in the conduct of business under this chapter without a valid license as required under this chapter;

(7) fail to make disclosures as required by this chapter and any other applicable state or federal law or regulations;

(8) fail to comply with this chapter or rules adopted under this chapter or fail to comply with any other state or federal law or regulations applicable to any business authorized or conducted under this chapter;

(9) make, in any manner, any false or deceptive statement or representation including, with regard to the rates, points, or other financing terms or conditions for a residential mortgage loan; or engage in bait-and-switch advertising;

(10) negligently make a false statement or knowingly and willfully make an omission of material fact in connection with any information or reports filed with a governmental agency or the Nationwide Mortgage Licensing System and Registry or in connection with an investigation conducted by the commissioner or another governmental agency;

(11) make a payment, threat, or promise, directly or indirectly, to a person for the purposes of influencing the independent judgment of the person in connection with a residential mortgage loan, or make a payment threat or promise, directly or indirectly, to an appraiser of a property, for the purposes of influencing the independent judgment of the appraiser with respect to the value of the property;

(12) collect, charge, attempt to collect or charge, or use or propose an agreement purporting to collect or charge a fee prohibited by this chapter;

(13) cause or require a borrower to obtain property insurance coverage in an amount that exceeds the replacement cost of the improvements as established by the property insurer; or

(14) fail to truthfully account for money belonging to a party to a residential mortgage loan transaction.

Subd. 2. **Loan processor or underwriter activities.** An individual engaging solely in loan processor or underwriter activities shall not represent to the public, through advertising or other means of communicating or providing information, including the use of business cards, stationery, brochures, signs, rate lists, or other promotional items, that the individual can or will perform any of the activities of a mortgage loan originator.

**EFFECTIVE DATE.** This section is effective July 31, 2010.

Sec. 24. **[58A.17] MORTGAGE CALL REPORTS.**

A mortgage licensee shall submit to the Nationwide Mortgage Licensing System and Registry reports of condition, which must be in the form and contain the information the Nationwide Mortgage Licensing System and Registry requires.

**EFFECTIVE DATE.** This section is effective July 31, 2010.

**Sec. 25. [58A.18] REPORT TO NATIONWIDE MORTGAGE LICENSING SYSTEM AND REGISTRY.**

The commissioner shall regularly report violations of this chapter, as well as enforcement actions and other relevant information, to the Nationwide Mortgage Licensing System and Registry subject to the provisions contained in section 58A.14.

**EFFECTIVE DATE.** This section is effective July 31, 2010.

**Sec. 26. [58A.20] UNIQUE IDENTIFIER SHOWN.**

The unique identifier of any person originating a residential mortgage loan shall be clearly shown on all residential mortgage loan application forms, solicitations, or advertisements, including business cards or Web sites, and any other documents as established by rule or order of the commissioner.

**EFFECTIVE DATE.** This section is effective July 31, 2010.

Sec. 27. Minnesota Statutes 2008, section 60K.36, subdivision 2, is amended to read:

Subd. 2. **Examination not required.** A resident individual applying for a limited lines credit insurance, title insurance, travel baggage insurance, ~~mobile telephone insurance~~, or bail bonds license is not required to take a written examination.

Sec. 28. Minnesota Statutes 2008, section 60K.38, subdivision 1, is amended to read:

Subdivision 1. **Issuance.** (a) Unless denied a license under section 60K.43, a person who has met the requirements of sections 60K.36 and 60K.37 must be issued an insurance producer license. An insurance producer may receive qualification for a license in one or more of the lines of authority in paragraphs (b) and (c).

(b) An individual insurance producer may receive qualification for a license in one or more of the following major lines:

(1) life insurance: coverage on human lives including benefits of endowment and annuities, and may include benefits in the event of death or dismemberment by accident and benefits for disability income;

(2) accident and health or sickness insurance: coverage for sickness, bodily injury, or accidental death, and may include benefits for disability income;

(3) property insurance: coverage for the direct or consequential loss or damage to property of every kind;

(4) casualty insurance: coverage against legal liability, including that for death, injury, or disability, or damage to real or personal property;

(5) variable life and variable annuity products insurance: coverage provided under variable life insurance contracts and variable annuities; and

(6) personal lines: property and casualty insurance coverage sold to individuals and families for primarily noncommercial purposes.

(c) An individual insurance producer may receive qualification for a license in one or more of the following limited lines:

- (1) limited line credit insurance;
- (2) farm property and liability insurance;
- (3) title insurance;
- (4) travel baggage insurance; and
- ~~(5) mobile telephone insurance; and~~
- ~~(6) (5) bail bonds.~~

**Sec. 29. [60K.381] SALE OF PORTABLE ELECTRONICS INSURANCE.**

Subdivision 1. Definitions. For purposes of this section, the following terms have the following meanings:

(a) "Customer" means a person who purchases portable electronics or services.

(b) "Covered customer" means a customer who elects coverage under a portable electronics insurance policy issued to a vendor of portable electronics.

(c) "Portable electronics" means electronic devices that are portable in nature, their accessories, and services related to the use of the device.

(d)(1) "Portable electronics insurance" means insurance providing coverage for the repair or replacement of portable electronics, which may cover portable electronics against any one or more of the following causes of loss: loss, theft, mechanical failure, malfunction, damage, or other applicable perils.

(2) "Portable electronics insurance" does not include:

(i) a service contract governed by chapter 59B;

(ii) a policy of insurance covering a seller's or a manufacturer's obligations under a warranty; or

(iii) a homeowner's, renter's, private passenger automobile, commercial multiperil, or similar policy that covers loss or theft of portable electronics.

(e) "Portable electronics transaction" means:

(1) the sale or lease of portable electronics by a vendor to a customer; or

(2) the sale of a service related to the use of portable electronics by a vendor to a customer.

(f) "Supervising agency" means a business entity that is a licensed insurance producer.

(g) "Vendor" means a business entity in the business of engaging in portable electronics transactions, directly or indirectly.

Subd. 2. **Licensure of vendors.** (a) A vendor is required to hold a limited lines license issued under this section to sell or offer coverage under a policy of portable electronics insurance in connection with, and incidental to, a portable electronics transaction with a customer.

(b) A limited lines license issued under this section shall authorize any employee or authorized representative of the vendor to sell or offer coverage under a policy of portable electronics insurance to a customer in connection with, and incidental to, a portable electronics transaction at each location at which the vendor engages in portable electronics transactions. The application for such a limited lines license shall set forth each location at which the vendor offers coverage under a policy of portable electronics insurance. The vendor shall notify the commissioner within 30 days of adding or eliminating such a location.

(c) Notwithstanding any other provision of law, a license issued pursuant to this section shall authorize the licensee and its employees or authorized representatives to engage only in those activities that are expressly permitted in this section.

Subd. 3. **Requirements for sale of portable electronics insurance.** (a) At every location where portable electronics insurance is offered to customers, brochures, or other written materials must be made available to a prospective customer which:

(1) disclose that portable electronics insurance may provide a duplication of coverage already provided by a customer's homeowner's insurance policy, renter's insurance policy, or other source of coverage;

(2) state that the enrollment by the customer in a portable electronics insurance program is not required in order to purchase or lease portable electronics or services;

(3) summarize the material terms of the insurance coverage, including:

(i) the identity of the insurer;

(ii) the identity of the supervising agency;

(iii) the amount of any applicable deductible and how it is to be paid;

(iv) benefits of the coverage;

(v) the terms for terminating or modifying coverage as set forth in the policy of portable electronics insurance; and

(vi) any material exclusions, conditions, or other limitations of coverage including whether portable electronics may be repaired or replaced with similar make and model reconditioned or nonoriginal manufacturer parts or equipment;

(4) describe the process for filing a claim, including a description of any requirements:

(i) to return portable electronics and the maximum fee applicable in the event the customer fails to comply with any equipment return requirements; and

(ii) any proof of loss requirements; and



(5) state that the customer may cancel enrollment for coverage under a portable electronics insurance policy at any time and any unearned premium will be refunded on a pro rata basis.

(b) Portable electronics insurance may be offered on a month to month or other periodic basis as a group or master commercial inland marine policy issued to a vendor of portable electronics under which individual customers may elect to enroll for coverage.

(c) Notwithstanding any other provision of Minnesota law regarding the termination or modification of coverage under a policy of insurance, the terms for the termination or modification of coverage under a policy of portable electronics insurance issued in compliance with this chapter shall be as set forth in the policy.

(d) Eligibility and underwriting standards for customers electing to enroll in coverage shall be established for each portable electronics insurance program.

Subd. 4. **Authority of vendors of portable electronics.** (a) The employees and authorized representatives of vendors may sell or offer portable electronics insurance to customers and shall not be subject to licensure as an insurance producer under this chapter provided that:

(1) the vendor obtains a limited lines license to authorize its employees or authorized representatives to sell or offer portable electronics insurance pursuant to this section;

(2) the insurer issuing the portable electronics insurance appoints a supervising agency to supervise the administration of the program including development of a training program for employees and authorized representatives of the vendors. The training required by this subdivision shall comply with the following:

(i) the training shall be delivered to all employees and authorized representatives of the vendors who sell or offer portable electronics insurance;

(ii) the training may be provided in electronic form. However, if conducted in an electronic form, the supervising agency shall implement a program of in-person training conducted by licensed employees of the supervising agency to supplement the electronic training; and

(iii) each employee and authorized representative shall receive basic instruction about the portable electronics insurance offered to customers and the disclosures required under subdivision 3; and

(3) no employee or authorized representative of a vendor of portable electronics shall advertise, represent, or otherwise hold himself or herself out as a nonlimited lines licensed insurance producer.

(b) The charges for insurance coverage may be billed and collected by the vendor of portable electronics. If billed and collected by the vendor, the charges shall be separately itemized from the charges for the purchase or lease of portable electronics or services. Vendors billing and collecting such charges shall not be required to maintain such funds in a segregated account provided that the vendor is authorized by the insurer to hold such funds in an alternative manner and remits such amounts to the supervising agency within 60 days of receipt. All funds received by a vendor from a customer for the sale of portable electronics insurance shall be considered funds held by the vendor in a fiduciary capacity for the benefit of the insurer. Vendors may receive compensation for billing and collection services.

Sec. 30. Minnesota Statutes 2009 Supplement, section 60K.55, subdivision 2, is amended to read:

Subd. 2. **Licensing fees.** (a) In addition to fees provided for examinations and the technology surcharge required under paragraph (d), each insurance producer licensed under this chapter shall pay to the commissioner a fee of:

(1) \$50 for an initial life, accident and health, property, or casualty license issued to an individual insurance producer, and a fee of \$50 for each renewal;

(2) \$50 for an initial variable life and variable annuity license issued to an individual insurance producer, and a fee of \$50 for each renewal;

(3) \$50 for an initial personal lines license issued to an individual insurance producer, and a fee of \$50 for each renewal;

(4) \$50 for an initial limited lines license issued to an individual insurance producer, and a fee of \$50 for each renewal;

(5) \$200 for an initial license issued to a business entity, and a fee of \$200 for each renewal; ~~and~~

(6) \$500 for an initial surplus lines license, and a fee of \$500 for each renewal; and

(7) \$5,000 for an initial portable electronics insurance limited lines license under section 60K.381, and a fee of \$1,000 for each renewal.

(b) Initial licenses issued to a business entity under this chapter and section 60K.381 are valid for a period not to exceed 24 months and expire on October 31 of the renewal year assigned by the commissioner. Initial licenses issued to an individual insurance producer under this chapter before August 1, 2010, are valid for a period not to exceed 24 months and expire on October 31 of the renewal year assigned by the commissioner. Each individual license initially issued or renewed on or after August 1, 2010, expires on the last day of the birth month of the producer in the year that will result in the term of the license being at least 12 months, but no more than 24 months. Beginning with the first license expiration on the last day of the birth month of an individual producer as set forth in this paragraph, all such licenses must after this date expire biennially on the last day of the birth month of the individual producer that is two years subsequent to the preceding expiration date. Each renewal insurance producer license is valid for a period of 24 months.

(c) All fees are nonreturnable, except that an overpayment of any fee may be refunded upon proper application.

(d) In addition to the fees required under paragraph (a), individual insurance producers shall pay, for each initial license and renewal, a technology surcharge of up to \$40 under section 45.24, unless the commissioner has adjusted the surcharge as permitted under that section.

Sec. 31. Minnesota Statutes 2009 Supplement, section 82B.05, subdivision 1, is amended to read:

Subdivision 1. **Members.** The Real Estate Appraiser Advisory Board consists of ~~15~~ nine members appointed by the commissioner of commerce. ~~Three of the~~ Two members must be public members ~~must be public members, four,~~ one member must be consumers ~~one member must be consumers~~ of appraisal services, ~~and eight~~ three must be ~~real-estate appraisers of whom not less than two members must~~

~~be trainee real property appraisers, licensed real property appraisers, or certified residential real property appraisers, not less than two members and three~~ must be certified general real property appraisers, and not less than one member of those members must be certified by the Appraisal Qualification Board of the Appraisal Foundation to teach the Uniform Standards of Professional Appraisal Practice. Three members must live or work outside of the seven-county metropolitan area. The board is governed by section 15.0575.

**EFFECTIVE DATE.** This section is effective August 1, 2010.

Sec. 32. Minnesota Statutes 2008, section 82B.05, subdivision 5, is amended to read:

Subd. 5. **Conduct of meetings.** Places of regular board meetings must be decided by the vote of members. Written notice must be given to each member of the time and place of each meeting of the board at least ten days before the scheduled date of regular board meetings. The board shall establish procedures for emergency board meetings and other operational procedures, subject to the approval of the commissioner.

The members of the board shall elect a chair from among the members to preside at board meetings.

A quorum of the board is ~~eight~~ five members.

The board shall meet at least once every six months as determined by a majority vote of the members or a call of the commissioner. The chair of the board may call a meeting at any other time, subject to the notice requirements of this section.

**EFFECTIVE DATE.** This section is effective August 1, 2010.

Sec. 33. Minnesota Statutes 2008, section 82B.05, is amended by adding a subdivision to read:

Subd. 7. **Enforcement reports.** The commissioner shall, on a regular basis, provide the board with the commissioner's enforcement reports.

**EFFECTIVE DATE.** This section is effective August 1, 2010.

Sec. 34. Minnesota Statutes 2008, section 82B.06, is amended to read:

#### **82B.06 POWERS OF THE BOARD.**

The board shall make recommendations to the commissioner as the commissioner requests or at the board's own initiative on:

(1) rules with respect to each category of licensed real estate appraiser, the type of educational experience, appraisal experience, and equivalent experience that will meet the requirements of this chapter;

(2) examination specifications for each category of licensed real estate appraiser, to assist in providing or obtaining appropriate examination questions and answers, and procedures for grading examinations;

(3) rules with respect to each category of licensed real estate appraiser, the continuing education requirements for the renewal of licensing that will meet the requirements provided in this chapter;

(4) periodic review of the standards for the development and communication of real estate appraisals provided in this chapter and rules explaining and interpreting the standards; ~~and~~

(5) development of standards and procedures for processing the determination of appraiser violations of this chapter and USPAP; and

(6) other matters necessary in carrying out the provisions of this chapter.

**EFFECTIVE DATE.** This section is effective August 1, 2010.

Sec. 35. **[82C.01] TITLE.**

This chapter shall be known as the Minnesota Appraisal Management Company Licensing and Regulation Act.

Sec. 36. **[82C.02] DEFINITIONS.**

Subdivision 1. **Terms.** As used in this chapter, the terms in this section have the meanings given them.

Subd. 2. **Appraisal.** In conformance with the Uniform Standards of Professional Appraisal Practice (USPAP), "appraisal" is defined as: (noun) the act or process of developing an opinion of value; an opinion of value; (adjective) of or pertaining to appraising and related functions such as appraisal practice or appraisal services. For purposes of this chapter, all appraisals or assignments that are referred to involve one to four unit single-family properties.

Subd. 3. **Appraisal assignment.** "Appraisal assignment" means an engagement for which an appraiser is employed or retained to act, as a disinterested third party in giving an unbiased analysis, opinion, or conclusion relating to the nature, quality, value, or utility of named interests in, or aspects of, identified real estate.

Subd. 4. **Appraisal management company.** "Appraisal management company" means a corporation, partnership, sole proprietorship, subsidiary, unit, or other business entity that directly or indirectly performs the following appraisal management services:

(1) administers networks of independent contractors and/or employee appraisers to perform residential real estate appraisal assignments for clients;

(2) receives requests for residential real estate appraisal services from clients and, for a fee paid by the client, enters into an agreement with one or more independent appraisers to perform the real estate appraisal services contained in the request; or

(3) serves as a third-party broker of appraisal management services between clients and appraisers.

Subd. 5. **Appraisal management services.** "Appraisal management services" means the process of directly or indirectly performing any of the following functions on behalf of a lender, financial institution, client, or any other person to:

(1) administer an appraiser panel;

(2) recruit, qualify, verify licensing or certification, and negotiate fees and service level expectations with persons who are part of an appraiser panel;

(3) receive an order for an appraisal from one person, and deliver the order for the appraisal to an appraiser that is part of an appraiser panel for completion;

(4) track and determine the status of orders for appraisals;

(5) conduct quality control of a completed appraisal prior to the delivery of the appraisal to the person that ordered the appraisal; or

(6) provide a completed appraisal performed by an appraiser to one or more clients.

Subd. 6. **Appraiser.** "Appraiser" means a person who is expected to perform valuation services competently and in a manner that is independent, impartial, and objective, and who is licensed under chapter 82B.

Subd. 7. **Appraiser panel.** "Appraiser panel" means a network of licensed or certified appraisers who are independent contractors to the appraisal management company that have:

(1) responded to an invitation, request, or solicitation from an appraisal management company, in any form, to perform appraisals for persons that have ordered appraisals through the appraisal management company, or to perform appraisals for the appraisal management company directly, on a periodic basis, as requested and assigned by the appraisal management company; and

(2) been selected and approved by an appraisal management company to perform appraisals for any client of the appraisal management company that has ordered an appraisal through the appraisal management company, or to perform appraisals for the appraisal management company directly, on a periodic basis, as assigned by the appraisal management company.

Subd. 8. **Appraisal review.** "Appraisal review" means the act of developing and communicating an opinion about the quality of another appraiser's work that was performed as part of an appraisal assignment, except that an examination of an appraisal for grammatical, typographical, or other similar errors that do not make a substantive valuation change shall not be an appraisal review.

Subd. 9. **Client.** "Client" means any person or entity that contracts with, or otherwise enters into an agreement with, an appraisal management company for the performance of real estate appraisal services or appraisal management services. For purposes of this chapter, the appraisal management company is the party engaging the independent appraiser and can be the appraiser's client. However, this does not preclude an appraisal management company from acting as a duly authorized agent for a lender.

Subd. 10. **Commissioner.** "Commissioner" means the commissioner of commerce.

Subd. 11. **Controlling person.** "Controlling person" means:

(1) any owner, officer, or director of an appraisal management company seeking to offer appraisal management services in this state;

(2) an individual employed, appointed, or authorized by an appraisal management company that has the authority to enter into a contractual relationship with other persons for the performance of appraisal management services and has the authority to enter into agreements with appraisers for the performance of appraisals;

(3) an individual who possesses, directly or indirectly, the power to direct or cause the direction

of the management or policies of an appraisal management company; or

(4) an individual who enters into:

(i) contractual relationships with clients for the performance of appraisal management services; and

(ii) agreements with employed and independent appraisers for the performance of real estate appraisal services.

Subd. 12. **Employee.** "Employee" means an individual who is treated as an employee for purposes of compliance with federal income tax laws.

Subd. 13. **Person.** "Person" means a natural person, firm, partnership, limited liability partnership, corporation, association, limited liability company, or other form of business organization and the officers, directors, employees, or agents of that person.

Subd. 14. **USPAP.** "USPAP" means the Uniform Standards of Professional Appraisal Practice as established by the Appraisal Foundation. State and federal regulatory authorities enforce the content of the current or applicable edition of USPAP.

Sec. 37. **[82C.03] LICENSING.**

Subdivision 1. **Requirement.** It is unlawful for a person, corporation, partnership, sole proprietorship, subsidiary, unit, or other business entity to directly or indirectly engage or attempt to engage in business as an appraisal management company, to directly or indirectly engage or attempt to perform appraisal management services, or to advertise or hold itself out as engaging in or conducting business as an appraisal management company without first obtaining a license issued by the commissioner under the provisions of this chapter.

Subd. 2. **Owner requirements.** (a) An appraisal management company applying to the commissioner for a license in this state may not be more than ten percent owned by any person that is currently subject to any cease and desist order or injunctive order that would preclude involvement with an appraisal management company, or that has ever:

(1) voluntarily surrendered in lieu of disciplinary action an appraiser certification, registration or license, or an appraisal management company license;

(2) been the subject of a final order revoking or denying an appraiser certification, registration or license, or an appraisal management company license; or

(3) a final order barring involvement in any industry or profession issued by this or another state or federal regulatory agency.

(b) A person that owns more than ten percent of an appraisal management company in this state shall:

(1) be of good moral character, as determined by the commissioner;

(2) submit to a background investigation, as determined by the commissioner; and

(3) certify to the commissioner that the person has never been the subject of an order of certificate, registration or license suspension, revocation, or denial; cease and desist order;

injunctive order; or order barring involvement in an industry or profession issued by this or another state or federal regulatory agency.

Subd. 3. **Designated controlling person requirements.** (a) **Designation.** Each appraisal management company applying to the commissioner for a license in this state shall designate a controlling person that will be the main contact for all communication between the commissioner and the appraisal management company.

(b) **Requirements.** In order to serve as a designated controlling person of an appraisal management company, a person must:

(1) certify to the commissioner that the person is not currently subject to any cease and desist order or injunctive order that would preclude involvement with an appraisal management company, and has never been the subject of an order suspending, revoking, or denying a certification, registration, or license for real estate services, or a final order barring involvement in any industry or profession issued by this or another state or federal regulatory agency;

(2) be of good moral character, as determined by the commissioner; and

(3) submit to a background investigation, as determined by the commissioner.

Subd. 4. **Application for license.** Application for an appraisal management company license must be submitted on a form prescribed by the commissioner.

Subd. 5. **Minimum information.** The application must, at a minimum, include the following information:

(1) the name of the entity seeking registration;

(2) the business address or addresses of the entity seeking registration;

(3) telephone contact and e-mail information of the entity seeking registration;

(4) if the entity is not a corporation that is domiciled in this state, the name and contact information for the company's agent for service of process in this state;

(5) the name, address, and contact information for an individual or corporation, partnership, limited liability company, association, or other business entity that owns ten percent or more of the appraisal management company;

(6) the name, address, and contact information for a controlling person or persons;

(7) a certification that the entity has a system and process in place to verify that a person being added to the employment or appraiser panel of the appraisal management company for appraisal services within this state holds an active appraisal license in this state pursuant to chapter 82B if a license is required to perform appraisals;

(8) a certification that the entity has a system in place to review the work of all employed and independent appraisers that are performing real estate appraisal services for the appraisal management company on a periodic basis to verify that the real estate appraisal assignments are being conducted in accordance with USPAP and chapter 82B;

(9) a certification that the entity maintains a detailed record of each service request that it

receives and the independent appraiser that performs the real estate appraisal services for the appraisal management company, pursuant to section 82C.13;

(10) a certification that the employees of the appraisal management company will be appropriately trained and familiar with the appraisal process;

(11) a certification that the appraisal management company has a system and process in place to verify that a person being added to the appraiser panel of the appraisal management company holds a license in good standing in this state pursuant to chapter 82B; and

(12) an irrevocable Uniform Consent to Service of Process, pursuant to section 82C.07.

Subd. 6. **Effective date of license.** Initial licenses issued under this chapter are effective upon issuance and remain valid, subject to denial, suspension, or revocation under this chapter, until the following August 31.

**Sec. 38. [82C.04] TERM OF LICENSE.**

Initial licenses issued under this chapter are valid for a period not to exceed two years. Each initial license must expire on August 31 of the expiration year assigned by the commissioner.

**Sec. 39. [82C.045] FEE DISCLOSURE.**

(a) An appraisal management company shall separately state to the client the fees paid to an appraiser for appraisal services and the fees charged by the appraisal management company for services associated with the management of the appraisal process, including procurement of the appraiser's services.

(b) Appraisers shall not be prohibited by the appraisal management company, client, or other third party from disclosing the fee paid to the appraiser for the performance of the appraisal in the appraisal report.

**Sec. 40. [82C.05] LICENSE RENEWAL.**

Subdivision 1. **Term.** Licenses renewed under this chapter are valid for a period of 24 months.

Subd. 2. **Timely renewal.** (a) Application for timely renewal of a license is considered timely filed if received by the commissioner before the date of the license expiration.

(b) An application for renewal is considered properly filed if made upon a form prescribed by the commissioner, accompanied by fees prescribed by this chapter, and containing any information the commissioner requires.

(c) A licensee failing to make timely application for renewal of the license is unlicensed until the renewal license has been issued by the commissioner and is received by the licensee.

Subd. 3. **Contents of renewal application.** Application for the renewal of an existing license must contain the information specified in section 82C.03. 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.



Sec. 41. **[82C.06] EXEMPTIONS.**

This chapter does not apply to:

(1) a person that exclusively employs appraisers on an employer and employee basis for the performance of appraisals, and:

(i) the employer is responsible for ensuring that the appraisals are performed by employees in accordance with USPAP; and

(ii) the employer accepts all liability associated with the performance of the appraisal by the employee;

(2) a department or unit within a financial institution that is subject to direct regulation by an agency of the United States government, or to regulation by an agency of this state, that receives a request for the performance of an appraisal from one employee of the financial institution, and another employee of the same financial institution assigns the request for the appraisal to an appraiser that is an independent contractor to the institution, except that an appraisal management company that is a wholly owned subsidiary of a financial institution shall not be considered a department or unit within a financial institution to which the provisions of this chapter do not apply;

(3) a person that enters into an agreement, whether written or otherwise, with an appraiser for the performance of an appraisal, and upon the completion of the appraisal, the report of the appraiser performing the appraisal is signed by both the appraiser who completed the appraisal and the appraiser who requested the completion of the appraisal, except that an appraisal management company may not avoid the requirements of this chapter by requiring that an employee of the appraisal management company that is an appraiser to sign an appraisal that is completed by an appraiser that is part of the appraisal panel of the appraisal management company; or

(4) any governmental agency performing appraisals on behalf of that level of government or any agency performing ad valorem tax appraisals for county assessors.

Sec. 42. **[82C.07] CONSENT TO SERVICE OF PROCESS.**

Each entity applying for a license as an appraisal management company in this state shall complete an irrevocable Uniform Consent to Service of Process as prescribed by the commissioner.

Sec. 43. **[82C.08] LICENSING FEES.**

Subdivision 1. **Establishment and retention.** The fees shall be retained by the commissioner for the sole purpose of administering this licensing and regulation program.

Subd. 2. **Amounts.** (a) Each application for initial licensure shall be accompanied by a fee of \$1,500.

(b) Each application for renewal of the license must be received prior to the two-year expiration period with the renewal fee of \$1,000.

Subd. 3. **Forfeiture.** All fees are nonrefundable except that an overpayment of a fee must be refunded upon proper application.

Sec. 44. **[82C.09] INVESTIGATIONS AND SUBPOENAS.**

The commissioner has under this chapter the same powers with respect to section 45.027, including the authority to impose a civil penalty not to exceed \$10,000 per violation.

**Sec. 45. [82C.10] EMPLOYEE REQUIREMENTS.**

An employee of the appraisal management company that has the responsibility to review the work of employed and independent appraisers where the subject properties are located within this state, which include the reviewer's opinion of value or concurrence with the original appraiser's value, must be licensed according to chapter 82B and perform the review assignments in compliance with USPAP and chapter 82B. This requirement does not apply to employees who review appraisals for completeness and compliance in connection with an appraisal management company's internal quality control processes, but who do not perform appraisal reviews that are subject to Standard 3 of USPAP.

**Sec. 46. [82C.11] LIMITATIONS.**

An appraisal management company licensed in this state pursuant to this chapter may enter into contracts or agreements for appraisal assignments in this state only with an employee or independent appraiser holding an active Minnesota real estate appraiser license pursuant to chapter 82B.

**Sec. 47. [82C.12] ADHERENCE TO STANDARDS.**

An appraisal management company must have a system in place to review the work of all employed and independent appraisers that are performing real estate appraisal assignments for the appraisal management company on a periodic basis to verify that the real estate appraisal services are being conducted in accordance with USPAP and chapter 82B. An appraisal management company is required to make referrals directly to state appraiser regulatory authorities when a state licensed or certified appraiser violates USPAP, applicable state law, or engages in other unethical or unprofessional conduct.

**Sec. 48. [82C.13] RECORD KEEPING.**

An appraisal management company must maintain a detailed record of each service request that it receives and the employee appraiser or independent appraiser that performs the appraisal assignment for the appraisal management company.

Records must be kept for a period of at least five years after the appraisal assignment request is sent to the independent appraiser or completion of the appraisal report, whichever period expires later.

**Sec. 49. [82C.14] APPRAISER INDEPENDENCE; PROHIBITIONS.**

(a) It is unlawful for any employee, director, officer, or agent of an appraisal management company licensed in this state pursuant to this chapter to influence or attempt to influence the development, reporting, or review of an appraisal through coercion, extortion, collusion, compensation, inducement, intimidation, or bribery, including but not limited to:

(1) withholding or threatening to withhold timely payment for an appraisal;

(2) withholding or threatening to withhold future business or assignments for an employed or independent appraiser, or demoting or terminating or threatening to demote or terminate an employed or independent appraiser;

(3) expressly or impliedly promising future business, assignments, promotions, or increased compensation for an employed or independent appraiser;

(4) conditioning the request for an appraisal assignment on the payment of an appraisal fee or salary or bonus on the opinion, conclusion, or valuation to be reached, or on a preliminary estimate or opinion requested from an employed or independent appraiser;

(5) requesting that an employed or independent appraiser provide an estimated, predetermined, or desired valuation in an appraisal report, or provide estimated values or comparable sales at any time prior to the completion of an appraisal assignment;

(6) providing to an employed or independent appraiser an anticipated, estimated, encouraged, or desired value for a subject property or a proposed or target amount to be loaned to the borrower, except that a copy of the sales contract for purchase transactions may be provided;

(7) providing to an employed or independent appraiser, or any entity or person related to the appraiser, stock, or other financial or nonfinancial benefits;

(8) allowing the removal of an employed or independent appraiser from a list of qualified appraisers used by any entity, without prior written notice to the appraiser, which notice must include documented evidence of the appraiser's violation of USPAP or chapter 82B, substandard performance, or otherwise improper or unprofessional behavior;

(9) request or require any employed or independent appraiser to provide the appraisal management company or any of its employees, or any of its clients, with the appraiser's digital signature;

(10) alter, amend, or change an appraisal report submitted by an appraiser, to include removing or applying a signature, adding or deleting information from the appraisal report;

(11) require the appraiser to collect the fee from a borrower, homeowner, or other person;

(12) require an appraiser to sign any indemnification agreement that would require the appraiser to defend and hold harmless the appraisal management company or any of its agents or employees for any liability, damage, losses, or claims arising out of the services performed by the appraisal management company or its agents, employees, or independent contractors and not the services performed by the appraiser;

(13) use an appraiser directly selected or referred by any member of a loan production staff for an individual assignment; or

(14) any other act or practice that impairs or attempts to impair an appraiser's independence, objectivity, or impartiality.

(b) Nothing in paragraph (a) prohibits the appraisal management company from requesting that an independent appraiser:

(1) consider additional appropriate property information;

(2) provide further detail, substantiation, or explanation for the appraiser's value conclusion; or

(3) correct objective factual errors in an appraisal report.

**Sec. 50. [82C.15] ADJUDICATION OF DISPUTES BETWEEN AN APPRAISAL MANAGEMENT COMPANY AND AN INDEPENDENT APPRAISER.**

Except within the first 30 days after an independent appraiser is first added to the appraiser panel of an appraisal management company, an appraisal management company may not remove an appraiser from its appraiser panel, or otherwise refuse to assign requests for real estate appraisal services to an independent appraiser without:

(1) notifying the appraiser in writing of the reasons why the appraiser is being removed from the appraiser panel or is not receiving appraisal requests from the appraisal management company;

(2) if the appraiser is being removed from the panel for illegal conduct, having determined that the appraiser has violated USPAP or chapter 82B, taking into account the nature of the alleged conduct or violation; and

(3) providing an opportunity for the appraiser to respond and appeal the notification of the appraisal management company.

**Sec. 51. [82C.16] DENIAL, SUSPENSION, REVOCATION OF LICENSES.**

Subdivision 1. Powers of commissioner. The commissioner may by order take any or all of the following actions:

(1) bar a person from serving as an officer, director, partner, controlling person, or any similar role at an appraisal management company, if such person has ever been the subject of a final order suspending, revoking, or denying a certification, registration or license as a realtor, broker, or appraiser, or a final order barring involvement in any industry or profession issued by this or another state or federal regulatory agency;

(2) deny, suspend, or revoke an appraisal management company license;

(3) censure an appraisal management company license; and

(4) impose a civil penalty as provided for in section 45.027.

(b) In order to take the action in paragraph (a), the commissioner must find:

(1) that the order is in the public interest; and

(2) that an officer, director, partner, employee, agent, controlling person or persons, or any person occupying a similar status or performing similar functions, has:

(i) violated any provision of this chapter;

(ii) filed an application for a license that is incomplete in any material respect or contains a statement that, in light of the circumstances under which it is made, is false or misleading with respect to a material fact;

(iii) failed to maintain compliance with the affirmations made under section 80C.03, subdivision 5;

(iv) violated a standard of conduct or engaged in a fraudulent, coercive, deceptive, or dishonest act or practice, whether or not the act or practice involves the appraisal management company;

(v) engaged in an act or practice, whether or not the act or practice involves the business of appraisal management, appraisal assignments, or real estate mortgage related practices, that demonstrates untrustworthiness, financial irresponsibility, or incompetence;

(vi) pled guilty, with or without explicitly admitting guilt, pled nolo contendere, or been convicted of a felony, gross misdemeanor, or a misdemeanor involving moral turpitude;

(vii) paid a civil penalty or been the subject of disciplinary action by the commissioner, or an order of suspension or revocation, cease and desist order, or injunction order, or an order barring involvement in an industry or profession issued by this or any other state or federal regulatory agency or government-sponsored enterprise, or by the secretary of Housing and Urban Development;

(viii) been found by a court of competent jurisdiction to have engaged in conduct evidencing gross negligence, fraud, misrepresentation, or deceit;

(ix) refused to cooperate with an investigation or examination by the commissioner;

(x) failed to pay any fee or assessment imposed by the commissioner; or

(xi) failed to comply with state and federal tax obligations.

Subd. 2. **Orders of the commissioner.** To begin a proceeding under this section, the commissioner shall issue an order requiring the subject of the proceeding to show cause why action should not be taken against the licensee according to this section. The order must be calculated to give reasonable notice of the time and place for the hearing and must state the reasons for entry of the order. The commissioner may by order summarily suspend a license pending a final determination of an order to show cause. If a license is summarily suspended, pending final determination of an order to show cause, a hearing on the merits must be held within 30 days of the issuance of the order of summary suspension. All hearings must be conducted under chapter 14. After the hearing, the commissioner shall enter an order disposing of the matter as the facts require. If the subject of the order fails to appear at a hearing after having been duly notified of it, the subject is considered in default, and the proceeding may be determined against the subject of the order upon consideration of the order to show cause, the allegations of which may be considered to be true.

Subd. 3. **Actions against lapsed license.** If a license lapses, is surrendered, withdrawn, terminated, or otherwise becomes ineffective, the commissioner may institute a proceeding under this subdivision within two years after the license was last effective and enter a revocation or suspension order as of the last date which the license was in effect, and may impose a civil penalty as provided for in this section or section 45.027.

Sec. 52. Minnesota Statutes 2008, section 115C.08, subdivision 1, is amended to read:

Subdivision 1. **Revenue sources.** Revenue from the following sources must be deposited in the state treasury and credited to a petroleum tank fund:

(1) the proceeds of the fee imposed by subdivision 3;

(2) money recovered by the state under sections 115C.04, 115C.05, and 116.491, including administrative expenses, civil penalties, and money paid under an agreement, stipulation, or settlement;

(3) interest attributable to investment of money in the fund;

(4) money received by the board and agency in the form of gifts, grants other than federal grants, reimbursements, or appropriations from any source intended to be used for the purposes of the fund;

(5) fees charged for the operation of the tank installer certification program established under section 116.491; ~~and~~

(6) money obtained from the return of reimbursements, civil penalties, or other board action under this chapter; and

(7) the proceeds from the sales of all properties acquired by the agency under subdivision 4.

Sec. 53. Minnesota Statutes 2009 Supplement, section 115C.08, subdivision 4, is amended to read:

Subd. 4. **Expenditures.** (a) Money in the fund may only be spent:

(1) to administer the petroleum tank release cleanup program established in this chapter;

(2) for agency administrative costs under sections 116.46 to 116.50, sections 115C.03 to 115C.06, and costs of corrective action taken by the agency under section 115C.03, including investigations;

(3) for costs of recovering expenses of corrective actions under section 115C.04;

(4) for training, certification, and rulemaking under sections 116.46 to 116.50;

(5) for agency administrative costs of enforcing rules governing the construction, installation, operation, and closure of aboveground and underground petroleum storage tanks;

(6) for reimbursement of the environmental response, compensation, and compliance account under subdivision 5 and section 115B.26, subdivision 4;

(7) for administrative and staff costs as set by the board to administer the petroleum tank release program established in this chapter;

(8) for corrective action performance audits under section 115C.093;

(9) for contamination cleanup grants, as provided in paragraph (c); ~~and~~

(10) to assess and remove abandoned underground storage tanks under section 115C.094 and, if a release is discovered, to pay for the specific consultant and contractor services costs necessary to complete the tank removal project, including, but not limited to, excavation soil sampling, groundwater sampling, soil disposal, and completion of an excavation report; and

(11) for property acquisition by the agency when the agency has determined that purchasing a property where a release has occurred is the most appropriate corrective action. The acquisition of all properties is subject to approval by the board.

(b) Except as provided in paragraph (c), money in the fund is appropriated to the board to make reimbursements or payments under this section.

(c) \$6,200,000 is annually appropriated from the fund to the commissioner of employment and

economic development for contamination cleanup grants under section 116J.554. Of this amount, the commissioner may spend up to \$225,000 annually for administration of the contamination cleanup grant program. The appropriation does not cancel and is available until expended. The appropriation shall not be withdrawn from the fund nor the fund balance reduced until the funds are requested by the commissioner of employment and economic development. The commissioner shall schedule requests for withdrawals from the fund to minimize the necessity to impose the fee authorized by subdivision 2. Unless otherwise provided, the appropriation in this paragraph may be used for:

(1) project costs at a qualifying site if a portion of the cleanup costs are attributable to petroleum contamination or new and used tar and tar-like substances, including but not limited to bitumen and asphalt, but excluding bituminous or asphalt pavement, that consist primarily of hydrocarbons and are found in natural deposits in the earth or are distillates, fractions, or residues from the processing of petroleum crude or petroleum products as defined in section 296A.01; and

(2) the costs of performing contamination investigation if there is a reasonable basis to suspect the contamination is attributable to petroleum or new and used tar and tar-like substances, including but not limited to bitumen and asphalt, but excluding bituminous or asphalt pavement, that consist primarily of hydrocarbons and are found in natural deposits in the earth or are distillates, fractions, or residues from the processing of petroleum crude or petroleum products as defined in section 296A.01.

Sec. 54. Minnesota Statutes 2008, section 238.08, subdivision 1, is amended to read:

Subdivision 1. **Requirement; conditions.** (a) A municipality shall require a franchise or extension permit of any cable communications system providing service within the municipality.

(b) No municipality shall grant an additional franchise for cable service for an area included in an existing franchise on terms and conditions more favorable or less burdensome than those in the existing franchise pertaining to: (1) the area served; (2) public, educational, or governmental access requirements; or (3) franchise fees. The provisions of this paragraph shall not apply when the area in which the additional franchise is being sought is not actually being served by any existing cable communications system holding a franchise for the area. Nothing in this paragraph prevents a municipality from imposing additional terms and conditions on any additional franchises.

(c) An area for an additional cable franchise is not more favorable or less burdensome if the franchisee is a telephone company, as defined in section 237.01, subdivision 7, and the area of the franchise is no less than the area within the municipality in which the telephone company offers local exchange telephone service. This paragraph is in addition to and not a limit to the authority of a municipality to grant an additional franchise for cable service.

**EFFECTIVE DATE.** This section is effective August 1, 2010, and does not affect any litigation pending on that date.

Sec. 55. **[325E.3891] CADMIUM IN CHILDREN'S JEWELRY.**

Subdivision 1. **Definitions.** (a) As used in this section, the term:

(1) "accessible" has the meaning given in section 3.1.2 of the ASTM International Safety Specification on Toy Safety, F-963;

(2) "child" means an individual who is six years of age or younger; and

(3) "children's jewelry" shall have the meaning set forth in section 325E.389, subdivision 1, paragraph (c).

Subd. 2. **Prohibitions.** Cadmium in any surface coating or accessible substrate material of metal or plastic components of children's jewelry shall not exceed 75 parts per million, as determined through solubility testing for heavy metals defined in the ASTM International Safety Specification on Toy Safety, ASTM standard F-963 and subsequent versions of this standard, if the product is sold in this state unless this requirement is superseded by a federal standard regulating cadmium in children's jewelry. This section shall not regulate any product category for which an existing federal standard regulates cadmium exposure in surface coatings and accessible substrate materials as required under ASTM F-963.

Subd. 3. **Manufacturer or wholesaler.** No manufacturer or wholesaler may sell or offer for sale in this state children's jewelry that fails to meet the requirements of subdivision 2.

Subd. 4. **Retailer.** No retailer may sell or offer for sale in this state children's jewelry that fails to meet the requirements of subdivision 2. This subdivision does not apply to sales or free distribution of jewelry by a nonprofit organization described in section 501(c)(3) of the Internal Revenue Code or to isolated and occasional sales of jewelry not made in the normal course of business.

Subd. 5. **Enforcement.** The attorney general shall enforce this section under section 8.31.

**EFFECTIVE DATE.** This section is effective January 1, 2011, except that subdivision 4 is effective March 1, 2011.

Sec. 56. **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. 57. **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, 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.

**EFFECTIVE DATE.** This section is effective July 31, 2010.



Sec. 58. **APPROPRIATIONS.**

Subdivision 1. **Total appropriation.** \$523,000 is appropriated from the general fund to the commissioner of commerce for the purposes indicated in the following subdivisions, to be available for the fiscal year ending June 30, 2011.

Subd. 2. **Mortgage originators and servicers.** \$261,000 is to license residential mortgage originators and servicers.

Subd. 3. **Appraisal management companies.** \$223,000 is to license appraisal management companies.

Subd. 4. **Portable electronics insurance vendors.** \$39,000 is to license vendors of portable electronics insurance.

Sec. 59. **REPEALER.**

Minnesota Statutes 2009 Supplement, section 58.126, is repealed.

**EFFECTIVE DATE.** This section is effective July 31, 2010.

## ARTICLE 5

### IRON RANGE RESOURCES

Section 1. Laws 2010, chapter 216, section 58, is amended to read:

Sec. 58. **2010 DISTRIBUTIONS ONLY.**

For distributions in 2010 only, a special fund is established to receive 28.757 cents per ton that otherwise would be allocated under Minnesota Statutes, section 298.28, subdivision 6. The following amounts are allocated to St. Louis County acting as the fiscal agent for the recipients for the specific purposes:

(1) 0.764 cent per ton must be paid to Northern Minnesota Dental to provide incentives for at least two dentists to establish dental practices in high-need areas of the taconite tax relief area;

(2) 0.955 cent per ton must be paid to the city of Virginia for repairs and geothermal heat at the Olcott Park Greenhouse/Virginia Commons project;

(3) 0.796 cent per ton must be paid to the city of Virginia for health and safety repairs at the Miners Memorial;

(4) 1.114 cents per ton must be paid to the city of Eveleth for the reconstruction of Highway 142/Grant and Park Avenues;

(5) 0.478 cent per ton must be paid to the Greenway Joint Recreation Board for upgrades and capital improvements to the public arena in Coleraine;

(6) 0.796 cent per ton must be paid to the city of Calumet for water treatment and pumphouse modifications;

(7) 0.159 cent per ton must be paid to the city of Bovey for residential and commercial claims for water damage due to water and flood-related damage caused by the Canisteo Pit;

(8) 0.637 cent per ton must be paid to the city of Nashwauk for a community and child care center;

(9) 0.637 cent per ton must be paid to the city of Keewatin for water and sewer upgrades;

(10) 0.637 cent per ton must be paid to the city of Marble for the city hall and library project;

(11) 0.955 cent per ton must be paid to the city of Grand Rapids for extension of water and sewer services for Lakewood Housing;

(12) 0.159 cent per ton must be paid to the city of Grand Rapids for exhibits at the Children's Museum;

(13) 0.637 cent per ton must be paid to the city of Grand Rapids for Block 20/21 soil corrections. This amount must be matched by local sources;

(14) 0.605 cent per ton must be paid to the city of Aitkin for three water loops;

(15) 0.048 cent per ton must be paid to the city of Aitkin for signage;

(16) 0.159 cent per ton must be paid to Aitkin County for a trail;

(17) 0.637 cent per ton must be paid to the city of Cohasset for the Beiers Road railroad crossing;

(18) 0.088 cent per ton must be paid to the town of Clinton for expansion and striping of the community center parking lot;

(19) 0.398 cent per ton must be paid to the city of Kinney for water line replacement;

(20) 0.796 cent per ton must be paid to the city of Gilbert for infrastructure improvements, milling, and overlay for Summit Street between Alaska Avenue and Highway 135;

(21) 0.318 cent per ton must be paid to the city of Gilbert for sanitary sewer main replacements and improvements in the Northeast Lower Alley area;

(22) 0.637 cent per ton must be paid to the town of White for replacement of the Stepetz Road culvert;

(23) 0.796 cent per ton must be paid to the city of Buhl for reconstruction of Sharon Street and associated infrastructure;

(24) 0.796 cent per ton must be paid to the city of Mountain Iron for site improvements at the Park Ridge development;

(25) 0.796 cent per ton must be paid to the city of Mountain Iron for infrastructure and site preparation for its renewable and sustainable energy park;

(26) 0.637 cent per ton must be paid to the city of Biwabik for sanitary sewer improvements;

(27) 0.796 cent per ton must be paid to the city of Aurora for alley and road rebuilding for the Summit Addition;

(28) 0.955 cent per ton must be paid to the city of Silver Bay for bioenergy facility improvements;

(29) 0.318 cent per ton must be paid to the city of Grand Marais for water and sewer infrastructure

improvements;

- (30) 0.318 cent per ton must be paid to the city of Orr for airport, water, and sewer improvements;
- (31) 0.716 cent per ton must be paid to the city of Cook for street and bridge improvements;
- (32) 0.955 cent per ton must be paid to the city of Ely for street, water, and sewer improvements;
- (33) 0.318 cent per ton must be paid to the city of Tower for water and sewer improvements;
- (34) 0.955 cent per ton must be paid to the city of Two Harbors for water and sewer improvements;
- (35) 0.637 cent per ton must be paid to the city of Babbitt for water and sewer improvements;
- (36) 0.096 cent per ton must be paid to the township of Duluth for infrastructure improvements;
- (37) 0.096 cent per ton must be paid to the township of Tofte for infrastructure improvements;
- (38) 3.184 cents per ton must be paid to the city of Hibbing for sewer improvements;
- (39) 1.273 cents per ton must be paid to the city of Chisholm for NW Area Project infrastructure improvements;
- (40) 0.318 cent per ton must be paid to the city of Chisholm for health and safety improvements at the athletic facility;
- (41) 0.796 cent per ton must be paid to the city of Hoyt Lakes for residential street improvements;
- (42) 0.796 cent per ton must be paid to the Bois Forte Indian Reservation for infrastructure related to a housing development;
- (43) 0.159 cent per ton must be paid to Balkan Township for building improvements;
- (44) 0.159 cent per ton must be paid to the city of Grand Rapids for a grant to a nonprofit for a signage kiosk;
- (45) 0.318 cent per ton must be paid to the city of Crane Lake for sanitary sewer lines and adjacent development near County State-Aid Highway 24; and
- (46) 0.159 cent per ton must be paid to the city of Chisholm to rehabilitate historic wall infrastructure around the athletic complex.

**EFFECTIVE DATE.** This section is effective ~~for the 2010 distribution, all of which must be made in the August 2010 payment~~ retroactively from the day following final enactment.

Sec. 2. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall code section 1 as Minnesota Statutes, section 298.2961, subdivision 7.

Sec. 3. **REPEALER.**

Laws 2010, chapter 215, article 9, section 3, is repealed."

Delete the title and insert:

"A bill for an act relating to economic development; amending the definition of green economy to include the concept of green chemistry; creating a fast-action economic response team; expanding the Minnesota investment fund; removing a grant program restriction; expanding loan program to veteran-owned small businesses; creating the Minnesota Science and Technology Authority; providing for a comparative study of state laws affecting small business start-ups; modifying certain unemployment insurance administrative, benefit, and tax provisions; protecting customers from injuries resulting from use of inflatable play equipment; modifying labor and industry licensing and certain license fee provisions; modifying the requirements of the Manufactured Home Building Code; allowing expedited rulemaking; providing for licensing and regulation of individuals engaged in mortgage loan origination or mortgage loan business; providing for licensing and regulation of appraisal management companies; providing for property acquisition from petroleum tank fund proceeds; clarifying requirements for granting additional cable franchises; regulating cadmium in children's jewelry; regulating the sale and termination of portable electronics insurance; authorizing amendments to a municipal comprehensive plan for affordable housing; amending Iron Range resources provisions; requiring certain reports; appropriating money; amending Minnesota Statutes 2008, sections 58.04, subdivision 1; 58.08, by adding a subdivision; 58.09; 58.10, subdivision 1; 58.11; 60K.36, subdivision 2; 60K.38, subdivision 1; 82B.05, subdivision 5, by adding a subdivision; 82B.06; 115C.08, subdivision 1; 116J.437, subdivision 1; 116J.8731, subdivisions 1, 4; 116J.996; 238.08, subdivision 1; 268.035, subdivision 20; 268.046, subdivision 1; 268.051, subdivisions 2, 5, 7; 268.07, as amended; 268.085, subdivision 9; 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; 327.31, subdivision 17, by adding subdivisions; 327.32, subdivision 1, by adding subdivisions; 327B.04, subdivision 2; 462.355, subdivision 3; Minnesota Statutes 2009 Supplement, sections 58.06, subdivision 2; 60K.55, subdivision 2; 82B.05, subdivision 1; 115C.08, subdivision 4; 116J.8731, subdivision 3; 116L.20, subdivision 1; 268.035, subdivision 19a; 268.052, subdivision 2; 268.053, subdivision 1; 268.085, subdivision 1; 268.136, subdivision 1; 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; Laws 2009, chapter 78, article 1, section 3, subdivision 2; Laws 2010, chapter 216, section 58; proposing coding for new law in Minnesota Statutes, chapters 60K; 116J; 184B; 325E; 326B; proposing coding for new law as Minnesota Statutes, chapters 58A; 82C; 116W; repealing Minnesota Statutes 2008, sections 116J.657; 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; 327.32, subdivision 4; 327C.07, subdivisions 3, 3a, 8; Minnesota Statutes 2009 Supplement, sections 58.126; 326B.56, subdivision 4; Laws 2010, chapter 215, article 9, section 3; Minnesota Rules, parts 1301.0500; 1301.0900; 1301.1100, subparts 2, 3, 4; 1350.7200, subpart 3; 1350.8000, subpart 2."

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

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

**S.F. No. 3134:** A bill for an act relating to state government; appropriating money or making

reductions to certain state government programs or activities; changing provisions for expenses of governor-elect, income earned by the permanent school fund, lease-purchase agreements, general services, resource recovery, payment of aids and credits to school districts, tax return preparers, and implied consent; imposing fees; amending Minnesota Statutes 2008, sections 4.51; 11A.16, subdivision 5; 16B.04, subdivision 2; 16B.48, subdivision 2; 79.34, subdivision 1; 115A.15, subdivision 6; 127A.46; 169A.52, subdivision 6; 169A.53; 169A.60, subdivision 10; Minnesota Statutes 2009 Supplement, sections 16A.82; 270C.145; 289A.08, subdivision 16; Laws 2009, chapter 101, article 1, section 31; proposing coding for new law in Minnesota Statutes, chapter 357.

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 3.98, subdivision 2, is amended to read:

Subd. 2. **Contents.** (a) The fiscal note, where possible, shall:

(1) cite the effect in dollar amounts;

(2) cite the net increase or decrease in the total number of jobs in the state;

(3) estimate the average annual wages of jobs impacted;

~~(2)~~ (4) cite the statutory provisions affected;

~~(3)~~ (5) estimate the increase or decrease in revenues or expenditures;

(6) estimate the effect on the receipt by the state of federal money and describe any federal requirements including, but not limited to, maintenance of effort requirements;

~~(4)~~ (7) include the costs which may be absorbed without additional funds;

~~(5)~~ (8) include the assumptions used in determining the cost estimates; and

~~(6)~~ (9) specify any long-range implication.

(b) The fiscal note may comment on technical or mechanical defects in the bill but shall express no opinions concerning the merits of the proposal.

**EFFECTIVE DATE.** This section is effective for fiscal notes requested after January 1, 2011.

Sec. 2. Minnesota Statutes 2008, section 16A.275, is amended to read:

**16A.275 AGENCY RECEIPTS; DEPOSIT, REPORT, CREDIT.**

Subdivision 1. ~~If \$250, daily.~~ **Deposit receipts.** Except as otherwise provided by law, an agency shall deposit receipts totaling ~~\$250~~ \$1,000 or more in the state treasury daily. The depositing agency shall send a report to the commissioner on the disposition of receipts since the last report. The commissioner shall credit the deposits received during a month to the proper funds not later than the first day of the next month.

Notwithstanding the general rule stated above, the commissioner of revenue is not required to make daily deposits if (1) the volume of tax receipts cannot be processed daily with available resources, or (2) receipts cannot be immediately identified for posting to accounts.

Subd. 2. **Exception.** The commissioner may authorize an agency to deposit receipts totaling ~~\$250~~ \$1,000 or more less frequently than daily for those locations where the agency furnishes documentation to the commissioner that the cost of making daily deposits exceeds the lost interest earnings and the risk of loss or theft of the receipts.

Sec. 3. Minnesota Statutes 2008, section 16B.24, subdivision 3, is amended to read:

Subd. 3. **Disposal of old buildings.** (a) Upon request from the head of an agency with control of a state-owned building with an estimated market value of less than \$50,000, as determined by the commissioner, the commissioner may sell, demolish, or otherwise dispose of the building if the commissioner determines that the building is no longer used or is a fire or safety hazard.

~~The commissioner, (b) Upon request of the head of an agency which has with control of a state-owned building which is no longer used or which is a fire or safety hazard, shall, with an estimated market value of \$50,000 or more, as determined by the commissioner, the commissioner may sell, demolish, or otherwise dispose of the building after determining that the building is no longer used or is a fire or safety hazard and obtaining approval of the chairs of the senate Finance Committee and house of representatives Ways and Means Committee, sell, wreck, or otherwise dispose of the building.~~

(c) In the event a sale is made under this subdivision, the proceeds shall be deposited in the proper account or in the general fund provided by law. If there is no requirement in law specifying how proceeds must be deposited other than section 16A.72, the proceeds must be deposited in the account from which the appropriation to acquire or construct the building was made. If the account from which the appropriation was made cannot be identified or has been terminated, the proceeds must be deposited in the general fund.

Sec. 4. Minnesota Statutes 2008, section 16E.04, subdivision 2, is amended to read:

Subd. 2. **Responsibilities.** (a) In addition to other activities prescribed by law, the office shall carry out the duties set out in this subdivision.

(b) The office shall develop and establish a state information architecture to ensure:

(1) that state agency development and purchase of information and communications systems, equipment, and services is designed to ensure that individual agency information systems complement and do not needlessly duplicate or conflict with the systems of other agencies; and

(2) that enhanced access to data can be provided to the public in accordance with the policy developed under section 16E.05, subdivision 4.

When state agencies have need for the same or similar public data, the chief information officer, in coordination with the affected agencies, shall manage the most efficient and cost-effective method of producing and storing data for or sharing data between those agencies. The development of this information architecture must include the establishment of standards and guidelines to be followed by state agencies. The office shall ensure compliance with the architecture.

(c) The office shall assist state agencies in the planning and management of information systems so that an individual information system reflects and supports the state agency's mission and the state's requirements and functions. The office shall review and approve agency technology plans to ensure consistency with enterprise information and telecommunications technology

strategy. By January 15 of each year, the chief information officer must report to the chairs and the ranking minority members of the legislative committees and divisions with jurisdiction over the office regarding the assistance provided under this paragraph. The report must include a listing of agencies that have developed or are developing plans under this paragraph.

(d) The office shall review and approve agency requests for funding for the development or purchase of information systems equipment or software before the requests may be included in the governor's budget.

(e) The office shall review major purchases of information systems equipment to:

(1) ensure that the equipment follows the standards and guidelines of the state information architecture;

(2) ensure the agency's proposed purchase reflects a cost-effective policy regarding volume purchasing; and

(3) ensure that the equipment is consistent with other systems in other state agencies so that data can be shared among agencies, unless the office determines that the agency purchasing the equipment has special needs justifying the inconsistency.

(f) The office shall review the operation of information systems by state agencies and ensure that these systems are operated efficiently and securely and continually meet the standards and guidelines established by the office. The standards and guidelines must emphasize uniformity that is cost-effective for the enterprise, that encourages information interchange, open systems environments, and portability of information whenever practicable and consistent with an agency's authority and chapter 13.

(g) The office shall conduct a comprehensive review at least every three years of the information systems investments that have been made by state agencies and higher education institutions. The review must include recommendations on any information systems applications that could be provided in a more cost-beneficial manner by an outside source. The office must report the results of its review to the legislature and the governor.

Sec. 5. Minnesota Statutes 2008, section 16E.05, is amended by adding a subdivision to read:

Subd. 4. **Policy for transparency.** The chief information officer shall develop a policy to enhance public access to electronic data maintained by state government, consistent with the requirements of chapter 13. The policy must ensure that:

(1) the state information architecture facilitates public access to agency data;

(2) publicly available data is managed using an approved state metadata model; and

(3) all geospatial data conform to an approved state geocode model.

Sec. 6. Minnesota Statutes 2008, section 43A.50, subdivision 2, is amended to read:

Subd. 2. **Registration.** (a) A federated funding organization shall apply to the commissioner by March 1 in order to be eligible to participate in the state employee combined charities campaign for that year.

(b) A federated funding organization must apply in the form prescribed by the commissioner and shall provide the following:

(1) assurance of tax exempt status for the federated funding organization and each of the charitable agencies identified by the federated funding organization as an affiliated agency;

(2) assurance of proper registration with the attorney general of Minnesota to solicit contributions in the state of Minnesota for the federated funding organization and each of the charitable agencies identified by the federated funding organization as an affiliated agency. A copy of the registration letter in effect at the time of application for the state employee combined charities campaign must be available upon request;

(3) an affidavit signed by a duly constituted officer of the federated funding organization attesting to the fact that the federated funding organization and its affiliated agencies are in compliance with each of the provisions of this section;

(4) a list of the board of directors or local advisory board for the federated funding organization which identifies the members who live or work in Minnesota and contiguous counties;

(5) a list of the name and business address of each affiliated agency the federated funding organization supports;

(6) a list of any related organizations, as defined in section 317A.011, subdivision 18;

(7) the total contributions received in the organization's accounting year last reported and, from those contributions, the amounts expended by the federated funding organization for management and general costs and for fund-raising costs and the amount distributed to the affiliated agencies, programs, and designated agencies it supports; and

(8) a fee of \$100, or ten percent of the funds raised from state employees in the previous campaign, whichever is less. The fee for an organization which did not participate in the previous year's state employee campaign is \$100. These fees must be credited to an account in the special revenue fund and are appropriated to the commissioner to be expended with the approval of the Combined Charities Board in section 43A.04 for costs associated with administering the annual campaign.

The commissioner may require submission of additional information needed to determine compliance with the provisions of this chapter.

(c) The commissioner shall register or not register the application of an organization and shall notify the organization of the decision by May 1. An organization whose application is denied has ten calendar days after receiving notice of the denial to appeal the decision or file an amended application correcting the deficiency. The commissioner shall register or not register the organization within ten calendar days after receiving the appeal or amended application. If registration is denied a second time, the organization may appeal within five calendar days after receiving notice of the denial. A hearing shall be scheduled by the commissioner and shall be held within 15 calendar days after receiving notice of the appeal. The parties may mutually agree to a later date. The provisions of chapter 14 do not apply to the hearing. The hearing shall be conducted in a manner considered appropriate by the commissioner. The commissioner shall make a determination within five calendar days after the hearing has been completed.



(d) Only organizations that are approved may participate in the state employee combined charities campaign for the year of approval and only contributions to approved organizations may be deducted from an employee's pay pursuant to section 16A.134.

Sec. 7. Minnesota Statutes 2008, section 79.34, subdivision 1, is amended to read:

Subdivision 1. **Conditions requiring membership.** The nonprofit association known as the Workers' Compensation Reinsurance Association may be incorporated under chapter 317A with all the powers of a corporation formed under that chapter, except that if the provisions of that chapter are inconsistent with sections 79.34 to 79.40, sections 79.34 to 79.40 govern. Each insurer as defined by section 79.01, subdivision 2, shall, as a condition of its authority to transact workers' compensation insurance in this state, be a member of the reinsurance association and is bound by the plan of operation of the reinsurance association; provided, that all affiliated insurers within a holding company system as defined in chapter 60D are considered a single entity for purposes of the exercise of all rights and duties of membership in the reinsurance association. Each self-insurer approved under section 176.181 and each political subdivision that self-insures shall, as a condition of its authority to self-insure workers' compensation liability in this state, be a member of the reinsurance association and is bound by its plan of operation; provided that:

(1) all affiliated companies within a holding company system, as determined by the commissioner of labor and industry in a manner consistent with the standards and definitions in chapter 60D, are considered a single entity for purposes of the exercise of all rights and duties of membership in the reinsurance association; and

(2) all group self-insurers granted authority to self-insure pursuant to section 176.181 are considered single entities for purposes of the exercise of all the rights and duties of membership in the reinsurance association. As a condition of its authority to self-insure workers' compensation liability, and for losses incurred after December 31, 1983, the state is a member of the reinsurance association and is bound by its plan of operation. The commissioner of ~~management and budget administration~~ represents the state in the exercise of all the rights and duties of membership in the reinsurance association. The amounts necessary to pay the state's premiums required for coverage by the Workers' Compensation Reinsurance Association are appropriated from the general fund to the commissioner of ~~management and budget administration~~. The University of Minnesota shall pay its portion of workers' compensation reinsurance premiums directly to the Workers' Compensation Reinsurance Association. For the purposes of this section, "state" means the administrative branch of state government, the legislative branch, the judicial branch, the University of Minnesota, and any other entity whose workers' compensation liability is paid from the state revolving fund. The commissioner of management and budget may calculate, prorate, and charge a department or agency the portion of premiums paid to the reinsurance association for employees who are paid wholly or in part by federal funds, dedicated funds, or special revenue funds. The reinsurance association is not a state agency. Actions of the reinsurance association and its board of directors and actions of the commissioner of labor and industry with respect to the reinsurance association are not subject to chapters 13 and 15. All property owned by the association is exempt from taxation. The reinsurance association is not obligated to make any payments or pay any assessments to any funds or pools established pursuant to this chapter or chapter 176 or any other law.

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

Sec. 8. Minnesota Statutes 2008, section 318.02, subdivision 1, is amended to read:

Subdivision 1. **Definition.** The term "declaration of trust" as used in this section means the declaration of trust, business trust instrument, trust indenture, contract of custodianship, or other instrument pursuant to which such association is organized. Every such association organized after April 20, 1961, for the purpose of transacting business in this state shall, prior to transacting any business in this state, file in the Office of the Secretary of State a true and correct copy of the "declaration of trust" under which the association proposes to conduct its business. The copy shall also contain a statement that the true and correct copy of the "declaration of trust" is being filed in the Office of the Secretary of State of the state of Minnesota pursuant to this chapter and shall also include the full name and street address of an agent of the business trust in this state. That agent shall be the agent for service of process which shall be made pursuant to the provisions of section 543.08. The "declaration of trust" may provide that the duration of such association shall be perpetual. Upon the filing of the copy of the "declaration of trust," ~~and the payment of a filing fee of \$150 to the secretary of state,~~ the secretary of state shall issue to such association, or to the trustees named in the said "declaration of trust," or to the persons or parties to the "declaration of trust," a certificate showing that such "declaration of trust" has been duly filed; whereupon, such association in its name shall be authorized to transact business in this state; provided that all other applicable laws have been complied with. The "declaration of trust" may be amended as provided in the "declaration of trust" or in any amendments thereto but a true and correct copy of all amendments to the "declaration of trust," shall be filed in the Office of the Secretary of State ~~upon the payment of a filing fee of \$50 to the secretary of state~~ and all amendments shall become effective at the time of said filing. When such copy of the "declaration of trust" and any amendments thereto shall have been filed in the Office of the Secretary of State it shall constitute public notice as to the purposes and manner of the business to be engaged in by such association.

Sec. 9. Minnesota Statutes 2008, section 557.01, is amended to read:

**557.01 NONRESIDENT, AGENT TO ACCEPT SERVICE.**

Any nonresident person or corporation owning or claiming any interest or lien in or upon lands in the state may file with the secretary of state a writing, executed and acknowledged in the manner of a conveyance, appointing a resident agent, whose place of residence shall be stated, to accept service of process or summons in any action or proceeding in the courts of the state concerning such interest or lien, except actions or proceedings for the collection of taxes, and consenting that service of such process or summons upon such agent shall be binding upon the person executing the same. Such writing shall be recorded by the secretary. No service by publication of summons shall be made upon any such nonresident who has complied with the provisions hereof, but in all such cases service of such process or summons, or of any writ or notice in the action or proceedings, shall be made upon such agent in the manner provided by law for such service upon residents of the state, and have the same effect as personal service within the state upon such owner or claimant; but, if such party appears by attorneys therein, the service of papers shall thereafter be upon such attorney. The authority of such agent may be revoked by writing similarly executed and acknowledged and recorded, but no revocation shall affect any action or proceeding then pending. ~~For filing and recording such papers the secretary shall be entitled to 15 cents for each folio~~ The fee for each filing made under this section is \$50.

Sec. 10. **TRANSPARENCY POLICY REPORT.**

By January 15, 2011, the chief information officer shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over the Office of Enterprise Technology regarding the development of the policy to enhance public access to data required under Minnesota Statutes, section 16E.05, subdivision 4. The report must describe the process for developing the policy, including the opportunity provided for public comment, and specify the components of the policy that have been implemented, including a description of the level of public use of the new opportunities for data access under the policy.

**Sec. 11. APPROPRIATION; ASSISTIVE VOTING EQUIPMENT AND VOTE-COUNTING EQUIPMENT.**

Subdivision 1. **Operating grants.** \$300,000 is appropriated in fiscal year 2010 from the Help America Vote Act account to the secretary of state for grants to counties to defray operating costs of the assistive voting equipment and vote-counting equipment in each polling place. This appropriation is available until spent. Grants of up to \$300 per polling place may be made until this appropriation is exhausted. If the grant requests exceed the appropriation available, the secretary of state shall prorate the grant amounts to each eligible county to match the amount available.

Subd. 2. **Grant application.** To receive a grant under this subdivision, a county must apply to the secretary of state on forms prescribed by the secretary of state that set forth how the grant money will be spent. Grant applications for operating costs for the 2010 elections must be received by the secretary of state by August 1, 2010. Grant awards must be made to the counties by December 1, 2010. If money remains from this appropriation, the secretary may also make grants available for the 2012 election, with grant applications due by March 1, 2012, and grants made to counties by June 30, 2012.

Subd. 3. **Eligibility.** To be eligible to apply for a grant under this section, a county must have fewer than 50,000 registered voters as of January 1, 2010, and must have less than \$300 per polling place that was used in the 2008 general election as a balance, including any interest earned on the account, in its Help America Vote Act account from money distributed to it in 2005.

Subd. 4. **Report.** Each county receiving a grant under this section must include the expenditures it has made on the appropriate Help America Vote Act reports submitted to the secretary of state. If a county does not use the money it has received under this section by June 15, 2013, it must return the money to the secretary of state by June 30, 2013. In addition to the report required by this section, each county receiving a grant under this section must maintain financial records for each grant sufficient to satisfy federal audit standards and must transmit those records to the secretary of state upon request of the secretary of state.

Subd. 5. **Operating costs.** "Operating costs" include actual county and municipal costs for hardware maintenance, election day technical support, software licensing, system programming, voting system testing, training of county or municipal staff in the use of voting equipment, and transportation and storage of the voting equipment.

**Sec. 12. APPROPRIATION; OPTICAL SCAN EQUIPMENT.**

Subdivision 1. **Optical scan voting equipment grants.** \$2,100,000 is appropriated in fiscal year 2010 from the Help America Vote Act account to the secretary of state for grants to counties to purchase optical scan voting equipment. This appropriation is available until spent. If the grant requests exceed the appropriation available, the secretary of state shall prorate the grant amounts to

each eligible county to match the amount available.

Subd. 2. **Grant application.** To receive a grant under this section, a county must apply to the secretary of state on forms prescribed by the secretary of state that set forth how the grant money will be spent. Applications for grants under this section must be submitted to the secretary of state by December 1, 2010, and be for purchases made before March 31, 2014.

Subd. 3. **Eligibility.** A county is eligible to apply for a grant of up to \$4,000 per precinct to replace precinct-based optical scan vote counters if the vote counter was purchased before December 31, 2002, and the county received no federal or state money to defray the cost of that purchase. Counties must agree to provide a local match at least equal to the amount of the grant.

Subd. 4. **Report.** Each county receiving a grant under this section must include the expenditures it has made on the appropriate Help America Vote Act reports submitted to the secretary of state. If a county does not use the money it has received under this section by June 15, 2014, it must return the unused money to the secretary of state by June 30, 2014. In addition to the report required by this section, each county receiving a grant under this section must maintain financial records for each grant sufficient to satisfy federal audit standards and must transmit those records to the secretary of state upon request of the secretary of state.

**Sec. 13. REPEALER.**

Laws 2005, chapter 162, section 34, subdivision 2, as amended by Laws 2009, chapter 101, article 2, section 95, is repealed."

Delete the title and insert:

"A bill for an act relating to state government operations; requiring fiscal notes to include information about job creation; limiting requirements for approval by individual legislators in the disposal process for certain state-owned buildings; increasing threshold requirements for deposit of agency receipts; requiring state chief information officer to develop standards for enhanced public access to state electronic records; clarifying use of fees in the combined charities campaign; transferring membership in the Workers' Compensation Reinsurance Association from the commissioner of management and budget to the commissioner of administration; eliminating and modifying fees for certain filings with the secretary of state; authorizing grants to counties for voting equipment and vote-counting equipment; requiring reports; appropriating money; amending Minnesota Statutes 2008, sections 3.98, subdivision 2; 16A.275; 16B.24, subdivision 3; 16E.04, subdivision 2; 16E.05, by adding a subdivision; 43A.50, subdivision 2; 79.34, subdivision 1; 318.02, subdivision 1; 557.01; repealing Laws 2005, chapter 162, section 34, subdivision 2, as amended."

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. 655** 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.
655	531				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 655 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 655, the first engrossment; and insert the language after the enacting clause of S.F. No. 531, the second engrossment; further, delete the title of H.F. No. 655, the first engrossment; and insert the title of S.F. No. 531, the second engrossment.

And when so amended H.F. No. 655 will be identical to S.F. No. 531, and further recommends that H.F. No. 655 be given its second reading and substituted for S.F. No. 531, 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. 3003, 2941, 1761, 1905, 2471, 3325, 2873, 2541, 2832, 3084, 2629, 1590, 2510 and 3134 were read the second time.

### SECOND READING OF HOUSE BILLS

H.F. No. 655 was read the second time.

### INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

#### Senator Parry introduced—

**S.F. No. 3349:** A bill for an act relating to the city of Owatonna; expanding the use of its local sales and excise tax; amending Laws 2006, chapter 259, article 3, section 12, subdivisions 3, as amended, 4, 5.

Referred to the Committee on Taxes.

#### Senator Skoe introduced—

**S.F. No. 3350:** A bill for an act relating to local government; eliminating audit requirements for very small towns; amending Minnesota Statutes 2008, section 367.36, subdivision 1, as amended.

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

**Senator Lynch introduced–**

**S.F. No. 3351:** A bill for an act relating to higher education; reappropriating money for converting heating and cooling systems; amending Laws 2009, chapter 93, article 1, section 16, subdivision 5.

Referred to the Committee on Finance.

**Senator Bakk introduced–**

**S.F. No. 3352:** A bill for an act relating to taxation; making changes in the sales and use tax treatment of drugs and medical devices; amending Minnesota Statutes 2008, section 297A.67, subdivision 7.

Referred to the Committee on Taxes.

**Senator Scheid introduced–**

**S.F. No. 3353:** A bill for an act relating to drivers' licenses; allowing driver's license applicant to donate \$2 for public information and education on anatomical gifts; appropriating money; amending Minnesota Statutes 2008, section 171.06, subdivision 2.

Referred to the Committee on Finance.

**Senator Anderson introduced–**

**S.F. No. 3354:** A bill for an act relating to capital investment; appropriating money for grants to make air handling system improvements to improve air quality in indoor ice arenas; authorizing the sale and issuance of state bonds.

Referred to the Committee on Finance.

**Senators Tomassoni and Sparks introduced–**

**S.F. No. 3355:** A bill for an act relating to higher education; modifying securities transaction exemptions; appropriating money for the state grant program; amending Minnesota Statutes 2008, section 80A.65, subdivision 1.

Referred to the Committee on Finance.

**MOTIONS AND RESOLUTIONS**

Senator Murphy moved that the name of Senator Sieben be added as a co-author to S.F. No. 3346. The motion prevailed.

**Senator Higgins introduced –**

**Senate Resolution No. 171:** A Senate resolution recognizing April 8, 2010, as Alpha Kappa Alpha Day at the State Capitol.

Referred to the Committee on Rules and Administration.

**Senator Scheid introduced –**

**Senate Resolution No. 172:** A Senate resolution honoring Steve Quinn of Brooklyn Park for receiving the award for lifetime achievement by the Minnesota STAR Program's Awards for Excellence in Assistive Technology.

Referred to the Committee on Rules and Administration.

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

**CALENDAR**

**S.F. No. 2511:** A bill for an act relating to state government; establishing a collaborative governance council; requiring reports; proposing coding for new law in Minnesota Statutes, chapter 6.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 2, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Limmer                      Vandever

So the bill passed and its title was agreed to.

**S.F. No. 2851:** A bill for an act relating to health; making technical changes to licensing provisions; amending Minnesota Statutes 2008, sections 144.55, subdivision 2; 148.5193, subdivision 6; 148.5195, subdivision 3; 148.6418, subdivisions 1, 2; Minnesota Statutes 2009 Supplement, section 148.6405.

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 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

**S.F. No. 2934:** A bill for an act relating to human services; modifying personal care assistant services; amending Minnesota Statutes 2008, sections 144A.071, subdivision 4b; 144A.161, subdivision 1a; 256B.0911, subdivision 4d; Minnesota Statutes 2009 Supplement, sections 256B.0653, subdivision 3; 256B.0659, subdivisions 1, 3, 4, 11, 13, 14, 18, 19, 20, 21, 27, 30; 256B.0911, subdivisions 1a, 2b, 3a.

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 1, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Vandever

So the bill passed and its title was agreed to.

**H.F. No. 2639:** A bill for an act relating to public safety; authorizing wireless telecommunications service providers to provide call locations for emergencies; proposing coding for new law in Minnesota Statutes, chapter 237.

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 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

**H.F. No. 3174:** A bill for an act relating to public safety; amending the predatory offender registration law to address registrants living in homeless shelters and to clarify that the registration requirement for offenders who move out of state are suspended not terminated; amending Minnesota Statutes 2008, section 243.166, subdivisions 1a, 3.

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

So the bill passed and its title was agreed to.

**H.F. No. 2851:** A bill for an act relating to highways; amending description of trunk highway route; removing route from trunk highway system; amending Minnesota Statutes 2008, section 161.115, subdivision 263.

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

So the bill passed and its title was agreed to.

**H.F. No. 3143:** A bill for an act relating to tourism; amending council membership requirements; amending Minnesota Statutes 2008, section 116U.25.

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 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

**H.F. No. 1692:** A bill for an act relating to dispute resolution; providing for arbitration of disputes; adopting the Uniform Arbitration Act; amending Minnesota Statutes 2008, sections 80C.146, subdivision 2; 122A.40, subdivision 15; 122A.41, subdivision 13; 179.09; 325E.37, subdivision 5; 325F.665, subdivision 6; 469.1762; 572A.02, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 572B; repealing Minnesota Statutes 2008, sections 572.08; 572.09; 572.10; 572.11; 572.12; 572.13; 572.14; 572.15; 572.16; 572.17; 572.18; 572.19; 572.20; 572.21; 572.22; 572.23; 572.24; 572.25; 572.26; 572.27; 572.28; 572.29; 572.30.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 3, as follows:

Those who voted in the affirmative were:

Anderson	Betzold	Chaudhary	Dahle	Doll
Bakk	Bonoff	Clark	Dibble	Erickson Ropes
Berglin	Carlson	Cohen	Dille	Fischbach

Fobbe	Kelash	Michel	Rest	Sieben
Foley	Koch	Moua	Robling	Skoe
Frederickson	Kubly	Olseen	Rosen	Skogen
Gerlach	Langseth	Olson, M.	Rummel	Sparks
Gimse	Latz	Ortman	Saltzman	Stumpf
Hann	Lourey	Pappas	Saxhaug	Tomassoni
Higgins	Lynch	Parry	Scheid	Torres Ray
Ingebrigtsen	Marty	Pogemiller	Senjem	Vickerman
Johnson	Metzen	Prettner Solon	Sheran	Wiger

Those who voted in the negative were:

Jungbauer	Limmer	Vandev eer
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So the bill passed and its title was agreed to.

**S.F. No. 2663:** A bill for an act relating to commerce; regulating motor vehicle sales and distribution; amending Minnesota Statutes 2008, sections 80E.03, by adding a subdivision; 80E.13; 80E.14, by adding a subdivision; Minnesota Statutes 2009 Supplement, sections 80E.12; 80E.135; 80E.14, subdivision 3.

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 64 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

**S.F. No. 525:** A bill for an act relating to health occupations; establishing a regulation system for technicians performing body art procedures and for body art establishments; adopting penalty fees; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 146B.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 7, as follows:

Those who voted in the affirmative were:

Anderson	Carlson	Dibble	Fobbe	Higgins
Bakk	Chaudhary	Dille	Foley	Ingebrigtsen
Berglin	Clark	Doll	Frederickson	Kelash
Betzold	Cohen	Erickson Ropes	Gimse	Kubly
Bonoff	Dahle	Fischbach	Hann	Langseth

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

Those who voted in the negative were:

Gerlach	Jungbauer	Parry	Vandevveer
Johnson	Koch	Senjem	

So the bill passed and its title was agreed to.

**H.F. No. 3460:** 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.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

**S.F. No. 2790:** A bill for an act relating to public safety; modifying provisions related to certain juvenile records; authorizing the expungement of certain juvenile records; authorizing the commissioner of human services to grant set asides or variances for certain individuals disqualified from licensure because of an offense committed as a juvenile; requiring chemical use screen of juvenile offenders; changing penalties and prohibitions related to using or brandishing replica firearms and BB guns on school property; 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; clarifying detention placement options for extended jurisdiction juveniles pending revocation hearings; modifying certain provisions regarding juvenile delinquency to include stays of adjudication of delinquency; extending the duration of the continuance period allowed in a juvenile delinquency matter; amending Minnesota Statutes 2008, sections 121A.23, subdivision 1; 241.31, subdivision 1; 242.32, subdivision 2; 260B.125, subdivision 4; 260B.130, subdivision 5; 260B.157, subdivision 1; 260B.171, subdivision 5; 260B.176, subdivision 2; 260B.198, subdivision 7; 299C.105, subdivision 1; 299C.61, subdivision 8a; 609.117, subdivision 1; 609.344, subdivision 1; 609.66, subdivision 1d; 609A.02, subdivisions

2, 3; 609A.03, subdivisions 1, 2, 4, 5, 5a, 7; 624.713, subdivision 3; Minnesota Statutes 2009 Supplement, sections 245C.24, subdivision 2; 624.713, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 609A.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 47 and nays 17, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Fischbach	Ingebrigtsen	Limmer	Senjem	Vickerman
Gerlach	Johnson	Michel	Sparks	
Gimse	Jungbauer	Parry	Stumpf	
Hann	Koch	Rosen	Vandever	

So the bill passed and its title was agreed to.

**S.F. No. 2386:** A bill for an act relating to state government; ratifying labor agreements and compensation plans.

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 48 and nays 16, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Fischbach	Ingebrigtsen	Limmer	Robling
Gerlach	Johnson	Michel	Rosen
Gimse	Jungbauer	Ortman	Senjem
Hann	Koch	Parry	Vandever

So the bill passed and its title was agreed to.

**H.F. No. 3128:** A bill for an act relating to probate; clarifying the powers of health care agents, guardians, and others to make health care decisions for wards and protected persons; modifying provisions governing guardians and conservators; amending Minnesota Statutes 2008, sections 145C.09, subdivision 3; 524.5-303; 524.5-403; 525A.09; Minnesota Statutes 2009 Supplement, sections 524.5-120; 524.5-304; 524.5-309; 524.5-310; 524.5-315; 524.5-316; 524.5-406; 524.5-420.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 1, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Vandev eer

So the bill passed and its title was agreed to.

**H.F. No. 2634:** A bill for an act relating to natural resources; expanding prohibitions on the appropriation of water from the Mt. Simon-Hinckley aquifer; amending Minnesota Statutes 2008, section 103G.271, subdivision 4a.

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 38 and nays 23, as follows:

Those who voted in the affirmative were:

Anderson	Dahle	Kelash	Olseen	Scheid
Berglin	Dibble	Kubly	Olson, M.	Sheran
Betzold	Doll	Langseth	Pappas	Sieben
Bonoff	Erickson Ropes	Latz	Prettner Solon	Tomassoni
Carlson	Fobbe	Lourey	Rest	Torres Ray
Chaudhary	Foley	Marty	Rummel	Wiger
Clark	Frederickson	Metzen	Saltzman	
Cohen	Higgins	Moua	Saxhaug	

Those who voted in the negative were:

Fischbach	Hann	Jungbauer	Lynch	Ortman
Gerlach	Ingebrigtsen	Koch	Michel	Parry
Gimse	Johnson	Limmer	Olson, G.	Robling

Rosen  
Senjem

Skoe  
Skogen

Sparks  
Stumpf

Vandevier  
Vickerman

So the bill passed and its title was agreed to.

**H.F. No. 3263:** A bill for an act relating to traffic regulations; modifying provisions governing speed limits in highway work zones, operating vehicles on multilane roads, and surcharges on traffic citations; creating traffic safety education account; amending Minnesota Statutes 2008, sections 169.14, subdivision 5d; 169.18, subdivisions 7, 10, by adding a subdivision; 171.12, subdivision 6; 171.13, by adding a subdivision; Minnesota Statutes 2009 Supplement, section 357.021, subdivision 6.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 62 and nays 2, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Moua                      Scheid

So the bill passed and its title was agreed to.

**S.F. No. 364:** A bill for an act relating to waters; modifying drainage system provisions; amending Minnesota Statutes 2008, sections 103B.101, by adding a subdivision; 103E.065; 103E.227; 103E.401, subdivision 3; 103E.505, subdivision 3; 103E.611, subdivision 1; 103E.735, subdivision 1; 103E.805; proposing coding for new law in Minnesota Statutes, chapter 103E.

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 1, as follows:

Those who voted in the affirmative were:

Anderson	Clark	Fischbach	Higgins	Langseth
Bakk	Cohen	Fobbe	Ingebrigtsen	Latz
Berglin	Dahle	Foley	Johnson	Limmer
Betzold	Dibble	Frederickson	Jungbauer	Lourey
Bonoff	Dille	Gerlach	Kelash	Lynch
Carlson	Doll	Gimse	Koch	Marty
Chaudhary	Erickson Ropes	Hann	Kubly	Metzen

Michel	Pappas	Rosen	Sheran	Tomassoni
Moua	Parry	Rummel	Sieben	Torres Ray
Olseen	Pogemiller	Saltzman	Skoe	Vickerman
Olson, G.	Prettner Solon	Saxhaug	Skogen	Wiger
Olson, M.	Rest	Scheid	Sparks	
Ortman	Robling	Senjem	Stumpf	

Those who voted in the negative were:

Vandev eer

So the bill passed and its title was agreed to.

### MOTIONS AND RESOLUTIONS - CONTINUED

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

### GENERAL ORDERS

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

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

H.F. Nos. 3157 and 2879, which the committee recommends to pass.

**H.F. No. 3151**, which the committee recommends to pass, subject to the following motion:

Senator Pappas moved that the amendment made to H.F. No. 3151 by the Committee on Rules and Administration in the report adopted April 8, 2010, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

**S.F. No. 2830**, which the committee recommends to pass, subject to the following motion:

The question was taken on the recommendation to pass S.F. No. 2830.

The roll was called, and there were yeas 52 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Fobbe	Koch	Olson, M.	Senjem
Berglin	Foley	Kubly	Ortman	Sheran
Betzold	Frederickson	Langseth	Pappas	Sieben
Bonoff	Gerlach	Limmer	Pogemiller	Skoe
Carlson	Gimse	Lourey	Prettner Solon	Skogen
Chaudhary	Hann	Lynch	Rest	Stumpf
Clark	Higgins	Metzen	Robling	Vandev eer
Dahle	Ingebrigtsen	Michel	Rummel	Wiger
Dille	Johnson	Moua	Saltzman	
Doll	Jungbauer	Olseen	Saxhaug	
Fischbach	Kelash	Olson, G.	Scheid	

The motion prevailed. So S.F. No. 2830 was recommended to pass.

On motion of Senator Pogemiller, the report of the Committee of the Whole, as kept by the



Secretary, was adopted.

### RECESS

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

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

### MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Reports of Committees 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 Pogemiller from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,**

**S.F. No. 3119:** A bill for an act relating to early childhood education; modifying the membership and duties of the State Advisory Council on Early Childhood Education and Care; amending Minnesota Statutes 2008, section 124D.141, subdivisions 1, 2.

Reports the same back with the recommendation that the report from the Committee on Education, shown in the Journal for March 18, 2010, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill do pass and be re-referred to the Committee on State and Local Government Operations and Oversight" and that Joint Rule 2.03 be suspended for all further proceedings. Amendments adopted. Report adopted.

**Senator Pogemiller from the Committee on Rules and Administration, to which was referred under Joint Rule 2.03, together with the committee report thereon,**

**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.

Reports the same back with the recommendation that the report from the Committee on Judiciary, shown in the Journal for March 22, 2010, be adopted; that committee recommendation being:

"the bill be amended 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 under Joint Rule 2.03, together with the committee report thereon,**

**S.F. No. 3131:** A bill for an act relating to early childhood education; modifying the duties of the State Advisory Council on Early Childhood Education and Care; amending Minnesota Statutes 2008, section 124D.141, subdivision 2.

Reports the same back with the recommendation that the report from the Committee on Education, shown in the Journal for March 18, 2010, be adopted; that committee recommendation being:

"the bill be amended and when so amended the bill do pass". Amendments adopted. Report adopted.

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

**S.F. No. 3275:** A bill for an act relating to state government; modifying appropriation to prevent water pollution from polycyclic aromatic hydrocarbons; modifying certain administrative accounts; modifying electronic transaction provisions; providing for certain registration exemptions; modifying all-terrain vehicle definitions; modifying all-terrain vehicle operation restrictions; modifying state trails and canoe and boating routes; modifying fees and disposition of certain receipts; modifying certain competitive bidding exemptions; modifying horse trail pass provisions; modifying beaver dam provisions; modifying the Water Law; modifying nongame wildlife checkoffs; establishing an Environment and Natural Resources Organization Advisory Committee to advise legislature and governor on new structure for administration of environment and natural resource policies; requiring an advisory committee to consider all powers and duties of Pollution Control Agency, Department of Natural Resources, Environmental Quality Board, Board of Water and Soil Resources, Petroleum Tank Release Compensation Board, Harmful Substances Compensation Board, and Agricultural Chemical Response Compensation Board and certain powers and duties of Departments of Agriculture, Health, Transportation, and Commerce; modifying method of determining value of acquired stream easements; providing for certain historic property exemption; modifying state forest acquisition provisions; modifying certain requirements for land sales; adding to and deleting from state parks and state forests; authorizing public and private sales, conveyances, and exchanges of certain state land; amending the definition of "green economy" to include the concept of "green chemistry;" clarifying that an appropriation is to the commissioner of commerce; establishing a program to provide rebates for solar photovoltaic modules; appropriating money; amending Minnesota Statutes 2008, sections 84.025, subdivision 9; 84.027, subdivision 15; 84.0272, subdivision 2; 84.0856; 84.0857; 84.777, subdivision 2; 84.82, subdivision 3, by adding a subdivision; 84.92, subdivisions 9, 10; 84.922, subdivision 5, by adding a subdivision; 84.925, subdivision 1; 84.9256, subdivision 1; 84.928, subdivision 5; 85.012, subdivision 40; 85.015, subdivision 14; 85.22, subdivision 5; 85.32, subdivision 1; 85.41, subdivision 3; 85.42; 85.43; 85.46, as amended; 88.17, subdivisions 1, 3; 88.79, subdivision 2; 89.032, subdivision 2; 90.041, by adding a subdivision; 90.121; 90.14; 97B.665, subdivision 2; 103A.305; 103G.271, subdivision 3; 103G.285, subdivision 5; 103G.301, subdivision 6; 103G.305, subdivision 2; 103G.315, subdivision 11; 103G.515, subdivision 5; 103G.615, subdivision 2; 115A.02; 116.07, subdivisions 4, 4h; 116J.437, subdivision 1; 216B.62, by adding a subdivision; 290.431; 290.432; 473.1565, subdivision 2; Minnesota Statutes 2009 Supplement, sections 84.415,

subdivision 6; 84.793, subdivision 1; 84.9275, subdivision 1; 84.928, subdivision 1; 85.015, subdivision 13; 86A.09, subdivision 1; 103G.201; Laws 2008, chapter 368, article 1, section 34, as amended; Laws 2009, chapter 37, article 2, section 13; Laws 2009, chapter 176, article 4, section 9; Laws 2010, chapter 215, article 3, section 4, subdivision 10; proposing coding for new law in Minnesota Statutes, chapters 85; 103G; 116C; repealing Minnesota Statutes 2008, sections 84.02, subdivisions 1, 2, 3, 4, 5, 6, 7, 8; 90.172; 97B.665, subdivision 1; 103G.295; 103G.650; Minnesota Statutes 2009 Supplement, sections 3.3006; 84.02, subdivisions 4a, 6a, 6b.

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

Page 42, delete lines 28 to 29 and insert:

"(2) two members of the senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration, including one member of the minority;"

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 under Joint Rule 2.03, together with the committee report thereon,**

**S.F. No. 3201:** A bill for an act relating to health; establishing a controlled substances registration; modifying the controlled substances prescription electronic reporting system; appropriating money; amending Minnesota Statutes 2008, sections 152.01, by adding a subdivision; 152.10; 152.11, subdivisions 1, 2, 2a, 2b, 2c, 2d; 152.12, subdivisions 1, 2, 3; 152.125, subdivisions 2, 3, 4; 152.126, as amended; repealing Minnesota Statutes 2008, section 152.12, subdivisions 4, 5.

Reports the same back with the recommendation that the report from the Committee on Health, Housing and Family Security, shown in the Journal for March 24, 2010, be adopted; that committee recommendation being:

"the bill do pass and be re-referred to the Committee on Finance". Report adopted.

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

**S.F. No. 445:** A resolution relating to Lake of the Woods.

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

## SECOND READING OF SENATE BILLS

S.F. Nos. 3251, 3131, 3275 and 445 were read the second time.

## RECESS

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

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

**APPOINTMENTS**

Senator Pogemiller from the Subcommittee on Conference Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 3391: Senators Olson, M.; Higgins and Ortman.

S.F. No. 863: Senators Olson, M.; Limmer and Moua.

H.F. No. 2231: Senators Kelash, Olseen and Parry.

S.F. No. 80: Senators Rest, Sieben and Gerlach.

S.F. No. 2370: Senators Pappas, Murphy and Robling.

S.F. No. 2755: Senators Latz, Moua and Hann.

S.F. No. 2866: Senators Sheran, Erickson Ropes and Dille.

S.F. No. 2855: Senators Torres Ray, Rosen and Erickson Ropes.

H.F. No. 2668: Senators Dibble, Higgins and Frederickson.

S.F. No. 2713: Senators Lourey, Berglin and Dille.

H.F. No. 3048: Senators Saltzman, Senjem and Sparks.

H.F. No. 3164: Senators Clark, Erickson Ropes and Robling.

H.F. No. 3327: Senators Kubly, Lynch and Gimse.

H.F. No. 3318: Senators Moua; Olson, M. and Hann.

Senator Pogemiller moved that the foregoing appointments be approved. The motion prevailed.

**MEMBERS EXCUSED**

Senators Murphy and Pariseau were excused from the Session of today. Senator Olson, G. was excused from the Session of today from 12:00 noon to 12:25 p.m. Senator Erickson Ropes was excused from the Session of today from 12:00 noon to 12:30 p.m. Senator Gerlach was excused from the Session of today from 12:00 noon to 12:40 p.m. Senator Anderson was excused from the Session of today from 12:00 noon to 12:45 p.m. Senator Bakk was excused from the Session of today from 12:25 to 12:30 p.m. Senator Koering was excused from the Session of today at 12:30 p.m. Senator Parry was excused from the Session of today from 12:45 to 12:55 and from 1:30 to 1:35 p.m. Senators Cohen, Latz and Tomassoni were excused from the Session of today at 1:15 p.m. Senator Rosen was excused from the Session of today at 1:35 p.m. Senator Dibble was excused from the Session of today from 1:40 to 1:45 p.m.

**ADJOURNMENT**

Senator Pogemiller moved that the Senate do now adjourn until 11:00 a.m., Tuesday, April 13, 2010. The motion prevailed.

Peter S. Wattson, Secretary of the Senate (Legislative)

