

ONE HUNDREDTH DAY

St. Paul, Minnesota, Saturday, May 8, 2010

The Senate met at 9:30 a.m. and was called to order by the President.

CALL OF THE SENATE

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

Prayer was offered by Senator Gary W. Kubly.

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

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

The President declared a quorum present.

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

MESSAGES FROM THE HOUSE

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. 2642: A bill for an act relating to legislation; correcting erroneous, ambiguous, and omitted text and obsolete references; eliminating redundant, conflicting, and superseded provisions; making miscellaneous technical corrections to laws and statutes; amending Minnesota Statutes 2008, sections 3.7393, subdivision 12; 12A.05, subdivision 3; 13.321, subdivision 10; 13.411,

subdivision 5; 13.861, subdivision 2; 16B.24, subdivision 5; 16D.11, subdivision 7; 53C.01, subdivision 12a; 84.797, subdivision 6; 84.803, subdivision 2; 84.8045; 115A.932, subdivision 1; 116.155, subdivision 3; 125A.64, subdivision 6; 126C.55, subdivision 6; 128D.03, subdivision 2; 129C.10, subdivision 8; 136F.61; 168.002, subdivision 13; 168.013, subdivision 1; 169.67, subdivision 1; 190.025, subdivision 3; 214.04, subdivision 1; 216B.1691, subdivision 1; 245A.18, subdivision 2; 256L.04, subdivision 1; 260C.301, subdivision 1; 270.41, subdivision 5; 273.1115, subdivisions 1, 3; 273.124, subdivision 11; 290.0921, subdivision 3a; 297A.61, subdivision 3; 309.72; 325F.675, subdivision 6; 325F.732, subdivision 2; 332.37; 332.40, subdivision 2; 332.52, subdivision 3; 374.02; 469.154, subdivision 3; 473.599, subdivision 8; 490.133; 507.071, subdivision 16; 515B.1-102; Minnesota Statutes 2009 Supplement, sections 16A.126, subdivision 1; 16C.138, subdivision 2; 47.60, subdivisions 4, 6; 53.09, subdivision 2; 69.772, subdivision 6; 116J.401, subdivision 2; 120B.30, subdivisions 1, 2; 122A.60, subdivision 2; 124D.10, subdivisions 3, 8, 14, 15, 23, 25; 152.025; 168.33, subdivision 7; 169.011, subdivision 71; 169.865, subdivision 1; 176.135, subdivision 8; 246B.06, subdivision 7; 256.969, subdivision 3b; 256B.0659, subdivision 3; 256B.5012, subdivision 8; 260C.212, subdivision 7; 270.97; 270C.445, subdivision 7; 299A.61, subdivision 1; 332B.07, subdivisions 1, 4; 332B.09, subdivision 3; 424A.02, subdivision 10; 524.5-701; 571.914, subdivision 4; 626.557, subdivision 20; Laws 2009, chapter 78, article 8, section 22, subdivision 3; Laws 2009, chapter 79, article 10, section 48; Laws 2009, chapter 88, article 5, section 17; Laws 2009, chapter 172, article 1, section 2, subdivision 5; repealing Minnesota Statutes 2008, sections 13.6435, subdivision 9; 15.38, subdivision 5; 168.098; 256B.041, subdivision 5; 256D.03, subdivision 5; Laws 2005, First Special Session chapter 4, article 8, section 87; Laws 2006, chapter 277, article 1, sections 1; 3; Laws 2008, chapter 287, article 1, section 104; Laws 2008, chapter 300, section 6; Laws 2009, chapter 78, article 4, section 41; Laws 2009, chapter 88, article 6, sections 14; 15; 16; Laws 2009, chapter 169, article 10, section 32; Minnesota Rules, parts 9525.0750; 9525.0760; 9525.0770; 9525.0780; 9525.0790; 9525.0800; 9525.0810; 9525.0820; 9525.0830.

Senate File No. 2642 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 7, 2010

Senator Moua moved that the Senate do not concur in the amendments by the House to S.F. No. 2642, and that a Conference Committee of 5 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. 2700: A bill for an act relating to health; regulating participating provider agreements between health plan companies and health care providers; amending Minnesota Statutes 2008, sections 62Q.735, by adding subdivisions; 62Q.75, subdivision 3, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 62Q.

Senate File No. 2700 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 7, 2010

CONCURRENCE AND REPASSAGE

Senator Prettner Solon moved that the Senate concur in the amendments by the House to S.F. No. 2700 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 2700 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 0, as follows:

Those who voted in the affirmative were:

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

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 has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 1537: A bill for an act relating to energy; requiring a certificate of need for certain transmission lines.

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

Clark, Hilty and Howes.

Senate File No. 1537 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 7, 2010

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 2971: A bill for an act relating to energy; making technical changes and modifying provisions related to utility report filings, hydrogen energy projects, weatherization programs, high-voltage transmission lines, public utility commission assessments, and utility metering for supportive housing; removing obsolete and redundant language; authorizing individuals and entities to take certain easements in agricultural land; providing for certain reporting requirements; providing for wind and solar easements; amending Minnesota Statutes 2008, sections 16E.15, subdivision 2; 117.225; 216B.16, by adding a subdivision; 216B.241, subdivision 2; 216B.812, subdivision 2; 216C.264; 216E.03, subdivision 7; 216E.18, subdivision 3; 326B.106, subdivision 12; 500.221, subdivisions 2, 4; Minnesota Statutes 2009 Supplement, section 117.189; Laws 2008, chapter 296, article 1, section 25; repealing Minnesota Statutes 2008, sections 216C.19, subdivisions 2, 3, 13, 14, 15, 16, 18, 19, 20; 216C.262; Minnesota Statutes 2009 Supplement, section 216C.19, subdivision 17.

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

Hilty, Knuth and Gunther.

Senate File No. 2971 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 7, 2010

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of 3 members of the House, on the amendments adopted by the House to the following Senate File:

S.F. No. 3081: A bill for an act relating to energy; modifying community-based energy development program; amending Minnesota Statutes 2008, section 216B.1612, subdivisions 3, 5, 7, by adding a subdivision; Minnesota Statutes 2009 Supplement, section 216B.1612, subdivision 2.

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

Welti, Hilty and Gunther.

Senate File No. 3081 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 7, 2010

Mr. President:

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

S.F. No. 3275: A bill for an act relating to state government; appropriating money from constitutionally dedicated funds; 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; providing for community energy planning; modifying Legislative Energy Commission and Public Utilities Commission provisions; eliminating a legislative guide; appropriating money; amending Minnesota Statutes 2008, sections 3.8851, subdivision 7; 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; Laws 2009, chapter 172, article 5, section 8.

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

Murphy, M.; Wagenius; Morgan; Hansen and Davids.

Senate File No. 3275 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned May 7, 2010

REPORTS OF COMMITTEES

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

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

H.F. No. 3729 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.
				3729	3327

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 3729 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 3729, the third engrossment; and insert the language after the enacting clause of S.F. No. 3327, the second engrossment; further, delete the title of H.F. No. 3729, the third engrossment; and insert the title of S.F. No. 3327, the second engrossment.

And when so amended H.F. No. 3729 will be identical to S.F. No. 3327, and further recommends that H.F. No. 3729 be given its second reading and substituted for S.F. No. 3327, and that the Senate File be indefinitely postponed.

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

SECOND READING OF HOUSE BILLS

H.F. No. 3729 was read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bill was read the first time.

Senator Wiger introduced—

S.F. No. 3412: A bill for an act relating to taxation; income; providing a subtraction for wages of public safety officers killed in the line of duty; amending Minnesota Statutes 2009 Supplement, sections 290.01, subdivision 19b, as amended; 290.091, subdivision 2.

Referred to the Committee on Taxes.

MOTIONS AND RESOLUTIONS

Senator Cohen moved that the name of Senator Bakk be added as a co-author to S.F. No. 1556. The motion prevailed.

Senator Vickerman moved that S.F. No. 2465, No. 11 on General Orders, be stricken and returned to its author. The motion prevailed.

Senator Skoe moved that S.F. No. 2614, No. 25 on General Orders, be stricken and returned to its author. The motion prevailed.

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 Metzen reported that the committee had considered the following:

S.F. Nos. 1770 and 3361, which the committee recommends to pass.

S.F. No. 3043, which the committee recommends to pass with the following amendment offered by Senator Vandever:

Page 12, line 29, delete "realtor" and insert "real estate agent"

The motion prevailed. So the amendment was adopted.

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1481 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 1481

A bill for an act relating to the budget reserve; modifying priorities for additional revenues in general fund forecasts; requiring a report; amending Minnesota Statutes 2008, sections 16A.103, subdivisions 1a, 1b, by adding a subdivision; 16A.11, subdivision 1, by adding a subdivision; 16A.152, subdivision 2, by adding a subdivision.

May 6, 2010

The Honorable James P. Metzen
President of the Senate

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1481 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 1481 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. **RETIREMENT INCENTIVE.**

Subdivision 1. **Eligibility.** (a) An eligible appointing authority may provide the retirement incentive in this section to an employee who:

(1) has at least 15 years of allowable service in one or more of the funds listed in Minnesota Statutes, section 356.30, subdivision 3, or has at least 15 years of coverage by the individual retirement account plan governed by Minnesota Statutes, chapter 354B, and upon retirement is immediately eligible for a retirement annuity or benefit from one or more of these funds;

(2) accepts the incentive no later than December 31, 2010, and retires no later than June 30, 2011; and

(3) is not in receipt of a retirement plan, retirement annuity, retirement allowance, or service pension from a fund listed in Minnesota Statutes, section 356.30, subdivision 3, during the month preceding the termination of qualified employment.

(b) An eligible appointing authority is any appointing authority in the executive, legislative, or judicial branch of state government, the Public Employees Retirement Association, the Minnesota State Retirement System, the Teachers Retirement Association, or the Minnesota State Colleges and Universities.

(c) An elected official is not eligible to receive an incentive under this section.

(d) An employee who, after termination of employment, receives an employer contribution for health insurance may not receive a payment for health insurance under this section from that appointing authority.

Subd. 2. **Incentive.** For an employee eligible under subdivision 1, the appointing authority will deposit into the employee's account in the health care savings plan established in Minnesota Statutes, section 352.98, up to 24 months of the employer contribution, as specified in the

collective bargaining agreement or compensation plan covering the position from which the employee terminates service, for health and dental insurance for the employee, and, if the employee had dependent coverage immediately before retirement, for the employee's dependents. The contributions provided under this section are those the employee was receiving as of the date of termination, subject to any changes in contributions specified in the collective bargaining agreement or compensation plan covering the position from which the employee terminated service.

Subd. 3. **Employer discretion; implementation.** Provision of an incentive under this section is at the discretion of the appointing authority. Appointing authorities in the executive branch must apply for approval from the commissioner of management and budget before providing early retirement incentives under this section. All appointing authorities and the commissioner's review must give consideration to issues such as equity within the agency, budgetary constraints, and workforce planning concerns. The appointing authority will determine the date of retirement upon consultation with the employee. Unilateral implementation of this section by the appointing authority is not an unfair labor practice under Minnesota Statutes, chapter 179A.

Subd. 4. **Acceptance.** An employee who is eligible for an incentive under this section, who is offered an incentive by the appointing authority, and who accepts the incentive offer must do so in writing. A copy of the acceptance document must be provided by the appointing authority to the applicable retirement plan within 15 days of its execution.

Subd. 5. **Reemployment prohibition.** An individual who receives an incentive payment under this section may not be reemployed or hired as a consultant by any agency or entity that participates in the State Employee Group Insurance Program for a period of three years after termination of service.

Subd. 6. **Report.** The commissioner of management and budget must report to the legislature by April 2, 2011, regarding use of the retirement incentive for calendar year 2010, with a recommendation regarding renewal of the incentive.

Sec. 2. EFFECTIVE DATE.

Section 1 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to state government finance; authorizing retirement incentives for certain state employees."

We request the adoption of this report and repassage of the bill.

Senate Conferees: Richard Cohen, Tarryl Clark, LeRoy Stumpf

House Conferees: Loren Solberg, Lyndon Carlson, Steve Smith

Senator Cohen moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1481 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1481 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 46 and nays 13, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Gerlach	Jungbauer	Michel	Parry	Vandevveer
Hann	Koch	Olson, G.	Robling	
Ingebrigtsen	Limmer	Ortman	Senjem	

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 2427 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 2427

A bill for an act relating to property held in trust; clarifying status of certain distributions; changing certain relationship and inheritance provisions; providing for emergency and temporary conservators; amending Minnesota Statutes 2008, sections 501B.64, subdivision 3; 524.1-201; 524.2-114; Minnesota Statutes 2009 Supplement, section 524.5-409; proposing coding for new law in Minnesota Statutes, chapter 524.

May 7, 2010

The Honorable James P. Metzen
President of the Senate

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2427 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate concur in the House amendment

We request the adoption of this report and repassage of the bill.

Senate Conferees: Don Betzold, Julianne Ortman, Linda Scheid

House Conferees: Melissa Hortman, Jim Davnie, Jenifer Loon

Senator Betzold moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2427 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 2427 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 2737 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 2737

A bill for an act relating to state government; changing certain pesticide control provisions; authorizing waiver of a fee; providing for control of bovine tuberculosis; eliminating the native grasses and wildflower seed production and incentive program; authorizing ownership of agricultural land by certain nonprofit corporations; requiring tree care and tree trimming company registration; regulating certain sale and distribution of firewood; authorizing individuals and entities to take certain easements in agricultural land; allowing a temporary lien for livestock production inputs for 45 days following a mediation request requiring reports; clarifying the role of the commissioner and Department of Veterans Affairs in providing certain resources for the county veterans service offices; modifying a residency requirement for purposes of eligibility for higher educational benefits for the surviving spouse and children of a deceased veteran who dies as a result of military service; repealing authorization for a license plate; repealing a requirement that the Department of Veterans Affairs report on the status of a construction project priority listing; appropriating money; amending Minnesota Statutes 2008, sections 3.737, subdivision 4; 17.03, by adding a subdivision; 18B.31, subdivision 5; 18B.36, subdivision 1; 18B.37, subdivision 4; 18G.07; 28A.082, subdivision 1; 35.244, subdivisions 1, 2; 197.60, subdivision 1; 197.601; 197.605; 197.606; 197.609, subdivisions 1, 2; 197.75, subdivision 1; 239.092; 239.093; 500.221,

subdivisions 2, 4; 500.24, subdivision 2; 514.965, subdivision 2; 514.966, subdivision 6, by adding a subdivision; Minnesota Statutes 2009 Supplement, sections 3.737, subdivision 1; 18B.316, subdivision 10; Laws 2008, chapter 296, article 1, section 25; proposing coding for new law in Minnesota Statutes, chapters 17; 38; repealing Minnesota Statutes 2008, sections 17.231; 168.1251; 343.26; Laws 2009, chapter 94, article 3, section 23.

May 6, 2010

The Honorable James P. Metzen
President of the Senate

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2737 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 2737 be further amended as follows:

Delete everything after the enacting clause and insert:

**"ARTICLE 1
AGRICULTURE**

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

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

(b) ~~Either the agent or the~~ A university extension agent, a conservation officer, an official from the Animal and Plant Health Inspection Service of the United States Department of Agriculture, a peace officer from the county sheriff's office, or a licensed veterinarian must make a personal inspection of the site and submit a report to the commissioner, including photographs, detailing the results of the investigation. The agent or the conservation officer ~~The investigator~~ must take into account factors in addition to a visual identification of a carcass when making a recommendation to the commissioner. The commissioner, upon recommendation of the agent or conservation officer investigator, shall determine whether the livestock was destroyed by a gray wolf and any deficiencies in the owner's adoption of the best management practices developed in subdivision 5. The commissioner may authorize payment of claims only if the agent or the conservation officer has recommended payment. The owner shall file a claim on forms provided by the commissioner

and available at the university extension agent's office.

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

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

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

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

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

Sec. 3. Minnesota Statutes 2008, section 13.635, is amended by adding a subdivision to read:

Subd. 5. **Secretary of state.** Social Security numbers and tax identification numbers maintained by the secretary of state in filing systems are classified under sections 336.9-531 and 336A.14.

Sec. 4. Minnesota Statutes 2008, section 17.03, is amended by adding a subdivision to read:

Subd. 11a. **Permitting efficiency goal and report.** (a) It is the goal of the Department of Agriculture that environmental and resource management permits be issued or denied within 150 days of the submission of a completed permit application. The commissioner of agriculture shall establish management systems designed to achieve the goal.

(b) The commissioner shall prepare semiannual permitting efficiency reports that include statistics on meeting the goal in paragraph (a). The reports are due February 1 and August 1 of each year. For permit applications that have not met the goal, the report must state the reasons for not meeting the goal, steps that will be taken to complete action on the application, and the expected timeline. In stating the reasons for not meeting the goal, the commissioner shall separately identify delays caused by the responsiveness of the proposer, lack of staff, scientific or technical disagreements, or the level of public engagement. The report must specify the number of days from initial submission of the application to the day of determination that the application is complete. The report for the final quarter of the fiscal year must aggregate the data for the year and assess whether program or system changes are necessary to achieve the goal. The report must be posted on the department Web site and submitted to the governor and the chairs of the house of

representatives and senate committees having jurisdiction over agriculture policy and finance.

(c) The commissioner shall allow electronic submission of environmental review and permit documents to the department.

Sec. 5. [17.459] HORSES.

Subdivision 1. **Classification as livestock.** Horses and other equines raised for the purposes of riding, driving, farm or ranch work, competition, racing, recreation, sale, or as breeding stock are livestock. Horses and their products are livestock and farm products for purposes of financial transactions and collateral.

Subd. 2. **Agricultural pursuit.** Raising horses and other equines is agricultural production and an agricultural pursuit.

Subd. 3. **Nonapplicability for property tax laws.** This section does not apply to the treatment of land used for raising horses under chapter 273.

Sec. 6. Minnesota Statutes 2008, section 18B.31, subdivision 5, is amended to read:

Subd. 5. **Application fee.** (a) An application for a pesticide dealer license must be accompanied by a nonrefundable application fee of \$150.

(b) If an application for renewal of a pesticide dealer license is not filed before ~~January 1 of the year for which the license is to be issued~~ expires, an additional fee of ~~\$20~~ 50 percent of the application fee must be paid by the applicant before the commissioner may issue the license ~~is issued~~.

Sec. 7. Minnesota Statutes 2009 Supplement, section 18B.316, subdivision 10, is amended to read:

Subd. 10. **Application fee.** (a) An application for an agricultural pesticide dealer license, or a renewal of an agricultural pesticide dealer license, must be accompanied by a nonrefundable fee of \$150.

(b) If an application for renewal of an agricultural pesticide dealer license is not filed before ~~January of the year for which the license is to be issued~~ expires, an additional fee of 50 percent of the application fee must be paid by the applicant before the commissioner may issue the license.

Sec. 8. Minnesota Statutes 2008, section 18B.36, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** (a) Except for a licensed commercial or noncommercial applicator, only a certified private applicator may use a restricted use pesticide to produce an agricultural commodity:

- (1) as a traditional exchange of services without financial compensation;
- (2) on a site owned, rented, or managed by the person or the person's employees; or
- (3) when the private applicator is one of two or fewer employees and the owner or operator is a certified private applicator or is licensed as a noncommercial applicator.

(b) A ~~private applicator~~ person may not purchase a restricted use pesticide without presenting a

license card, certified private applicator card, or the card number.

Sec. 9. Minnesota Statutes 2008, section 18B.37, subdivision 4, is amended to read:

Subd. 4. **Storage, handling, incident response, and disposal plan.** A ~~commercial~~ pesticide dealer, agricultural pesticide dealer, or a commercial, noncommercial, or structural pest control applicator or the business that the applicator is employed by must develop and maintain a plan that describes its pesticide storage, handling, incident response, and disposal practices. The plan must be kept at a principal business site or location within this state and must be submitted to the commissioner upon request on forms provided by the commissioner. The plan must be available for inspection by the commissioner.

Sec. 10. Minnesota Statutes 2008, section 18G.07, is amended to read:

18G.07 TREE CARE AND TREE TRIMMING COMPANY ~~REGISTRY~~ REGISTRATION.

Subdivision 1. **Creation of registry.** (a) The commissioner shall maintain a list of all persons and companies that provide tree care or tree trimming services in Minnesota. All tree care providers, tree trimmers, and persons who remove trees, limbs, branches, brush, or shrubs for hire must ~~provide the following information to~~ be registered by the commissioner.

(b) Persons or companies who are required to be registered under paragraph (a), must register annually by providing the following to the commissioner:

- (1) accurate and up-to-date business name, address, and telephone number;
- (2) a complete list of all Minnesota counties in which they work; and
- (3) ~~a complete list of persons in the business who are certified by the International Society of Arborists~~ a nonrefundable fee of \$25 for initial application or renewing the registration.

(c) All persons and companies required to be registered under paragraph (a) must register before conducting the activities specified in paragraph (a). Annual registration expires December 31, must be renewed annually, and the renewal fee remitted by January 7 of the year for which it is issued. In addition, a penalty of ten percent of the renewal fee due must be charged for each month, or portion of a month, that the fee is delinquent up to a maximum of 30 percent for any application for renewal postmarked after December 31.

Subd. 2. **Information dissemination.** The commissioner shall provide registered tree care companies with information and data regarding any existing or potential regulated forest pest infestations within the state.

Subd. 3. **Violation.** It is unlawful for a person to advertise tree care or tree trimming services in Minnesota without being registered with the commissioner.

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

Sec. 11. Minnesota Statutes 2008, section 28A.082, subdivision 1, is amended to read:

Subdivision 1. **Fees; application.** The fees for review of food handler facility floor plans under the Minnesota Food Code are based upon the square footage of the structure being newly

constructed, remodeled, or converted. The fees for the review shall be:

square footage	review fee
0 - 4,999	\$ 200.00
5,000 - 24,999	\$ 275.00
25,000 plus	\$ 425.00

The applicant must submit the required fee, review application, plans, equipment specifications, materials lists, and other required information on forms supplied by the department at least 30 days prior to commencement of construction, remodeling, or conversion. The commissioner may waive this fee after determining that the facility's principal mode of business is not the sale of food and that the facility sells only prepackaged foods.

Sec. 12. Minnesota Statutes 2008, section 35.244, subdivision 1, is amended to read:

Subdivision 1. **Designation of zones.** The board has the authority to may establish zones for the control and eradication of tuberculosis and restrict the movement of cattle, bison, goats, and farmed cervidae within and between tuberculosis zones in the state. Zones within the state may be designated as accreditation preparatory, modified accredited, modified accredited advanced, or accredited free as those terms are defined in Code of Federal Regulations, title 9, part 77. The board may designate bovine tuberculosis control zones that contain not more than 325 herds.

Sec. 13. Minnesota Statutes 2008, section 35.244, subdivision 2, is amended to read:

Subd. 2. **Requirements within a tuberculosis control within modified accredited zone.** In a modified accredited tuberculosis control zone, the board has the authority to may:

- (1) require owners of cattle, bison, goats, or farmed cervidae to report personal contact information and location of livestock to the board;
- (2) require a permit or movement certificates for all cattle, bison, goats, and farmed cervidae moving between premises within the zone or leaving or entering the zone;
- (3) require official identification of all cattle, bison, goats, and farmed cervidae within the zone or leaving or entering the zone;
- (4) require a whole-herd tuberculosis test on each herd of cattle, bison, goats, or farmed cervidae when any of the animals in the herd is kept on a premises within the zone;
- (5) require a negative tuberculosis test within 60 days prior to movement for any individual cattle, bison, goat, or farmed cervidae moved from a premises in the zone to another location in Minnesota, with the exception of cattle moving under permit directly to a slaughter facility under state or federal inspection;
- (6) require a whole-herd tuberculosis test within 12 months prior to moving cattle, bison, goats, or farmed cervidae from premises in the zone to another location in Minnesota;
- (7) require annual herd inventories on all cattle, bison, goat, or farmed cervidae herds; and
- (8) require that a risk assessment be performed to evaluate the interaction of free-ranging deer

and elk with cattle, bison, goat, and farmed cervidae herds and require the owner to implement the recommendations of the risk assessment.

Sec. 14. **[38.345] APPROPRIATIONS BY MUNICIPALITIES.**

The council of any city and the board of supervisors of any town may spend money for county extension work, as provided in sections 38.33 to 38.38.

Sec. 15. Minnesota Statutes 2008, section 239.092, is amended to read:

239.092 SALE FROM BULK.

(a) Bulk sales of commodities, when the buyer and seller are not both present to witness the measurement, must be accompanied by a delivery ticket containing the following information:

- (1) the name and address of the person who weighed or measured the commodity;
- (2) the date delivered;
- (3) the quantity delivered;
- (4) the count of individually wrapped packages delivered, if more than one is included in the quantity delivered;
- (5) the quantity on which the price is based, if different than the quantity delivered; and
- (6) the identity of the commodity in the most descriptive terms commercially practicable, including representations of quality made in connection with the sale.

(b) This section is not intended to conflict with the bulk sale requirements of the Department of Agriculture. If a conflict occurs, the law and rules of the Department of Agriculture govern.

(c) Firewood sold or distributed across state boundaries or more than 100 miles from its origin must include delivery ticket information regarding the harvest locations of the wood by county and state.

(d) Paragraph (c) may be enforced using the authority granted in this chapter or section 18J.05 or 84D.13.

Sec. 16. Minnesota Statutes 2008, section 239.093, is amended to read:

239.093 INFORMATION REQUIRED WITH PACKAGE.

(a) A package offered, exposed, or held for sale must bear a clear and conspicuous declaration of:

- (1) the identity of the commodity in the package, unless the commodity can be easily identified through the wrapper or container;
- (2) the net quantity in terms of weight, measure, or count;
- (3) the name and address of the manufacturer, packer, or distributor, if the packages were not produced on the premises where they are offered, exposed, or held for sale; and
- (4) the unit price, if the packages are part of a lot containing random weight packages of the

same commodity.

(b) This section is not intended to conflict with the packaging requirements of the Department of Agriculture. If a conflict occurs, the laws and rules of the Department of Agriculture govern.

(c) Firewood sold or distributed across state boundaries or more than 100 miles from its origin must include information regarding the harvest locations of the wood by county and state on each label or wrapper.

(d) Paragraph (c) may be enforced using the authority granted in this chapter or section 18J.05 or 84D.13.

Sec. 17. Minnesota Statutes 2009 Supplement, section 239.791, subdivision 1, is amended to read:

Subdivision 1. **Minimum ethanol content required.** (a) Except as provided in subdivisions 10 to 14, a person responsible for the product shall ensure that all gasoline sold or offered for sale in Minnesota must contain at least the quantity of ethanol required by clause (1) or (2), whichever is greater:

(1) 10.0 percent denatured ethanol by volume; or

(2) the maximum percent of denatured ethanol by volume authorized in a waiver granted by the United States Environmental Protection Agency ~~under section 211(f)(4) of the Clean Air Act, United States Code, title 42, section 7545, subsection (f), paragraph (4).~~

(b) For purposes of enforcing the minimum ethanol requirement of paragraph (a), clause (1), a gasoline/ethanol blend will be construed to be in compliance if the ethanol content, exclusive of denaturants and ~~other permitted contaminants~~ components, comprises not less than 9.2 percent by volume and not more than 10.0 percent by volume of the blend as determined by an appropriate United States Environmental Protection Agency or American Society of Testing Materials standard method of analysis of alcohol/ether content in engine fuels.

(c) The provisions of this subdivision are suspended during any period of time that subdivision 1a, paragraph (a), is in effect.

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

Sec. 18. Minnesota Statutes 2009 Supplement, section 239.791, subdivision 1a, is amended to read:

Subd. 1a. **Minimum ethanol content required.** (a) Except as provided in subdivisions 10 to 14, on August 30, 2013, and thereafter, a person responsible for the product shall ensure that all gasoline sold or offered for sale in Minnesota must contain at least the quantity of ethanol required by clause (1) or (2), whichever is greater:

(1) 20 percent denatured ethanol by volume; or

(2) the maximum percent of denatured ethanol by volume authorized in a waiver granted by the United States Environmental Protection Agency ~~under section 211(f)(4) of the Clean Air Act, United States Code, title 42, section 7545, subsection (f), paragraph (4).~~

(b) For purposes of enforcing the minimum ethanol requirement of paragraph (a), clause (1), a gasoline/ethanol blend will be construed to be in compliance if the ethanol content, exclusive of denaturants and other permitted contaminants components, comprises not less than 18.4 percent by volume and not more than 20 percent by volume of the blend as determined by an appropriate United States Environmental Protection Agency or American Society of Testing Materials standard method of analysis of alcohol content in motor fuels.

~~(c) No motor fuel shall be deemed to be a defective product by virtue of the fact that the motor fuel is formulated or blended pursuant to the requirements of paragraph (a) under any theory of liability except for simple or willful negligence or fraud. This paragraph does not preclude an action for negligent, fraudulent, or willful acts. This paragraph does not affect a person whose liability arises under chapter 115, water pollution control; 115A, waste management; 115B, environmental response and liability; 115C, leaking underground storage tanks; or 299J, pipeline safety; under public nuisance law for damage to the environment or the public health; under any other environmental or public health law; or under any environmental or public health ordinance or program of a municipality as defined in section 466.01.~~

~~(d) (c)~~ This subdivision expires on December 31, 2010 2012, if by that date:

(1) the commissioner of agriculture certifies and publishes the certification in the State Register that at least 20 percent of the volume of gasoline sold in the state is denatured ethanol; or

(2) federal approval has not been granted under paragraph (a), clause (1). The United States Environmental Protection Agency's failure to act on an application shall not be deemed approval under paragraph (a), clause (1), or a waiver under section 211(f)(4) of the Clean Air Act, United States Code, title 42, section 7545, subsection (f), paragraph (4).

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

Sec. 19. Minnesota Statutes 2008, section 239.791, is amended by adding a subdivision to read:

Subd. 2a. **Federal Clean Air Act waivers; conditions.** (a) Before a waiver granted by the United States Environmental Protection Agency under section 211(f)(4) of the Clean Air Act, United States Code, title 42, section 7545, subsection (f), paragraph (4), may alter the minimum content level required by subdivision 1, paragraph (a), clause (2), or subdivision 1a, paragraph (a), clause (2), the waiver must:

(1) apply to all gasoline-powered motor vehicles irrespective of model year; and

(2) allow for special regulatory treatment of Reid vapor pressure under Code of Federal Regulations, title 40, section 80.27(d), for blends of gasoline and ethanol up to the maximum percent of denatured ethanol by volume authorized under the waiver.

(b) The minimum ethanol requirement in subdivision 1, paragraph (a), clause (2), or subdivision 1a, paragraph (a), clause (2), shall, upon the grant of the federal waiver, be effective the day after the commissioner of commerce publishes notice in the State Register. In making this determination, the commissioner shall consider the amount of time required by refiners, retailers, pipeline and distribution terminal companies, and other fuel suppliers, acting expeditiously, to make the operational and logistical changes required to supply fuel in compliance with the minimum ethanol requirement.

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

Sec. 20. Minnesota Statutes 2008, section 239.791, is amended by adding a subdivision to read:

Subd. 2b. **Limited liability waiver.** No motor fuel shall be deemed to be a defective product by virtue of the fact that the motor fuel is formulated or blended pursuant to the requirements of subdivision 1, paragraph (a), clause (2), or subdivision 1a, under any theory of liability except for simple or willful negligence or fraud. This subdivision does not preclude an action for negligent, fraudulent, or willful acts. This subdivision does not affect a person whose liability arises under chapter 115, water pollution control; 115A, waste management; 115B, environmental response and liability; 115C, leaking underground storage tanks; or 299J, pipeline safety; under public nuisance law for damage to the environment or the public health; under any other environmental or public health law; or under any environmental or public health ordinance or program of a municipality as defined in section 466.01.

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

Sec. 21. Minnesota Statutes 2008, section 239.791, is amended by adding a subdivision to read:

Subd. 2c. **Fuel dispensing equipment; blends over ten percent ethanol.** Notwithstanding any other law or rule, fuel dispensing equipment authorized to dispense fuel under subdivision 1, paragraph (a), clause (1), is authorized to dispense fuel under subdivision 1, paragraph (a), clause (2), or subdivision 1a.

Sec. 22. Minnesota Statutes 2008, section 336.9-531, is amended to read:

336.9-531 ELECTRONIC ACCESS; LIABILITY; RETENTION.

(a) **Electronic access.** The secretary of state may allow private parties to have electronic access to the central filing system and to other computerized records maintained by the secretary of state on a fee basis, except that: (1) visual access to electronic display terminals at the public counters at the Secretary of State's Office must be without charge and must be available during public counter hours; and (2) access by law enforcement personnel, acting in an official capacity, must be without charge. If the central filing system allows a form of electronic access to information regarding the obligations of debtors, the access must be available 24 hours a day, every day of the year. ~~Notwithstanding section 13.355, private parties who have electronic access to computerized records may view the Social Security number information about a debtor that is of record.~~

~~Notwithstanding section 13.355, a filing office may include Social Security number information in an information request response under section 336.9-523 or a search of other liens in the central filing system. A filing office may also include Social Security number information on a photocopy or electronic copy of a record whether provided in an information request response or in response to a request made under section 13.03. A Social Security number or tax identification number maintained by the secretary of state under this section is private data on individuals or nonpublic data, as defined in section 13.02.~~

(b) **Liability.** The secretary of state, county recorders, and their employees and agents are not liable for any loss or damages arising from errors in or omissions from information entered into the central filing system as a result of the electronic transmission of tax lien notices under sections 268.058, subdivision 1, paragraph (c); 270C.63, subdivision 4; 272.483; and 272.488, subdivisions 1 and 3.

The state, the secretary of state, counties, county recorders, and their employees and agents are immune from liability that occurs as a result of errors in or omissions from information provided from the central filing system.

(c) **Retention.** Once the image of a paper record has been captured by the central filing system, the secretary of state may remove or direct the removal from the files and destroy the paper record.

EFFECTIVE DATE. This section is effective for financing statements filed in the central filing system after November 30, 2010.

Sec. 23. Minnesota Statutes 2008, section 336A.08, subdivision 1, is amended to read:

Subdivision 1. **Compilation.** (a) The secretary of state shall compile the information on effective financing statements in the computerized filing system into a master list:

(1) organized according to farm product;

(2) arranged within each product:

(i) in alphabetical order according to the last name of the individual debtor or, in the case of debtors doing business other than as individuals, the first word in the name of the debtors;

(ii) in numerical order according to the ~~Social Security number of the individual debtor or, in the case of debtors doing business other than as individuals, the Internal Revenue Service taxpayer identification number of the debtors~~ unique identifier assigned by the secretary of state to, and associated with, the Social Security number or tax identification number of the debtor;

(iii) geographically by county; and

(iv) by crop year;

(3) containing the information provided on an effective financing statement; and

(4) designating any applicable terminations of the effective financing statement.

(b) The secretary of state shall compile information from lien notices recorded in the computerized filing system into a statutory lien master list in alphabetical order according to the last name of the individual debtor or, in the case of debtors doing business other than as individuals, the first word in the name of the debtors. The secretary of state may also organize the statutory lien master list according to one or more of the categories of information established in paragraph (a). Any terminations of lien notices must be noted.

EFFECTIVE DATE. This section is effective for lists compiled pursuant to this section after October 31, 2010.

Sec. 24. Minnesota Statutes 2008, section 336A.08, subdivision 4, is amended to read:

Subd. 4. **Distribution of master and partial lists.** (a) The secretary of state shall maintain the information on the effective financing statement master list:

(1) by farm product arranged alphabetically by debtor; and

(2) by farm product arranged numerically by the ~~debtor's Social Security number for an individual debtor or, in the case of debtors doing business other than as individuals, the Internal~~

Revenue Service taxpayer identification number of the debtors unique identifier assigned by the secretary of state to, and associated with, the Social Security number or tax identification number of the debtor.

(b) The secretary of state shall maintain the information in the farm products statutory lien master list by county arranged alphabetically by debtor.

(c) The secretary of state shall distribute or make available the requested master and partial master lists on a monthly basis to farm product dealers registered under section 336A.11. Lists will be distributed or made available on or before the tenth day of each month or on the next business day thereafter if the tenth day is not a business day.

(d) The secretary of state shall make the master and partial master lists available as written or printed paper documents and may make lists available in other forms or media, including:

- (1) any electronically transmitted medium; or
- (2) any form of digital media.

(e) There shall be no fee for partial or master lists distributed via an electronically transmitted medium. The annual fee for any other form of digital media is \$200. The annual fee for paper partial lists is \$250 and \$400 for paper master lists.

(f) A farm products dealer shall register pursuant to section 336A.11 by the last business day of the month to receive the monthly lists requested by the farm products dealer for that month.

(g) If a registered farm products dealer receives a monthly list that cannot be read or is incomplete, the farm products dealer must immediately inform the secretary of state by telephone or e-mail of the problem. The registered farm products dealer shall confirm the existence of the problem by writing to the secretary of state. The secretary of state shall provide the registered farm products dealer with new monthly lists in the medium chosen by the registered farm products dealer no later than five business days after receipt of the oral notice from the registered farm products dealer. A registered farm products dealer is not considered to have received notice of the information on the monthly lists until the duplicate list is received from the secretary of state or until five days have passed since the duplicate lists were deposited in the mail by the secretary of state, whichever comes first.

(h) On receipt of a written notice pursuant to section 336A.13, the secretary of state shall duplicate the monthly lists requested by the registered farm products dealer. The duplicate monthly lists must be sent to the registered farm products dealer no later than five business days after receipt of the written notice from the registered farm products dealer.

(i) A registered farm products dealer may request monthly lists in one medium per registration.

(j) Registered farm products dealers must have renewed their registration before the first day of July each year. Failure to send in the registration before that date will result in the farm products dealer not receiving the requested monthly lists.

(k) Registered farm products dealers choosing to obtain monthly lists via an electronically transmitted medium or in any form of digital media may choose to receive all of the information for the monthly lists requested the first month and then only additions and deletions to the database

for the remaining 11 months of the year. Following the first year of registration, the registered farm products dealer may choose to continue to receive one copy of the full monthly list at the beginning of each year or may choose to receive only additions and deletions.

EFFECTIVE DATE. This section is effective for lists distributed pursuant to this section after October 31, 2010.

Sec. 25. Minnesota Statutes 2008, section 336A.14, is amended to read:

336A.14 RESTRICTED USE OF INFORMATION.

A Social Security number or tax identification number maintained by the secretary of state under this section is private data on individuals or nonpublic data, as defined in section 13.02. Information obtained from the seller of a farm product relative to the Social Security number or tax identification number of the true owner of the farm product and all information obtained from the master or limited list may not be used for purposes that are not related to: (1) purchase of a farm product; (2) taking a security interest against a farm product; or (3) perfecting a farm product statutory lien.

EFFECTIVE DATE. This section is effective October 31, 2010.

Sec. 26. Minnesota Statutes 2008, section 500.221, subdivision 2, is amended to read:

Subd. 2. **Aliens and non-American corporations.** Except as hereinafter provided, no natural person shall acquire directly or indirectly any interest in agricultural land unless the person is a citizen of the United States or a permanent resident alien of the United States. In addition to the restrictions in section 500.24, no corporation, partnership, limited partnership, trustee, or other business entity shall directly or indirectly, acquire or otherwise obtain any interest, whether legal, beneficial or otherwise, in any title to agricultural land unless at least 80 percent of each class of stock issued and outstanding or 80 percent of the ultimate beneficial interest of the entity is held directly or indirectly by citizens of the United States or permanent resident aliens. This section shall not apply:

(1) to agricultural land that may be acquired by devise, inheritance, as security for indebtedness, by process of law in the collection of debts, or by any procedure for the enforcement of a lien or claim thereon, whether created by mortgage or otherwise. All agricultural land acquired in the collection of debts or by the enforcement of a lien or claim shall be disposed of within three years after acquiring ownership;

(2) to citizens or subjects of a foreign country whose rights to hold land are secured by treaty;

(3) to lands used for transportation purposes by a common carrier, as defined in section 218.011, subdivision 10;

(4) to lands or interests in lands acquired for use in connection with (i) the production of timber and forestry products by a corporation organized under the laws of Minnesota, or (ii) mining and mineral processing operations. Pending the development of agricultural land for the production of timber and forestry products or mining purposes the land may not be used for farming except under lease to a family farm, a family farm corporation or an authorized farm corporation;

(5) to agricultural land operated for research or experimental purposes if the ownership of the agricultural land is incidental to the research or experimental objectives of the person or business

entity and the total acreage owned by the person or business entity does not exceed the acreage owned on May 27, 1977;

(6) to the purchase of any tract of 40 acres or less for facilities incidental to pipeline operation by a company operating a pipeline as defined in section 216G.01, subdivision 3;

(7) to agricultural land and land capable of being used as farmland in vegetable processing operations that is reasonably necessary to meet the requirements of pollution control law or rules; or

(8) to an interest in agricultural land held on the August 1, 2003, by a natural person with a nonimmigrant treaty investment visa, pursuant to United States Code, title 8, section 1101(a)15(E)(ii), if, within five years after August 1, 2003, the person:

(i) disposes of all agricultural land held; or

(ii) becomes a permanent resident alien of the United States or a United States citizen; or

(9) to an easement taken by an individual or entity for the installation and repair of transmission lines and for wind rights.

Sec. 27. Minnesota Statutes 2008, section 500.221, subdivision 4, is amended to read:

Subd. 4. **Reports.** (a) Any natural person, corporation, partnership, limited partnership, trustee, or other business entity prohibited from future acquisition of agricultural land may retain title to any agricultural land lawfully acquired within this state prior to June 1, 1981, but shall file a report with the commissioner of agriculture annually before January 31 containing a description of all agricultural land held within this state, the purchase price and market value of the land, the use to which it is put, the date of acquisition and any other reasonable information required by the commissioner.

(b) An individual or entity that qualifies for an exemption under subdivision 2, clause (2) or (9), and owns an interest in agricultural land shall file a report with the commissioner of agriculture by December 31 of each year in which the individual or entity acquires an interest in agricultural land. The report must contain a description of all interests in agricultural land held by the individual or entity within this state.

(c) The commissioner shall make the information available to the public.

(d) All required annual reports shall include a filing fee of \$50 plus \$10 for each additional quarter section of land.

Sec. 28. Minnesota Statutes 2008, section 500.24, subdivision 2, is amended to read:

Subd. 2. **Definitions.** The definitions in this subdivision apply to this section.

(a) "Farming" means the production of (1) agricultural products; (2) livestock or livestock products; (3) milk or milk products; or (4) fruit or other horticultural products. It does not include the processing, refining, or packaging of said products, nor the provision of spraying or harvesting services by a processor or distributor of farm products. It does not include the production of timber or forest products, the production of poultry or poultry products, or the feeding and caring for livestock that are delivered to a corporation for slaughter or processing for up to 20 days before slaughter or processing.

(b) "Family farm" means an unincorporated farming unit owned by one or more persons residing on the farm or actively engaging in farming.

(c) "Family farm corporation" means a corporation founded for the purpose of farming and the ownership of agricultural land in which the majority of the stock is held by and the majority of the stockholders are persons, the spouses of persons, or current beneficiaries of one or more family farm trusts in which the trustee holds stock in a family farm corporation, related to each other within the third degree of kindred according to the rules of the civil law, and at least one of the related persons is residing on or actively operating the farm, and none of whose stockholders are corporations; provided that a family farm corporation shall not cease to qualify as such hereunder by reason of any:

(1) transfer of shares of stock to a person or the spouse of a person related within the third degree of kindred according to the rules of civil law to the person making the transfer, or to a family farm trust of which the shareholder, spouse, or related person is a current beneficiary; or

(2) distribution from a family farm trust of shares of stock to a beneficiary related within the third degree of kindred according to the rules of civil law to a majority of the current beneficiaries of the trust, or to a family farm trust of which the shareholder, spouse, or related person is a current beneficiary.

For the purposes of this section, a transfer may be made with or without consideration, either directly or indirectly, during life or at death, whether or not in trust, of the shares in the family farm corporation, and stock owned by a family farm trust are considered to be owned in equal shares by the current beneficiaries.

(d) "Family farm trust" means:

(1) a trust in which:

(i) a majority of the current beneficiaries are persons or spouses of persons who are related to each other within the third degree of kindred according to the rules of civil law;

(ii) all of the current beneficiaries are natural persons or nonprofit corporations or trusts described in the Internal Revenue Code, section 170(c), as amended, and the regulations under that section; and

(iii) one of the family member current beneficiaries is residing on or actively operating the farm; or the trust leases the agricultural land to a family farm unit, a family farm corporation, an authorized farm corporation, an authorized livestock farm corporation, a family farm limited liability company, a family farm trust, an authorized farm limited liability company, a family farm partnership, or an authorized farm partnership; or

(2) a charitable remainder trust as defined in the Internal Revenue Code, section 664, as amended, and the regulations under that section, and a charitable lead trust as set forth in the Internal Revenue Code, section 170(f), and the regulations under that section.

(e) "Authorized farm corporation" means a corporation meeting the following standards:

(1) it has no more than five shareholders, provided that for the purposes of this section, a husband and wife are considered one shareholder;

- (2) all its shareholders, other than any estate, are natural persons or a family farm trust;
 - (3) it does not have more than one class of shares;
 - (4) its revenue from rent, royalties, dividends, interest, and annuities does not exceed 20 percent of its gross receipts;
 - (5) shareholders holding 51 percent or more of the interest in the corporation reside on the farm or are actively engaging in farming;
 - (6) it does not, directly or indirectly, own or otherwise have an interest in any title to more than 1,500 acres of agricultural land; and
 - (7) none of its shareholders are shareholders in other authorized farm corporations that directly or indirectly in combination with the corporation own more than 1,500 acres of agricultural land.
- (f) "Authorized livestock farm corporation" means a corporation formed for the production of livestock and meeting the following standards:
- (1) it is engaged in the production of livestock other than dairy cattle;
 - (2) all its shareholders, other than any estate, are natural persons, family farm trusts, or family farm corporations;
 - (3) it does not have more than one class of shares;
 - (4) its revenue from rent, royalties, dividends, interest, and annuities does not exceed 20 percent of its gross receipts;
 - (5) shareholders holding 75 percent or more of the control, financial, and capital investment in the corporation are farmers, and at least 51 percent of the required percentage of farmers are actively engaged in livestock production;
 - (6) it does not, directly or indirectly, own or otherwise have an interest in any title to more than 1,500 acres of agricultural land; and
 - (7) none of its shareholders are shareholders in other authorized farm corporations that directly or indirectly in combination with the corporation own more than 1,500 acres of agricultural land.
- (g) "Agricultural land" means real estate used for farming or capable of being used for farming in this state.
- (h) "Pension or investment fund" means a pension or employee welfare benefit fund, however organized, a mutual fund, a life insurance company separate account, a common trust of a bank or other trustee established for the investment and reinvestment of money contributed to it, a real estate investment trust, or an investment company as defined in United States Code, title 15, section 80a-3.
- (i) "Farm homestead" means a house including adjoining buildings that has been used as part of a farming operation or is part of the agricultural land used for a farming operation.
- (j) "Family farm partnership" means a limited partnership formed for the purpose of farming and the ownership of agricultural land in which the majority of the interests in the partnership is held by and the majority of the partners are natural persons or current beneficiaries of one or more

family farm trusts in which the trustee holds an interest in a family farm partnership related to each other within the third degree of kindred according to the rules of the civil law, and at least one of the related persons is residing on the farm, actively operating the farm, or the agricultural land was owned by one or more of the related persons for a period of five years before its transfer to the limited partnership, and none of the partners is a corporation. A family farm partnership does not cease to qualify as a family farm partnership because of a:

(1) transfer of a partnership interest to a person or spouse of a person related within the third degree of kindred according to the rules of civil law to the person making the transfer or to a family farm trust of which the partner, spouse, or related person is a current beneficiary; or

(2) distribution from a family farm trust of a partnership interest to a beneficiary related within the third degree of kindred according to the rules of civil law to a majority of the current beneficiaries of the trust, or to a family farm trust of which the partner, spouse, or related person is a current beneficiary.

For the purposes of this section, a transfer may be made with or without consideration, either directly or indirectly, during life or at death, whether or not in trust, of a partnership interest in the family farm partnership, and interest owned by a family farm trust is considered to be owned in equal shares by the current beneficiaries.

(k) "Authorized farm partnership" means a limited partnership meeting the following standards:

(1) it has been issued a certificate from the secretary of state or is registered with the county recorder and farming and ownership of agricultural land is stated as a purpose or character of the business;

(2) it has no more than five partners;

(3) all its partners, other than any estate, are natural persons or family farm trusts;

(4) its revenue from rent, royalties, dividends, interest, and annuities does not exceed 20 percent of its gross receipts;

(5) its general partners hold at least 51 percent of the interest in the land assets of the partnership and reside on the farm or are actively engaging in farming not more than 1,500 acres as a general partner in an authorized limited partnership;

(6) its limited partners do not participate in the business of the limited partnership including operating, managing, or directing management of farming operations;

(7) it does not, directly or indirectly, own or otherwise have an interest in any title to more than 1,500 acres of agricultural land; and

(8) none of its limited partners are limited partners in other authorized farm partnerships that directly or indirectly in combination with the partnership own more than 1,500 acres of agricultural land.

(l) "Family farm limited liability company" means a limited liability company founded for the purpose of farming and the ownership of agricultural land in which the majority of the membership interests is held by and the majority of the members are natural persons, or current beneficiaries of one or more family farm trusts in which the trustee holds an interest in a family farm limited

liability company related to each other within the third degree of kindred according to the rules of the civil law, and at least one of the related persons is residing on the farm, actively operating the farm, or the agricultural land was owned by one or more of the related persons for a period of five years before its transfer to the limited liability company, and none of the members is a corporation or a limited liability company. A family farm limited liability company does not cease to qualify as a family farm limited liability company because of:

(1) a transfer of a membership interest to a person or spouse of a person related within the third degree of kindred according to the rules of civil law to the person making the transfer or to a family farm trust of which the member, spouse, or related person is a current beneficiary; or

(2) distribution from a family farm trust of a membership interest to a beneficiary related within the third degree of kindred according to the rules of civil law to a majority of the current beneficiaries of the trust, or to a family farm trust of which the member, spouse, or related person is a current beneficiary.

For the purposes of this section, a transfer may be made with or without consideration, either directly or indirectly, during life or at death, whether or not in trust, of a membership interest in the family farm limited liability company, and interest owned by a family farm trust is considered to be owned in equal shares by the current beneficiaries. Except for a state or federally chartered financial institution acquiring an encumbrance for the purpose of security or an interest under paragraph (x), a member of a family farm limited liability company may not transfer a membership interest, including a financial interest, to a person who is not otherwise eligible to be a member under this paragraph.

(m) "Authorized farm limited liability company" means a limited liability company meeting the following standards:

(1) it has no more than five members;

(2) all its members, other than any estate, are natural persons or family farm trusts;

(3) it does not have more than one class of membership interests;

(4) its revenue from rent, royalties, dividends, interest, and annuities does not exceed 20 percent of its gross receipts;

(5) members holding 51 percent or more of both the governance rights and financial rights in the limited liability company reside on the farm or are actively engaged in farming;

(6) it does not, directly or indirectly, own or otherwise have an interest in any title to more than 1,500 acres of agricultural land; and

(7) none of its members are members in other authorized farm limited liability companies that directly or indirectly in combination with the authorized farm limited liability company own more than 1,500 acres of agricultural land.

Except for a state or federally chartered financial institution acquiring an encumbrance for the purpose of security or an interest under paragraph (x), a member of an authorized farm limited liability company may not transfer a membership interest, including a financial interest, to a person who is not otherwise eligible to be a member under this paragraph.

(n) "Farmer" means a natural person who regularly participates in physical labor or operations management in the person's farming operation and files "Schedule F" as part of the person's annual Form 1040 filing with the United States Internal Revenue Service.

(o) "Actively engaged in livestock production" means performing day-to-day physical labor or day-to-day operations management that significantly contributes to livestock production and the functioning of a livestock operation.

(p) "Research or experimental farm" means a corporation, limited partnership, pension, investment fund, or limited liability company that owns or operates agricultural land for research or experimental purposes, provided that any commercial sales from the operation are incidental to the research or experimental objectives of the corporation. A corporation, limited partnership, limited liability company, or pension or investment fund seeking initial approval by the commissioner to operate agricultural land for research or experimental purposes must first submit to the commissioner a prospectus or proposal of the intended method of operation containing information required by the commissioner including a copy of any operational contract with individual participants.

(q) "Breeding stock farm" means a corporation, limited partnership, or limited liability company, that owns or operates agricultural land for the purpose of raising breeding stock, including embryos, for resale to farmers or for the purpose of growing seed, wild rice, nursery plants, or sod. An entity that is organized to raise livestock other than dairy cattle under this paragraph that does not qualify as an authorized farm corporation must:

(1) sell all castrated animals to be fed out or finished to farming operations that are neither directly nor indirectly owned by the business entity operating the breeding stock operation; and

(2) report its total production and sales annually to the commissioner.

(r) "Aquatic farm" means a corporation, limited partnership, or limited liability company, that owns or leases agricultural land as a necessary part of an aquatic farm as defined in section 17.47, subdivision 3.

(s) "Religious farm" means a corporation formed primarily for religious purposes whose sole income is derived from agriculture.

(t) "Utility corporation" means a corporation regulated under Minnesota Statutes 1974, chapter 216B, that owns agricultural land for purposes described in that chapter, or an electric generation or transmission cooperative that owns agricultural land for use in its business if the land is not used for farming except under lease to a family farm unit, a family farm corporation, a family farm trust, a family farm partnership, or a family farm limited liability company.

(u) "Development organization" means a corporation, limited partnership, limited liability company, or pension or investment fund that has an interest in agricultural land for which the corporation, limited partnership, limited liability company, or pension or investment fund has documented plans to use and subsequently uses the land within six years from the date of purchase for a specific nonfarming purpose, or if the land is zoned nonagricultural, or if the land is located within an incorporated area. A corporation, limited partnership, limited liability company, or pension or investment fund may hold agricultural land in the amount necessary for its nonfarm business operation; provided, however, that pending the development of agricultural land for

nonfarm purposes, the land may not be used for farming except under lease to a family farm unit, a family farm corporation, a family farm trust, an authorized farm corporation, an authorized livestock farm corporation, a family farm partnership, an authorized farm partnership, a family farm limited liability company, or an authorized farm limited liability company, or except when controlled through ownership, options, leaseholds, or other agreements by a corporation that has entered into an agreement with the United States under the New Community Act of 1968 (Title IV of the Housing and Urban Development Act of 1968, United States Code, title 42, sections 3901 to 3914) as amended, or a subsidiary or assign of such a corporation.

(v) "Exempt land" means agricultural land owned or leased by a corporation as of May 20, 1973, agricultural land owned or leased by a pension or investment fund as of May 12, 1981, agricultural land owned or leased by a limited partnership as of May 1, 1988, or agricultural land owned or leased by a trust as of the effective date of Laws 2000, chapter 477, including the normal expansion of that ownership at a rate not to exceed 20 percent of the amount of land owned as of May 20, 1973, for a corporation; May 12, 1981, for a pension or investment fund; May 1, 1988, for a limited partnership, or the effective date of Laws 2000, chapter 477, for a trust, measured in acres, in any five-year period, and including additional ownership reasonably necessary to meet the requirements of pollution control rules. A corporation, limited partnership, or pension or investment fund that is eligible to own or lease agricultural land under this section prior to May 1997, or a corporation that is eligible to own or lease agricultural land as a benevolent trust under this section prior to the effective date of Laws 2000, chapter 477, may continue to own or lease agricultural land subject to the same conditions and limitations as previously allowed.

(w) "Gifted land" means agricultural land acquired as a gift, either by grant or devise, by an educational, religious, or charitable nonprofit corporation, limited partnership, limited liability company, or pension or investment fund if all land so acquired is disposed of within ten years after acquiring the title.

(x) "Repossessed land" means agricultural land acquired by a corporation, limited partnership, limited liability company, or pension or investment fund by process of law in the collection of debts, or by any procedure for the enforcement of a lien or claim on the land, whether created by mortgage or otherwise if all land so acquired is disposed of within five years after acquiring the title. The five-year limitation is a covenant running with the title to the land against any grantee, assignee, or successor of the pension or investment fund, corporation, limited partnership, or limited liability company. The land so acquired must not be used for farming during the five-year period, except under a lease to a family farm unit, a family farm corporation, a family farm trust, an authorized farm corporation, an authorized livestock farm corporation, a family farm partnership, an authorized farm partnership, a family farm limited liability company, or an authorized farm limited liability company. Notwithstanding the five-year divestiture requirement under this paragraph, a financial institution may continue to own the agricultural land if the agricultural land is leased to the immediately preceding former owner, but must dispose of the agricultural land within ten years of acquiring the title. Livestock acquired by a pension or investment fund, corporation, limited partnership, or limited liability company in the collection of debts, or by a procedure for the enforcement of lien or claim on the livestock whether created by security agreement or otherwise after August 1, 1994, must be sold or disposed of within one full production cycle for the type of livestock acquired or 18 months after the livestock is acquired, whichever is earlier.

(y) "Commissioner" means the commissioner of agriculture.

(z) "Nonprofit corporation" means a nonprofit corporation organized under state nonprofit corporation or trust law or qualified for tax-exempt status under federal tax law that: (1) uses the land for a specific nonfarming purpose or; (2) leases the agricultural land to a family farm unit, a family farm corporation, an authorized farm corporation, an authorized livestock farm corporation, a family farm limited liability company, a family farm trust, an authorized farm limited liability company, a family farm partnership, or an authorized farm partnership; or (3) actively farms less than 160 acres that were acquired by the nonprofit corporation prior to August 1, 2010, or actively farms less than 40 acres that were acquired by the nonprofit corporation after August 1, 2010, and the nonprofit corporation uses all profits from the agricultural land for educational purposes.

(aa) "Current beneficiary" means a person who at any time during a year is entitled to, or at the discretion of any person may, receive a distribution from the income or principal of the trust. It does not include a distributee trust, other than a trust described in section 170(c) of the Internal Revenue Code, as amended, but does include the current beneficiaries of the distributee trust. It does not include a person in whose favor a power of appointment could be exercised until the holder of the power of appointment actually exercises the power of appointment in that person's favor. It does not include a person who is entitled to receive a distribution only after a specified time or upon the occurrence of a specified event until the time or occurrence of the event. For the purposes of this section, a distributee trust is a current beneficiary of a family farm trust.

(bb) "De minimis" means that any corporation, pension or investment fund, limited liability company, or limited partnership that directly or indirectly owns, acquires, or otherwise obtains any interest in 40 acres or less of agricultural land and annually receives less than \$150 per acre in gross revenue from rental or agricultural production.

Sec. 29. Minnesota Statutes 2008, section 514.965, subdivision 2, is amended to read:

Subd. 2. **Agricultural lien.** "Agricultural lien" means an agricultural lien as defined in section 336.9-102(a)(5) and includes a veterinarian's lien, breeder's lien, livestock production input lien, temporary livestock production input lien, and feeder's lien under this section and section 514.966.

Sec. 30. Minnesota Statutes 2008, section 514.966, is amended by adding a subdivision to read:

Subd. 3a. **Temporary livestock production input lien; debtor in mediation.** (a) A supplier furnishing livestock production inputs in the ordinary course of business to a debtor who has filed a mediation request under chapter 583 has a temporary livestock production input lien for the unpaid retail cost of the livestock production input. A perfected temporary livestock production input lien that attaches to livestock may not exceed the amount, if any, that the sales price of the livestock for which the inputs were received exceeds the greater of the fair market value of the livestock at the time the lien attaches or the acquisition price of the livestock. A temporary livestock production input lien becomes effective when the agricultural production inputs are furnished by the supplier to the purchaser.

(b) A temporary livestock production input lien under this subdivision applies to livestock production inputs provided to the debtor during the 45 days following a mediation request under chapter 583.

(c) A person who supplies livestock production inputs under this subdivision shall provide a lien-notification statement as required under subdivision 3, paragraphs (b) and (c), but is not subject to subdivision 3, paragraphs (d) to (f). A perfected temporary livestock production input

lien corresponding to the lien-notification statement has priority over any security interest of the lender in the same livestock or their proceeds for the lesser of:

- (1) the amount stated in the lien-notification statement; or
- (2) the unpaid retail cost of the livestock production input identified in the lien-notification statement, subject to any limitation in paragraph (a).

Sec. 31. Minnesota Statutes 2008, section 514.966, subdivision 5, is amended to read:

Subd. 5. **Scope.** A veterinarian's lien, breeder's lien, livestock production input lien, temporary livestock production lien, or feeder's lien attaches to the livestock serviced by the agricultural lienholder, and products and proceeds thereof to the extent of the price or value of the service provided.

Sec. 32. Minnesota Statutes 2008, section 514.966, subdivision 6, is amended to read:

Subd. 6. **Perfection.** (a) An agricultural lien under this section is perfected if a financing statement is filed pursuant to sections 336.9-501 to 336.9-530 and within the time periods set forth in paragraphs (b) to ~~(e)~~ (f).

(b) A veterinarian's lien must be perfected on or before 180 days after the last item of the veterinary service is performed.

(c) A breeder's lien must be perfected by six months after the last date that breeding services are provided the obligor.

(d) Except as provided in paragraph (f), a livestock production input lien must be perfected by six months after the last date that livestock production inputs are furnished the obligor.

(e) A feeder's lien must be perfected on or before 60 days after the last date that feeding services are furnished the obligor.

(f) A temporary livestock production input lien, under subdivision 3a, must be perfected on or before 60 days after the last date that livestock production inputs are furnished the obligor.

Sec. 33. Laws 2008, chapter 296, article 1, section 25, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective June 1, ~~2010~~ 2012.

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

Sec. 34. **FERTILIZER RESEARCH GRANTS; EXTENSION OF APPROPRIATION AVAILABILITY.**

Notwithstanding Minnesota Statutes, section 16A.28:

(1) the appropriation encumbered on or before June 30, 2009, for fertilizer research grants in Laws 2007, chapter 45, article 1, section 3, subdivision 5, is available until June 30, 2011;

(2) the fiscal year 2010 appropriation encumbered on or before June 30, 2011, for fertilizer research grants in Laws 2009, chapter 94, article 1, section 3, subdivision 5, is available until June 30, 2013; and

(3) the fiscal year 2011 appropriation encumbered on or before June 30, 2012, for fertilizer research grants in Laws 2009, chapter 94, article 1, section 3, subdivision 5, is available until June 30, 2014.

Sec. 35. DAIRY RESEARCH AND EDUCATION FACILITY; COLLABORATION.

The commissioner of agriculture shall convene one or more meetings with milk producers, other industry stakeholders, and representatives of the University of Minnesota and Minnesota State Colleges and Universities System whose work relates to the dairy industry to consider the elements of a dairy research and education facility which would represent a partnership between higher education institutions and the dairy industry. No later than February 1, 2011, the commissioner shall provide a report on facility and financing options to the legislative committees with jurisdiction over agriculture finance.

Sec. 36. APPROPRIATION; TERMINAL CAPACITY REPORT.

\$40,000 is appropriated in fiscal year 2011 from the liquefied petroleum gas account in the special revenue fund under Minnesota Statutes, section 239.785, subdivision 6 to the commissioner of agriculture for a terminal capacity report. This is a onetime appropriation. The commissioner of agriculture, with assistance from the Office of Energy Security, shall determine the total propane and anhydrous ammonia terminal capacity located in the state and within 100 miles of the state's borders. The commissioner shall also use projected grain yields and other relevant factors to estimate total agricultural demand for propane and anhydrous ammonia in this state in the year 2020 and shall develop a detailed plan for fully and economically satisfying this anticipated demand. No later than February 1, 2011, the commissioner shall present the report to the legislative committees with jurisdiction over agriculture finance.

Sec. 37. INDUSTRIAL HEMP REPORT.

The commissioner of agriculture shall identify and analyze industrial hemp laws and procedures in Canada or one or more of the other 30 nations where industrial hemp is grown as an agricultural crop. In particular, the commissioner shall report on how law enforcement and other authorities differentiate between industrial hemp and marijuana growing in the field. No later than February 15, 2011, the commissioner shall present a report on this topic to the legislative committees with jurisdiction over agriculture policy and finance and provide a copy to the Minnesota Police and Peace Officers Association, the Minnesota Chiefs of Police Association, the Minnesota Sheriffs' Association, and the Minnesota County Attorneys Association.

Sec. 38. BIOENERGY DEVELOPMENT; REPORT.

The commissioner of agriculture shall actively pursue federal and other resources available to promote and achieve greater production and use of biofuels in this state, including but not limited to increasing the availability of retail fuel dispensers for E85 and intermediate ethanol-gasoline blends. No later than February 15, 2011, the commissioner shall report on activities and accomplishments under this section to the legislative committees with jurisdiction over agriculture finance.

Sec. 39. FOREST PEST WORKGROUP; REPORT.

(a) The commissioners of agriculture and natural resources shall form a workgroup and develop recommendations on how the state should address mitigation of invasive or exotic forest pests, primarily gypsy moth and emerald ash borer. The commissioners shall consult with representatives

of the Forest and Animal and Plant Health Inspection Services of the United States Department of Agriculture, local units of government, the nursery industry, and the timber industry. The commissioners shall report to the legislature under Minnesota Statutes, section 3.195, no later than September 1, 2010.

(b) The recommendations must outline current funding sources for forest pest survey, treatment, quarantine, and outreach activities and must explore and evaluate alternative or additional funding options. The workgroup shall also report on:

(1) the public and private sector benefits of forest pest survey, detection, eradication and outreach efforts;

(2) potential ramifications if the state discontinues efforts to control forest pests, including but not limited to the economic and commercial impact of a statewide quarantine and the environmental consequences of forests pests left unabated;

(3) clarifying statutory and regulatory roles and responsibilities of state agencies and local units of government as well as identifying and evaluating options for consolidating these roles and responsibilities; and

(4) the roles that federal agencies play in managing and regulating invasive forest pests.

Sec. 40. **REPEALER.**

Minnesota Statutes 2008, sections 17.231; and 343.26, and Laws 2009, chapter 94, article 1, section 106, are repealed.

ARTICLE 2

VETERANS

Section 1. Minnesota Statutes 2008, section 1.141, is amended by adding a subdivision to read:

Subd. 6. **Folding of the state flag for presentation or display.** The following procedures constitute the proper way to fold the Minnesota State Flag for presentation or display. Fold the flag four times lengthwise so that one section displays the three stars of the state crest and the text "L'Etoile du Nord." Fold each side behind the displayed section at a 90-degree angle so that the display section forms a triangle. Take the section ending with the hoist and fold it at a 90-degree angle across the bottom of the display section and then fold the hoist back over so it is aligned with the middle of the display section. Fold the other protruding section directly upwards so that its edge is flush with the display section and then fold it upwards along a 45-degree angle so that a mirror of the display section triangle is formed. Fold the mirror section in half from the point upwards, then fold the remaining portion upwards, tucking it between the display section and the remainder of the flag.

Sec. 2. Minnesota Statutes 2008, section 1.141, is amended by adding a subdivision to read:

Subd. 7. **Folding of the state flag for storage.** When folding the Minnesota State Flag for storage, the proper procedure is to fold and store the flag in the same manner as the national colors.

Sec. 3. Minnesota Statutes 2009 Supplement, section 16C.16, subdivision 6a, is amended to read:

Subd. 6a. **Veteran-owned small businesses.** (a) The commissioner shall award up to a six percent preference, but no less than the percentage awarded to any other group under this section, in the amount bid on state procurement to certified small businesses that are majority-owned and operated ~~either by:~~

(1) ~~by recently separated veterans, who are veterans as defined in section 197.447,~~ who have served in active military service, at any time on or after September 11, 2001, and who have been discharged under honorable conditions from active service, as indicated by the person's United States Department of Defense form DD-214 or by the commissioner of veterans affairs; ~~or~~

(2) ~~by veterans who are veterans as defined in section 197.447,~~ with service-connected disabilities, as determined at any time by the United States Department of Veterans Affairs; or

(3) any other veteran-owned small businesses certified under section 16C.19, paragraph (d).

(b) The purpose of this designation is to facilitate the transition of veterans from military to civilian life, and to help compensate veterans for their sacrifices, including but not limited to their sacrifice of health and time, to the state and nation during their military service, as well as to enhance economic development within Minnesota.

~~(c) For purposes of this section and section 16C.19, "service-connected disability" has the meaning given in United States Code, title 38, section 101(16), as determined by the United States Department of Veterans Affairs.~~

EFFECTIVE DATE. This section is effective July 1, 2010, and applies to businesses that apply for state contracts being awarded on or after that date.

Sec. 4. Minnesota Statutes 2009 Supplement, section 16C.19, is amended to read:

16C.19 ELIGIBILITY; RULES.

(a) A small business wishing to participate in the programs under section 16C.16, subdivisions 4 to 7, must be certified by the commissioner. The commissioner shall adopt by rule standards and procedures for certifying that small businesses, small targeted group businesses, and small businesses located in economically disadvantaged areas are eligible to participate under the requirements of sections 16C.16 to 16C.21. The commissioner shall adopt by rule standards and procedures for hearing appeals and grievances and other rules necessary to carry out the duties set forth in sections 16C.16 to 16C.21.

(b) The commissioner may make rules which exclude or limit the participation of nonmanufacturing business, including third-party lessors, brokers, franchises, jobbers, manufacturers' representatives, and others from eligibility under sections 16C.16 to 16C.21.

(c) The commissioner may make rules that set time limits and other eligibility limits on business participation in programs under sections 16C.16 to 16C.21.

(d) Notwithstanding paragraph (c), for purposes of sections 16C.16 to 16C.21, a veteran-owned small business ~~or service-disabled veteran-owned small business,~~ the principal place of business of which is in Minnesota, is certified if:

~~(1)~~ it has been verified by the United States Department of Veterans Affairs as being either a veteran-owned small business or a service-disabled veteran-owned small business, in accordance

with Public Law 109-461 and Code of Federal Regulations, title 38, part 74, and a majority of the owners of the business are recently separated veterans as provided in section 16C.16, subdivision 6a; or

~~(2) it has been verified by the United States Department of Veterans Affairs as being a service-disabled veteran-owned small business in accordance with Public Law 109-461 and Code of Federal Regulations, title 38, part 74.~~

EFFECTIVE DATE. This section is effective July 1, 2010, and applies to businesses that apply for state contracts being awarded on or after that date.

Sec. 5. Minnesota Statutes 2008, section 123B.35, is amended to read:

123B.35 GENERAL POLICY.

It is the policy of the state of Minnesota that public school education shall be free and no pupil shall be denied an education because of economic inability to furnish educational books and supplies necessary to complete educational requirements necessary for graduation. Any practice leading to suspension, coercion, exclusion, withholding of grades or diplomas, or discriminatory action based upon nonpayment of fees denies pupils their right to equal protection and entitled privileges. It is recognized that school boards do have the right to accept voluntary contributions and, to make certain charges and to establish fees in areas considered extra curricular, noncurricular or supplementary to the requirements for the successful completion of a class or educational program, and to waive those fees under certain circumstances. No public school board may require, except as authorized by sections 123B.36 and 123B.38, the payment of fees.

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

Sec. 6. Minnesota Statutes 2008, section 123B.36, subdivision 6, is amended to read:

Subd. 6. **Waiver of student fees based on need.** (a) A board may waive any deposit or fee for any pupil whose parent is serving in, or within the past year has served in, active military service as defined under section 190.05.

(b) A board may waive any deposit or fee if any pupil or the pupil's parent or guardian is unable to pay it.

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

Sec. 7. Minnesota Statutes 2008, section 168.123, subdivision 2, is amended to read:

Subd. 2. **Design.** The commissioner of veterans affairs shall design the emblem for the veterans' special plates, subject to the approval of the commissioner, that satisfy the following requirements:

(a) For a Vietnam veteran who served after July 1, 1961, and before July 1, 1978, in the active military service in a branch of the armed forces of the United States or a nation or society allied with the United States the special plates must bear the inscription "VIETNAM VET" and the letters "V" and "V" with the first letter directly above the second letter and both letters just preceding the first numeral of the special plate number.

(b) For a veteran stationed on the island of Oahu, Hawaii, or offshore, during the attack on Pearl Harbor on December 7, 1941, the special plates must bear the inscription "PEARL HARBOR

SURVIVOR" and the letters "P" and "H" with the first letter directly above the second letter and both letters just preceding the first numeral of the special plate number.

(c) For a veteran who served during World War I or World War II, the plates must bear the inscription "WORLD WAR VET" and:

(1) for a World War I veteran, the characters "W" and "I" with the first character directly above the second character and both characters just preceding the first numeral of the special plate number; or

(2) for a World War II veteran, the characters "W" and "II" with the first character directly above the second character and both characters just preceding the first numeral of the special plate number.

(d) For a veteran who served during the Korean Conflict, the special plates must bear the inscription "KOREAN VET" and the letters "K" and "V" with the first letter directly above the second letter and both letters just preceding the first numeral of the special plate number.

(e) For a combat wounded veteran who is a recipient of the purple heart medal, the plates must bear the inscription "COMBAT WOUNDED VET" and have a facsimile on an emblem of the official purple heart medal and the letters "C" over "W" with the first letter directly over the second letter just preceding the first numeral of the special plate number.

A member of the United States armed forces who is serving actively in the military and who is a recipient of the purple heart medal is also eligible for this license plate. The commissioner of public safety shall ensure that information regarding the required proof of eligibility for any applicant under this paragraph who has not yet been issued military discharge papers is distributed to the public officials responsible for administering this section.

(f) For a Persian Gulf War veteran, the plates must bear the inscription "GULF WAR VET" and the letters "G" and "W" with the first letter directly above the second letter and both letters just preceding the first numeral of the special plate number. For the purposes of this section, "Persian Gulf War veteran" means a person who served on active duty after August 1, 1990, in a branch of the armed forces of the United States or a nation or society allied with the United States or the United Nations during Operation Desert Shield, Operation Desert Storm, or other military operation in the Persian Gulf area combat zone as designated in United States Presidential Executive Order No. 12744, dated January 21, 1991.

(g) For a veteran who served in the Laos War after July 1, 1961, and before July 1, 1978, the special plates must bear the inscription "LAOS WAR VET" and the letters "L" and "V" with the first letter directly above the second letter and both letters just preceding the first numeral of the special plate number.

(h) For a veteran who is the recipient of:

(1) the Iraq Campaign Medal, the special plates must be inscribed with a facsimile of that medal and must bear the inscription "IRAQ WAR VET" directly below the special plate number;

(2) the Afghanistan Campaign Medal, the special plates must be inscribed with a facsimile of that medal and must bear the inscription "AFGHAN WAR VET" directly below the special plate number; or

(3) the Global War on Terrorism Expeditionary Medal, the special plates must be inscribed with a facsimile of that medal and must bear the inscription "GWOT VETERAN" directly below the special plate number.

(i) For a veteran who is the recipient of the Global War on Terrorism Service Medal, the special plates must be inscribed with a facsimile of that medal and must bear the inscription "GWOT VETERAN" directly below the special plate number. In addition, any member of the National Guard or other military reserves who has been ordered to federally funded state active service under United States Code, title 32, as defined in section 190.05, subdivision 5b, and who is the recipient of the Global War on Terrorism Service Medal, is eligible for the license plate described in this paragraph, irrespective of whether that person qualifies as a veteran under section 197.447.

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

Sec. 8. Minnesota Statutes 2008, section 196.05, is amended by adding a subdivision to read:

Subd. 3. **Consumer satisfaction.** (a) The commissioner shall submit a memorandum each year to the governor and the chairs and ranking minority members of the house of representatives and senate standing committees with jurisdiction over the department's programs that provides the following information:

(1) the number of calls made to each of the department's help lines by consumers and citizens regarding services provided or regulated by the department;

(2) the subject matter of the call;

(3) the number of service-related calls that were resolved;

(4) the number that remain open; and

(5) the number that were without merit.

(b) The commissioner shall publish the annual memorandum on the department's Web site each year no later than March 1.

Sec. 9. Minnesota Statutes 2008, section 197.455, is amended by adding a subdivision to read:

Subd. 5a. **Teacher hiring.** (a) Any public school under the state's Education Code that chooses at any time to use a 100-point hiring method to evaluate applicants for teaching positions is subject to the requirements of subdivisions 4 and 5 for determining veterans preference points.

(b) Any public school under the state's Education Code opting at any time not to use a 100-point hiring method to evaluate applicants for teaching positions is exempt from the requirements of subdivisions 4 and 5 for determining veterans preference points, but must instead grant to any veteran who applies for a teaching position and who has proper licensure for that position an interview for that position.

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

Sec. 10. Minnesota Statutes 2009 Supplement, section 197.46, is amended to read:

197.46 VETERANS PREFERENCE ACT; REMOVAL FORBIDDEN; RIGHT OF MANDAMUS.

Any person whose rights may be in any way prejudiced contrary to any of the provisions of this section, shall be entitled to a writ of mandamus to remedy the wrong. No person holding a position by appointment or employment in the several counties, cities, towns, school districts and all other political subdivisions in the state, who is a veteran separated from the military service under honorable conditions, shall be removed from such position or employment except for incompetency or misconduct shown after a hearing, upon due notice, upon stated charges, in writing.

Any veteran who has been notified of the intent to discharge the veteran from an appointed position or employment pursuant to this section shall be notified in writing of such intent to discharge and of the veteran's right to request a hearing within 60 days of receipt of the notice of intent to discharge. The failure of a veteran to request a hearing within the provided 60-day period shall constitute a waiver of the right to a hearing. Such failure shall also waive all other available legal remedies for reinstatement.

Request for a hearing concerning such a discharge shall be made in writing and submitted by mail or personal service to the employment office of the concerned employer or other appropriate office or person.

In all governmental subdivisions having an established civil service board or commission, or merit system authority, such hearing for removal or discharge shall be held before such civil service board or commission or merit system authority. Where no such civil service board or commission or merit system authority exists, such hearing shall be held by a board of three persons appointed as follows: one by the governmental subdivision, one by the veteran, and the third by the two so selected. In the event the two persons so selected do not appoint the third person within ten days after the appointment of the last of the two, then the judge of the district court of the county wherein the proceeding is pending, or if there be more than one judge in said county then any judge in chambers, shall have jurisdiction to appoint, and upon application of either or both of the two so selected shall appoint, the third person to the board and the person so appointed by the judge with the two first selected shall constitute the board. The veteran may appeal from the decision of the board upon the charges to the district court by causing written notice of appeal, stating the grounds thereof, to be served upon the governmental subdivision or officer making the charges within 15 days after notice of the decision and by filing the original notice of appeal with proof of service thereof in the office of the court administrator of the district court within ten days after service thereof. Nothing in section 197.455 or this section shall be construed to apply to the position of private secretary, superintendent of schools, or one chief deputy of any elected official or head of a department, or to any person holding a strictly confidential relation to the appointing officer. Nothing in this section shall be construed to apply to the position of teacher. The burden of establishing such relationship shall be upon the appointing officer in all proceedings and actions relating thereto.

All officers, boards, commissions, and employees shall conform to, comply with, and aid in all proper ways in carrying into effect the provisions of section 197.455 and this section notwithstanding any laws, charter provisions, ordinances or rules to the contrary. Any willful violation of such sections by officers, officials, or employees is a misdemeanor.

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

Sec. 11. Minnesota Statutes 2008, section 197.481, subdivision 1, is amended to read:

Subdivision 1. **Petition.** A veteran, as defined by section 197.447, who has been denied rights by the state or any political subdivision, municipality, or other public agency of the state as authorized

by the Veterans Preference Act under section 43A.11, 197.46, 197.48, or 197.455 may petition the commissioner of veterans affairs for an order directing the agency to grant the veteran such relief the commissioner finds justified by said statutes.

The petition shall be submitted via United States mail and contain:

(1) the name, address, telephone number, and ~~aeknowledged~~ notarized original signature of the veteran;

(2) the names, telephone numbers, and addresses of all agencies and persons that will be directly affected if the petition is granted;

(3) a concise statement of the facts giving rise to the veteran's rights and a concise statement showing the manner in which rights were denied;

(4) a statement of the relief requested; and

(5) a copy of the veteran's Form DD214 (Separation or Discharge from Active Duty).

Sec. 12. Minnesota Statutes 2008, section 197.481, subdivision 2, is amended to read:

Subd. 2. **Service.** Upon receipt and authorization verification of a complete petition herein, the commissioner shall serve a copy of same, by certified mail, on all agencies and persons named therein and on such other agencies or persons as in the judgment of the commissioner should in justice be parties to the proceeding. The veteran and all agencies and persons served shall be parties to the proceeding.

Sec. 13. Minnesota Statutes 2008, section 197.481, subdivision 4, is amended to read:

Subd. 4. **Hearing.** The commissioner shall ~~hold~~ schedule a hearing on the petition of any party to be held or conducted within ~~20~~ 120 days of serving, or being served with the authorized and complete petition. ~~The veteran may demand an opportunity to be heard at a time set by the commissioner. A party who fails to demand such hearing within 20 days shall be heard only by permission of the commissioner, except that if any party demands to be heard~~ At the hearing, all parties shall have the right to be heard. A hearing hereunder shall be conducted and orders issued in accord with sections 14.57 to 14.60 and 14.62, at the office of the commissioner or at a place the commissioner designates. The commissioner shall notify all parties, by certified mail, of the date, time, and place of the hearing.

Sec. 14. Minnesota Statutes 2008, section 197.585, subdivision 5, is amended to read:

Subd. 5. **Expiration.** This section expires at the end of the first fiscal year in which the number of veterans enrolled in Minnesota public institutions of higher education is fewer than 4,000, but no later than June 30, ~~2011~~ 2012.

Sec. 15. Minnesota Statutes 2008, section 197.60, subdivision 1, is amended to read:

Subdivision 1. **Appointment; administrative support.** The county board of any county ~~except Clay County~~, or the county boards of any two or more counties acting pursuant to the provisions of section 197.602, shall appoint a veterans service officer and shall provide necessary clerical help, office space, equipment, and supplies for the officer, together with reimbursement for mileage and other traveling expenses necessarily incurred in the performance of duties; and may appoint

one or more assistant veterans service officers who ~~shall have the qualifications prescribed in~~ are qualified under section 197.601. The county board of Clay County may appoint a veterans service officer and assistant veterans service officers as provided in this subdivision. The county board or boards shall provide necessary clerical help, office space, equipment, and supplies for the officer, and reimbursement for mileage and other traveling expenses necessarily incurred in the performance of duties. Subject to the direction and control of the veterans service officer, the assistant veterans service officer may exercise all the powers, and shall perform the duties, of the veterans service officer, and ~~shall be~~ is subject to all the provisions of sections 197.60 to 197.606 relating to a veterans service officer. Every county officer and agency shall cooperate with the veterans service officer and shall provide the officer with information necessary in connection with the performance of duties.

Sec. 16. Minnesota Statutes 2008, section 197.601, is amended to read:

197.601 QUALIFICATIONS OF VETERANS SERVICE OFFICERS.

No person shall be appointed a veterans service officer or an assistant county veterans service officer under sections 197.60 to 197.606 without the following qualifications unless the person is:

- (1) ~~residence in~~ a resident of the state of Minnesota;
- (2) ~~citizenship in~~ a citizen of the United States; and
- (3) a veteran, as defined in section 197.447;
- (4) ~~education and training for the duties of veterans service officer;~~
- (5) ~~knowledge of the law and the regulations and rulings of the United States Veterans Administration applicable to cases before it and the administration thereof.~~

In addition, a person accepting appointment to the position of county veterans service officer or assistant county veterans service officer or other equivalent assistant position must agree to receive, within six months of the appointment, training and education for the duties of the position, including development of an effective working knowledge of relevant laws, rules, and regulations pertaining to the United States Department of Veterans Affairs, as applicable to veterans cases before the department and the administration of those cases.

Sec. 17. Minnesota Statutes 2008, section 197.605, is amended to read:

197.605 SUPERVISION DEPARTMENT AS A RESOURCE TO COUNTIES.

Subdivision 1. ~~Methods of operation~~ **Resources available.** ~~Every veterans service officer appointed under sections 197.60 to 197.606 shall be under the general supervision of the commissioner of veterans affairs as to methods of operation.~~ The commissioner of veterans affairs shall make resources available within the Department of Veterans Affairs to every county that operates a county veterans service office, to assist the county with maintaining efficient and effective services to veterans. To receive available resources from the department, a county must formally request them from the commissioner and invite the commissioner or the commissioner's designee or designees into the county as necessary to provide those resources. The commissioner shall consult with the Association of Minnesota Counties and the Minnesota Association of County Veterans Service Officers in developing a list of resources available to counties in support of their county veterans service offices.

Subd. 2. **Use of agencies to present claims.** Every veterans service officer and assistant veterans service officer appointed under sections 197.60 to 197.606 shall use the Minnesota Department of Veterans Affairs or any organization recognized by the United States Department of Veterans Administration Affairs, as may be designated by the veteran by power of attorney, in the presentation of claims to the United States Department of Veterans Administration Affairs for the benefits referred to in section 197.603.

~~Subd. 3. **Rules.** The commissioner of veterans affairs shall have authority to prescribe such rules as are necessary for compliance with this section and the efficient uniform administration of sections 197.60 to 197.606. Such rules shall not apply to the appointment, tenure, compensation, or working conditions of a veterans service officer appointed under sections 197.60 to 197.606.~~

Subd. 4. **Certification.** The commissioner of veterans affairs shall establish a certification process for veterans service officers. In doing so, the commissioner shall consult with the Minnesota Association of County Veterans Service Officers.

Sec. 18. Minnesota Statutes 2008, section 197.606, is amended to read:

197.606 CLASSED AS COUNTY EMPLOYEES.

Veterans service officers and assistant veterans service officers appointed under sections 197.60 to 197.606 are employees of the counties by which they are employed, and are under the exclusive jurisdiction and control of ~~such~~ those counties ~~and the Department of Veterans Affairs as herein provided.~~

Sec. 19. Minnesota Statutes 2008, section 197.609, subdivision 1, is amended to read:

Subdivision 1. **Establishment and administration.** An education program for county veterans service officers is established to be administered by the commissioner of veterans affairs, with assistance and advice from the Minnesota Association of County Veterans Service Officers.

Sec. 20. Minnesota Statutes 2008, section 197.609, subdivision 2, is amended to read:

Subd. 2. **Eligibility.** To be eligible for the program in this section, a person must currently be employed as a county veterans service officer or assistant county veterans service officer, as authorized by sections 197.60 to 197.606, and be certified to serve in that position by the commissioner of veterans affairs or be serving a probationary period as authorized by section 197.60, subdivision 2.

Sec. 21. Minnesota Statutes 2008, section 197.75, subdivision 1, is amended to read:

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

(b) "Commissioner" means the commissioner of veterans affairs.

(c) "Deceased veteran" means a veteran ~~who was a Minnesota resident within six months of the time of the person's entry into the United States armed forces and who has died as a result of that~~ the person's military service, as determined by the United States Veterans Administration, and who was a resident of this state: (1) within six months of entering the United States armed forces, or (2) for the six months preceding the veteran's date of death.

(d) "Eligible child" means a person who:

- (1) is the natural or adopted ~~son or daughter~~ child or stepchild of a deceased veteran; and
- (2) is a student making satisfactory academic progress at an eligible institution of higher education.
- (e) "Eligible institution" means a postsecondary educational institution located in this state that either (1) is operated by this state, or (2) is operated publicly or privately and, as determined by the office, maintains academic standards substantially equivalent to those of comparable institutions operated in this state.
- (f) "Eligible spouse" means the surviving spouse of a deceased veteran.
- (g) "Eligible veteran" means a veteran who:
- (1) is a student making satisfactory academic progress at an eligible institution of higher education;
- (2) had Minnesota as the person's state of residence at the time of the person's enlistment or any reenlistment into the United States armed forces, as shown by the person's federal form DD-214 or other official documentation to the satisfaction of the commissioner;
- (3) except for benefits under this section, has no remaining military or veteran-related educational assistance benefits for which the person may have been entitled; and
- (4) while using the educational assistance authorized in this section, remains a resident student as defined in section 136A.101, subdivision 8.
- (h) "Satisfactory academic progress" has the meaning given in section 136A.101, subdivision 10.
- (i) "Student" has the meaning given in section 136A.101, subdivision 7.
- (j) "Veteran" has the meaning given in section 197.447.

EFFECTIVE DATE. This section is effective July 1, 2010, for educational benefits provided to an eligible child or eligible spouse on or after that date.

Sec. 22. Laws 2009, chapter 94, article 3, section 14, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective July 1, 2009, ~~and applies to appointments to state and local government positions of employment made on or after that date.~~

EFFECTIVE DATE. This section is effective the day following final enactment and applies to terminations after that date.

Sec. 23. **PLANNING NEW VETERANS CEMETERIES.**

The commissioner of veterans affairs shall determine a suitable site and plan for three new state veterans cemeteries, one to be located in northeastern Minnesota, one to be located in southeastern Minnesota, and one to be located in southwestern Minnesota. In determining the site for a cemetery, the commissioner shall consider available public land options and shall seek proposals for donated land from interested counties, local communities, civic organizations, veterans service organizations, and individuals.

The commissioner's planning process for a state veterans cemetery must include, at a minimum, the following actions:

- (1) determining the need for the cemetery;
- (2) investigating the availability of suitable land for the cemetery;
- (3) assessment of impacts of the cemetery;
- (4) encouragement of support from veteran service organizations and local governments; and
- (5) preparation and submission of a preapplication for a grant from the United States Department of Veterans Affairs for commitment of funding for establishing the cemetery.

By January 15, 2011, the commissioner shall report to the chair and ranking minority member of the house of representatives and senate committees having responsibility for veterans affairs with a report of the commissioner's progress in implementing this section.

Sec. 24. NONCOMPLIANCE.

A county that on July 1, 2010, is noncompliant with regard to the qualifications of an assistant county veterans service officer, under Minnesota Statutes, section 197.601, must comply with the requirements of that section no later than June 30, 2013, and must remain in compliance after that date.

Sec. 25. ALTERNATIVE FUNDING SOURCES.

By January 15, 2011, the commissioner of veterans affairs shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs policy and finance regarding alternative funding sources for the higher education veterans assistance program under Minnesota Statutes, section 197.585.

Sec. 26. REPEALER.

Minnesota Statutes 2008, section 168.1251, is repealed."

Delete the title and insert:

"A bill for an act relating to state government; clarifying certain livestock compensation provisions; regulating and classifying certain data; classifying equines as livestock; changing certain pesticide control provisions; authorizing waivers of certain fees; providing for control of bovine tuberculosis; eliminating the native grasses and wildflower seed production and incentive program; authorizing ownership of agricultural land by certain nonprofit corporations; requiring tree care and tree trimming company registration; regulating certain sale and distribution of firewood; changing certain fuel requirements; authorizing individuals and entities to take certain easements in agricultural land; eliminating a penalty; allowing a temporary lien for livestock production inputs for 45 days following a mediation request; setting a goal; requiring reports and memoranda; specifying certain procedures; clarifying the role of the commissioner and Department of Veterans Affairs in providing certain resources for the county veterans service offices; modifying a residency requirement for purposes of eligibility for higher educational benefits for the surviving spouse and children of a deceased veteran who dies as a result of military service; changing eligibility for a license plate; changing preference requirements; repealing authorization

for a license plate; clarifying a state procurement preference; extending availability of certain appropriations; requiring planning for new veterans cemeteries; appropriating money; amending Minnesota Statutes 2008, sections 1.141, by adding subdivisions; 3.737, subdivision 4; 13.635, by adding a subdivision; 17.03, by adding a subdivision; 18B.31, subdivision 5; 18B.36, subdivision 1; 18B.37, subdivision 4; 18G.07; 28A.082, subdivision 1; 35.244, subdivisions 1, 2; 123B.35; 123B.36, subdivision 6; 168.123, subdivision 2; 196.05, by adding a subdivision; 197.455, by adding a subdivision; 197.481, subdivisions 1, 2, 4; 197.585, subdivision 5; 197.60, subdivision 1; 197.601; 197.605; 197.606; 197.609, subdivisions 1, 2; 197.75, subdivision 1; 239.092; 239.093; 239.791, by adding subdivisions; 336.9-531; 336A.08, subdivisions 1, 4; 336A.14; 500.221, subdivisions 2, 4; 500.24, subdivision 2; 514.965, subdivision 2; 514.966, subdivisions 5, 6, by adding a subdivision; Minnesota Statutes 2009 Supplement, sections 3.737, subdivision 1; 16C.16, subdivision 6a; 16C.19; 18B.316, subdivision 10; 197.46; 239.791, subdivisions 1, 1a; Laws 2008, chapter 296, article 1, section 25; Laws 2009, chapter 94, article 3, section 14; proposing coding for new law in Minnesota Statutes, chapters 17; 38; repealing Minnesota Statutes 2008, sections 17.231; 168.1251; 343.26; Laws 2009, chapter 94, article 1, section 106."

We request the adoption of this report and repassage of the bill.

Senate Conferees: Dan Skogen, Steve Dille, Jim Vickerman

House Conferees: Al Juhnke, Lyle Koenen, Doug Magnus

Senator Skogen moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2737 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 2737 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

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

Those who voted in the affirmative were:

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

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 2790 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON 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.

May 6, 2010

The Honorable James P. Metzen
President of the Senate

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2790 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 2790 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2009 Supplement, section 245C.24, subdivision 2, is amended to read:

Subd. 2. **Permanent bar to set aside a disqualification.** (a) Except as otherwise provided in paragraph (b) this subdivision, the commissioner may not set aside the disqualification of any individual disqualified pursuant to this chapter, regardless of how much time has passed, if the individual was disqualified for a crime or conduct listed in section 245C.15, subdivision 1.

(b) For an individual in the chemical dependency or corrections field who was disqualified for a crime or conduct listed under section 245C.15, subdivision 1, and whose disqualification was set aside prior to July 1, 2005, the commissioner must consider granting a variance pursuant to section 245C.30 for the license holder for a program dealing primarily with adults. A request for reconsideration evaluated under this paragraph must include a letter of recommendation from the license holder that was subject to the prior set-aside decision addressing the individual's quality of care to children or vulnerable adults and the circumstances of the individual's departure from that service.

(c) When a licensed foster care provider adopts an individual who had received foster care services from the provider for over six months, and the adopted individual is required to receive a background study under section 245C.03, subdivision 1, paragraph (a), clause (2) or (6), the commissioner may grant a variance to the license holder under section 245C.30 to permit the adopted individual with a permanent disqualification to remain affiliated with the license holder under the conditions of the variance when the variance is recommended by the county of responsibility for each of the remaining individuals in placement in the home and the licensing agency for the home.

(d) The commissioner shall consider granting a set aside under section 245C.22 or a variance under section 245C.30 to an individual who is now 21 years of age or older and who was disqualified for a crime or conduct listed under section 245C.15, subdivision 1, occurring while the individual was under the age of 18. This paragraph does not apply to individuals who were convicted of the disqualifying crime following certification under section 260B.125.

Sec. 2. Minnesota Statutes 2008, section 260B.157, subdivision 1, is amended to read:

Subdivision 1. **Investigation.** Upon request of the court the local social services agency or probation officer shall investigate the personal and family history and environment of any minor coming within the jurisdiction of the court under section 260B.101 and shall report its findings to the court. The court may order any minor coming within its jurisdiction to be examined by a duly qualified physician, psychiatrist, or psychologist appointed by the court.

The court shall order a chemical use assessment conducted when a child is (1) found to be delinquent for violating a provision of chapter 152, or for committing a felony-level violation of a provision of chapter 609 if the probation officer determines that alcohol or drug use was a contributing factor in the commission of the offense, or (2) alleged to be delinquent for violating a provision of chapter 152, if the child is being held in custody under a detention order. The assessor's qualifications and the assessment criteria shall comply with Minnesota Rules, parts 9530.6600 to 9530.6655. If funds under chapter 254B are to be used to pay for the recommended treatment, the assessment and placement must comply with all provisions of Minnesota Rules, parts 9530.6600 to 9530.6655 and 9530.7000 to 9530.7030. The commissioner of human services shall reimburse the court for the cost of the chemical use assessment, up to a maximum of \$100.

The court shall order a children's mental health screening and a chemical use screening conducted when a child is found to be delinquent. The screening shall be conducted with a screening instrument approved by the commissioner of human services and shall be conducted by a mental health practitioner as defined in section 245.4871, subdivision 26, or a probation officer who is trained in the use of the screening instrument. If the approved instrument includes screening for mental health and chemical use, a single screening fulfills both requirements. If the screening indicates a need for a mental health assessment, the local social services agency, in consultation with the child's family, shall have a diagnostic assessment conducted, including a functional assessment, as defined in section 245.4871. If the screening indicates a need for a chemical use assessment, a referral must be made, in consultation with the child's family, for a chemical use assessment, as defined in section 254A.03, subdivision 3.

With the consent of the commissioner of corrections and agreement of the county to pay the costs thereof, the court may, by order, place a minor coming within its jurisdiction in an institution maintained by the commissioner for the detention, diagnosis, custody and treatment of persons adjudicated to be delinquent, in order that the condition of the minor be given due consideration

in the disposition of the case. Any funds received under the provisions of this subdivision shall not cancel until the end of the fiscal year immediately following the fiscal year in which the funds were received. The funds are available for use by the commissioner of corrections during that period and are hereby appropriated annually to the commissioner of corrections as reimbursement of the costs of providing these services to the juvenile courts.

Sec. 3. Minnesota Statutes 2008, section 260B.176, subdivision 2, is amended to read:

Subd. 2. Reasons for detention. (a) If the child is not released as provided in subdivision 1, the person taking the child into custody shall notify the court as soon as possible of the detention of the child and the reasons for detention.

(b) No child may be detained in a juvenile secure detention facility or shelter care facility longer than 36 hours, excluding Saturdays, Sundays, and holidays, after being taken into custody for a delinquent act as defined in section 260B.007, subdivision 6, unless a petition has been filed and the judge or referee determines pursuant to section 260B.178 that the child shall remain in detention.

(c) No child may be detained in an adult jail or municipal lockup longer than 24 hours, excluding Saturdays, Sundays, and holidays, or longer than six hours in an adult jail or municipal lockup in a standard metropolitan statistical area, after being taken into custody for a delinquent act as defined in section 260B.007, subdivision 6, unless:

(1) a petition has been filed under section 260B.141; and

(2) a judge or referee has determined under section 260B.178 that the child shall remain in detention.

After August 1, 1991, no child described in this paragraph may be detained in an adult jail or municipal lockup longer than 24 hours, excluding Saturdays, Sundays, and holidays, or longer than six hours in an adult jail or municipal lockup in a standard metropolitan statistical area, unless the requirements of this paragraph have been met and, in addition, a motion to refer the child for adult prosecution has been made under section 260B.125. Notwithstanding this paragraph, continued detention of a child in an adult detention facility outside of a standard metropolitan statistical area county is permissible if:

(i) the facility in which the child is detained is located where conditions of distance to be traveled or other ground transportation do not allow for court appearances within 24 hours. A delay not to exceed 48 hours may be made under this clause; or

(ii) the facility is located where conditions of safety exist. Time for an appearance may be delayed until 24 hours after the time that conditions allow for reasonably safe travel. "Conditions of safety" include adverse life-threatening weather conditions that do not allow for reasonably safe travel.

The continued detention of a child under clause (i) or (ii) must be reported to the commissioner of corrections.

(d) If a child described in paragraph (c) is to be detained in a jail beyond 24 hours, excluding Saturdays, Sundays, and holidays, the judge or referee, in accordance with rules and procedures established by the commissioner of corrections, shall notify the commissioner of the place of the detention and the reasons therefor. The commissioner shall thereupon assist the court in the relocation of the child in an appropriate juvenile secure detention facility or approved jail within

the county or elsewhere in the state, or in determining suitable alternatives. The commissioner shall direct that a child detained in a jail be detained after eight days from and including the date of the original detention order in an approved juvenile secure detention facility with the approval of the administrative authority of the facility. If the court refers the matter to the prosecuting authority pursuant to section 260B.125, notice to the commissioner shall not be required.

(e) When a child is detained for an alleged delinquent act in a state licensed juvenile facility or program, or when a child is detained in an adult jail or municipal lockup as provided in paragraph (c), the supervisor of the facility shall, if the child's parent or legal guardian consents, have a children's mental health screening conducted with a screening instrument approved by the commissioner of human services, unless a screening has been performed within the previous 180 days or the child is currently under the care of a mental health professional. The screening shall be conducted by a mental health practitioner as defined in section 245.4871, subdivision 26, or a probation officer who is trained in the use of the screening instrument. The screening shall be conducted after the initial detention hearing has been held and the court has ordered the child continued in detention. The results of the screening may only be presented to the court at the dispositional phase of the court proceedings on the matter unless the parent or legal guardian consents to presentation at a different time. If the screening indicates a need for assessment, the local social services agency or probation officer, with the approval of the child's parent or legal guardian, shall have a diagnostic assessment conducted, including a functional assessment, as defined in section 245.4871.

(f) When a child is detained for an alleged delinquent act in a state licensed juvenile facility or program, or when a child is detained in an adult jail or municipal lockup as provided in paragraph (c), the supervisor of the facility shall, if the child's parent or legal guardian consents, have a chemical use screen conducted with a screening instrument approved by the commissioner of human services, unless a screening has been performed within the previous 180 days or the child is currently under the care of a licensed alcohol and drug counselor. The screening shall be conducted by a mental health practitioner as defined in section 245.4871, subdivision 26, or a probation officer who is trained in the use of the screening instrument. The screening shall be conducted after the initial detention hearing has been held and the court has ordered the child continued in detention.

Sec. 4. Minnesota Statutes 2008, section 609A.02, subdivision 2, is amended to read:

Subd. 2. **Offenses committed by juveniles prosecuted as adults.** A petition for the sealing of ~~a conviction record~~ any type of delinquency or criminal record relating to a juvenile matter may be filed under section 609A.03 by a person who has ~~been committed to the custody of the commissioner of corrections upon conviction of a crime following certification to district court under section 260B.125, if the person~~ successfully completed the terms of the person's disposition or sentence and who is no longer under correctional supervision for the offense, if:

(1) is finally discharged by the commissioner; or the person received a disposition under section 260B.198, regardless of whether the person was adjudicated delinquent;

(2) has been placed on probation by the court under section 609.135 and has been discharged from probation after satisfactory fulfillment of it the matter was designated an extended jurisdiction juvenile prosecution under section 260B.130 and the person's adult sentence was never executed;

(3) the matter was designated an extended jurisdiction juvenile prosecution under section 260B.130 and the person's adult sentence was subsequently executed; or

(4) the matter was certified for adult prosecution under section 260B.125.

Sec. 5. Minnesota Statutes 2008, section 609A.02, subdivision 3, is amended to read:

Subd. 3. **Certain criminal proceedings not resulting in conviction.** A petition may be filed under section 609A.03 to seal all records relating to an arrest, indictment or information, trial, or verdict if the records are not subject to section 299C.11, subdivision 1, paragraph (b), and if:

(1) all pending actions or proceedings were resolved in favor of the petitioner. For purposes of this chapter, a verdict of not guilty by reason of mental illness is not a resolution in favor of the petitioner; or

(2) the petitioner has successfully completed the terms of a diversion program or stay of adjudication that was agreed to by the prosecutor and has not been charged with a new crime for at least one year since completion of the diversion program or stay of adjudication.

Sec. 6. [609A.025] EXPUNGEMENT FOR CASES INVOLVING DIVERSION AND STAYS OF ADJUDICATION; NO PETITION REQUIRED WITH PROSECUTOR AGREEMENT AND VICTIM NOTIFICATION.

(a) Upon agreement of the prosecutor, the court shall seal the criminal record for a person described in section 609A.02, subdivision 3, clause (2), without the filing of a petition unless it determines that the interests of the public and public safety in keeping the record public outweigh the disadvantages to the subject of the record in not sealing it.

(b) Before agreeing to the sealing of a record under this section, the prosecutor shall make a good-faith effort to inform any identifiable victims of the offense of the intended prosecutorial agreement and the opportunity to object to the agreement.

(c) Subject to paragraph (b), the prosecutor may agree to the sealing of records under this section before or after the criminal charges are dismissed.

Sec. 7. Minnesota Statutes 2008, section 609A.03, subdivision 1, is amended to read:

Subdivision 1. **Petition; filing fee.** An individual who is the subject of a criminal record who is seeking the expungement of the record shall file a petition under this section and pay a filing fee in the amount required under section 357.021, subdivision 2, clause (1). The filing fee may be waived in cases of indigency and shall be waived in the cases described in section 609A.02, subdivision 2, clause (1) or (2), and subdivision 3.

Sec. 8. Minnesota Statutes 2008, section 609A.03, subdivision 2, is amended to read:

Subd. 2. **Contents of petition.** (a) A petition for expungement shall be signed under oath by the petitioner and shall state the following:

(1) the petitioner's full name and all other legal names or aliases by which the petitioner has been known at any time;

(2) the petitioner's date of birth;

(3) all of the petitioner's addresses from the date of the offense or alleged offense in connection with which an expungement order is sought, to the date of the petition;

(4) why expungement is sought, if it is for employment or licensure purposes, the statutory or other legal authority under which it is sought, and why it should be granted;

(5) the details of the offense or arrest for which expungement is sought, including the date and jurisdiction of the occurrence, either the names of any victims or that there were no identifiable victims, whether there is a current order for protection, restraining order, or other no contact order prohibiting the petitioner from contacting the victims or whether there has ever been a prior order for protection or restraining order prohibiting the petitioner from contacting the victims, the court file number, and the date of conviction or of dismissal;

(6) in the case of a conviction or delinquency record, what steps the petitioner has taken since the time of the offense toward personal rehabilitation, including treatment, work, or other personal history that demonstrates rehabilitation;

(7) petitioner's criminal conviction and delinquency record indicating all convictions and findings of delinquency for misdemeanors, gross misdemeanors, or felonies in this state, and for all comparable convictions and findings of delinquency in any other state, federal court, or foreign country, whether the convictions or findings of delinquency occurred before or after the arrest ~~or~~ conviction, or finding of delinquency for which expungement is sought;

(8) petitioner's criminal charges record indicating all prior and pending criminal charges against the petitioner in this state or another jurisdiction, including all criminal charges that have been continued for dismissal or stayed for adjudication, or have been the subject of pretrial diversion; and

(9) all prior requests by the petitioner, whether for the present offense or for any other offenses, in this state or any other state or federal court, for pardon, return of arrest records, or expungement or sealing of a criminal record, whether granted or not, and all stays of adjudication or imposition of sentence involving the petitioner.

(b) If there is a current order for protection, restraining order, or other no contact order prohibiting the petitioner from contacting the victims or there has ever been a prior order for protection or restraining order prohibiting the petitioner from contacting the victims, the petitioner shall attach a copy of the order to the petition.

(c) Where practicable, the petitioner shall attach to the petition a copy of the complaint or the police report for the offense or offenses for which expungement is sought.

Sec. 9. Minnesota Statutes 2008, section 609A.03, subdivision 4, is amended to read:

Subd. 4. **Hearing.** (a) A hearing on the petition shall be held no sooner than 60 days after service of the petition. A victim of the offense for which expungement is sought has a right to submit an oral or written statement to the court at the time of the hearing describing the harm suffered by the victim as a result of the crime and the victim's recommendation on whether expungement should be granted or denied. The judge shall consider the victim's statement when making a decision.

(b) The court shall exclude the general public from a hearing on a petition to expunge a record relating to a juvenile matter under section 609A.02, subdivision 2, and may admit only persons who the court determines have a direct interest in the case, unless the hearing on the underlying offense for which expungement is sought was open to the public under section 260B.163, subdivision 1, paragraph (c), or other law.

Sec. 10. Minnesota Statutes 2008, section 609A.03, subdivision 5, is amended to read:

Subd. 5. **Nature of remedy; standard; firearms restriction.** (a) Except as otherwise provided by paragraph (b) or (c), expungement of a criminal or delinquency record is an extraordinary remedy to be granted only upon clear and convincing evidence that it would yield a benefit to the petitioner commensurate with the disadvantages to the public and public safety of:

(1) sealing the record; and

(2) burdening the court and public authorities to issue, enforce, and monitor an expungement order.

(b) Except as otherwise provided by this paragraph, If the petitioner is petitioning for the sealing of a criminal or juvenile record under section 609A.02, subdivision 3, the court shall grant the petition to seal the record unless the agency or jurisdiction whose records would be affected establishes by clear and convincing evidence that the interests of the public and public safety outweigh the disadvantages to the petitioner of not sealing the record.

(c) If the petitioner is petitioning for the sealing of a criminal or delinquency record under section 609A.02, subdivision 2, clause (1) or (2), the court shall grant the petition to seal the record unless the agency or jurisdiction whose records would be affected establishes by clear and convincing evidence that the interests of the public and public safety outweigh the disadvantages to the petitioner of not sealing the record.

(d) If the court issues an expungement order it may require that the criminal or juvenile record be sealed, the existence of the record not be revealed, and the record not be opened except as required under subdivision 7. Records must not be destroyed or returned to the subject of the record.

Sec. 11. Minnesota Statutes 2008, section 609A.03, subdivision 5a, is amended to read:

Subd. 5a. **Order concerning crimes of violence.** An order expunging the record of a conviction or delinquency record for a crime of violence as defined in section 624.712, subdivision 5, must provide that the person is not entitled to ship, transport, possess, or receive a firearm for the remainder of the person's lifetime. Any person whose record of conviction or delinquency record is expunged under this section and who thereafter receives a relief of disability under United States Code, title 18, section 925, or whose ability to possess firearms has been restored under section 609.165, subdivision 1d, is not subject to the restriction in this subdivision.

Sec. 12. Minnesota Statutes 2008, section 609A.03, subdivision 7, is amended to read:

Subd. 7. **Limitations of order.** (a) Upon issuance of an expungement order related to a charge supported by probable cause, the DNA samples and DNA records held by the Bureau of Criminal Apprehension and collected under authority other than section 299C.105, shall not be sealed, returned to the subject of the record, or destroyed.

(b) Notwithstanding the issuance of an expungement order:

(1) an expunged record may be opened for purposes of a criminal investigation, ~~prosecution, or sentencing~~, upon an ex parte court order;

(2) an expunged record may be opened upon request by a prosecutor, or a probation officer for sentencing purposes, without a court order;

~~(2)~~ (3) an expunged record of a conviction or delinquency proceeding may be opened for purposes of evaluating a prospective employee in a criminal justice agency without a court order; and

~~(3)~~ (4) an expunged record of a conviction or delinquency proceeding may be opened for purposes of a background study under section 245C.08 unless the court order for expungement is directed specifically to the commissioner of human services.

Upon request by law enforcement, prosecution, or corrections authorities, an agency or jurisdiction subject to an expungement order shall inform the requester of the existence of a sealed record and of the right to obtain access to it as provided by this paragraph. For purposes of this section, a "criminal justice agency" means courts or a government agency that performs the administration of criminal justice under statutory authority.

Sec. 13. REVISOR INSTRUCTION; TABLE OF JUVENILE COLLATERAL SANCTIONS.

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

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

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

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

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

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

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

Delete the title and insert:

"A bill for an act relating to 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; 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; amending Minnesota Statutes 2008, sections 260B.157, subdivision 1; 260B.176, subdivision 2; 609A.02, subdivisions 2, 3; 609A.03, subdivisions 1, 2, 4, 5, 5a, 7; Minnesota Statutes 2009 Supplement, section 245C.24, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 609A."

We request the adoption of this report and repassage of the bill.

Senate Conferees: Mee Moua, Steve Dille, Ron Latz

House Conferees: John Lesch, Debra Hilstrom, Jim Abeler

Senator Moua moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2790 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 2790 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 46 and nays 14, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Fischbach	Gimse	Jungbauer	Michel	Senjem
Frederickson	Hann	Koch	Olson, G.	Vandever
Gerlach	Ingebrigtsen	Limmer	Parry	

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

MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 2974 and the Conference Committee Report thereon were reported to the Senate.

CONFERENCE COMMITTEE REPORT ON S.F. NO. 2974

A bill for an act relating to health; amending provisions for electronic health record technology; providing for administrative penalties; appropriating money; amending Minnesota Statutes 2009 Supplement, sections 62J.495, subdivisions 1a, 3, by adding a subdivision; 62J.497, subdivisions 4, 5; proposing coding for new law in Minnesota Statutes, chapter 62J.

May 7, 2010

The Honorable James P. Metzen
President of the Senate

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 2974 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 2974 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2009 Supplement, section 62J.495, subdivision 1a, is amended to read:

Subd. 1a. **Definitions.** (a) "Certified electronic health record technology" means an electronic health record that is certified pursuant to section 3001(c)(5) of the HITECH Act to meet the standards and implementation specifications adopted under section 3004 as applicable.

(b) "Commissioner" means the commissioner of health.

(c) "Pharmaceutical electronic data intermediary" means any entity that provides the infrastructure to connect computer systems or other electronic devices utilized by prescribing practitioners with those used by pharmacies, health plans, third-party administrators, and pharmacy benefit managers in order to facilitate the secure transmission of electronic prescriptions, refill authorization requests, communications, and other prescription-related information between such entities.

(d) "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act in division A, title XIII and division B, title IV of the American Recovery and Reinvestment Act of 2009, including federal regulations adopted under that act.

(e) "Interoperable electronic health record" means an electronic health record that securely exchanges health information with another electronic health record system that meets requirements specified in subdivision 3, and national requirements for certification under the HITECH Act.

(f) "Qualified electronic health record" means an electronic record of health-related information on an individual that includes patient demographic and clinical health information and has the capacity to:

- (1) provide clinical decision support;
- (2) support physician order entry;
- (3) capture and query information relevant to health care quality; and
- (4) exchange electronic health information with, and integrate such information from, other sources.

Sec. 2. Minnesota Statutes 2009 Supplement, section 62J.495, subdivision 3, is amended to read:

Subd. 3. **Interoperable electronic health record requirements.** To meet the requirements of subdivision 1, hospitals and health care providers must meet the following criteria when implementing an interoperable electronic health records system within their hospital system or

clinical practice setting.

(a) The electronic health record must be a qualified electronic health record.

(b) The electronic health record must be certified by the Office of the National Coordinator pursuant to the HITECH Act. This criterion only applies to hospitals and health care providers ~~only~~ if a certified electronic health record product for the provider's particular practice setting is available. This criterion shall be considered met if a hospital or health care provider is using an electronic health records system that has been certified within the last three years, even if a more current version of the system has been certified within the three-year period.

(c) The electronic health record must meet the standards established according to section 3004 of the HITECH Act as applicable.

(d) The electronic health record must have the ability to generate information on clinical quality measures and other measures reported under sections 4101, 4102, and 4201 of the HITECH Act.

(e) The electronic health record system must be connected to a state-certified health information organization either directly or through a connection facilitated by a state-certified health data intermediary as defined in section 62J.498.

~~(e)~~ (f) A health care provider who is a prescriber or dispenser of legend drugs must have an electronic health record system that meets the requirements of section 62J.497.

Sec. 3. Minnesota Statutes 2009 Supplement, section 62J.495, is amended by adding a subdivision to read:

Subd. 6. **State agency information system.** Development of state agency information systems necessary to implement this section is subject to the authority of the Office of Enterprise Technology in chapter 16E, including, but not limited to:

(1) evaluation and approval of the system as specified in section 16E.03, subdivisions 3 and 4;

(2) review of the system to ensure compliance with security policies, guidelines, and standards as specified in section 16E.03, subdivision 7; and

(3) assurance that the system complies with accessibility standards developed under section 16E.03, subdivision 9.

Sec. 4. Minnesota Statutes 2009 Supplement, section 62J.497, subdivision 4, is amended to read:

Subd. 4. Development and use of uniform formulary exception form. (a) The commissioner of health, in consultation with the Minnesota Administrative Uniformity Committee, shall develop by July 1, 2009, a uniform formulary exception form that allows health care providers to request exceptions from group purchaser formularies using a uniform form. Upon development of the form, all health care providers must submit requests for formulary exceptions using the uniform form, and all group purchasers must accept this form from health care providers.

(b) No later than January 1, 2011, the uniform formulary exception form must be accessible and submitted by health care providers, and accepted and processed by group purchasers, through secure electronic transmissions. ~~Faesimile shall not be considered secure electronic transmissions.~~

Sec. 5. Minnesota Statutes 2009 Supplement, section 62J.497, subdivision 5, is amended to read:

Subd. 5. **Electronic drug prior authorization standardization and transmission.** (a) The commissioner of health, in consultation with the Minnesota e-Health Advisory Committee and the Minnesota Administrative Uniformity Committee, shall, by February 15, 2010, identify an outline on how best to standardize drug prior authorization request transactions between providers and group purchasers with the goal of maximizing administrative simplification and efficiency in preparation for electronic transmissions.

(b) By January 1, 2014, the Minnesota Administrative Uniformity Committee shall develop the standard companion guide by which providers and group purchasers will exchange standard drug authorization requests using electronic data interchange standards, if available, with the goal of alignment with standards that are or will potentially be used nationally.

(c) No later than January 1, ~~2011~~ 2015, drug prior authorization requests must be accessible and submitted by health care providers, and accepted by group purchasers, electronically through secure electronic transmissions. Facsimile shall not be considered electronic transmission.

Sec. 6. **[62J.498] HEALTH INFORMATION EXCHANGE.**

Subdivision 1. **Definitions.** The following definitions apply to sections 62J.498 to 62J.4982:

(a) "Clinical transaction" means any meaningful use transaction that is not covered by section 62J.536.

(b) "Commissioner" means the commissioner of health.

(c) "Direct health information exchange" means the electronic transmission of health-related information through a direct connection between the electronic health record systems of health care providers without the use of a health data intermediary.

(d) "Health care provider" or "provider" means a health care provider or provider as defined in section 62J.03, subdivision 8.

(e) "Health data intermediary" means an entity that provides the infrastructure to connect computer systems or other electronic devices used by health care providers, laboratories, pharmacies, health plans, third-party administrators, or pharmacy benefit managers to facilitate the secure transmission of health information, including pharmaceutical electronic data intermediaries as defined in section 62J.495. This does not include health care providers engaged in direct health information exchange.

(f) "Health information exchange" means the electronic transmission of health-related information between organizations according to nationally recognized standards.

(g) "Health information exchange service provider" means a health data intermediary or health information organization that has been issued a certificate of authority by the commissioner under section 62J.4981.

(h) "Health information organization" means an organization that oversees, governs, and facilitates the exchange of health-related information among organizations according to nationally recognized standards.

(i) "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act as defined in section 62J.495.

(j) "Major participating entity" means:

(1) a participating entity that receives compensation for services that is greater than 30 percent of the health information organization's gross annual revenues from the health information exchange service provider;

(2) a participating entity providing administrative, financial, or management services to the health information organization, if the total payment for all services provided by the participating entity exceeds three percent of the gross revenue of the health information organization; and

(3) a participating entity that nominates or appoints 30 percent or more of the board of directors of the health information organization.

(k) "Meaningful use" means use of certified electronic health record technology that includes e-prescribing, and is connected in a manner that provides for the electronic exchange of health information and used for the submission of clinical quality measures as established by the Center for Medicare and Medicaid Services and the Minnesota Department of Human Services pursuant to sections 4101, 4102, and 4201 of the HITECH Act.

(l) "Meaningful use transaction" means an electronic transaction that a health care provider must exchange to receive Medicare or Medicaid incentives or avoid Medicare penalties pursuant to sections 4101, 4102, and 4201 of the HITECH Act.

(m) "Participating entity" means any of the following persons, health care providers, companies, or other organizations with which a health information organization or health data intermediary has contracts or other agreements for the provision of health information exchange service providers:

(1) a health care facility licensed under sections 144.50 to 144.56, a nursing home licensed under sections 144A.02 to 144A.10, and any other health care facility otherwise licensed under the laws of this state or registered with the commissioner;

(2) a health care provider, and any other health care professional otherwise licensed under the laws of this state or registered with the commissioner;

(3) a group, professional corporation, or other organization that provides the services of individuals or entities identified in clause (2), including but not limited to a medical clinic, a medical group, a home health care agency, an urgent care center, and an emergent care center;

(4) a health plan as defined in section 62A.011, subdivision 3; and

(5) a state agency as defined in section 13.02, subdivision 17.

(n) "Reciprocal agreement" means an arrangement in which two or more health information exchange service providers agree to share in-kind services and resources to allow for the pass-through of meaningful use transactions.

(o) "State-certified health data intermediary" means a health data intermediary that:

(1) provides a subset of the meaningful use transaction capabilities necessary for hospitals and

providers to achieve meaningful use of electronic health records;

(2) is not exclusively engaged in the exchange of meaningful use transactions covered by section 62J.536; and

(3) has been issued a certificate of authority to operate in Minnesota.

(p) "State-certified health information organization" means a nonprofit health information organization that provides transaction capabilities necessary to fully support clinical transactions required for meaningful use of electronic health records that has been issued a certificate of authority to operate in Minnesota.

Subd. 2. Health information exchange oversight. (a) The commissioner shall protect the public interest on matters pertaining to health information exchange. The commissioner shall:

(1) review and act on applications from health data intermediaries and health information organizations for certificates of authority to operate in Minnesota;

(2) provide ongoing monitoring to ensure compliance with criteria established under sections 62J.498 to 62J.4982;

(3) respond to public complaints related to health information exchange services;

(4) take enforcement actions as necessary, including the imposition of fines, suspension, or revocation of certificates of authority as outlined in section 62J.4982;

(5) provide a biennial report on the status of health information exchange services that includes but is not limited to:

(i) recommendations on actions necessary to ensure that health information exchange services are adequate to meet the needs of Minnesota citizens and providers statewide;

(ii) recommendations on enforcement actions to ensure that health information exchange service providers act in the public interest without causing disruption in health information exchange services;

(iii) recommendations on updates to criteria for obtaining certificates of authority under this section; and

(iv) recommendations on standard operating procedures for health information exchange, including but not limited to the management of consumer preferences;

(6) other duties necessary to protect the public interest.

(b) As part of the application review process for certification under paragraph (a), prior to issuing a certificate of authority, the commissioner shall:

(1) hold public hearings that provide an adequate opportunity for participating entities and consumers to provide feedback and recommendations on the application under consideration. The commissioner shall make all portions of the application classified as public data available to the public at least ten days in advance of the hearing. The applicant shall participate in the hearing by presenting an overview of their application and responding to questions from interested parties;

(2) make available all feedback and recommendations gathered at the hearing available to the public prior to issuing a certificate of authority; and

(3) consult with hospitals, physicians, and other professionals eligible to receive meaningful use incentive payments or subject to penalties as established in the HITECH Act, and their respective statewide associations, prior to issuing a certificate of authority.

(c) When the commissioner is actively considering a suspension or revocation of a certificate of authority as described in section 62J.4982, subdivision 3, all investigatory data that are collected, created, or maintained related to the suspension or revocation are classified as confidential data on individuals and as protected nonpublic data in the case of data not on individuals.

(d) The commissioner may disclose data classified as protected nonpublic or confidential under paragraph (c) if disclosing the data will protect the health or safety of patients.

(e) After the commissioner makes a final determination regarding a suspension or revocation of a certificate of authority, all minutes, orders for hearing, findings of fact, conclusions of law, and the specification of the final disciplinary action, are classified as public data.

Sec. 7. [62J.4981] CERTIFICATE OF AUTHORITY TO PROVIDE HEALTH INFORMATION EXCHANGE SERVICES.

Subdivision 1. Authority to require organizations to apply. The commissioner shall require an entity providing health information exchange services to apply for a certificate of authority under this section. An applicant may continue to operate until the commissioner acts on the application. If the application is denied, the applicant is considered a health information organization whose certificate of authority has been revoked under section 62J.4982, subdivision 2, paragraph (d).

Subd. 2. Certificate of authority for health data intermediaries. (a) A health data intermediary that provides health information exchange services for the transmission of one or more clinical transactions necessary for hospitals, providers, or eligible professionals to achieve meaningful use must be registered with the state and comply with requirements established in this section.

(b) Notwithstanding any law to the contrary, any corporation organized to do so may apply to the commissioner for a certificate of authority to establish and operate as a health data intermediary in compliance with this section. No person shall establish or operate a health data intermediary in this state, nor sell or offer to sell, or solicit offers to purchase or receive advance or periodic consideration in conjunction with a health data intermediary contract unless the organization has a certificate of authority or has an application under active consideration under this section.

(c) In issuing the certificate of authority, the commissioner shall determine whether the applicant for the certificate of authority has demonstrated that the applicant meets the following minimum criteria:

(1) interoperate with at least one state-certified health information organization;

(2) provide an option for Minnesota entities to connect to their services through at least one state-certified health information organization;

(3) have a record locator service as defined in section 144.291, subdivision 2, paragraph (i), that is compliant with the requirements of section 144.293, subdivision 8, when conducting meaningful

use transactions; and

(4) hold reciprocal agreements with at least one state-certified health information organization to enable access to record locator services to find patient data, and for the transmission and receipt of meaningful use transactions consistent with the format and content required by national standards established by Centers for Medicare and Medicaid Services. Reciprocal agreements must meet the requirements established in subdivision 5.

Subd. 3. **Certificate of authority for health information organizations.** (a) A health information organization that provides all electronic capabilities for the transmission of clinical transactions necessary for meaningful use of electronic health records must obtain a certificate of authority from the commissioner and demonstrate compliance with the criteria in paragraph (c).

(b) Notwithstanding any law to the contrary, a nonprofit corporation organized to do so may apply for a certificate of authority to establish and operate a health information organization under this section. No person shall establish or operate a health information organization in this state, nor sell or offer to sell, or solicit offers to purchase or receive advance or periodic consideration in conjunction with a health information organization or health information contract unless the organization has a certificate of authority under this section.

(c) In issuing the certificate of authority, the commissioner shall determine whether the applicant for the certificate of authority has demonstrated that the applicant meets the following minimum criteria:

(1) the entity is a legally established, nonprofit organization;

(2) appropriate insurance, including liability insurance, for the operation of the health information organization is in place and sufficient to protect the interest of the public and participating entities;

(3) strategic and operational plans clearly address how the organization will expand technical capacity of the health information organization to support providers in achieving meaningful use of electronic health records over time;

(4) the entity addresses the parameters to be used with participating entities and other health information organizations for meaningful use transactions, compliance with Minnesota law, and interstate health information exchange in trust agreements;

(5) the entity's board of directors is composed of members that broadly represent the health information organization's participating entities and consumers;

(6) the entity maintains a professional staff responsible to the board of directors with the capacity to ensure accountability to the organization's mission;

(7) the organization is compliant with criteria established under the Health Information Exchange Accreditation Program of the Electronic Healthcare Network Accreditation Commission (EHNAC) or equivalent criteria established by the commissioner;

(8) the entity maintains a record locator service as defined in section 144.291, subdivision 2, paragraph (i), that is compliant with the requirements of section 144.293, subdivision 8, when conducting meaningful use transactions;

(9) the organization demonstrates interoperability with all other state-certified health information organizations using nationally recognized standards;

(10) the organization demonstrates compliance with all privacy and security requirements required by state and federal law; and

(11) the organization uses financial policies and procedures consistent with generally accepted accounting principles and has an independent audit of the organization's financials on an annual basis.

(d) Health information organizations that have obtained a certificate of authority must:

(1) meet the requirements established for connecting to the Nationwide Health Information Network (NHIN) within the federally mandated timeline or within a time frame established by the commissioner and published in the State Register. If the state timeline for implementation varies from the federal timeline, the State Register notice shall include an explanation for the variation;

(2) annually submit strategic and operational plans for review by the commissioner that address:

(i) increasing adoption rates to include a sufficient number of participating entities to achieve financial sustainability; and

(ii) progress in achieving objectives included in previously submitted strategic and operational plans across the following domains: business and technical operations, technical infrastructure, legal and policy issues, finance, and organizational governance;

(3) develop and maintain a business plan that addresses:

(i) plans for ensuring the necessary capacity to support meaningful use transactions;

(ii) approach for attaining financial sustainability, including public and private financing strategies, and rate structures;

(iii) rates of adoption, utilization, and transaction volume, and mechanisms to support health information exchange; and

(iv) an explanation of methods employed to address the needs of community clinics, critical access hospitals, and free clinics in accessing health information exchange services;

(4) annually submit a rate plan to the commissioner outlining fee structures for health information exchange services for approval by the commissioner. The commissioner shall approve the rate plan if it:

(i) distributes costs equitably among users of health information services;

(ii) provides predictable costs for participating entities;

(iii) covers all costs associated with conducting the full range of meaningful use clinical transactions, including access to health information retrieved through other state-certified health information exchange service providers; and

(iv) provides for a predictable revenue stream for the health information organization and generates sufficient resources to maintain operating costs and develop technical infrastructure

necessary to serve the public interest;

(5) enter into reciprocal agreements with all other state-certified health information organizations to enable access to record locator services to find patient data, and transmission and receipt of meaningful use transactions consistent with the format and content required by national standards established by Centers for Medicare and Medicaid Services. Reciprocal agreements must meet the requirements in subdivision 5; and

(6) comply with additional requirements for the certification or recertification of health information organizations that may be established by the commissioner.

Subd. 4. Application for certificate of authority for health information exchange service providers. (a) Each application for a certificate of authority shall be in a form prescribed by the commissioner and verified by an officer or authorized representative of the applicant. Each application shall include the following:

(1) a copy of the basic organizational document, if any, of the applicant and of each major participating entity, such as the articles of incorporation, or other applicable documents, and all amendments to it;

(2) a list of the names, addresses, and official positions of the following:

(i) all members of the board of directors, and the principal officers and, if applicable, shareholders of the applicant organization; and

(ii) all members of the board of directors, and the principal officers of each major participating entity and, if applicable, each shareholder beneficially owning more than ten percent of any voting stock of the major participating entity;

(3) the name and address of each participating entity and the agreed-upon duration of each contract or agreement if applicable;

(4) a copy of each standard agreement or contract intended to bind the participating entities and the health information organization. Contractual provisions shall be consistent with the purposes of this section, in regard to the services to be performed under the standard agreement or contract, the manner in which payment for services is determined, the nature and extent of responsibilities to be retained by the health information organization, and contractual termination provisions;

(5) a copy of each contract intended to bind major participating entities and the health information organization. Contract information filed with the commissioner under this section shall be nonpublic as defined in section 13.02, subdivision 9;

(6) a statement generally describing the health information organization, its health information exchange contracts, facilities, and personnel, including a statement describing the manner in which the applicant proposes to provide participants with comprehensive health information exchange services;

(7) financial statements showing the applicant's assets, liabilities, and sources of financial support, including a copy of the applicant's most recent certified financial statement;

(8) strategic and operational plans that specifically address how the organization will expand technical capacity of the health information organization to support providers in achieving

meaningful use of electronic health records over time, a description of the proposed method of marketing the services, a schedule of proposed charges, and a financial plan that includes a three-year projection of the expenses and income and other sources of future capital;

(9) a statement reasonably describing the geographic area or areas to be served and the type or types of participants to be served;

(10) a description of the complaint procedures to be used as required under this section;

(11) a description of the mechanism by which participating entities will have an opportunity to participate in matters of policy and operation;

(12) a copy of any pertinent agreements between the health information organization and insurers, including liability insurers, demonstrating coverage is in place;

(13) a copy of the conflict of interest policy that applies to all members of the board of directors and the principal officers of the health information organization; and

(14) other information as the commissioner may reasonably require to be provided.

(b) Within 30 days after the receipt of the application for a certificate of authority, the commissioner shall determine whether or not the application submitted meets the requirements for completion in paragraph (a), and notify the applicant of any further information required for the application to be processed.

(c) Within 90 days after the receipt of a complete application for a certificate of authority, the commissioner shall issue a certificate of authority to the applicant if the commissioner determines that the applicant meets the minimum criteria requirements of subdivision 2 for health data intermediaries or subdivision 3 for health information organizations. If the commissioner determines that the applicant is not qualified, the commissioner shall notify the applicant and specify the reasons for disqualification.

(d) Upon being granted a certificate of authority to operate as a health information organization, the organization must operate in compliance with the provisions of this section. Noncompliance may result in the imposition of a fine or the suspension or revocation of the certificate of authority according to section 62J.4982.

Subd. 5. Reciprocal agreements between health information exchange entities. (a) Reciprocal agreements between two health information organizations or between a health information organization and a health data intermediary must include a fair and equitable model for charges between the entities that:

(1) does not impede the secure transmission of transactions necessary to achieve meaningful use;

(2) does not charge a fee for the exchange of meaningful use transactions transmitted according to nationally recognized standards where no additional value-added service is rendered to the sending or receiving health information organization or health data intermediary either directly or on behalf of the client;

(3) is consistent with fair market value and proportionately reflects the value-added services accessed as a result of the agreement; and

(4) prevents health care stakeholders from being charged multiple times for the same service.

(b) Reciprocal agreements must include comparable quality of service standards that ensure equitable levels of services.

(c) Reciprocal agreements are subject to review and approval by the commissioner.

(d) Nothing in this section precludes a state-certified health information organization or state-certified health data intermediary from entering into contractual agreements for the provision of value-added services beyond meaningful use.

(e) The commissioner of human services or health, when providing access to data or services through a certified health information organization, must offer the same data or services directly through any certified health information organization at the same pricing, if the health information organization pays for all connection costs to the state data or service. For all external connectivity to the respective agencies through existing or future information exchange implementations, the respective agency shall establish the required connectivity methods as well as protocol standards to be utilized.

Subd. 6. **State participation in health information exchange.** A state agency that connects to a health information exchange service provider for the purpose of exchanging meaningful use transactions must ensure that the contracted health information exchange service provider has reciprocal agreements in place as required by this section. The reciprocal agreements must provide equal access to information supplied by the agency as necessary for meaningful use by the participating entities of the other health information service providers.

Sec. 8. [62J.4982] ENFORCEMENT AUTHORITY; COMPLIANCE.

Subdivision 1. **Penalties and enforcement.** (a) The commissioner may, for any violation of statute or rule applicable to a health information exchange service provider, levy an administrative penalty in an amount up to \$25,000 for each violation. In determining the level of an administrative penalty, the commissioner shall consider the following factors:

(1) the number of participating entities affected by the violation;

(2) the effect of the violation on participating entities' access to health information exchange services;

(3) if only one participating entity is affected, the effect of the violation on the patients of that entity;

(4) whether the violation is an isolated incident or part of a pattern of violations;

(5) the economic benefits derived by the health information organization or a health data intermediary by virtue of the violation;

(6) whether the violation hindered or facilitated an individual's ability to obtain health care;

(7) whether the violation was intentional;

(8) whether the violation was beyond the direct control of the health information exchange service provider;

(9) any history of prior compliance with the provisions of this section, including violations;

(10) whether and to what extent the health information exchange service provider attempted to correct previous violations;

(11) how the health information exchange service provider responded to technical assistance from the commissioner provided in the context of a compliance effort; and

(12) the financial condition of the health information exchange service provider including, but not limited to, whether the health information exchange service provider had financial difficulties that affected its ability to comply or whether the imposition of an administrative monetary penalty would jeopardize the ability of the health information exchange service provider to continue to deliver health information exchange services.

The commissioner shall give reasonable notice in writing to the health information exchange service provider of the intent to levy the penalty and the reasons for them. A health information exchange service provider may have 15 days within which to contest whether the facts found constitute a violation of sections 62J.4981 and 62J.4982, according to the contested case and judicial review provisions of sections 14.57 to 14.69.

(b) If the commissioner has reason to believe that a violation of section 62J.4981 or 62J.4982 has occurred or is likely, the commissioner may confer with the persons involved before commencing action under subdivision 2. The commissioner may notify the health information exchange service provider and the representatives, or other persons who appear to be involved in the suspected violation, to arrange a voluntary conference with the alleged violators or their authorized representatives. The purpose of the conference is to attempt to learn the facts about the suspected violation and, if it appears that a violation has occurred or is threatened, to find a way to correct or prevent it. The conference is not governed by any formal procedural requirements, and may be conducted as the commissioner considers appropriate.

(c) The commissioner may issue an order directing a health information exchange service provider or a representative of a health information exchange service provider to cease and desist from engaging in any act or practice in violation of sections 62J.4981 and 62J.4982.

(d) Within 20 days after service of the order to cease and desist, a health information exchange service provider may contest whether the facts found constitute a violation of sections 62J.4981 and 62J.4982 according to the contested case and judicial review provisions of sections 14.57 to 14.69.

(e) In the event of noncompliance with a cease and desist order issued under this subdivision, the commissioner may institute a proceeding to obtain injunctive relief or other appropriate relief in Ramsey County District Court.

Subd. 2. Suspension or revocation of certificates of authority. (a) The commissioner may suspend or revoke a certificate of authority issued to a health data intermediary or health information organization under section 62J.4981 if the commissioner finds that:

(1) the health information exchange service provider is operating significantly in contravention of its basic organizational document, or in a manner contrary to that described in and reasonably inferred from any other information submitted under section 62J.4981, unless amendments to the submissions have been filed with and approved by the commissioner;

(2) the health information exchange service provider is unable to fulfill its obligations to furnish comprehensive health information exchange services as required under its health information exchange contract;

(3) the health information exchange service provider is no longer financially solvent or may not reasonably be expected to meet its obligations to participating entities;

(4) the health information exchange service provider has failed to implement the complaint system in a manner designed to reasonably resolve valid complaints;

(5) the health information exchange service provider, or any person acting with its sanction, has advertised or merchandised its services in an untrue, misleading, deceptive, or unfair manner;

(6) the continued operation of the health information exchange service provider would be hazardous to its participating entities or the patients served by the participating entities; or

(7) the health information exchange service provider has otherwise failed to substantially comply with section 62J.4981 or with any other statute or administrative rule applicable to health information exchange service providers, or has submitted false information in any report required under sections 62J.498 to 62J.4982.

(b) A certificate of authority shall be suspended or revoked only after meeting the requirements of subdivision 3.

(c) If the certificate of authority of a health information exchange service provider is suspended, the health information exchange service provider shall not, during the period of suspension, enroll any additional participating entities, and shall not engage in any advertising or solicitation.

(d) If the certificate of authority of a health information exchange service provider is revoked, the organization shall proceed, immediately following the effective date of the order of revocation, to wind up its affairs, and shall conduct no further business except as necessary to the orderly conclusion of the affairs of the organization. The organization shall engage in no further advertising or solicitation. The commissioner may, by written order, permit further operation of the organization as the commissioner finds to be in the best interest of participating entities, to the end that participating entities will be given the greatest practical opportunity to access continuing health information exchange services.

Subd. 3. Denial, suspension, and revocation; administrative procedures. (a) When the commissioner has cause to believe that grounds for the denial, suspension, or revocation of a certificate of authority exist, the commissioner shall notify the health information exchange service provider in writing stating the grounds for denial, suspension, or revocation and setting a time within 20 days for a hearing on the matter.

(b) After a hearing before the commissioner at which the health information exchange service provider may respond to the grounds for denial, suspension, or revocation, or upon the failure of the health information exchange service provider to appear at the hearing, the commissioner shall take action as deemed necessary and shall issue written findings and mail them to the health information exchange service provider.

(c) If suspension, revocation, or administrative penalty is proposed according to this section, the commissioner must deliver, or send by certified mail with return receipt requested, to the health

information exchange service provider written notice of the commissioner's intent to impose a penalty. This notice of proposed determination must include:

- (1) a reference to the statutory basis for the penalty;
- (2) a description of the findings of fact regarding the violations with respect to which the penalty is proposed;
- (3) the nature and amount of the proposed penalty;
- (4) any circumstances described in subdivision 1, paragraph (a), that were considered in determining the amount of the proposed penalty;
- (5) instructions for responding to the notice, including a statement of the health information exchange service provider's right to a contested case proceeding and a statement that failure to request a contested case proceeding within 30 calendar days permits the imposition of the proposed penalty; and
- (6) the address to which the contested case proceeding request must be sent.

Subd. 4. **Coordination.** (a) The commissioner shall, to the extent possible, seek the advice of the Minnesota e-Health Advisory Committee, in the review and update of criteria for the certification and recertification of health information exchange service providers when implementing sections 62J.498 to 62J.4982.

(b) By January 1, 2011, the commissioner shall report to the governor and the chairs of the senate and house of representatives committees having jurisdiction over health information policy issues on the status of health information exchange in Minnesota, and provide recommendations on further action necessary to facilitate the secure electronic movement of health information among health providers that will enable Minnesota providers and hospitals to meet meaningful use exchange requirements.

Subd. 5. **Fees and monetary penalties.** (a) The commissioner shall assess fees on every health information exchange service provider subject to sections 62J.4981 and 62J.4982 as follows:

- (1) filing an application for certificate of authority to operate as a health information organization, \$10,500;
- (2) filing an application for certificate of authority to operate as a health data intermediary, \$7,000;
- (3) annual health information organization certificate fee, \$14,000;
- (4) annual health data intermediary certificate fee, \$7,000; and
- (5) fees for other filings, as specified by rule.

(b) Administrative monetary penalties imposed under this subdivision shall be credited to an account in the special revenue fund and are appropriated to the commissioner for the purposes of sections 62J.498 to 62J.4982.

Sec. 9. FEDERAL FUNDING.

To the extent that the commissioner of health applies for additional federal funding to support the commissioner's responsibilities of developing and maintaining state-level health information exchange under section 3013 of the HITECH Act, the commissioner of health shall ensure that applications are made through an open process that provides health information exchange service providers equal opportunity to receive funding.

Sec. 10. NONSUBMISSION OF HEALTH CARE CLAIM BY CLEARINGHOUSE; SIGNIFICANT DISRUPTION.

A situation shall be considered a significant disruption to normal operations that materially affects the provider's or facility's ability to conduct business in a normal manner and to submit claims on a timely basis under Minnesota Statutes, section 62Q.75, if:

(1) a clearinghouse loses, or otherwise does not submit, a health care claim as required by Minnesota Statutes, section 62J.536; and

(2) the provider or facility can substantiate that it submitted a complete claim to the clearinghouse within provisions stated in contract or six months of the date of service, whichever is less.

This section expires January 1, 2012.

Sec. 11. APPROPRIATION; HEALTH INFORMATION EXCHANGE OVERSIGHT.

\$104,000 in fiscal year 2011 is appropriated from the state government special revenue fund to the commissioner of health for the duties required under Minnesota Statutes, sections 62J.498 to 62J.4982. Base funding shall be \$97,000 in fiscal year 2012 and \$97,000 in fiscal year 2013."

Delete the title and insert:

"A bill for an act relating to health; amending provisions for electronic health record technology; providing for administrative penalties; defining significant disruption to normal operations; appropriating money; amending Minnesota Statutes 2009 Supplement, sections 62J.495, subdivisions 1a, 3, by adding a subdivision; 62J.497, subdivisions 4, 5; proposing coding for new law in Minnesota Statutes, chapter 62J."

We request the adoption of this report and repassage of the bill.

Senate Conferees: Tony Lourey, Yvonne Prettner Solon, Julie Rosen

House Conferees: Thomas Huntley, Maria Ruud, Jim Abeler

Senator Lourey moved that the foregoing recommendations and Conference Committee Report on S.F. No. 2974 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 2974 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 46 and nays 12, as follows:

Those who voted in the affirmative were:

Anderson	Dille	Kubly	Prettner Solon	Skogen
Bakk	Doll	Langseth	Rest	Stumpf
Berglin	Erickson Ropes	Latz	Robling	Tomassoni
Betzold	Fischbach	Lourey	Rummel	Torres Ray
Bonoff	Fobbe	Lynch	Saltzman	Vickerman
Carlson	Foley	Metzen	Saxhaug	Wiger
Clark	Frederickson	Moua	Scheid	
Cohen	Gimse	Murphy	Sheran	
Dahle	Higgins	Olseen	Sieben	
Dibble	Kelash	Pappas	Skoe	

Those who voted in the negative were:

Gerlach	Jungbauer	Michel	Parry
Hann	Koch	Olson, G.	Senjem
Ingebrigtsen	Limmer	Ortman	Vandevveer

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

MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Orders of Business of Reports of Committees, Second Reading of Senate Bills and Second Reading of House Bills.

REPORTS OF COMMITTEES

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

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

S.F. No. 2567: A bill for an act relating to human services; modifying a nursing facility rate provision; amending Minnesota Statutes 2008, section 256B.431, subdivision 35.

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

Page 1, line 9, strike "constructing" and insert "comparing to" and strike "determining" and strike "otherwise performing"

Page 1, line 10, strike "a" and insert "other"

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

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

H.F. No. 2037: A bill for an act relating to state government; moving appropriations of general fund dedicated revenues to other funds; amending Minnesota Statutes 2008, sections 3.9741, subdivision 2; 8.15, subdivision 3; 13.03, subdivision 10; 16C.23, subdivision 6; 103B.101, subdivision 9; 103I.681, subdivision 11; 116J.551, subdivision 1; 190.32; 257.69, subdivision 2; 260C.331, subdivision 6; 299C.48; 299E.02; 446A.086, subdivision 2; 469.177, subdivision 11;

518.165, subdivision 3; 609.3241; 611.20, subdivision 3; Minnesota Statutes 2009 Supplement, section 270.97; Laws 1994, chapter 531, section 1.

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

Delete everything after the enacting clause and insert:

"ARTICLE 1

SUMMARY

Section 1. **GENERAL FUND SUMMARY.**

The amounts shown in this section summarize general fund direct appropriations, and transfers into the general fund from other funds, made in this act, after forecast adjustments and after voiding certain allotment reductions.

	<u>2010</u>		<u>2011</u>		<u>Total</u>
<u>E-12 Education</u>	\$ (1,069,361,000)	\$	(686,073,000)	\$	(1,755,434,000)
<u>Higher Education</u>	(77,000)		(77,000)		(154,000)
<u>Environment and Natural Resources</u>	(1,571,000)		(1,564,000)		(3,135,000)
<u>Energy</u>	(247,000)		(247,000)		(494,000)
<u>Agriculture</u>	(493,000)		(492,000)		(985,000)
<u>Economic Development</u>	(745,000)		(745,000)		(1,490,000)
<u>Transportation</u>	(1,649,000)		(1,649,000)		(3,298,000)
<u>Public Safety</u>	(79,000)		(79,000)		(158,000)
<u>State Government</u>	(1,694,000)		(1,820,000)		(3,514,000)
<u>Health & Human Services</u>	(4,346,999)		(4,167,000)		(8,513,000)
<u>Tax Aids and Credits</u>	(33,000,000)		(67,000,000)		(100,000,000)
<u>Subtotal of Appropriations</u>	(1,113,186,000)		(763,913,000)		(1,877,099,000)
<u>Transfers In</u>	516,000		99,000		615,000
<u>Total</u>	\$ (1,113,702,000)	\$	(764,012,000)	\$	(1,877,714,000)

Sec. 2. **ALLOTMENT REDUCTIONS VOID.**

The allotment reductions made by the commissioner of management and budget from July 1, 2009, to the effective date of this section are void.

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

ARTICLE 2

CASH FLOW

Section 1. Minnesota Statutes 2009 Supplement, section 137.025, subdivision 1, is amended to

read:

Subdivision 1. **Monthly payments.** The commissioner of management and budget shall pay 1/12 of the annual appropriation to the University of Minnesota ~~on~~ by the 24st 25th day of each month. If the ~~24st 25th~~ day of the month falls on a Saturday or Sunday, the monthly payment must be made ~~on~~ by the first business day immediately following the 24st 25th day of the month.

Sec. 2. Minnesota Statutes 2008, section 276.112, is amended to read:

276.112 STATE PROPERTY TAXES; COUNTY TREASURER.

~~On or before January 25 each year, for the period ending December 31 of the prior year, and on or before June 28 each year, for the period ending on the most recent settlement day determined in section 276.09, and on or before December 2 each year, for the period ending November 20, the settlement dates provided in this chapter for the settlement of taxes levied by school districts, the county treasurer must make full settlement with the county auditor according to sections 276.09, 276.10, and 276.111 for all receipts of state property taxes levied under section 275.025, and must transmit those receipts to the commissioner of revenue by electronic means on the dates and according to the provisions applicable to distributions to school districts.~~

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

Sec. 3. Minnesota Statutes 2009 Supplement, section 289A.20, subdivision 4, is amended to read:

Subd. 4. **Sales and use tax.** (a) The taxes imposed by chapter 297A are due and payable to the commissioner monthly on or before the 20th day of the month following the month in which the taxable event occurred, or following another reporting period as the commissioner prescribes or as allowed under section 289A.18, subdivision 4, paragraph (f) or (g), except that:

(1) use taxes due on an annual use tax return as provided under section 289A.11, subdivision 1, are payable by April 15 following the close of the calendar year; and

(2) for a vendor having a liability of \$120,000 or more during a fiscal year ending June 30, 2009, and fiscal years thereafter, the taxes imposed by chapter 297A are due and payable to the commissioner monthly in the following manner:

(i) On or before the 14th day of the month following the month in which the taxable event occurred, the vendor must remit to the commissioner 90 percent of the estimated liability for the month in which the taxable event occurred.

(ii) On or before the 20th day of the month following the month in which the taxable event occurred, the vendor must pay any additional amount of tax not remitted on or before the 14th day of the month following the month in which the taxable event occurred.

(b) A vendor having a liability of \$120,000 or more during a fiscal year ending June 30 must remit the June liability for the next year in the following manner:

(1) Two business days before June 30 of the year, the vendor must remit 90 percent of the estimated June liability to the commissioner.

(2) On or before August ~~20~~ 14 of the year, the vendor must pay any additional amount of tax not

remitted in June.

(c) A vendor having a liability of:

~~(1) \$20,000 or more in the fiscal year ending June 30, 2005; or~~

~~(2) (1) \$10,000 or more in the, but less than \$120,000 during a fiscal year ending June 30, 2006 2009, and fiscal years thereafter,~~

must remit all liabilities on returns due for periods beginning in the subsequent calendar year by electronic means on or before the 20th day of the month following the month in which the taxable event occurred, or on or before the 20th day of the month following the month in which the sale is reported under section 289A.18, subdivision 4, ~~except for 90 percent of the estimated June liability, which is due two business days before June 30. The remaining amount of the June liability is due on August 20.~~

~~(2) \$120,000 or more, during a fiscal year ending June 30, 2009, and fiscal years thereafter, must remit all liabilities in the manner provided in paragraph (a), clause (2), on returns due for periods beginning in the subsequent calendar year by electronic means, except for 90 percent of the estimated June liability, which is due two business days before June 30. The remaining amount of the June liability is due on August 14.~~

(d) Notwithstanding paragraph (b) or (c), a person prohibited by the person's religious beliefs from paying electronically shall be allowed to remit the payment by mail. The filer must notify the commissioner of revenue of the intent to pay by mail before doing so on a form prescribed by the commissioner. No extra fee may be charged to a person making payment by mail under this paragraph. The payment must be postmarked at least two business days before the due date for making the payment in order to be considered paid on a timely basis.

(e) Whenever the liability is \$120,000 or more separately for (1) the tax imposed under chapter 297A, (2) a fee that is to be reported on the same return as and paid with the chapter 297A taxes, or (3) any other tax that is to be reported on the same return as and paid with the chapter 297A taxes, then the payment of all the liabilities on the return must be accelerated as provided in this subdivision.

EFFECTIVE DATE. This section is effective for taxes due and payable after September 1, 2010.

Sec. 4. Minnesota Statutes 2008, section 289A.60, is amended by adding a subdivision to read:

Subd. 31. Accelerated payment of monthly sales tax liability; penalty for underpayment. For payments made after September 1, 2010, if a vendor is required by section 289A.20, subdivision 4, to remit a 90 percent payment by the 14th of the month following the month in which the taxable event occurred, as an estimation of monthly sales tax liabilities, including the liability of any fee or other tax that is to be reported on the same return as and paid with the chapter 297A taxes, for the month in which the taxable event occurred, the vendor shall pay a penalty equal to ten percent of the amount of liability that was required to be paid by the 14th of the month less the amount remitted by the 14th of the month. The penalty must not be imposed, however, if the amount remitted by the 14th of the month equals the lesser of 90 percent of the liability for the month preceding the month in which the taxable event occurred or 90 percent of the average monthly liability for the previous calendar year.

EFFECTIVE DATE. This section is effective for taxes due and payable after September 1, 2010.

ARTICLE 3

E-12 EDUCATION

Section 1. Minnesota Statutes 2008, section 123B.75, is amended by adding a subdivision to read:

Subd. 1a. **Definition.** For the purpose of this section, "school district tax settlement revenue" means the current, delinquent, and manufactured home property tax receipts collected by the county and distributed to the school district.

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

Sec. 2. Minnesota Statutes 2008, section 123B.75, subdivision 5, is amended to read:

~~Subd. 5. **Levy recognition.** (a) "School district tax settlement revenue" means the current, delinquent, and manufactured home property tax receipts collected by the county and distributed to the school district.~~

~~(b) For fiscal year 2004 and later years 2009 and 2010, in June of each year, the school district must recognize as revenue, in the fund for which the levy was made, the lesser of:~~

~~(1) the sum of May, June, and July school district tax settlement revenue received in that calendar year, plus general education aid according to section 126C.13, subdivision 4, received in July and August of that calendar year; or~~

~~(2) the sum of:~~

~~(i) 31 percent of the referendum levy certified according to section 126C.17, in calendar year 2000; and~~

~~(ii) the entire amount of the levy certified in the prior calendar year according to section 124D.86, subdivision 4, for school districts receiving revenue under sections 124D.86, subdivision 3, clauses (1), (2), and (3); 126C.41, subdivisions 1, 2, paragraph (b), and 3, paragraphs (b), (c), and (d); 126C.43, subdivision 2; 126C.457; and 126C.48, subdivision 6; plus~~

~~(iii) zero percent of the amount of the levy certified in the prior calendar year for the school district's general and community service funds, plus or minus auditor's adjustments, not including the levy portions that are assumed by the state, that remains after subtracting the referendum levy certified according to section 126C.17 and the amount recognized according to item (ii).~~

~~(b) For fiscal year 2011 and later years, in June of each year, the school district must recognize as revenue, in the fund for which the levy was made, the lesser of:~~

~~(1) the sum of May, June, and July school district tax settlement revenue received in that calendar year, plus general education aid according to section 126C.13, subdivision 4, received in July and August of that calendar year; or~~

~~(2) the sum of:~~

(i) the greater of 48.6 percent of the referendum levy certified according to section 126C.17 in the prior calendar year, or 31 percent of the referendum levy certified according to section 126C.17 in calendar year 2000; plus

(ii) the entire amount of the levy certified in the prior calendar year according to section 124D.86, subdivision 4, for school districts receiving revenue under sections 124D.86, subdivision 3, clauses (1), (2), and (3); 126C.41, subdivisions 1, 2, paragraph (b), and 3, paragraphs (b), (c), and (d); 126C.43, subdivision 2; 126C.457; and 126C.48, subdivision 6.

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

Sec. 3. Minnesota Statutes 2008, section 123B.75, subdivision 9, is amended to read:

Subd. 9. **Commissioner shall specify fiscal year.** The commissioner shall specify the fiscal year or years to which the revenue from any aid or tax levy is applicable if Minnesota Statutes do not so specify. The commissioner must report to the chair and ranking minority member of the house of representatives and senate committees with jurisdiction over education finance by January 15 of each year any adjustments under this subdivision in the previous year.

Sec. 4. Minnesota Statutes 2008, section 126C.48, subdivision 7, is amended to read:

Subd. 7. **Reporting.** For each tax settlement, the county auditor shall report to each school district by fund, the district tax settlement revenue defined in section 123B.75, subdivision 5, ~~paragraph (a)~~ 1a, on the form specified in section 276.10. The county auditor shall send to the district a copy of the spread levy report specified in section 275.124.

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

Sec. 5. Minnesota Statutes 2008, section 127A.441, is amended to read:

127A.441 AID REDUCTION; LEVY REVENUE RECOGNITION CHANGE.

Each year, the state aids payable to any school district for that fiscal year that are recognized as revenue in the school district's general and community service funds shall be adjusted by an amount equal to (1) the amount the district recognized as revenue for the prior fiscal year pursuant to section 123B.75, subdivision 5, paragraph (a) or (b), minus (2) the amount the district recognized as revenue for the current fiscal year pursuant to section 123B.75, subdivision 5, paragraph (a) or (b). For purposes of making the aid adjustments under this section, the amount the district recognizes as revenue for either the prior fiscal year or the current fiscal year pursuant to section 123B.75, subdivision 5, paragraph (b), shall not include any amount levied pursuant to section 124D.86, subdivision 4, for school districts receiving revenue under sections 124D.86, subdivision 3, clauses (1), (2), and (3); 126C.41, subdivisions 1, 2, and 3, paragraphs (b), (c), and (d); 126C.43, subdivision 2; 126C.457; and 126C.48, subdivision 6. Payment from the permanent school fund shall not be adjusted pursuant to this section. The school district shall be notified of the amount of the adjustment made to each payment pursuant to this section.

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

Sec. 6. Minnesota Statutes 2008, section 127A.45, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) The term "other district receipts" means payments by county treasurers pursuant to section 276.10, apportionments from the school endowment fund pursuant to section

127A.33, apportionments by the county auditor pursuant to section 127A.34, subdivision 2, and payments to school districts by the commissioner of revenue pursuant to chapter 298.

(b) ~~The term~~ "Cumulative amount guaranteed" means the product of

- (1) the cumulative disbursement percentage shown in subdivision 3; times
- (2) the sum of

(i) the current year aid payment percentage of the estimated aid and credit entitlements paid according to subdivision 13; plus

(ii) 100 percent of the entitlements paid according to subdivisions 11 and 12; plus

(iii) the other district receipts.

(c) ~~The term~~ "Payment date" means the date on which state payments to districts are made by the electronic funds transfer method. If a payment date falls on a Saturday, a Sunday, or a weekday which is a legal holiday, the payment shall be made on the immediately preceding business day. The commissioner may make payments on dates other than those listed in subdivision 3, but only for portions of payments from any preceding payment dates which could not be processed by the electronic funds transfer method due to documented extenuating circumstances.

(d) The current year aid payment percentage equals 73 in fiscal year 2010 and 2011 and 90 in fiscal year 2012 and later.

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

Sec. 7. Laws 2009, chapter 96, article 6, section 11, subdivision 6, is amended to read:

Subd. 6. **Educate parents partnership.** For the educate parents partnership under Minnesota Statutes, section 124D.129:

\$	50,000 <u>49,000</u>	.....	2010
\$	50,000 <u>49,000</u>	.....	2011

Any balance in the first year does not cancel but is available in the second year.

Sec. 8. Laws 2009, chapter 96, article 6, section 11, subdivision 7, is amended to read:

Subd. 7. **Kindergarten entrance assessment initiative and intervention program.** For the kindergarten entrance assessment initiative and intervention program under Minnesota Statutes, section 124D.162:

\$	287,000 <u>281,000</u>	.....	2010
\$	287,000 <u>281,000</u>	.....	2011

Any balance in the first year does not cancel but is available in the second year.

Sec. 9. Laws 2009, chapter 96, article 7, section 3, subdivision 2, is amended to read:

Subd. 2. **Department.** (a) For the Department of Education:

	<u>20,943,000</u>		
\$	<u>20,147,600</u>	.....	2010
	<u>20,943,000</u>		
\$	<u>19,811,000</u>	.....	2011

Any balance in the first year does not cancel but is available in the second year. The base appropriation for fiscal year 2012 and later is \$20,285,000.

(b) \$260,000 each year is for the Minnesota Children's Museum.

(c) \$41,000 each year is for the Minnesota Academy of Science.

(d) ~~\$632,000~~ \$618,000 each year is for the Board of Teaching. Any balance in the first year does not cancel but is available in the second year.

(e) ~~\$171,000~~ \$167,000 each year is for the Board of School Administrators. Any balance in the first year does not cancel but is available in the second year.

(f) ~~\$40,000 each year~~ \$10,000 is for an early hearing loss intervention coordinator under Minnesota Statutes, section 125A.63, subdivision 5. This appropriation is for fiscal year 2010 only. If the department expends federal funds to employ a hearing loss coordinator under Minnesota Statutes, section 125A.63, subdivision 5, then the appropriation under this paragraph is reallocated for purposes of employing a world languages coordinator.

(g) \$50,000 each year is for the Duluth Children's Museum.

(h) None of the amounts appropriated under this subdivision may be used for Minnesota's Washington, D.C., office.

(i) The expenditures of federal grants and aids as shown in the biennial budget document and its supplements are approved and appropriated and shall be spent as indicated. The commissioner must provide, to the K-12 Education Finance Division in the house of representatives and the E-12 Budget Division in the senate, details about the distribution of state incentive grants, education technology state grants, teacher incentive funds, and statewide data system funds as outlined in the supplemental federal funds submission dated March 25, 2009.

Sec. 10. ADVANCE FINAL PAYMENT; FISCAL YEARS 2010 AND 2011.

(a) Notwithstanding Minnesota Statutes, section 127A.45, subdivisions 3 and 7, for fiscal years 2010 and 2011 only, a school district or charter school exceeding its expenditure limitations under Minnesota Statutes, section 123B.83, as of June 30, 2009, or June 30, 2010, may receive a portion of its final payment for the current fiscal year on June 20, if requested by the district or charter school. The amount paid under this subdivision must not exceed the lesser of:

(1) the difference between 90 percent and the current year aid payment percentage under Minnesota Statutes, section 127A.45, subdivision 2, paragraph (d), in the current fiscal year times the sum of the district or charter school's general education aid plus the aid adjustment in Minnesota Statutes, section 127A.50, for the current fiscal year; or

(2) the amount by which the district or charter school's net negative unreserved general fund balance as of June 30 of the prior fiscal year exceeds 2.5 percent of the district or charter school's

expenditures for that fiscal year.

(b) The state total advance final payment under this subdivision for any fiscal year must not exceed \$7,500,000. If the amount exceeds \$7,500,000, the advance final payment for each eligible district must be reduced proportionately.

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

ARTICLE 4

E-12 EDUCATION FORECAST ADJUSTMENTS

Section 1. Minnesota Statutes 2009 Supplement, section 123B.54, is amended to read:

123B.54 DEBT SERVICE APPROPRIATION.

(a) ~~\$9,109,000 in fiscal year 2009, \$7,948,000 in fiscal year 2010, \$9,275,000 in fiscal year 2011, \$9,574,000~~ \$16,900,000 in fiscal year 2012, and ~~\$8,904,000~~ \$19,175,000 in fiscal year 2013 and later are appropriated from the general fund to the commissioner of education for payment of debt service equalization aid under section 123B.53.

(b) The appropriations in paragraph (a) must be reduced by the amount of any money specifically appropriated for the same purpose in any year from any state fund.

Sec. 2. Laws 2009, chapter 96, article 1, section 24, subdivision 2, is amended to read:

Subd. 2. **General education aid.** For general education aid under Minnesota Statutes, section 126C.13, subdivision 4:

	<u>5,195,504,000</u>		
\$	<u>4,291,422,000</u>	.....	2010
	<u>5,626,994,000</u>		
\$	<u>4,959,881,000</u>	.....	2011

The 2010 appropriation includes ~~\$555,864,000~~ \$553,591,000 for 2009 and ~~\$4,639,640,000~~ \$3,737,831,000 for 2010.

The 2011 appropriation includes ~~\$500,976,000~~ \$1,363,306,000 for 2010 and ~~\$5,126,018,000~~ \$3,596,575,000 for 2011.

Sec. 3. Laws 2009, chapter 96, article 1, section 24, subdivision 5, is amended to read:

Subd. 5. **Consolidation transition.** For districts consolidating under Minnesota Statutes, section 123A.485:

\$	854,000 <u>684,000</u>	.....	2010
\$	927,000 <u>590,000</u>	.....	2011

The 2010 appropriation includes \$0 for 2009 and ~~\$854,000~~ \$684,000 for 2010.

The 2011 appropriation includes ~~\$94,000~~ \$252,000 for 2010 and ~~\$833,000~~ \$338,000 for 2011.

Sec. 4. Laws 2009, chapter 96, article 1, section 24, subdivision 6, is amended to read:

Subd. 6. **Nonpublic pupil education aid.** For nonpublic pupil education aid under Minnesota Statutes, sections 123B.40 to 123B.43 and 123B.87:

	17,250,000		
\$	<u>12,861,000</u>	.....	2010
	17,889,000		
\$	<u>16,663,000</u>	.....	2011

The 2010 appropriation includes ~~\$1,647,000~~ \$1,067,000 for 2009 and ~~\$15,603,000~~ \$11,794,000 for 2010.

The 2011 appropriation includes ~~\$1,733,000~~ \$4,362,000 for 2010 and ~~\$16,156,000~~ \$12,301,000 for 2011.

Sec. 5. Laws 2009, chapter 96, article 1, section 24, subdivision 7, is amended to read:

Subd. 7. **Nonpublic pupil transportation.** For nonpublic pupil transportation aid under Minnesota Statutes, section 123B.92, subdivision 9:

	22,159,000		
\$	<u>17,297,000</u>	.....	2010
	22,712,000		
\$	<u>20,333,000</u>	.....	2011

The 2010 appropriation includes \$2,077,000 for 2009 and ~~\$20,082,000~~ \$15,220,000 for 2010.

The 2011 appropriation includes ~~\$2,231,000~~ \$5,629,000 for 2010 and ~~\$20,481,000~~ \$14,704,000 for 2011.

Sec. 6. Laws 2009, chapter 96, article 2, section 67, subdivision 2, is amended to read:

Subd. 2. **Charter school building lease aid.** For building lease aid under Minnesota Statutes, section 124D.11, subdivision 4:

	40,453,000		
\$	<u>34,833,000</u>	.....	2010
	44,775,000		
\$	<u>46,370,000</u>	.....	2011

The 2010 appropriation includes \$3,704,000 for 2009 and ~~\$36,749,000~~ \$31,129,000 for 2010.

The 2011 appropriation includes ~~\$4,083,000~~ \$11,513,000 for 2010 and ~~\$40,692,000~~ \$34,857,000 for 2011.

Sec. 7. Laws 2009, chapter 96, article 2, section 67, subdivision 3, is amended to read:

Subd. 3. **Charter school startup aid.** For charter school startup cost aid under Minnesota Statutes, section 124D.11:

	1,488,000		
\$	<u>1,218,000</u>	.....	2010
	1,064,000		
\$	<u>759,000</u>	.....	2011

The 2010 appropriation includes \$202,000 for 2009 and ~~\$1,286,000~~ \$1,016,000 for 2010.

The 2011 appropriation includes ~~\$142,000~~ \$375,000 for 2010 and ~~\$922,000~~ \$384,000 for 2011.

Sec. 8. Laws 2009, chapter 96, article 2, section 67, subdivision 4, is amended to read:

Subd. 4. **Integration aid.** For integration aid under Minnesota Statutes, section 124D.86, subdivision 5:

	65,358,000		
\$	<u>50,812,000</u>	.....	2010
	65,484,000		
\$	<u>63,717,000</u>	.....	2011

The 2010 appropriation includes ~~\$6,110,000~~ \$5,832,000 for 2009 and ~~\$59,248,000~~ \$44,980,000 for 2010.

The 2011 appropriation includes ~~\$6,583,000~~ \$16,636,000 for 2010 and ~~\$58,901,000~~ \$47,081,000 for 2011.

Sec. 9. Laws 2009, chapter 96, article 2, section 67, subdivision 7, is amended to read:

Subd. 7. **Success for the future.** For American Indian success for the future grants under Minnesota Statutes, section 124D.81:

	2,137,000		
\$	<u>1,774,000</u>	.....	2010
\$	2,137,000	.....	2011

The 2010 appropriation includes \$213,000 for 2009 and ~~\$1,924,000~~ \$1,561,000 for 2010.

The 2011 appropriation includes ~~\$213,000~~ \$576,000 for 2010 and ~~\$1,924,000~~ \$1,561,000 for 2011.

Sec. 10. Laws 2009, chapter 96, article 2, section 67, subdivision 9, is amended to read:

Subd. 9. **Tribal contract schools.** For tribal contract school aid under Minnesota Statutes, section 124D.83:

	2,030,000		
\$	<u>1,702,000</u>	.....	2010
	2,211,000		
\$	<u>2,186,000</u>	.....	2011

The 2010 appropriation includes \$191,000 for 2009 and ~~\$1,839,000~~ \$1,511,000 for 2010.

The 2011 appropriation includes ~~\$204,000~~ \$558,000 for 2010 and ~~\$2,007,000~~ \$1,628,000 for 2011.

Sec. 11. Laws 2009, chapter 96, article 3, section 21, subdivision 2, is amended to read:

Subd. 2. **Special education; regular.** For special education aid under Minnesota Statutes, section 125A.75:

	<u>734,071,000</u>		
\$	<u>609,003,000</u>	.....	2010
	<u>781,497,000</u>		
\$	<u>772,845,000</u>	.....	2011

The 2010 appropriation includes \$71,947,000 for 2009 and ~~\$662,124,000~~ \$537,056,000 for 2010.

The 2011 appropriation includes ~~\$73,569,000~~ \$198,637,000 for 2010 and ~~\$707,928,000~~ \$574,208,000 for 2011.

Sec. 12. Laws 2009, chapter 96, article 3, section 21, subdivision 3, is amended to read:

Subd. 3. **Aid for children with disabilities.** For aid under Minnesota Statutes, section 125A.75, subdivision 3, for children with disabilities placed in residential facilities within the district boundaries for whom no district of residence can be determined:

	<u>1,717,000</u>		
\$	<u>1,125,000</u>	.....	2010
	<u>1,895,000</u>		
\$	<u>1,193,000</u>	.....	2011

If the appropriation for either year is insufficient, the appropriation for the other year is available.

Sec. 13. Laws 2009, chapter 96, article 3, section 21, subdivision 4, is amended to read:

Subd. 4. **Travel for home-based services.** For aid for teacher travel for home-based services under Minnesota Statutes, section 125A.75, subdivision 1:

\$	258,000 <u>224,000</u>	.....	2010
\$	282,000 <u>291,000</u>	.....	2011

The 2010 appropriation includes \$24,000 for 2009 and ~~\$234,000~~ \$200,000 for 2010.

The 2011 appropriation includes ~~\$26,000~~ \$73,000 for 2010 and ~~\$256,000~~ \$218,000 for 2011.

Sec. 14. Laws 2009, chapter 96, article 3, section 21, subdivision 5, is amended to read:

Subd. 5. **Special education; excess costs.** For excess cost aid under Minnesota Statutes, section 125A.79, subdivision 7:

	110,871,000		
\$	<u>96,926,000</u>	.....	2010
	110,877,000		
\$	<u>110,871,000</u>	.....	2011

The 2010 appropriation includes \$37,046,000 for 2009 and ~~\$73,825,000~~ \$59,880,000 for 2010.

The 2011 appropriation includes ~~\$37,022,000~~ \$50,967,000 for 2010 and ~~\$73,855,000~~ \$59,904,000 for 2011.

Sec. 15. Laws 2009, chapter 96, article 4, section 12, subdivision 2, is amended to read:

Subd. 2. **Health and safety revenue.** For health and safety aid according to Minnesota Statutes, section 123B.57, subdivision 5:

\$	161,000 <u>132,000</u>	.....	2010
\$	160,000 <u>139,000</u>	.....	2011

The 2010 appropriation includes \$10,000 for 2009 and ~~\$151,000~~ \$122,000 for 2010.

The 2011 appropriation includes ~~\$16,000~~ \$44,000 for 2010 and ~~\$144,000~~ \$95,000 for 2011.

Sec. 16. Laws 2009, chapter 96, article 4, section 12, subdivision 3, is amended to read:

Subd. 3. **Debt service equalization.** For debt service aid according to Minnesota Statutes, section 123B.53, subdivision 6:

	7,948,000		
\$	<u>6,608,000</u>	.....	2010
	9,275,000		
\$	<u>8,465,000</u>	.....	2011

The 2010 appropriation includes \$851,000 for 2009 and ~~\$7,097,000~~ \$5,757,000 for 2010.

The 2011 appropriation includes ~~\$788,000~~ \$2,128,000 for 2010 and ~~\$8,487,000~~ \$6,337,000 for 2011.

Sec. 17. Laws 2009, chapter 96, article 4, section 12, subdivision 4, is amended to read:

Subd. 4. **Alternative facilities bonding aid.** For alternative facilities bonding aid, according to Minnesota Statutes, section 123B.59, subdivision 1:

	19,287,000		
\$	<u>16,008,000</u>	.....	2010
\$	19,287,000	.....	2011

The 2010 appropriation includes \$1,928,000 for 2009 and ~~\$17,359,000~~ \$14,080,000 for 2010.

The 2011 appropriation includes ~~\$1,928,000~~ \$5,207,000 for 2010 and ~~\$17,359,000~~ \$14,080,000 for 2011.

Sec. 18. Laws 2009, chapter 96, article 4, section 12, subdivision 6, is amended to read:

Subd. 6. **Deferred maintenance aid.** For deferred maintenance aid, according to Minnesota Statutes, section 123B.591, subdivision 4:

	<u>2,302,000</u>		
\$	<u>1,918,000</u>	.....	2010
	<u>2,073,000</u>		
\$	<u>2,211,000</u>	.....	2011

The 2010 appropriation includes \$260,000 for 2009 and ~~\$2,042,000~~ \$1,658,000 for 2010.

The 2011 appropriation includes ~~\$226,000~~ \$613,000 for 2010 and ~~\$1,847,000~~ \$1,598,000 for 2011.

Sec. 19. Laws 2009, chapter 96, article 5, section 13, subdivision 4, is amended to read:

Subd. 4. **Kindergarten milk.** For kindergarten milk aid under Minnesota Statutes, section 124D.118:

	<u>1,098,000</u>		
\$	<u>1,104,000</u>	.....	2010
	<u>1,120,000</u>		
\$	<u>1,126,000</u>	.....	2011

Sec. 20. Laws 2009, chapter 96, article 5, section 13, subdivision 6, is amended to read:

Subd. 6. **Basic system support.** For basic system support grants under Minnesota Statutes, section 134.355:

	<u>13,570,000</u>		
\$	<u>11,264,000</u>	.....	2010
\$	13,570,000	.....	2011

The 2010 appropriation includes \$1,357,000 for 2009 and ~~\$12,213,000~~ \$9,907,000 for 2010.

The 2011 appropriation includes ~~\$1,357,000~~ \$3,663,000 for 2010 and ~~\$12,213,000~~ \$9,907,000 for 2011.

Sec. 21. Laws 2009, chapter 96, article 5, section 13, subdivision 7, is amended to read:

Subd. 7. **Multicounty, multitype library systems.** For grants under Minnesota Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

	<u>1,300,000</u>		
\$	<u>1,079,000</u>	.....	2010
\$	1,300,000	.....	2011

The 2010 appropriation includes \$130,000 for 2009 and ~~\$1,170,000~~ \$949,000 for 2010.

The 2011 appropriation includes ~~\$130,000~~ \$351,000 for 2010 and ~~\$1,170,000~~ \$949,000 for 2011.

Sec. 22. Laws 2009, chapter 96, article 5, section 13, subdivision 9, is amended to read:

Subd. 9. **Regional library telecommunications aid.** For regional library telecommunications aid under Minnesota Statutes, section 134.355:

	2,300,000		
\$	<u>1,909,000</u>	.....	2010
\$	2,300,000	.....	2011

The 2010 appropriation includes \$230,000 for 2009 and ~~\$2,070,000~~ \$1,679,000 for 2010.

The 2011 appropriation includes ~~\$230,000~~ \$621,000 for 2010 and ~~\$2,070,000~~ \$1,679,000 for 2011.

Sec. 23. Laws 2009, chapter 96, article 6, section 11, subdivision 2, is amended to read:

Subd. 2. **School readiness.** For revenue for school readiness programs under Minnesota Statutes, sections 124D.15 and 124D.16:

	10,095,000		
\$	<u>8,379,000</u>	.....	2010
\$	10,095,000	.....	2011

The 2010 appropriation includes \$1,009,000 for 2009 and ~~\$9,086,000~~ \$7,370,000 for 2010.

The 2011 appropriation includes ~~\$1,009,000~~ \$2,725,000 for 2010 and ~~\$9,086,000~~ \$7,370,000 for 2011.

Sec. 24. Laws 2009, chapter 96, article 6, section 11, subdivision 3, is amended to read:

Subd. 3. **Early childhood family education aid.** For early childhood family education aid under Minnesota Statutes, section 124D.135:

	22,955,000		
\$	<u>19,005,000</u>	.....	2010
	22,547,000		
\$	<u>22,126,000</u>	.....	2011

The 2010 appropriation includes \$3,020,000 for 2009 and ~~\$19,935,000~~ \$15,985,000 for 2010.

The 2011 appropriation includes ~~\$2,214,000~~ \$5,911,000 for 2010 and ~~\$20,333,000~~ \$16,215,000 for 2011.

Sec. 25. Laws 2009, chapter 96, article 6, section 11, subdivision 4, is amended to read:

Subd. 4. **Health and developmental screening aid.** For health and developmental screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

	<u>3,694,000</u>		
\$	<u>2,922,000</u>	.....	2010
	<u>3,800,000</u>		
\$	<u>3,531,000</u>	.....	2011

The 2010 appropriation includes \$367,000 for 2009 and ~~\$3,327,000~~ \$2,555,000 for 2010.

The 2011 appropriation includes ~~\$369,000~~ \$945,000 for 2010 and ~~\$3,431,000~~ \$2,586,000 for 2011.

Sec. 26. Laws 2009, chapter 96, article 6, section 11, subdivision 8, is amended to read:

Subd. 8. **Community education aid.** For community education aid under Minnesota Statutes, section 124D.20:

\$	585,000 <u>476,000</u>	.....	2010
\$	467,000 <u>486,000</u>	.....	2011

The 2010 appropriation includes \$73,000 for 2009 and ~~\$512,000~~ \$403,000 for 2010.

The 2011 appropriation included ~~\$56,000~~ \$148,000 for 2010 and ~~\$411,000~~ \$338,000 for 2011.

Sec. 27. Laws 2009, chapter 96, article 6, section 11, subdivision 9, is amended to read:

Subd. 9. **Adults with disabilities program aid.** For adults with disabilities programs under Minnesota Statutes, section 124D.56:

\$	710,000 <u>588,000</u>	.....	2010
\$	710,000	.....	2011

The 2010 appropriation includes ~~\$71,000~~ \$69,000 for 2009 and ~~\$639,000~~ \$519,000 for 2010.

The 2011 appropriation includes ~~\$71,000~~ \$191,000 for 2010 and ~~\$639,000~~ \$519,000 for 2011.

Sec. 28. Laws 2009, chapter 96, article 6, section 11, subdivision 12, is amended to read:

Subd. 12. **Adult basic education aid.** For adult basic education aid under Minnesota Statutes, section 124D.531:

	<u>42,975,000</u>		
\$	<u>35,671,000</u>	.....	2010
	<u>44,258,000</u>		
\$	<u>44,065,000</u>	.....	2011

The 2010 appropriation includes \$4,187,000 for 2009 and ~~\$38,788,000~~ \$31,484,000 for 2010.

The 2011 appropriation includes ~~\$4,309,000~~ \$11,644,000 for 2010 and ~~\$39,949,000~~ \$32,421,000 for 2011.

ARTICLE 5

HIGHER EDUCATION**Section 1. SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

	<u>2010</u>	<u>2011</u>	<u>Total</u>
<u>General</u>	\$ <u>(77,000)</u>	\$ <u>(77,000)</u>	<u>(154,000)</u>

Sec. 2. APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2009, chapter 95, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2010, are effective the day following final enactment.

APPROPRIATIONS
Available for the Year
Ending June 30
2010 2011

<u>Sec. 3. MINNESOTA OFFICE OF HIGHER EDUCATION</u>	\$	<u>(77,000)</u>	\$	<u>(77,000)</u>
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This reduction is from the appropriation for agency administration.

ARTICLE 6**ENVIRONMENT AND NATURAL RESOURCES****Section 1. SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize changes to direct appropriations, by fund, made in this article.

	<u>2010</u>	<u>2011</u>	<u>Total</u>
<u>General</u>	\$ <u>(1,571,000)</u>	\$ <u>(1,564,000)</u>	<u>(3,135,000)</u>

Sec. 2. APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2009, chapter 37, article 1, to the agencies

and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this article mean that the addition to or subtraction from the appropriation listed under them are available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2010, are effective the day following final enactment.

	APPROPRIATIONS	
	Available for the Year	
	Ending June 30	
	<u>2010</u>	<u>2011</u>
Sec. 3. <u>POLLUTION CONTROL AGENCY</u>		
Subdivision 1. <u>Total Appropriation</u>	\$ <u>(110,000)</u>	\$ <u>(99,000)</u>
The appropriation reductions for each purpose are shown in the following subdivisions.		
Subd. 2. <u>Water</u>	<u>(98,000)</u>	<u>(38,000)</u>
The \$98,000 reduction in fiscal year 2010 is from the agency's activities to develop minimal impact design standards for urban stormwater runoff.		
Subd. 3. <u>Land</u>	<u>-0-</u>	<u>(30,000)</u>
The \$30,000 reduction in the second year is from the environmental health tracking and biomonitoring activities of the agency.		
Subd. 4. <u>Environmental Assistance and Cross Media</u>	<u>-0-</u>	<u>(16,000)</u>
Subd. 5. <u>Administrative Support</u>	<u>(12,000)</u>	<u>(15,000)</u>
Sec. 4. <u>NATURAL RESOURCES</u>		
Subdivision 1. <u>Total Appropriation</u>	\$ <u>(1,375,000)</u>	\$ <u>(1,379,000)</u>

The appropriation reductions for each purpose are shown in the following subdivisions.

10764	JOURNAL OF THE SENATE	[100TH DAY
Subd. 2. <u>Lands and Minerals</u>	(30,000)	(30,000)
Subd. 3. <u>Water Resources Management</u>	(84,000)	(84,000)
Subd. 4. <u>Forest Management</u>	(188,000)	(188,000)
<u>\$53,000 of the reduction each year is from activities supporting the Forest Resources Council with implementation of the Sustainable Forest Resources Act.</u>		
Subd. 5. <u>Parks and Trails Management</u>	(420,000)	(422,000)
Subd. 6. <u>Fish and Wildlife Management</u>	(265,000)	(265,000)
<u>\$265,000 of the reduction each year is from activities for preserving, restoring, and enhancing grassland/wetland complexes on public or private land.</u>		
Subd. 7. <u>Ecological Services</u>	(46,000)	(47,000)
Subd. 8. <u>Enforcement</u>	(230,000)	(230,000)
Subd. 9. <u>Operations Support</u>	(112,000)	(113,000)
Sec. 5. <u>METROPOLITAN COUNCIL</u>	\$ (86,000)	\$ (86,000)

Sec. 6. Minnesota Statutes 2008, section 103G.705, subdivision 2, is amended to read:

Subd. 2. **Stream protection and improvement fund.** There is established in the state treasury a stream protection and redevelopment fund. All repayments of loans made and administrative fees assessed under subdivision 1 must be deposited in this fund. Interest earned on money in the fund accrues to the fund and money in the fund is appropriated to the commissioner of natural resources for purposes of the stream protection and redevelopment program, including costs incurred by the commissioner to establish and administer the program. In fiscal years 2010 and 2011, all repayments of loans made and administrative fees assessed under subdivision 1 must be transferred to the general fund. This includes any balance within the fund from repayments and administrative fees assessed prior to July 1, 2009. The transfers are estimated to total \$98,000 in 2010 and \$99,000 in 2011.

ARTICLE 7

ENERGY

Section 1. SUMMARY OF APPROPRIATIONS.

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

		<u>2010</u>		<u>2011</u>		<u>Total</u>
<u>General</u>	\$	(247,000)	\$	(247,000)	\$	(494,000)

Sec. 2. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2009, chapter 37, article 2, to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2010, are effective the day following final enactment.

APPROPRIATIONS
Available for the Year
Ending June 30
2010 **2011**

Sec. 3. **DEPARTMENT OF COMMERCE**

<u>Subdivision 1. Total Appropriation</u>	\$	(247,000)	\$	(247,000)
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The appropriation reductions for each purpose are shown in the following subdivisions.

<u>Subd. 2. Administrative Services</u>	(97,000)	(97,000)
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<u>Subd. 3. Market Assurance</u>	(150,000)	(150,000)
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ARTICLE 8

AGRICULTURE

Section 1. **SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

		<u>2010</u>		<u>2011</u>		<u>Total</u>
<u>General</u>	\$	(493,000)	\$	(492,000)	\$	(985,000)

Sec. 2. **AGRICULTURAL APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in

parentheses, subtracted from the appropriations in Laws 2009, chapter 94, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this article mean that the addition to or subtraction from the appropriations listed under them are available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2010, are effective the day following final enactment.

APPROPRIATIONS
Available for the Year
Ending June 30
2010 **2011**

Sec. 3. **DEPARTMENT OF AGRICULTURE**

<u>Subdivision 1. Total Appropriation</u>	<u>\$</u>	<u>(493,000)</u>	<u>\$</u>	<u>(492,000)</u>
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The appropriation reductions for each purpose are shown in the following subdivisions.

<u>Subd. 2. Protection Services</u>	<u>(228,000)</u>	<u>(228,000)</u>
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\$13,000 in fiscal year 2010 and \$13,000 in fiscal year 2011 are reductions from plant pest surveys.

<u>Subd. 3. Agricultural Marketing and Development</u>	<u>(127,000)</u>	<u>(127,000)</u>
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\$77,000 in fiscal year 2010 and \$77,000 in fiscal year 2011 are reductions for integrated pest management activities.

<u>Subd. 4. Administration and Financial Assistance</u>	<u>(138,000)</u>	<u>(137,000)</u>
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\$69,000 in fiscal year 2010 and \$69,000 in fiscal year 2011 are reductions from the dairy and profitability enhancement and dairy business planning grant programs established under Laws 1997, chapter 216, section 7, subdivision 2, and Laws 2001, First Special Session chapter 2, section 9, subdivision 2.

\$1,000 in fiscal year 2010 is a reduction from the appropriation for the administration of the Feeding Minnesota Task Force.

ARTICLE 9

ECONOMIC DEVELOPMENT**Section 1. SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

	<u>2010</u>	<u>2011</u>	<u>Total</u>
<u>General</u>	\$ (489,000)	\$ (745,000)	\$ (1,234,000)

Sec. 2. APPROPRIATIONS.

The sums shown in the columns marked "APPROPRIATIONS" are added to, or if shown in parentheses, subtracted from the appropriations in Laws 2009, chapter 78, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2010, are effective the day following final enactment.

APPROPRIATIONS
Available for the Year
Ending June 30
2010 2011

Sec. 3. EMPLOYMENT AND ECONOMIC DEVELOPMENT

<u>Subdivision 1. Total Appropriation</u>	\$	<u>(285,000)</u>	\$	<u>(285,000)</u>
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The appropriation reductions for each purpose are shown in the following subdivisions.

<u>Subd. 2. Business and Community Development</u>		<u>(87,000)</u>		<u>(87,000)</u>
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\$25,000 in 2010 and \$25,000 in 2011 are from the appropriation for the Office of Science and Technology.

<u>Subd. 3. Workforce Development</u>		<u>(115,000)</u>		<u>(115,000)</u>
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\$15,000 in 2010 and \$15,000 in 2011 are from the appropriation for the Minnesota job skills partnership program under Minnesota Statutes, sections 116L.01 to 116L.17.

\$11,000 in 2010 and \$11,000 in 2011 are from the appropriation for administrative expenses to programs that provide employment support services to persons with mental illness under Minnesota Statutes, sections 268A.13 and 268A.14.

\$89,000 in 2010 and \$89,000 in 2011 are from the appropriation for state services for the blind activities.

Subd. 4. <u>State-Funded Administration</u>		<u>(83,000)</u>	<u>(83,000)</u>
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Sec. 4. <u>HOUSING FINANCE AGENCY</u>	<u>\$</u>	<u>-0-</u>	<u>\$ (256,000)</u>
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This reduction is from the appropriation to the Housing Finance Agency for the housing rehabilitation program under Minnesota Statutes, section 462A.05, subdivision 14, for rental housing developments.

On or before June 30, 2010, the Housing Finance Agency shall transfer \$256,000 from the housing rehabilitation program in the housing development fund to the general fund.

Sec. 5. <u>DEPARTMENT OF LABOR AND INDUSTRY</u>	<u>\$</u>	<u>(20,000)</u>	<u>\$ (20,000)</u>
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This reduction is from the general fund appropriation for labor standards/apprenticeship.

Sec. 6. <u>BUREAU OF MEDIATION SERVICES</u>	<u>\$</u>	<u>(16,000)</u>	<u>\$ (16,000)</u>
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This reduction is from the general fund appropriation for mediation services.

Sec. 7. MINNESOTA HISTORICAL SOCIETY

Subdivision 1. <u>Total Appropriation</u>	<u>\$</u>	<u>(168,000)</u>	<u>\$ (168,000)</u>
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The appropriation reductions for each purpose are shown in the following subdivisions.

Subd. 2. <u>Education and Outreach</u>		<u>(96,000)</u>	<u>(96,000)</u>
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Subd. 3. <u>Preservation and Access</u>		<u>(72,000)</u>	<u>(72,000)</u>
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ARTICLE 10

TRANSPORTATION

Section 1. SUMMARY OF APPROPRIATIONS.

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

		<u>2010</u>		<u>2011</u>		<u>Total</u>
<u>General</u>	\$	<u>(1,649,000)</u>	\$	<u>(1,649,000)</u>	\$	<u>(3,298,000)</u>

Sec. 2. APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2009, chapter 36, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this article mean that the addition to or subtraction from the appropriation listed under them are available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2010, are effective the day following final enactment.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2010</u>	<u>2011</u>

Sec. 3. TRANSPORTATION

Subdivision 1. <u>Total Appropriation</u>	\$	<u>(24,000)</u>	\$	<u>(24,000)</u>
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The appropriation reductions for each purpose are shown in the following subdivisions.

Subd. 2. Multimodal Systems

(a) <u>Transit</u>		<u>(9,000)</u>		<u>(9,000)</u>
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This reduction is to the Transit Improvement Administration appropriation.

(b) <u>Freight</u>		<u>(9,000)</u>		<u>(9,000)</u>
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This reduction is to the rail service plan

appropriation.

<u>(c) Electronic Communication</u>	<u>(6,000)</u>	<u>(6,000)</u>
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This reduction is to the Roosevelt Tower appropriation.

Sec. 4. METROPOLITAN COUNCIL

<u>Subdivision 1. Total Appropriation</u>	<u>\$ (1,625,000)</u>	<u>\$ (1,625,000)</u>
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The appropriation reductions for each purpose are shown in the following subdivisions.

<u>Subd. 2. Bus Transit</u>	<u>(1,506,000)</u>	<u>(1,506,000)</u>
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This reduction is to the appropriation for bus system operations.

<u>Subd. 3. Rail Operations</u>	<u>(119,000)</u>	<u>(119,000)</u>
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This reduction is to the appropriation for rail systems.

ARTICLE 11

PUBLIC SAFETY

Section 1. SUMMARY OF APPROPRIATIONS.

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

	<u>2010</u>	<u>2011</u>	<u>Total</u>
<u>General</u>	<u>\$ (79,000)</u>	<u>\$ (79,000)</u>	<u>(158,000)</u>

Sec. 2. APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2009, chapter 83, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2010, are effective the day following final enactment.

APPROPRIATIONS

		<u>Available for the Year</u>	
		<u>Ending June 30</u>	
		<u>2010</u>	<u>2011</u>
Sec. 3. <u>HUMAN RIGHTS</u>	\$	<u>(79,000)</u>	\$ <u>(79,000)</u>

ARTICLE 12

STATE GOVERNMENT

Section 1. SUMMARY OF APPROPRIATIONS.

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

		<u>2010</u>	<u>2011</u>	<u>Total</u>
<u>General</u>	\$	<u>(1,694,000)</u>	\$ <u>(1,820,000)</u>	<u>(3,514,000)</u>

Sec. 2. APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from, the appropriations in Laws 2009, chapter 101, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2010, are effective the day following final enactment.

		<u>APPROPRIATIONS</u>	
		<u>Available for the Year</u>	
		<u>Ending June 30</u>	
		<u>2010</u>	<u>2011</u>
Sec. 3. <u>GOVERNOR AND LIEUTENANT GOVERNOR</u>	\$	<u>(81,000)</u>	\$ <u>(81,000)</u>

\$13,000 of the reduction in each of fiscal years 2010 and 2011 are from the appropriation for necessary expenses in the normal performance of the governor's and lieutenant governor's duties for which no other reimbursement is provided.

Sec. 4. <u>OFFICE OF ENTERPRISE TECHNOLOGY</u>	\$	<u>(130,000)</u>	\$ <u>(130,000)</u>
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\$96,000 of the reduction in each of

fiscal years 2010 and 2011 are from the appropriation for information technology security.

Sec. 5. <u>ADMINISTRATION</u>	\$	<u>(100,000)</u>	\$	<u>(200,000)</u>
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These reductions are from the Government and Citizen Services Program.

\$162,000 of the balance in the central stores fund is transferred to the general fund on or before June 30, 2010. This is a onetime transfer.

Sec. 6. <u>MANAGEMENT AND BUDGET</u>	\$	<u>(459,000)</u>	\$	<u>(459,000)</u>
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Sec. 7. <u>REVENUE</u>	\$	<u>(924,000)</u>	\$	<u>(950,000)</u>
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These reductions are from the tax system management program.

ARTICLE 13

HEALTH AND HUMAN SERVICES

Section 1. SUMMARY OF APPROPRIATIONS.

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

		<u>2010</u>		<u>2011</u>		<u>Total</u>
<u>General</u>	\$	<u>(4,346,000)</u>	\$	<u>(4,167,000)</u>	\$	<u>(8,513,000)</u>

Sec. 2. APPROPRIATIONS.

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2009, chapter 79, article 13, as amended by Laws 2009, chapter 173, article 2, to the agencies and for the purposes specified in this article. The appropriations are from the general fund and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this article mean that the addition to or subtraction from the appropriation listed under them is available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. Supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2010, are effective the day following final enactment unless a different effective date is explicit.

APPROPRIATIONS
Available for the Year
Ending June 30
2010 2011

Sec. 3. **DEPARTMENT OF HUMAN SERVICES**

<u>Subdivision 1. Total Appropriation</u>	<u>(3,819,000)</u>	<u>(3,642,000)</u>
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The appropriation reductions for each purpose are shown in the following subdivisions.

<u>Subd. 2. Agency Management; Financial Operations</u>	<u>(3,289,000)</u>	<u>(3,282,000)</u>
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<u>Subd. 3. Health Care Management; Administration</u>	<u>(180,000)</u>	<u>(360,000)</u>
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Incentive Program and Outreach Grants.

The general fund appropriation for the incentive program under Laws 2008, chapter 358, article 5, section 3, subdivision 4, paragraph (b), is canceled. This paragraph is effective retroactively from January 1, 2010.

Base Adjustment. The general fund base for the incentive program under Minnesota Statutes, section 256.962, subdivision 5, is \$0 in fiscal year 2011.

<u>Subd. 4. Continuing Care Management</u>	<u>(350,000)</u>	<u>-0-</u>
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County Maintenance of Effort. The general fund appropriation for the State-County Results Accountability and Service Delivery Reform under Minnesota Statutes, chapter 402A, is canceled. This paragraph is effective retroactively from July 1, 2009.

Sec. 4. **DEPARTMENT OF HEALTH**

<u>Subdivision. 1. Total Appropriation</u>	<u>(527,000)</u>	<u>(525,000)</u>
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The appropriation reductions for each purpose are shown in the following subdivisions.

<u>Subd. 2. Community and Family Health Promotion</u>	<u>(53,000)</u>	<u>(355,000)</u>
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<u>Subd. 3. Policy Quality and Compliance</u>	<u>(118,000)</u>	<u>(74,000)</u>
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<u>Subd. 4. Health Protection</u>	<u>(225,000)</u>	<u>(74,000)</u>
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Subd. 5. **Administrative Support Services**

(131,000)

(22,000)

ARTICLE 14

TAX AIDS AND CREDITS

Section 1. **[477A.0133] 2009 AND 2010 AID REDUCTIONS.**

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

(b) The "2009 revenue base" for a county is the sum of the county's certified property tax levy for taxes payable in 2009, plus the amount of county program aid under section 477A.0124 that the county was certified to receive in 2009, plus the amount of taconite aids under sections 298.28 and 298.282 that the county was certified to receive in 2009, including any amounts required to be placed in a special fund for distribution in a later year.

(c) "Population" means the population of the county for 2007 based on information available to the commissioner of revenue in July 2009.

(d) "Adjusted net tax capacity" means the amount of net tax capacity for the county, computed using equalized market values according to section 477A.011, subdivision 20, for aid payable in 2009.

(e) "Adjusted net tax capacity per capita" means the jurisdiction's adjusted net tax capacity divided by its population.

Subd. 2. **2009 aid reductions.** The commissioner of revenue must compute a 2009 aid reduction amount for each county.

The aid reduction amount is zero for a county with a population of less than 5,000, and is zero for a county containing the Shooting Star Casino property that was removed from the tax rolls in 2009.

For all other counties, the aid reduction amount is equal to 1.189 percent of the county's 2009 revenue base.

The reduction amount is limited to the sum of the amount of county program aid under section 477A.0124 that the county was certified to receive in 2009, plus the amount of market value credit reimbursements under section 273.1384 payable to the county in 2009 before the reductions in this section.

The reduction amount is applied first to reduce the amount payable to the county in 2009 as county program aid under section 477A.013 and then, if necessary, to reduce the amount payable to the county in 2009 as market value credit reimbursements under section 273.1384.

No county's aid or reimbursements are reduced to less than zero under this section.

Subd. 3. **2010 aid reductions.** The commissioner of revenue must compute a 2010 aid reduction amount for each county.

The aid reduction amount is zero for a county with a population of less than 5,000, and is zero

for a county containing the Shooting Star Casino property that was removed from the tax rolls in 2009.

For all other counties, the aid reduction amount is equal to 2.414 percent of the county's 2009 revenue base.

The reduction amount is limited to the sum of the amount of county program aid under section 477A.0124 that the county was certified to receive in 2009, plus the amount of market value credit reimbursements under section 273.1384 payable to the county in 2009 before the reductions in this section.

The reduction amount is applied first to reduce the amount payable to the county in 2010 as county program aid under section 477A.013 and then, if necessary, to reduce the amount payable to the county in 2010 as market value credit reimbursements under section 273.1384.

No county's aid or reimbursements are reduced to less than zero under this section.

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

ARTICLE 15

SPECIAL REVENUE FUND

Section 1. Minnesota Statutes 2008, section 3.9741, subdivision 2, is amended to read:

Subd. 2. **Postsecondary Education Board.** The legislative auditor may enter into an interagency agreement with the Board of Trustees of the Minnesota State Colleges and Universities to conduct financial audits, in addition to audits conducted under section 3.972, subdivision 2. All payments received for audits requested by the board shall be ~~added to the appropriation for~~ deposited in the special revenue fund and appropriated to the legislative auditor to pay audit expenses.

Sec. 2. Minnesota Statutes 2008, section 8.15, subdivision 3, is amended to read:

Subd. 3. **Agreements.** (a) To facilitate the delivery of legal services, the attorney general may:

(1) enter into agreements with executive branch agencies, political subdivisions, or quasi-state agencies to provide legal services for the benefit of the citizens of Minnesota; and

(2) in addition to funds otherwise appropriated by the legislature, accept and spend funds received under any agreement authorized in clause (1) for the purpose set forth in clause (1), subject to a report of receipts to the chairs of the senate Finance Committee and the house of representatives Ways and Means Committee by October 15 each year.

(b) When entering into an agreement for legal services, the attorney general must notify the committees responsible for funding the Office of the Attorney General. When the attorney general enters into an agreement with a state agency, the attorney general must also notify the committees responsible for funding that agency.

Funds received under this subdivision must be deposited in ~~the general~~ an account in the special revenue fund and are appropriated to the attorney general for the purposes set forth in this subdivision.

Sec. 3. Minnesota Statutes 2008, section 13.03, subdivision 10, is amended to read:

Subd. 10. **Costs for providing copies of data.** Money may be collected by a responsible authority in a state agency for the actual cost to the agency of providing copies or electronic transmittal of government data is appropriated to the agency and added to the appropriations from which the costs were paid. When money collected for purposes in this subdivision is of a magnitude sufficient to warrant a separate account in the state treasury, that money must be deposited in a fund other than the general fund and is appropriated to the agency.

Sec. 4. Minnesota Statutes 2008, section 16C.23, subdivision 6, is amended to read:

Subd. 6. **State surplus property.** The commissioner may do any of the following to dispose of state surplus property:

- (1) transfer it to or between state agencies;
- (2) transfer it to a governmental unit or nonprofit organization in Minnesota; or
- (3) sell it and charge a fee to cover expenses incurred by the commissioner in the disposal of the surplus property.

The proceeds of the sale less the fee must be deposited in an account in a fund other than the general fund and are appropriated to the agency for whose account the sale was made, to be used and expended by that agency to purchase similar state property.

Sec. 5. Minnesota Statutes 2008, section 103B.101, subdivision 9, is amended to read:

Subd. 9. **Powers and duties.** In addition to the powers and duties prescribed elsewhere, the board shall:

(1) coordinate the water and soil resources planning activities of counties, soil and water conservation districts, watershed districts, watershed management organizations, and any other local units of government through its various authorities for approval of local plans, administration of state grants, and by other means as may be appropriate;

(2) facilitate communication and coordination among state agencies in cooperation with the Environmental Quality Board, and between state and local units of government, in order to make the expertise and resources of state agencies involved in water and soil resources management available to the local units of government to the greatest extent possible;

(3) coordinate state and local interests with respect to the study in southwestern Minnesota under United States Code, title 16, section 1009;

(4) develop information and education programs designed to increase awareness of local water and soil resources problems and awareness of opportunities for local government involvement in preventing or solving them;

(5) provide a forum for the discussion of local issues and opportunities relating to water and soil resources management;

(6) adopt an annual budget and work program that integrate the various functions and responsibilities assigned to it by law; and

(7) report to the governor and the legislature by October 15 of each even-numbered year

with an assessment of board programs and recommendations for any program changes and board membership changes necessary to improve state and local efforts in water and soil resources management.

The board may accept grants, gifts, donations, or contributions in money, services, materials, or otherwise from the United States, a state agency, or other source to achieve an authorized purpose. The board may enter into a contract or agreement necessary or appropriate to accomplish the transfer. The board may receive and expend money to acquire conservation easements, as defined in chapter 84C, on behalf of the state and federal government consistent with the Camp Ripley's Army Compatible Use Buffer Project.

Any money received is hereby deposited in an account in a fund other than the general fund and appropriated and dedicated for the purpose for which it is granted.

Sec. 6. Minnesota Statutes 2008, section 103I.681, subdivision 11, is amended to read:

Subd. 11. **Permit fee schedule.** (a) The commissioner of natural resources shall adopt a permit fee schedule under chapter 14. The schedule may provide minimum fees for various classes of permits, and additional fees, which may be imposed subsequent to the application, based on the cost of receiving, processing, analyzing, and issuing the permit, and the actual inspecting and monitoring of the activities authorized by the permit, including costs of consulting services.

(b) A fee may not be imposed on a state or federal governmental agency applying for a permit.

(c) The fee schedule may provide for the refund of a fee, in whole or in part, under circumstances prescribed by the commissioner of natural resources. Fees received must be deposited in the state treasury and credited to ~~the general~~ an account in the natural resources fund. Permit fees received are appropriated annually from the ~~general~~ natural resources fund to the commissioner of natural resources for the costs of inspecting and monitoring the activities authorized by the permit, including costs of consulting services.

Sec. 7. Minnesota Statutes 2008, section 116J.551, subdivision 1, is amended to read:

Subdivision 1. **Grant account.** A contaminated site cleanup and development grant account is created in the ~~general~~ special revenue fund. Money in the account may be used, as appropriated by law, to make grants as provided in section 116J.554 and to pay for the commissioner's costs in reviewing applications and making grants. Notwithstanding section 16A.28, money appropriated to the account for this program from any source is available until spent.

Sec. 8. Minnesota Statutes 2008, section 190.32, is amended to read:

190.32 FEDERAL REIMBURSEMENT RECEIPTS.

The Department of Military Affairs may deposit federal reimbursement receipts into ~~the general fund~~ an account in the special revenue fund, maintenance of military training facilities. These receipts are for services, supplies, and materials initially purchased by the Camp Ripley maintenance account.

Sec. 9. Minnesota Statutes 2008, section 257.69, subdivision 2, is amended to read:

Subd. 2. **Guardian; legal fees.** (a) The court may order expert witness and guardian ad litem fees and other costs of the trial and pretrial proceedings, including appropriate tests, to be paid by

the parties in proportions and at times determined by the court. The court shall require a party to pay part of the fees of court-appointed counsel according to the party's ability to pay, but if counsel has been appointed the appropriate agency shall pay the party's proportion of all other fees and costs. The agency responsible for child support enforcement shall pay the fees and costs for blood or genetic tests in a proceeding in which it is a party, is the real party in interest, or is acting on behalf of the child. However, at the close of a proceeding in which paternity has been established under sections 257.51 to 257.74, the court shall order the adjudicated father to reimburse the public agency, if the court finds he has sufficient resources to pay the costs of the blood or genetic tests. When a party bringing an action is represented by the county attorney, no filing fee shall be paid to the court administrator.

(b) In each fiscal year, the commissioner of management and budget shall deposit guardian ad litem reimbursements in the ~~general~~ special revenue fund and credit them to a separate account with the trial courts. The balance of this account is appropriated to the trial courts and does not cancel but is available until expended. Expenditures by the state court administrator's office from this account must be based on the amount of the guardian ad litem reimbursements received by the state from the courts in each judicial district.

Sec. 10. Minnesota Statutes 2008, section 260C.331, subdivision 6, is amended to read:

Subd. 6. **Guardian ad litem fees.** (a) In proceedings in which the court appoints a guardian ad litem pursuant to section 260C.163, subdivision 5, clause (a), the court may inquire into the ability of the parents to pay for the guardian ad litem's services and, after giving the parents a reasonable opportunity to be heard, may order the parents to pay guardian fees.

(b) In each fiscal year, the commissioner of management and budget shall deposit guardian ad litem reimbursements in the ~~general~~ special revenue fund and credit them to a separate account with the trial courts. The balance of this account is appropriated to the trial courts and does not cancel but is available until expended. Expenditures by the state court administrator's office from this account must be based on the amount of the guardian ad litem reimbursements received by the state from the courts in each judicial district.

Sec. 11. Minnesota Statutes 2009 Supplement, section 270.97, is amended to read:

270.97 DEPOSIT OF REVENUES.

The commissioner shall deposit all revenues derived from the tax, interest, and penalties received from the county in the contaminated site cleanup and development account in the ~~general~~ special revenue fund and is annually appropriated to the commissioner of the Department of Employment and Economic Development, for the purposes of section 116J.551.

Sec. 12. Minnesota Statutes 2008, section 299C.48, is amended to read:

299C.48 CONNECTION BY AUTHORIZED AGENCY; FEE, APPROPRIATION.

(a) An agency authorized under section 299C.46, subdivision 3, may connect with and participate in the criminal justice data communications network upon approval of the commissioner of public safety; provided, that the agency shall first agree to pay installation charges as may be necessary for connection and monthly operational charges as may be established by the commissioner of public safety. Before participation by a criminal justice agency may be approved, the agency must have executed an agreement with the commissioner providing for security of network facilities and

restrictions on access to data supplied to and received through the network.

(b) In addition to any fee otherwise authorized, the commissioner of public safety shall impose a fee for providing secure dial-up or Internet access for criminal justice agencies and noncriminal justice agencies. The following monthly fees apply:

- (1) criminal justice agency accessing via Internet, \$15;
- (2) criminal justice agency accessing via dial-up, \$35;
- (3) noncriminal justice agency accessing via Internet, \$35; and
- (4) noncriminal justice agency accessing via dial-up, \$35.

(c) The installation and monthly operational charges collected by the commissioner of public safety under paragraphs (a) and (b) must be deposited in an account in the special revenue fund and are annually appropriated to the commissioner to administer sections 299C.46 to 299C.50.

Sec. 13. Minnesota Statutes 2008, section 299E.02, is amended to read:

299E.02 CONTRACT SERVICES; APPROPRIATION.

Fees charged for contracted security services provided by the Capitol Complex Security Division of the Department of Public Safety must be deposited in an account in the special revenue fund and are annually appropriated to the commissioner of public safety to administer and provide these services.

Sec. 14. Minnesota Statutes 2008, section 446A.086, subdivision 2, is amended to read:

Subd. 2. **Application.** (a) This section provides a state guarantee of the payment of principal and interest on debt obligations if:

- (1) the obligations are issued after June 30, 2000;
- (2) application to the Public Facilities Authority is made before issuance; and
- (3) the obligations are covered by an agreement meeting the requirements of subdivision 3.

(b) Applications to be covered by the provisions of this section must be made in a form and contain the information prescribed by the authority. Applications are subject to either a fee of \$500 for each bond issue requested by a county or governmental unit or the applicable fees under section 446A.087.

(c) Application fees paid under this section must be deposited in a separate credit enhancement bond guarantee account in the general special revenue fund. Money in the credit enhancement bond guarantee account is appropriated to the authority for purposes of administering this section.

(d) Neither the authority nor the commissioner is required to promulgate administrative rules under this section and the procedures and requirements established by the authority or commissioner under this section are not subject to chapter 14.

Sec. 15. Minnesota Statutes 2008, section 469.177, subdivision 11, is amended to read:

Subd. 11. **Deduction for enforcement costs; appropriation.** (a) The county treasurer shall

deduct an amount equal to 0.25 percent of any increment distributed to an authority or municipality. The county treasurer shall pay the amount deducted to the commissioner of management and budget for deposit in ~~the state general~~ an account in the special revenue fund.

(b) The amounts deducted and paid under paragraph (a) are appropriated to the state auditor for the cost of (1) the financial reporting of tax increment financing information and (2) the cost of examining and auditing of authorities' use of tax increment financing as provided under section 469.1771, subdivision 1. Notwithstanding section 16A.28 or any other law to the contrary, this appropriation does not cancel and remains available until spent.

(c) For taxes payable in 2002 and thereafter, the commissioner of revenue shall increase the percent in paragraph (a) to a percent equal to the product of the percent in paragraph (a) and the amount that the statewide tax increment levy for taxes payable in 2002 would have been without the class rate changes in this act and the elimination of the general education levy in this act divided by the statewide tax increment levy for taxes payable in 2002.

Sec. 16. Minnesota Statutes 2008, section 518.165, subdivision 3, is amended to read:

Subd. 3. **Fees.** (a) A guardian ad litem appointed under either subdivision 1 or 2 may be appointed either as a volunteer or on a fee basis. If a guardian ad litem is appointed on a fee basis, the court shall enter an order for costs, fees, and disbursements in favor of the child's guardian ad litem. The order may be made against either or both parties, except that any part of the costs, fees, or disbursements which the court finds the parties are incapable of paying shall be borne by the state courts. The costs of court-appointed counsel to the guardian ad litem shall be paid by the county in which the proceeding is being held if a party is incapable of paying for them. Until the recommendations of the task force created in Laws 1999, chapter 216, article 7, section 42, are implemented, the costs of court-appointed counsel to a guardian ad litem in the Eighth Judicial District shall be paid by the state courts if a party is incapable of paying for them. In no event may the court order that costs, fees, or disbursements be paid by a party receiving public assistance or legal assistance or by a party whose annual income falls below the poverty line as established under United States Code, title 42, section 9902(2).

(b) In each fiscal year, the commissioner of management and budget shall deposit guardian ad litem reimbursements in the ~~general~~ special revenue fund and credit them to a separate account with the trial courts. The balance of this account is appropriated to the trial courts and does not cancel but is available until expended. Expenditures by the state court administrator's office from this account must be based on the amount of the guardian ad litem reimbursements received by the state from the courts in each judicial district.

Sec. 17. Minnesota Statutes 2008, section 609.3241, is amended to read:

609.3241 PENALTY ASSESSMENT AUTHORIZED.

When a court sentences an adult convicted of violating section 609.322 or 609.324, while acting other than as a prostitute, the court shall impose an assessment of not less than \$250 and not more than \$500 for a violation of section 609.324, subdivision 2, or a misdemeanor violation of section 609.324, subdivision 3; otherwise the court shall impose an assessment of not less than \$500 and not more than \$1,000. The mandatory minimum portion of the assessment is to be used for the purposes described in section 626.558, subdivision 2a, and is in addition to the surcharge required by section 357.021, subdivision 6. Any portion of the assessment imposed in excess of the mandatory

minimum amount shall be ~~forwarded to the general~~ deposited in an account in the special revenue fund and is appropriated annually to the commissioner of public safety. The commissioner, with the assistance of the General Crime Victims Advisory Council, shall use money received under this section for grants to agencies that provide assistance to individuals who have stopped or wish to stop engaging in prostitution. Grant money may be used to provide these individuals with medical care, child care, temporary housing, and educational expenses.

Sec. 18. Minnesota Statutes 2008, section 611.20, subdivision 3, is amended to read:

Subd. 3. **Reimbursement.** In each fiscal year, the commissioner of management and budget shall deposit the payments in the ~~general~~ special revenue fund and credit them to a separate account with the Board of Public Defense. The amount credited to this account is appropriated to the Board of Public Defense.

The balance of this account does not cancel but is available until expended. Expenditures by the board from this account for each judicial district public defense office must be based on the amount of the payments received by the state from the courts in each judicial district. A district public defender's office that receives money under this subdivision shall use the money to supplement office overhead payments to part-time attorneys providing public defense services in the district. By January 15 of each year, the Board of Public Defense shall report to the chairs and ranking minority members of the senate and house of representatives divisions having jurisdiction over criminal justice funding on the amount appropriated under this subdivision, the number of cases handled by each district public defender's office, the number of cases in which reimbursements were ordered, the average amount of reimbursement ordered, and the average amount of money received by part-time attorneys under this subdivision.

Sec. 19. Laws 1994, chapter 531, section 1, is amended to read:

Section 1. **SALE OF WILDLIFE LANDS.**

Notwithstanding Minnesota Statutes, sections 84.027, subdivision 10; 92.45; 94.09 to 94.165; 97A.135; 103F.535, or any other law, the commissioner of administration may sell lands located in the Gordy Yaeger wildlife management area in Olmsted county. The consideration for the lands described in sections 2 and 3 shall be \$950 per acre. The conveyances shall be by ~~quitclaim~~ quitclaim deed in a form approved by the attorney general and shall reserve to the state all minerals and mineral rights. The proceeds received from the sales are to be deposited in an account in the general natural resources fund and are appropriated to the commissioner of natural resources for acquisition of replacement wildlife management area lands. These sales are pursuant to the recommendation of the Gordy Yaeger wildlife management area advisory committee.

ARTICLE 16

TAXES

Section 1. Minnesota Statutes 2009 Supplement, section 290.06, subdivision 2c, is amended to read:

Subd. 2c. **Schedules of rates for individuals, estates, and trusts.** (a) The income taxes imposed by this chapter upon married individuals filing joint returns and surviving spouses as defined in section 2(a) of the Internal Revenue Code must be computed by applying to their taxable net income the following schedule of rates:

- (1) On the first \$25,680, 5.35 percent;
- (2) On all over \$25,680, but not over \$102,030, 7.05 percent;
- (3) On all over \$102,030, 7.85 percent.

Married individuals filing separate returns, estates, and trusts must compute their income tax by applying the above rates to their taxable income, except that the income brackets will be one-half of the above amounts.

(b) The income taxes imposed by this chapter upon unmarried individuals must be computed by applying to taxable net income the following schedule of rates:

- (1) On the first \$17,570, 5.35 percent;
- (2) On all over \$17,570, but not over \$57,710, 7.05 percent;
- (3) On all over \$57,710, 7.85 percent.

(c) The income taxes imposed by this chapter upon unmarried individuals qualifying as a head of household as defined in section 2(b) of the Internal Revenue Code must be computed by applying to taxable net income the following schedule of rates:

- (1) On the first \$21,630, 5.35 percent;
- (2) On all over \$21,630, but not over \$86,910, 7.05 percent;
- (3) On all over \$86,910, 7.85 percent.

(d) In lieu of a tax computed according to the rates set forth in this subdivision, the tax of any individual taxpayer whose taxable net income for the taxable year is less than an amount determined by the commissioner must be computed in accordance with tables prepared and issued by the commissioner of revenue based on income brackets of not more than \$100. The amount of tax for each bracket shall be computed at the rates set forth in this subdivision, provided that the commissioner may disregard a fractional part of a dollar unless it amounts to 50 cents or more, in which case it may be increased to \$1.

(e) An individual who is not a Minnesota resident for the entire year must compute the individual's Minnesota income tax as provided in this subdivision. After the application of the nonrefundable credits provided in this chapter, the tax liability must then be multiplied by a fraction in which:

(1) the numerator is the individual's Minnesota source federal adjusted gross income as defined in section 62 of the Internal Revenue Code and increased by the additions required under section 290.01, subdivision 19a, clauses (1), (5), (6), (7), (8), (9), (12), (13), (16), and (17), and reduced by the Minnesota assignable portion of the subtraction for United States government interest under section 290.01, subdivision 19b, clause (1), and the subtractions under section 290.01, subdivision 19b, clauses (9), (10), (14), (15), (16), and (18), after applying the allocation and assignability provisions of section 290.081, clause (a), or 290.17; and

(2) the denominator is the individual's federal adjusted gross income as defined in section 62 of the Internal Revenue Code of 1986, increased by the amounts specified in section 290.01,

subdivision 19a, clauses (1), (5), (6), (7), (8), (9), (12), (13), (16), and (17), and reduced by the amounts specified in section 290.01, subdivision 19b, clauses (1), (9), (10), (14), (15), (16), and (18)."

Delete the title and insert:

"A bill for an act relating to the state budget; balancing proposed general fund spending and anticipated general fund revenue; modifying certain payment schedules to improve cash flow; making reductions in appropriations for E-12 education, higher education, environment and natural resources, energy and commerce, agriculture, economic development, transportation, public safety, state government, human services, and health; modifying calculation of state tax aids and credits; providing for deposit of certain receipts in the special revenue fund rather than the general fund; appropriating money; amending Minnesota Statutes 2008, sections 3.9741, subdivision 2; 8.15, subdivision 3; 13.03, subdivision 10; 16C.23, subdivision 6; 103B.101, subdivision 9; 103G.705, subdivision 2; 103I.681, subdivision 11; 116J.551, subdivision 1; 123B.75, subdivisions 5, 9, by adding a subdivision; 126C.48, subdivision 7; 127A.441; 127A.45, subdivision 2; 190.32; 257.69, subdivision 2; 260C.331, subdivision 6; 276.112; 289A.60, by adding a subdivision; 299C.48; 299E.02; 446A.086, subdivision 2; 469.177, subdivision 11; 518.165, subdivision 3; 609.3241; 611.20, subdivision 3; Minnesota Statutes 2009 Supplement, sections 123B.54; 137.025, subdivision 1; 270.97; 289A.20, subdivision 4; 290.06, subdivision 2c; Laws 1994, chapter 531, section 1; Laws 2009, chapter 96, article 1, section 24, subdivisions 2, 5, 6, 7; article 2, section 67, subdivisions 2, 3, 4, 7, 9; article 3, section 21, subdivisions 2, 3, 4, 5; article 4, section 12, subdivisions 2, 3, 4, 6; article 5, section 13, subdivisions 4, 6, 7, 9; article 6, section 11, subdivisions 2, 3, 4, 6, 7, 8, 9, 12; article 7, section 3, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 477A."

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

SECOND READING OF SENATE BILLS

S.F. No. 2567 was read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 2037 was read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

SUSPENSION OF RULES

Remaining on the Order of Business of Motions and Resolutions, Senator Pogemiller moved that the Senate take up the Calendar and that the rules of the Senate be so far suspended as to waive the lie-over requirement. The motion prevailed.

CALENDAR

H.F. No. 3660: A bill for an act relating to claims against the state; providing for settlement of certain claims; appropriating money.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 1, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Vandev eer

So the bill passed and its title was agreed to.

H.F. No. 2612: A bill for an act relating to civil commitment; clarifying civil commitment venue; amending Minnesota Statutes 2008, sections 253B.02, by adding a subdivision; 253B.045, subdivision 2; 253B.05, subdivision 3; 253B.064, subdivision 1; 253B.07, subdivisions 1, 2, 2d; 253B.185, subdivision 1; 253B.20, subdivision 4; 253B.23, subdivision 1, by adding a subdivision; Minnesota Statutes 2009 Supplement, section 253B.10, 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 61 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 2682: A bill for an act relating to veterans; authorizing funding for a veterans cemetery in Fillmore County; appropriating money for design and predesign of veterans cemeteries; amending Laws 2009, chapter 93, article 1, section 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 46 and nays 15, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Fischbach	Ingebrigtsen	Limmer	Olson, G.	Robling
Frederickson	Jungbauer	Lynch	Ortman	Senjem
Hann	Koch	Michel	Parry	Vandevveer

So the bill passed and its title was agreed to.

H.F. No. 3056: A bill for an act relating to health; modifying provider peer grouping timelines and system; amending Minnesota Statutes 2008, sections 62U.04, subdivisions 3, 9; 256B.0754, subdivision 2; repealing Minnesota Statutes 2009 Supplement, section 256B.032.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 51 and nays 9, as follows:

Those who voted in the affirmative were:

Anderson	Doll	Langseth	Pogemiller	Skoe
Bakk	Erickson Ropes	Latz	Prettner Solon	Skogen
Betzold	Fischbach	Lourey	Rest	Stumpf
Bonoff	Fobbe	Lynch	Robling	Tomassoni
Carlson	Foley	Metzen	Rummel	Torres Ray
Chaudhary	Frederickson	Michel	Saltzman	Vickerman
Clark	Gimse	Moua	Saxhaug	Wiger
Cohen	Higgins	Murphy	Scheid	
Dahle	Kelash	Olseen	Senjem	
Dibble	Koch	Olson, M.	Sheran	
Dille	Kubly	Ortman	Sieben	

Those who voted in the negative were:

Berglin	Hann	Jungbauer	Olson, G.	Vandevveer
Gerlach	Ingebrigtsen	Limmer	Parry	

So the bill passed and its title was agreed to.

S.F. No. 3318: A bill for an act relating to state government; imposing a threshold value before notification of certain legislators is required for disposal of certain state-owned buildings; changing provisions in the energy improvement financing program; clarifying responsibility for administration of the state's responsibilities as a member of the workers' compensation reinsurance association; amending Minnesota Statutes 2008, sections 16B.24, subdivision 3; 16B.322, subdivisions 4, 5; 79.34, subdivision 1; Minnesota Statutes 2009 Supplement, section 16B.322, subdivisions 4a, 4b, 4c.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 2725: A bill for an act relating to public safety; establishing a certification process for multijurisdictional gang and drug task forces; regulating law enforcement criminal gang investigative databases; classifying data received from law enforcement agencies in other states; changing membership of a council; delineating uses of data in the comprehensive incident-based reporting system; restricting the acquisition of cell phone tracking devices; amending Minnesota Statutes 2008, sections 13.82, by adding a subdivision; 299A.641; 299C.091, subdivision 4; 299C.40, subdivision 2; 609.531, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 13; 626; 626A.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Anderson	Dibble	Hann	Lourey	Pappas
Bakk	Dille	Higgins	Lynch	Parry
Berglin	Doll	Ingebrigtsen	Metzen	Pogemiller
Betzold	Erickson Ropes	Jungbauer	Michel	Prettner Solon
Bonoff	Fischbach	Kelash	Moua	Rest
Carlson	Fobbe	Koch	Murphy	Robling
Chaudhary	Foley	Kubly	Olseen	Rummel
Clark	Frederickson	Langseth	Olson, G.	Saltzman
Cohen	Gerlach	Latz	Olson, M.	Saxhaug
Dahle	Gimse	Limmer	Ortman	Scheid

Senjem
Sheran
Sieben

Skoe
Skogen
Stumpf

Tomassoni
Torres Ray
Vandever

Vickerman
Wiger

So the bill passed and its title was agreed to.

S.F. No. 1659: A bill for an act relating to eminent domain; modifying definition of public use; amending Minnesota Statutes 2008, section 117.025, subdivision 11.

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
Berglin
Betzold
Bonoff
Carlson
Chaudhary
Clark
Cohen

Dibble
Erickson Ropes
Foley
Higgins
Kelash
Kubly
Langseth
Latz

Lourey
Lynch
Metzen
Moua
Murphy
Olson, M.
Pappas
Pogemiller

Prettner Solon
Rest
Robling
Rummel
Saxhaug
Scheid
Senjem
Sheran

Sieben
Skoe
Stumpf
Torres Ray
Vickerman
Wiger

Those who voted in the negative were:

Bakk
Dahle
Dille
Doll
Fischbach

Fobbe
Frederickson
Gerlach
Gimse
Hann

Ingebrigtsen
Jungbauer
Koch
Limmer
Michel

Olseen
Olson, G.
Ortman
Parry
Saltzman

Skogen
Tomassoni
Vandever

So the bill passed and its title was agreed to.

S.F. No. 2839: A bill for an act relating to commerce; regulating various licensees and other entities; modifying definitions, informational requirements, continuing education requirements, information reporting requirements, and notice requirements; making various housekeeping, technical, and clarifying changes; regulating securities; reorganizing and modifying various provisions relating to real estate brokers, salespersons, and closing agents; modifying the membership requirements of, and appointment authority to, the real estate appraiser advisory board; regulating certain workers' compensation self-insurers; amending Minnesota Statutes 2008, sections 45.0112; 60A.031, subdivision 4; 60A.084; 60A.204; 60A.36, by adding a subdivision; 60K.31, subdivision 10; 61A.092, subdivision 3; 62A.046, subdivision 6, by adding a subdivision; 62A.17, subdivision 5; 62A.3099, subdivision 17; 62A.65, subdivision 2; 62E.02, subdivision 15; 62E.14, subdivision 4c; 62L.05, subdivision 4; 62S.24, subdivision 8; 62S.266, subdivision 4; 62S.29, subdivision 1; 72A.08, subdivision 4; 72A.12, subdivision 4; 72A.20, subdivisions 10, 36, 37; 72A.492, subdivision 2; 72A.51, subdivision 2; 72B.01; 72B.08, subdivision 8; 79A.03, subdivision 8; 79A.06, subdivision 5; 79A.21, subdivision 3; 80A.41; 80A.46; 80A.65, subdivision 6; 82.17, subdivision 15, by adding subdivisions; 82.19; 82.21, subdivision 2; 82.24, subdivision 3; 82.29, subdivisions 4, 5, 8; 82.31, subdivisions 1, 2; 82.33, subdivisions 1, 2, by adding a subdivision; 82.34, subdivisions 1, 2, 4, 5, 13; 82.39; 82.41, subdivisions 1, 2, by adding a subdivision; 82.45, subdivision 3, by adding subdivisions; 82.48, subdivisions 2, 3; 82B.05, as amended; 82B.06; 82B.14; 326.3382, subdivision 3; 326B.33, subdivision 16; 326B.56, subdivision 2; 326B.86, subdivision 2; 326B.921, subdivision 6; 327B.04, subdivision 4; 332.34;

340A.409, subdivision 1; Minnesota Statutes 2009 Supplement, sections 45.027, subdivision 1; 45.30, subdivision 4; 60A.39, subdivisions 1, 4, 5; 60A.9572, subdivision 6; 60K.361; 62A.3099, subdivision 18; 65A.29, subdivision 13; 72B.03, subdivision 2; 72B.045, subdivision 1; 72B.06; 82.31, subdivision 4; 82.32; 326B.46, subdivision 2; Laws 2007, chapter 147, article 12, section 14; proposing coding for new law in Minnesota Statutes, chapters 82; 332; repealing Minnesota Statutes 2008, sections 72B.04; 82.19, subdivision 3; 82.22, subdivisions 1, 6, 7, 8, 9; 82.31, subdivision 6; 82.34, subdivision 16; 82.41, subdivisions 3, 7; 332.31, subdivision 7; 332.335; Minnesota Statutes 2009 Supplement, sections 65B.133, subdivision 3; 72B.02, subdivision 11.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

S.F. No. 2430: A bill for an act relating to mortgages; requiring certain notices related to redemption rights be made to a mortgagor; providing for a private right of action; modifying time for requesting a hearing on an order to secure a building; modifying notice of sale requirements; authorizing political subdivisions to recover costs associated with obtaining a five-week redemption period; amending Minnesota Statutes 2008, sections 580.03; 580.041, as amended; 580.06; 580.30, subdivision 1; 582.03, subdivision 1; 582.032, by adding a subdivision; Minnesota Statutes 2009 Supplement, sections 463.251, subdivision 3; 580.04.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Anderson	Dibble	Hann	Lourey	Pappas
Bakk	Dille	Higgins	Lynch	Parry
Berglin	Doll	Ingebrigtsen	Metzen	Pogemiller
Betzold	Erickson Ropes	Jungbauer	Michel	Prettner Solon
Bonoff	Fischbach	Kelash	Moua	Rest
Carlson	Fobbe	Koch	Murphy	Robling
Chaudhary	Foley	Kubly	Olseen	Rummel
Clark	Frederickson	Langseth	Olson, G.	Saltzman
Cohen	Gerlach	Latz	Olson, M.	Saxhaug
Dahle	Gimse	Limmer	Ortman	Scheid

Senjem
Sheran
Sieben

Skoe
Skogen
Stumpf

Tomassoni
Torres Ray
Vandev eer

Vickerman
Wiger

So the bill passed and its title was agreed to.

S.F. No. 2170: A bill for an act relating to real property; providing for mediation prior to commencement of mortgage foreclosure proceedings on homestead property; amending Minnesota Statutes 2008, sections 580.021, as amended; 580.022, subdivision 1; 580.23, by adding a subdivision; 582.30, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 583.

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 52 and nays 9, as follows:

Those who voted in the affirmative were:

Anderson
Bakk
Berglin
Betzold
Bonoff
Carlson
Chaudhary
Clark
Cohen
Dahle
Dibble

Doll
Erickson Ropes
Fischbach
Fobbe
Foley
Gerlach
Gimse
Hann
Higgins
Jungbauer
Kelash

Kubly
Langseth
Latz
Lourey
Lynch
Metzen
Michel
Moua
Murphy
Olseen
Olson, G.

Olson, M.
Pappas
Pogemiller
Prettner Solon
Rest
Rummel
Saltzman
Saxhaug
Scheid
Senjem
Sheran

Sieben
Skoe
Skogen
Stumpf
Tomassoni
Torres Ray
Vickerman
Wiger

Those who voted in the negative were:

Dille
Frederickson

Ingebrigtsen
Koch

Limmer
Ortman

Parry
Robling

Vandev eer

So the bill passed and its title was agreed to.

RECESS

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

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

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:

S.F. No. 2642: Senators Moua, Chaudhary, Ingebrigtsen, Rest and Skogen.

Senator Pogemiller moved that the foregoing appointments be approved. The motion prevailed.

RECONSIDERATION

Having voted on the prevailing side, Senator Robling moved that the vote whereby S.F. No. 1659 was passed by the Senate on May 8, 2010, be now reconsidered. The motion prevailed. So the vote was reconsidered.

S.F. No. 1659: A bill for an act relating to eminent domain; modifying definition of public use; amending Minnesota Statutes 2008, section 117.025, subdivision 11.

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 34 and nays 27, as follows:

Those who voted in the affirmative were:

Anderson	Cohen	Langseth	Pogemiller	Sieben
Berglin	Dibble	Latz	Prettner Solon	Skoe
Betzold	Erickson Ropes	Lourey	Rest	Stumpf
Bonoff	Foley	Lynch	Rummel	Torres Ray
Carlson	Higgins	Moua	Saxhaug	Vickerman
Chaudhary	Kelash	Murphy	Scheid	Wiger
Clark	Kubly	Pappas	Sheran	

Those who voted in the negative were:

Bakk	Frederickson	Koch	Olson, M.	Skogen
Dahle	Gerlach	Limmer	Ortman	Tomassoni
Dille	Gimse	Metzen	Parry	Vanderveer
Doll	Hann	Michel	Robling	
Fischbach	Ingebrigtsen	Olseen	Saltzman	
Fobbe	Jungbauer	Olson, G.	Senjem	

So the bill passed and its title was agreed to.

MEMBERS EXCUSED

Senators Johnson, Koering, Marty, Rosen, Pariseau and Sparks were excused from the Session of today. Senator Bakk was excused from the Session of today from 11:00 to 11:20 a.m. Senator Berglin was excused from the Session of today from 11:00 to 11:25 a.m. Senator Erickson Ropes was excused from the Session of today from 12:00 noon to 12:15 and at 12:25 p.m.

ADJOURNMENT

Senator Pogemiller moved that the Senate do now adjourn until 9:00 a.m., Monday, May 10, 2010. The motion prevailed.

Peter S. Wattson, Secretary of the Senate (Legislative)

