

EIGHTY-EIGHTH DAY

St. Paul, Minnesota, Monday, March 19, 2012

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

CALL OF THE SENATE

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

Prayer was offered by the Chaplain, Rev. Steven M. Benson.

The members of the Senate gave the pledge of allegiance to the flag of the United States of America.

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

Bakk	Gazelka	Koch	Newman	Sieben
Benson	Gerlach	Kruse	Nienow	Skoe
Bonoff	Gimse	Langseth	Olson	Sparks
Brown	Goodwin	Latz	Ortman	Stumpf
Carlson	Hall	Lillie	Pappas	Thompson
Chamberlain	Hann	Limmer	Parry	Tomassoni
Cohen	Harrington	Lourey	Pederson	Torres Ray
Dahms	Hayden	Magnus	Reinert	Vanderveer
Daley	Higgins	Marty	Rest	Wiger
DeKruif	Hoffman	McGuire	Robling	Wolf
Dibble	Howe	Metzen	Rosen	
Dziedzic	Ingebrigtsen	Michel	Saxhaug	
Eaton	Jungbauer	Miller	Senjem	
Fischbach	Kelash	Nelson	Sheran	

The President declared a quorum present.

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

EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received.

February 22, 2012

The Honorable Michelle L. Fischbach
President of the Senate

Dear Senator Fischbach:

The following appointments are hereby respectfully submitted to the Senate for confirmation as required by law:

BOARD OF SCHOOL ADMINISTRATORS

Penny Kodrich, 605 Trails End Rd., Minnetrista, in the county of Hennepin, effective February 27, 2012, for a term expiring on January 4, 2016.

Louise Sundin, 5216 Vincent Ave. S., Minneapolis, in the county of Hennepin, effective February 27, 2012, for a term expiring on January 4, 2016.

(Referred to the Committee on Education.)

February 27, 2012

The Honorable Michelle L. Fischbach
President of the Senate

Dear Senator Fischbach:

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

WORKERS' COMPENSATION COURT OF APPEALS

Gary M. Hall, 4107 Victoria St. N., Shoreview, in the county of Ramsey, effective March 14, 2012, to complete a term expiring on January 4, 2016.

(Referred to the Committee on Jobs and Economic Growth.)

Sincerely,
Mark Dayton, Governor

March 15, 2012

The Honorable Michelle L. Fischbach
President of the Senate

Dear Madam President:

Please be advised that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. No. 1183.

Sincerely,
Mark Dayton, Governor

March 15, 2012

The Honorable Kurt Zellers
Speaker of the House of Representatives

The Honorable Michelle L. Fischbach
President of the Senate

I have the honor to inform you that the following enrolled Act of the 2012 Session of the State Legislature has been received from the Office of the Governor and is deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 2012	Date Filed 2012
1183		131	10:08 a.m. March 15	March 15

Sincerely,
Mark Ritchie
Secretary of State

MESSAGES FROM THE HOUSE

Madam President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1524, 1708, 2291, 2078 and 2083.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted March 15, 2012

FIRST READING OF HOUSE BILLS

The following bills were read the first time.

H.F. No. 1524: A bill for an act relating to education; clarifying continuing education requirements for substitute principals; amending Minnesota Statutes 2010, section 122A.14, subdivision 3.

Referred to the Committee on State Government Innovation and Veterans.

H.F. No. 1708: A bill for an act relating to youth; establishing the Minnesota Youth Council; proposing coding for new law as Minnesota Statutes, chapter 16F.

Referred to the Committee on State Government Innovation and Veterans.

H.F. No. 2291: A bill for an act relating to education finance; creating a process for adjusting adult basic education contact hours lost due to a service disruption; amending Minnesota Statutes 2010, sections 124D.518, subdivision 3, by adding a subdivision; 124D.531, by adding a subdivision.

Referred to the Committee on Education.

H.F. No. 2078: A bill for an act relating to education finance; expanding use of nonpublic pupil textbook aid; amending Minnesota Statutes 2010, sections 123B.41, by adding a subdivision; 123B.42; 123B.43; Minnesota Statutes 2011 Supplement, section 123B.41, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1990.

H.F. No. 2083: A bill for an act relating to education; providing funding and modifying certain early, adult, and kindergarten through grade 12 education provisions, including general education, education excellence, special programs, facilities and technology, nutrition and accounting, libraries, and prevention; providing education forecast adjustments; appropriating money; amending Minnesota Statutes 2010, sections 122A.40, subdivisions 10, 11, 13, 19; 122A.41, subdivisions 14, 15; 123A.75, subdivision 1; 123B.41, by adding a subdivision; 123B.42; 123B.43; 124D.111, subdivision 3; 124D.518, subdivision 3, by adding a subdivision; 124D.531, by adding a subdivision; 126C.10, subdivision 28; Minnesota Statutes 2011 Supplement, sections 122A.245, subdivision 1; 122A.41, subdivision 6; 123B.41, subdivision 2; 124D.11, subdivision 9; 127A.33; 127A.45, subdivision 2; Laws 2011, First Special Session chapter 11, article 1, section 36, subdivisions 2, 3, 4, 5, 6, 7, 10; article 2, section 50, subdivisions 2, 3, 4, 5, 6, 7, 9; article 3, section 11, subdivisions 2, 3, 4, 5, 6; article 4, section 10, subdivisions 2, 3, 4, 6; article 5, section 12, subdivisions 2, 3, 4; article 6, section 2, subdivisions 2, 3, 5; article 7, section 2, subdivisions 2, 3, 4; article 8, section 2, subdivisions 2, 3; article 9, section 3, subdivision 2; repealing Minnesota Statutes 2010, sections 124D.135, subdivisions 8, 9; 124D.16, subdivisions 6, 7; 124D.20, subdivisions 11, 12.

Referred to the Committee on Education.

REPORTS OF COMMITTEES

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

Senator Limmer from the Committee on Judiciary and Public Safety, to which was referred

S.F. No. 2319: A bill for an act relating to public safety; aligning state-controlled substance schedules with federal controlled substance schedules; modifying the authority of the Board of Pharmacy to regulate controlled substances; providing for penalties; amending Minnesota Statutes 2010, section 152.02, as amended; Minnesota Statutes 2011 Supplement, section 152.027, subdivision 6.

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

Page 25, line 20, strike "Subd. 8a." and delete "Board of Pharmacy; expedited"

Page 25, line 21, delete everything before the period and strike the period

Page 25, line 28, delete the new language

Page 25, delete lines 29 to 33

Page 27, line 7, delete "(iii)" and insert "(3)"

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

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

S.F. No. 516: A bill for an act relating to motor vehicles; establishing American Red Cross special license plates; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 168.

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

Page 2, line 9, delete "2012" and insert "2013"

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

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

S.F. No. 1911: A bill for an act relating to natural resources; enacting the Freedom to Hunt and Fish Act of 2012; requiring the availability of game and fish licenses by electronic transaction; appropriating money; amending Minnesota Statutes 2010, section 84.027, subdivision 15.

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

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

S.F. No. 1975: A bill for an act relating to state government; appropriating money to the Racing Commission, the Gambling Control Board, and the State Lottery for operations on an ongoing basis; appropriating money to management and budget for functions that support ongoing operations of the Racing Commission, the Gambling Control Board and the State Lottery; amending Minnesota Statutes 2010, sections 240.15, subdivision 6; 240.155, subdivision 1; 240.30, subdivision 9; 349.151, subdivision 4, by adding a subdivision; 349A.10, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 240.

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

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

S.F. No. 1543: A bill for an act relating to human services; providing medical assistance coverage for community paramedic services; amending Minnesota Statutes 2010, section 256B.0625, by adding a subdivision.

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

Senator Michel from the Committee on Jobs and Economic Growth, to which was referred

S.F. No. 2290: A bill for an act relating to economic development; making changes to the angel investment tax credit; adding a data practices exemption; amending Minnesota Statutes 2010, section 116J.8737, subdivision 8; Minnesota Statutes 2011 Supplement, section 116J.8737, subdivisions 1, 2.

Reports the same back with the recommendation that the bill do pass and be re-referred to the

Committee on Taxes. Report adopted.

Senator Michel from the Committee on Jobs and Economic Growth, to which was referred

S.F. No. 2326: A bill for an act relating to barbers; changing licenses and fees; creating penalties; appropriating money; amending Minnesota Statutes 2010, sections 154.001, by adding a subdivision; 154.003; 154.02; 154.05; 154.06; 154.065, subdivision 2; 154.07, subdivision 1; 154.08; 154.09; 154.10, subdivision 1; 154.11, subdivision 1; 154.12; 154.14; 154.15, subdivision 2; 154.26; Laws 2011, First Special Session chapter 4, article 1, section 11; proposing coding for new law in Minnesota Statutes, chapter 154.

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

Page 1, line 22, delete "\$45" and insert "\$10"

Page 1, line 24, delete "\$40" and insert "\$10"

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

Senator Michel from the Committee on Jobs and Economic Growth, to which was referred

S.F. No. 1993: A bill for an act relating to building codes; modifying plumbing code requirements related to sump pumps and drain tiles; amending Minnesota Statutes 2010, section 326B.43, by adding a subdivision.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2011 Supplement, section 326B.46, subdivision 1a, is amended to read:

Subd. 1a. **Exemptions from licensing.** (a) An individual without a contractor license may do plumbing work on the individual's residence in accordance with subdivision 1, paragraph (a).

(b) An individual who is an employee working on the maintenance and repair of plumbing equipment, apparatus, or facilities owned or leased by the individual's employer and which is within the limits of property owned or leased, and operated or maintained by the individual's employer, shall not be required to maintain a contractor license as long as the employer has on file with the commissioner a current certificate of responsible individual. The responsible individual must be a master plumber or, in an area of the state that is not a city or town with a population of more than 5,000 according to the last federal census, a restricted master plumber. The certificate must be signed by the responsible individual and must state that the person signing the certificate is responsible for ensuring that the maintenance and repair work performed by the employer's employees complies with sections 326B.41 to 326B.49, all rules adopted under those sections and sections 326B.50 to 326B.59, and all orders issued under section 326B.082. The employer must pay a filing fee to file a certificate of responsible individual with the commissioner. The certificate shall expire two years from the date of filing. In order to maintain a current certificate of responsible individual, the employer must resubmit a certificate of responsible individual, with a filing fee, no later than two

years from the date of the previous submittal. The filing of the certificate of responsible individual does not exempt any employee of the employer from the requirements of this chapter regarding individual licensing as a plumber or registration as a plumber's apprentice.

(c) If a contractor employs a licensed plumber, the licensed plumber does not need a separate contractor license to perform plumbing work on behalf of the employer within the scope of the licensed plumber's license.

(d) A person may perform and offer to perform building sewer or water service installation without a contractor's license if the person is in compliance with the bond and insurance requirements of subdivision 2.

(e) Waterproofing contractors licensed under sections 326B.801 to 326B.89 may install in existing single-family dwellings a single sump pump, which receives subsurface or seepage water through a subsoil drain and discharges to grade. The Minnesota Plumbing Code applies to this paragraph, including provisions relating to proper installation, use of approved materials, and proper support of the materials."

Delete the title and insert:

"A bill for an act relating to building codes; modifying licensing exemptions relating to installation of certain sump pumps; amending Minnesota Statutes 2011 Supplement, section 326B.46, subdivision 1a."

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

Senator Rosen from the Committee on Energy, Utilities and Telecommunications, to which was referred

S.F. No. 2098: A bill for an act relating to utilities; modifying the reporting obligations of certain cooperative utilities under the integrated resource planning process; amending Minnesota Statutes 2010, section 216B.2422, by adding a subdivision.

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

Senator Rosen from the Committee on Energy, Utilities and Telecommunications, to which was referred

S.F. No. 2216: A bill for an act relating to energy; requiring an assessment and grant for the purpose of community energy technical assistance and outreach.

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

Page 1, line 7, delete "2012" and insert "2013"

Page 1, line 10, delete "2013" and insert "2012"

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

Senator Rosen from the Committee on Energy, Utilities and Telecommunications, to which

was referred

S.F. No. 2315: A bill for an act relating to utilities; requiring utility rates be based primarily on cost of service between and among consumer classes; making clarifying and technical changes; making changes to the low-income affordability program; amending Minnesota Statutes 2010, sections 216B.03; 216B.07; 216B.16, by adding subdivisions.

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

Page 2, line 12, delete "clear and convincing record" and insert "a preponderance of the"

Page 2, delete section 4 and insert:

"Sec. 4. LOW-INCOME AFFORDABILITY PROGRAMS FOR UTILITY SERVICE; STUDY.

The Department of Commerce shall, by February 1, 2013, make recommendations, including any proposed legislation, to the committees of the legislature with primary jurisdiction over energy policy to increase the number of eligible individuals receiving benefits from low-income affordability programs established under Minnesota Statutes, section 216B.16, subdivision 15. In developing its recommendations the department must, among other things, study low-income utility affordability programs in other states and consult with representatives of interested parties, including utilities and the low-income community.

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

Amend the title as follows:

Page 1, line 3, delete everything after the semicolon and insert "proposing a study of low-income affordability programs;"

Page 1, line 4, delete everything before "amending"

Amend the title numbers accordingly

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

Senator Limmer from the Committee on Judiciary and Public Safety, to which was re-referred

S.F. No. 1721: A bill for an act relating to health licensing; changing licensing provisions for alcohol and drug counselors and licensed counselors; providing penalties; setting licensing fees; amending Minnesota Statutes 2010, sections 148B.5301, subdivisions 1, 4, by adding a subdivision; 148B.54, subdivisions 2, 3; proposing coding for new law as Minnesota Statutes, chapter 148F; repealing Minnesota Statutes 2010, sections 148C.01, subdivisions 1, 1a, 2, 2a, 2b, 2c, 2d, 2e, 2f, 2g, 4, 4a, 5, 7, 9, 10, 11, 11a, 12, 12a, 13, 14, 15, 16, 17, 18; 148C.015; 148C.03, subdivisions 1, 4; 148C.0351, subdivisions 1, 3, 4; 148C.0355; 148C.04, subdivisions 1, 2, 3, 4, 5a, 6, 7; 148C.044; 148C.045; 148C.05, subdivisions 1, 1a, 5, 6; 148C.055; 148C.07; 148C.075; 148C.08; 148C.09, subdivisions 1, 1a, 2, 4; 148C.091; 148C.093; 148C.095; 148C.099; 148C.10, subdivisions 1, 2, 3; 148C.11; 148C.12, subdivisions 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15; Minnesota Rules, parts

4747.0010; 4747.0020; 4747.0030; 4747.0040; 4747.0050; 4747.0060; 4747.0070, subparts 1, 2, 3, 6; 4747.0200; 4747.0400, subpart 1; 4747.0700; 4747.0800; 4747.0900; 4747.1100, subparts 1, 2, 4, 5, 6, 7, 8, 9; 4747.1400; 4747.1500; 6310.3100, subpart 2; 6310.3600; 6310.3700, subpart 1.

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

Page 1, after line 20, insert:

"Section 1. Minnesota Statutes 2010, section 13.383, subdivision 11a, is amended to read:

Subd. 11a. **Alcohol and drug counselor licensing; sharing.** (a) Sharing of data collected for licensing of alcohol and drug counselors is governed by section 148C.099, subdivision 2.

(b) Information obtained as part of an investigation or evaluation of a drug and alcohol counselor is governed by section 148F.025, subdivision 4, or 148F.090, subdivision 6."

Page 4, delete subdivision 16

Page 8, line 23, delete "the Federal"

Page 8, line 24, delete "Bureau of Investigation,"

Page 8, line 30, after the period, insert "Information obtained under this subdivision is private data on individuals as defined in section 13.02, subdivision 12."

Page 11, line 29, delete "19" and insert "10"

Page 14, line 24, delete "human"

Page 14, line 25, after the period, insert "Diversity training includes, but is not limited to, the topics listed in Minnesota Rules, part 4747.1100, subpart 2."

Page 19, line 5, delete "other"

Page 19, line 6, delete "crime, an element of which is dishonesty or fraud" and insert "gross misdemeanor reasonably related to the provision of alcohol and drug counseling services"

Page 22, line 27, delete "144.651" and insert "sections 144.291 to 144.298"

Page 23, line 4, delete everything after "is"

Page 23, line 5, delete "13.01 to 13.87" and insert "private data on individuals as defined in section 13.02, subdivision 12"

Page 43, line 3, before the third semicolon, insert ", subparts 1, 2, 3, 4, 5, 7, 8, 9, 10, 15, 17, 18, 20, 21, 22, 24, and 29"

Page 43, line 5, delete everything after "subparts" and insert "1, 4, 5, 6, 7, 8, and 9;"

Page 43, line 6, before the first semicolon, insert ", subparts 1, 2, 3, 4, 5, 6, 7, 8, 10, 11, 12, and 13"

Renumber the sections and subdivisions in sequence and correct the internal references

Amend the title numbers accordingly

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

Senator Limmer from the Committee on Judiciary and Public Safety, to which was re-referred

S.F. No. 753: A bill for an act relating to health occupations; modifying provisions for licensure of social workers; amending Minnesota Statutes 2010, sections 148E.055, subdivision 1; 148E.060, subdivisions 1, 2, 3, 5, by adding a subdivision; 148E.065, subdivisions 2, 4, 5; 148E.120; 148E.195, subdivision 2; 148E.280; proposing coding for new law in Minnesota Statutes, chapter 148E; repealing Minnesota Statutes 2010, section 148E.065, subdivision 3.

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

Page 8, after line 3, insert:

"Subd. 7. **Criminal background checks.** The provisions of section 148E.055, subdivision 8, apply to criminal background checks described under this section."

Page 12, delete sections 11 and 12 and insert:

"Sec. 11. Minnesota Statutes 2010, section 148E.065, subdivision 4, is amended to read:

Subd. 4. **City, county, and state agency social workers.** The licensure of city, county, and state agency social workers is voluntary. City, county, and state agencies employing social workers are not required to employ licensed social workers.

This subdivision expires July 1, 2016.

EFFECTIVE DATE. This section is effective August 1, 2012.

Sec. 12. Minnesota Statutes 2010, section 148E.065, is amended by adding a subdivision to read:

Subd. 4a. **City, county, and state social workers.** (a) Beginning July 1, 2016, the licensure of city, county, and state agency social workers is voluntary, except an individual who is newly employed by a city or state agency after July 1, 2016, must be licensed if the individual who provides social work services, as those services are defined in section 148E.010, subdivision 11, paragraph (b), is presented to the public by any title incorporating the words "social work" or "social worker."

(b) City, county, and state agencies employing social workers are not required to employ licensed social workers.

EFFECTIVE DATE. This section is effective August 1, 2012.

Sec. 13. Minnesota Statutes 2010, section 148E.065, subdivision 5, is amended to read:

Subd. 5. **Tribes and private nonprofit agencies; voluntary licensure.** The licensure of social workers who are employed by federally recognized tribes, or by private nonprofit agencies whose primary service focus addresses ethnic minority populations, and who are themselves members of ethnic minority populations within those agencies, is voluntary.

This subdivision expires July 1, 2016.

EFFECTIVE DATE. This section is effective August 1, 2012.

Sec. 14. Minnesota Statutes 2010, section 148E.065, is amended by adding a subdivision to read:

Subd. 5a. **Tribes and private nonprofit agencies; voluntary licensure.** (a) The licensure of social workers who are employed by federally recognized tribes is voluntary.

(b) The licensure of private, nonprofit, nontribal agency social workers whose primary service focus addresses ethnic minority populations, and who are themselves members of ethnic minority populations within those agencies, is voluntary until July 1, 2016, when newly employed individuals who practice social work must be licensed as required under section 148E.055, subdivision 1.

EFFECTIVE DATE. This section is effective August 1, 2012."

Page 15, line 28, delete the new language and reinstate the stricken language

Page 15, line 29, reinstate the stricken language

Page 15, line 30, delete the new language and reinstate the stricken language

Page 16, delete section 15 and insert:

"Sec. 17. Minnesota Statutes 2010, section 148E.195, is amended by adding a subdivision to read:

Subd. 2a. **Representations.** Effective July 1, 2016:

(a) No applicant or other individual may be represented to the public by any title incorporating the words "social work" or "social worker" unless the individual is employed by a county or holds a license according to this chapter.

(b) In all professional use of a social worker's name, the social worker must use the license designation "LSW" or "licensed social worker" for a licensed social worker, "LGSW" or "licensed graduate social worker" for a licensed graduate social worker, "LISW" or "licensed independent social worker" for a licensed independent social worker, or "LICSW" or "licensed independent clinical social worker" for a licensed independent clinical social worker.

(c) Public statements or advertisements must not be untruthful, misleading, false, fraudulent, deceptive, or potentially exploitative of clients, former clients, interns, students, supervisees, or the public.

(d) A social worker must not:

(1) use licensure status as a claim, promise, or guarantee of successful service;

(2) obtain a license by cheating or employing fraud or deception;

(3) make false statements or misrepresentations to the board or in materials submitted to the board; or

(4) engage in conduct that has the potential to deceive or defraud a social work client, intern, student, supervisee, or the public.

EFFECTIVE DATE. This section is effective August 1, 2012.

Sec. 18. Minnesota Statutes 2010, section 148E.280, is amended to read:

148E.280 USE OF TITLES.

(a) No individual may be presented to the public by any title incorporating the words "social work" or "social worker" or in the titles in section 148E.195, unless that individual holds a license under sections 148E.055 and 148E.060, or practices in a setting exempt from licensure under section 148E.065.

This paragraph expires July 1, 2016.

(b) Effective July 1, 2016, no individual may be presented to the public by any title incorporating the words "social work" or "social worker" or in the titles in section 148E.195, unless that individual is employed by a county or holds a license under this chapter.

EFFECTIVE DATE. This section is effective August 1, 2012."

Page 16, delete line 13 and insert:

"(e) This subdivision expires July 1, 2016.

EFFECTIVE DATE. This section is effective August 1, 2012."

Renumber the sections in sequence

Amend the title numbers accordingly

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

Senator Limmer from the Committee on Judiciary and Public Safety, to which was re-referred

S.F. No. 775: A bill for an act relating to health; making changes to dental licensing provisions; amending Minnesota Statutes 2010, sections 150A.06, subdivisions 1c, 3, 4, 6, by adding a subdivision; 150A.09, subdivision 3; 150A.091, subdivisions 2, 3, 4, 5, 8, by adding a subdivision; 150A.105, subdivision 7; 150A.106, subdivision 1; 150A.14.

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

Page 6, delete lines 5 and 6 and insert "(g) If a criminal history records check indicates that an applicant has been convicted of a crime that is reasonably related to the applicant's fitness for licensure, the board may take action under sections 214.10 and 214.103."

Pages 6 to 8, delete sections 7 to 12

Page 9, line 4, after "board" insert "who are acting in good faith"

Renumber the sections in sequence

Amend the title numbers accordingly

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

Senator Limmer from the Committee on Judiciary and Public Safety, to which was

re-referred

S.F. No. 1791: A bill for an act relating to public safety; vehicle titles; clarifying requirements pertaining to bonds and issuance of title; amending Minnesota Statutes 2010, sections 168.27, subdivision 28; 168A.07, subdivision 1, by adding subdivisions; 168A.20, subdivision 5.

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

Senator Limmer from the Committee on Judiciary and Public Safety, to which was referred

S.F. No. 2379: A bill for an act relating to courts; removing limitation on voter list data received by courts for jury selection; amending Minnesota Statutes 2010, section 201.091, subdivision 9.

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

Senator Ingebrigtsen from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1504: A bill for an act relating to state lands; providing for condemnation of certain riparian school trust lands.

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

Page 1, delete lines 21 to 23

Page 1, line 24, delete everything before "Land" and insert "(d)"

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

Senator Ingebrigtsen from the Committee on Environment and Natural Resources, to which was re-referred

S.F. No. 1860: A bill for an act relating to highway construction; requiring a special slurry disposal provision in certain highway construction, improvement, or repair contracts; proposing coding for new law in Minnesota Statutes, chapter 161.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2010, section 116.06, subdivision 22, is amended to read:

Subd. 22. **Solid waste.** "Solid waste" means garbage, refuse, sludge from a water supply treatment plant or air contaminant treatment facility, and other discarded waste materials and sludges, in solid, semisolid, liquid, or contained gaseous form, resulting from industrial, commercial, mining, and agricultural operations, and from community activities, but does not include hazardous waste; animal waste used as fertilizer; earthen fill, boulders, rock; concrete

diamond grinding and saw slurry associated with the construction, improvement, or repair of a road when deposited on the road project site in a manner that is in compliance with best management practices and rules of the agency; sewage sludge; solid or dissolved material in domestic sewage or other common pollutants in water resources, such as silt, dissolved or suspended solids in industrial wastewater effluents or discharges which are point sources subject to permits under section 402 of the Federal Water Pollution Control Act, as amended, dissolved materials in irrigation return flows; or source, special nuclear, or by-product material as defined by the Atomic Energy Act of 1954, as amended."

Delete the title and insert:

"A bill for an act relating to environment; modifying the definition of solid waste to exempt certain highway construction, improvement, or repair activities; amending Minnesota Statutes 2010, section 116.06, subdivision 22."

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

Senator Ingebrigtsen from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 2004: A bill for an act relating to natural resources; setting standards for diversion or sale of water; amending Minnesota Statutes 2010, sections 103G.261; 103G.265, subdivision 2, by adding a subdivision.

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

Page 2, delete section 2

Page 2, lines 21, 23, 24, and 26, delete "or sale"

Page 2, line 28, delete "to 3" and insert "and 2"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "or sale"

Amend the title numbers accordingly

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

Senator Ingebrigtsen from the Committee on Environment and Natural Resources, to which was re-referred

S.F. No. 1889: A bill for an act relating to the permanent school fund; changing the Permanent School Fund Advisory Committee into a legislative commission; providing for a director to oversee, manage, and administer school trust lands; amending Minnesota Statutes 2010, sections 15A.0815, subdivision 3; 16A.06, subdivision 11; 16A.125, subdivision 5; 84.027, subdivision 18; 84.085, subdivision 1; 92.12, subdivision 1; 92.121; 92.13; 93.2236; 94.342, subdivision 5; 127A.30; 477A.11, subdivisions 3, 4, by adding a subdivision; 477A.12, subdivisions 2, 3; Minnesota Statutes 2011 Supplement, section 477A.12, subdivision 1; proposing coding for new

law in Minnesota Statutes, chapter 127A.

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

Page 1, delete line 21 and insert "School trust lands advisor;"

Page 2, delete line 5

Pages 2 to 5, delete sections 3 to 9 and insert:

"Sec. 3. Minnesota Statutes 2010, section 16A.125, subdivision 5, is amended to read:

Subd. 5. **Forest trust lands.** (a) The term "state forest trust fund lands" as used in this subdivision, means public land in trust under the Constitution set apart as "forest lands under the authority of the commissioner" of natural resources as defined by section 89.001, subdivision 13.

(b) The commissioner of management and budget shall credit the revenue from the forest trust fund lands to the forest suspense account. The account must specify the trust funds interested in the lands and the respective receipts of the lands.

(c) After a fiscal year, the commissioner of management and budget shall certify the total costs incurred for forestry during that year under appropriations for the ~~protection~~, improvement, administration, and management of state forest trust fund lands and construction and improvement of forest roads to enhance the forest value of the lands. The certificate must specify the trust funds interested in the lands. After presentation to the Legislative-Citizen Permanent School Fund Commission, the commissioner of natural resources shall supply the commissioner of management and budget with the information needed for the certificate. The certificate shall include an analysis that compares costs certified under this section with cost incurred on other public and private lands with similar land assets.

(d) After a fiscal year, the commissioner shall distribute the receipts credited to the suspense account during that fiscal year as follows:

(1) the amount of the certified costs incurred by the state for forest management, forest improvement, and road improvement during the fiscal year shall be transferred to the forest management investment account established under section 89.039;

(2) the balance of the certified costs incurred by the state during the fiscal year shall be transferred to the general fund; and

(3) the balance of the receipts shall then be returned prorated to the trust funds in proportion to their respective interests in the lands which produced the receipts.

EFFECTIVE DATE. This section is effective July 1, 2013.

Sec. 4. Minnesota Statutes 2010, section 84.027, subdivision 18, is amended to read:

Subd. 18. **Permanent school fund authority; reporting.** (a) The commissioner of natural resources has the authority and responsibility for the administration of school trust lands under sections 92.121 and 127A.31. The commissioner shall biannually report to the ~~Permanent School Fund Advisory Committee~~ Legislative-Citizen Permanent School Fund Commission and the legislature on the management of the school trust lands that shows how the commissioner has and

will continue to achieve the following goals:

- (1) manage the school trust lands efficiently;
- (2) reduce the management expenditures of school trust lands and maximize the revenues deposited in the permanent school trust fund;
- (3) manage the sale, exchange, and commercial leasing of school trust lands to maximize the revenues deposited in the permanent school trust fund and retain the value from the long-term appreciation of the school trust lands; and
- (4) manage the school trust lands to maximize the long-term economic return for the permanent school trust fund while maintaining sound natural resource conservation and management principles.

(b) When the commissioner finds an irresolvable conflict between maximizing the long-term economic return and protecting natural resources and recreational values on school trust lands, the commissioner shall give precedence to the long-term economic return in managing school trust lands. By July 1, 2016, the permanent school fund shall be compensated for all school trust lands included under a designation or policy provision that prohibits long-term economic return. Any uncompensated designation or policy provision restrictions on the long-term economic return on school trust lands is removed on July 1, 2016, and the lands shall be managed for long-term economic return to the permanent school fund.

(c) The first 2013 report required under paragraph (a) shall provide an inventory and identification of all school trust lands that are included under a designation or policy provision that prohibits long-term economic return. The report shall include a plan to compensate the permanent school fund through the purchase or exchange of the lands or a plan to manage the school trust land to generate long-term economic return to the permanent school fund. Subsequent reports under paragraph (a) shall include a status report of the commissioner's progress in maximizing the long-term economic return on lands identified in the first 2013 report.

(d) When future designations or policies prohibit the long-term economic return on school trust land, the conflict shall be resolved by compensating the permanent school fund through an exchange or purchase of the lands before designation or application of the policy."

Page 5, line 26, after "Committee" insert "Legislative-Citizen Permanent School Fund Commission" and reinstate "~~is appointed as temporary~~" and delete the new language

Page 5, line 27, delete "as" and delete "director" and insert "commission"

Page 5, delete line 29

Page 8, line 3, delete everything after "(g)" and insert "The school trust lands advisor shall provide staffing for the commission."

Page 8, delete lines 4 and 5

Page 9, delete lines 14 to 16

Pages 9 to 10, delete sections 12 to 14

Page 10, line 31, delete "commission" and insert "Legislative-Citizen Permanent School Fund Commission"

Page 10, line 32, delete everything before the period and insert "school trust lands advisor and the commissioner of natural resources"

Page 11, line 9, delete "commission" and insert "commissioner of natural resources" and delete "director" and insert "school trust lands advisor"

Page 11, line 11, delete everything after the period

Page 11, delete lines 12 and 13

Page 11, delete subdivisions 3 and 4

Page 11, delete line 23

Page 11, line 24, delete "DIRECTOR" and insert "SCHOOL TRUST LANDS ADVISOR"

Page 11, line 25, delete "director" and insert "school trust lands advisor" and delete "from"

Page 11, delete line 26

Page 11, line 27, delete "6" and delete "administration" and insert "management and budget" and delete "director" and insert "advisor"

Page 11, line 28, delete "of administration"

Page 11, line 29, delete everything after "the" and insert "advisor"

Page 11, line 30, delete everything before the period

Page 11, line 31, delete "director's" and insert "advisor's"

Page 11, line 32, delete "Term" and insert "Qualifications" and delete "director" and insert "advisor"

Page 11, line 33, delete "pertinent to the purposes and activities of the trust" and insert "and knowledge of finance, business practices, minerals, forest and real estate management, and the fiduciary responsibilities of the trustee to the beneficiaries of the trust" and delete "director" and insert "advisor"

Page 11, line 34, delete everything after "service" and insert a period

Page 12, delete lines 1 and 2

Page 12, line 3, delete "director" and insert "advisor"

Page 12, delete subdivision 4 and insert:

"Subd. 4. **Duties.** The school trust lands advisor shall advise the governor, commissioners of natural resources and management and budget, and the Legislative-Citizen Permanent School Fund Commission on the management of school trust lands, including:

(1) Department of Natural Resources management plans;

- (2) leases;
- (3) royalty agreements;
- (4) land sales and exchanges;
- (5) cost certifications; and
- (6) revenue generation opportunities.

Subd. 5. **Cost certification.** The costs of the school trust lands advisor and the Legislative-Citizen Permanent School Fund Commission shall be certified under section 16A.125."

Page 12, delete line 7

Pages 12 to 16, delete sections 17 to 28

Renumber the sections in sequence

Amend the title accordingly

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

Senator Ingebrigtsen from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 2144: A bill for an act relating to natural resources; clarifying the removal of debris from public waters and shoreland; amending Minnesota Statutes 2010, sections 103F.211, by adding a subdivision; 103F.321, by adding a subdivision; 103G.245, subdivision 2.

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

Senator Ingebrigtsen from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 2294: A bill for an act relating to natural resources; modifying Mississippi River management plan; providing for certain minimum standards for future critical area ordinance approval; providing for certain classifications within the Mississippi River corridor critical area.

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

Senator Olson from the Committee on Education, to which was referred

S.F. No. 2420: A bill for an act relating to education; amending provisions relating to teacher candidates passing a basic skills examination.

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

Page 1, line 7, delete everything after "has" and insert a colon

Page 1, delete lines 8 and 9 and insert:

"(1) obtained a one-year license to teach;
(2) taught in a language immersion program during the 2011-2012 school year; and
(3) been granted a visa by the United States Citizenship and Immigration Services;
may be approved by the Board of Teaching to continue to teach through the end of the 2013-2014
school year."

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

Senator Olson from the Committee on Education, to which was referred

S.F. No. 2059: A bill for an act relating to education; striking the requirement to allocate portions of reserved staff development revenue for particular purposes; amending Minnesota Statutes 2010, section 122A.61, subdivision 1.

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

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 2010, section 120B.236, is amended to read:

120B.236 CARDIOPULMONARY RESUSCITATION AND AUTOMATIC EXTERNAL DEFIBRILLATOR INSTRUCTION.

(a) School districts ~~are encouraged to include~~ must provide onetime cardiopulmonary resuscitation and automatic external defibrillator instruction as part of their grade 7 to 12 curriculum for all students in that grade beginning in the 2014-2015 school year and later. Training and instruction provided under this section need not result in cardiopulmonary resuscitation certification. ~~Schools offering~~ Cardiopulmonary resuscitation ~~or~~ and automatic external defibrillator instruction must ~~use~~ include cardiopulmonary resuscitation ~~or~~ and automatic external defibrillator training that has been developed:

(1) by the American Heart Association or the American Red Cross and incorporate psychomotor skills to support the instruction; or

(2) using nationally recognized, evidence-based guidelines for cardiopulmonary resuscitation and incorporates psychomotor skills to support the instruction.

"Psychomotor skills" under this paragraph means hands-on practice to support cognitive learning; it does not mean cognitive-only instruction and training.

(b) School districts may use community members such as emergency medical technicians, paramedics, police officers, firefighters, and representatives of the Minnesota Resuscitation Consortium, the American Heart Association, or the American Red Cross, among others, to provide instruction and training under this section. Community members are encouraged to provide needed training and instructional resources such as cardiopulmonary resuscitation kits and other materials at no cost to the school districts. A school administrator may waive this curriculum requirement for a high school transfer student regardless of whether or not the student previously received instruction under this section, an enrolled student absent on the day the instruction occurred under this section, or eligible student who has a disability. If a school district requests resources, the

Minnesota Resuscitation Consortium must provide them to the district for instruction and training provided to students under this section.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to all students entering grades 7 to 12 in the 2014-2015 school year and later."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "clarifying CPR training and instruction requirements;"

Amend the title numbers accordingly

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

Senator Olson from the Committee on Education, to which was referred

S.F. No. 2058: A bill for an act relating to education; repealing obsolete statutes; amending Minnesota Statutes 2010, sections 120A.22, subdivision 2; 126C.12, subdivision 2; Minnesota Statutes 2011 Supplement, section 120B.30, subdivision 1; repealing Minnesota Statutes 2010, sections 120A.28; 120B.019; 120B.13, subdivision 1; 120B.31, subdivision 3; 121A.60, subdivisions 3, 4; 121A.62; 121A.63; 122A.18, subdivision 9; 122A.68.

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

Page 1, delete section 1 and insert:

"Section 1. Minnesota Statutes 2010, section 120B.13, subdivision 1, is amended to read:

Subdivision 1. **Program structure; training programs for teachers.** ~~(a) The advanced placement and international baccalaureate programs are well-established academic programs for mature, academically directed high school students. These programs, in addition to providing academic rigor, offer sound curricular design, accountability, comprehensive external assessment, feedback to students and teachers, and the opportunity for high school students to compete academically on a global level. Advanced placement and international baccalaureate programs allow students to leave high school with the academic skills and self-confidence to succeed in college and beyond. The advanced placement and international baccalaureate programs help provide Minnesota students with world-class educational opportunity.~~

~~(b)~~ Critical to schools' educational success is ongoing advanced placement/international baccalaureate-approved teacher training. A secondary teacher assigned by a district to teach an advanced placement or international baccalaureate course or other interested educator may participate in a training program offered by The College Board or International Baccalaureate North America, Inc. The state may pay a portion of the tuition, room, board, and out-of-state travel costs a teacher or other interested educator incurs in participating in a training program. The commissioner shall determine application procedures and deadlines, select teachers and other interested educators to participate in the training program, and determine the payment process and amount of the subsidy. The procedures determined by the commissioner shall, to the extent possible, ensure that advanced placement and international baccalaureate courses become available in all parts of the state and that a variety of course offerings are available in school districts. This

subdivision does not prevent teacher or other interested educator participation in training programs offered by The College Board or International Baccalaureate North America, Inc., when tuition is paid by a source other than the state."

Page 4, line 16, delete "120B.13, subdivision 1;"

Page 4, line 17, before "122A.18" insert "and"

Page 4, line 18, delete "; and 122A.68"

Page 4, delete lines 26 to 33

Page 5, delete lines 1 to 7

Amend the title accordingly

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

Senator Olson from the Committee on Education, to which was referred

S.F. No. 1990: A bill for an act relating to education finance; expanding use of nonpublic pupil textbook aid; amending Minnesota Statutes 2010, sections 123B.41, by adding a subdivision; 123B.42; Minnesota Statutes 2011 Supplement, section 123B.41, subdivision 2.

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

Page 3, after line 20, insert:

"Sec. 4. Minnesota Statutes 2010, section 123B.43, is amended to read:

123B.43 USE OF INDIVIDUALIZED INSTRUCTIONAL MATERIALS.

(a) The commissioner shall assure that textbooks and individualized instructional materials loaned to nonpublic school pupils are secular, neutral, nonideological and that they are incapable of diversion for religious use.

(b) Textbooks ~~and~~, individualized instructional materials, software and other educational technology, must not be used in religious courses, devotional exercises, religious training or any other religious activity.

(c) Textbooks and individualized instructional materials must be loaned only to individual pupils upon the request of a parent or guardian or the pupil on a form designated for this use by the commissioner. The request forms shall provide for verification by the parent or guardian or pupil that the requested textbooks and individualized instructional materials are for the use of the individual pupil in connection with a program of instruction in the pupil's elementary or secondary school.

(d) The servicing school district or the intermediary service area must take adequate measures to ensure an accurate and periodic inventory of all textbooks ~~and~~, individualized instructional materials, software and other educational technology, loaned to elementary and secondary school pupils attending nonpublic schools. The commissioner of education shall promulgate rules under the provisions of chapter 14 to terminate the eligibility of any nonpublic school pupil if the commissioner determines, after notice and opportunity for hearing, that the textbooks ~~or~~,

individualized instructional materials, or software or other educational technology, have been used in a manner contrary to the provisions of section 123B.41, subdivision 5, 123B.42, or this section or any rules promulgated by the commissioner of education.

(e) Nothing contained in section 123B.41, subdivision 5, 123B.42, or this section shall be construed to authorize the making of any payments to a nonpublic school or its faculty, staff or administrators for religious worship or instruction or for any other purpose.

EFFECTIVE DATE. This section is effective July 1, 2012."

Amend the title numbers accordingly

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

Senator Olson from the Committee on Education, to which was referred

S.F. No. 577: A bill for an act relating to education; prohibiting public school employees from using public funds and resources to advocate to pass, elect, or defeat a political candidate, ballot question, or pending legislation; proposing coding for new law in Minnesota Statutes, chapter 123B.

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

Delete everything after the enacting clause and insert:

"Section 1. [123B.022] PROHIBITIONS ON POLITICAL ACTIVITIES BY PUBLIC SCHOOL EMPLOYEES.

Local school boards shall develop and implement policies to ensure that publicly funded resources, including, but not limited to, time, materials, equipment, facilities, and e-mail and other forms of technology used to communicate are not used or authorized for use by public employees to:

- (1) advocate the election or defeat of any candidate for elective office;
- (2) advocate the passage or defeat of any referendum question; or
- (3) solicit funds for political purposes.

The policy also must define appropriate use and times of use of all computers at a school site with Internet access available for employee use.

Such policies shall not prohibit the use of public funds for disseminating factual information about a proposition appearing on a local ballot, if such information is factual and does not advocate for or against the proposition.

All school districts must make these policies readily accessible to the public.

EFFECTIVE DATE. This section is effective six months following final enactment."

Amend the title accordingly

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

Senator Hann from the Committee on Health and Human Services, to which was referred

S.F. No. 1704: A bill for an act relating to human services; modifying the long-term care consultation requirements for prospective housing with services residents; amending Minnesota Statutes 2011 Supplement, section 256B.0911, subdivision 3c.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2010, section 256.975, subdivision 7, is amended to read:

Subd. 7. Consumer information and assistance and long-term care options counseling; Senior LinkAge Line. (a) The Minnesota Board on Aging shall operate a statewide service to aid older Minnesotans and their families in making informed choices about long-term care options and health care benefits. Language services to persons with limited English language skills may be made available. The service, known as Senior LinkAge Line, must be available during business hours through a statewide toll-free number and must also be available through the Internet.

(b) The service must provide long-term care options counseling by assisting older adults, caregivers, and providers in accessing information and options counseling about choices in long-term care services that are purchased through private providers or available through public options. The service must:

(1) develop a comprehensive database that includes detailed listings in both consumer- and provider-oriented formats;

(2) make the database accessible on the Internet and through other telecommunication and media-related tools;

(3) link callers to interactive long-term care screening tools and make these tools available through the Internet by integrating the tools with the database;

(4) develop community education materials with a focus on planning for long-term care and evaluating independent living, housing, and service options;

(5) conduct an outreach campaign to assist older adults and their caregivers in finding information on the Internet and through other means of communication;

(6) implement a messaging system for overflow callers and respond to these callers by the next business day;

(7) link callers with county human services and other providers to receive more in-depth assistance and consultation related to long-term care options;

(8) link callers with quality profiles for nursing facilities and other providers developed by the commissioner of health;

(9) incorporate information about the availability of housing options, as well as registered housing with services and consumer rights within the MinnesotaHelp.info network long-term care database to facilitate consumer comparison of services and costs among housing with services establishments and with other in-home services and to support financial self-sufficiency as long

as possible. Housing with services establishments and their arranged home care providers shall provide information that will facilitate price comparisons, including delineation of charges for rent and for services available. The commissioners of health and human services shall align the data elements required by section 144G.06, the Uniform Consumer Information Guide, and this section to provide consumers standardized information and ease of comparison of long-term care options. The commissioner of human services shall provide the data to the Minnesota Board on Aging for inclusion in the MinnesotaHelp.info network long-term care database;

(10) provide long-term care options counseling. Long-term care options counselors shall:

(i) for individuals not eligible for case management under a public program or public funding source, provide interactive decision support under which consumers, family members, or other helpers are supported in their deliberations to determine appropriate long-term care choices in the context of the consumer's needs, preferences, values, and individual circumstances, including implementing a community support plan;

(ii) provide Web-based educational information and collateral written materials to familiarize consumers, family members, or other helpers with the long-term care basics, issues to be considered, and the range of options available in the community;

(iii) provide long-term care futures planning, which means providing assistance to individuals who anticipate having long-term care needs to develop a plan for the more distant future; and

(iv) provide expertise in benefits and financing options for long-term care, including Medicare, long-term care insurance, tax or employer-based incentives, reverse mortgages, private pay options, and ways to access low or no-cost services or benefits through volunteer-based or charitable programs; and

(11) using risk management and support planning protocols, provide long-term care options counseling to current residents of nursing homes deemed appropriate for discharge by the commissioner. In order to meet this requirement, the commissioner shall provide designated Senior LinkAge Line contact centers with a list of nursing home residents appropriate for discharge planning via a secure Web portal. Senior LinkAge Line shall provide these residents, if they indicate a preference to receive long-term care options counseling, with initial assessment, review of risk factors, independent living support consultation, or referral to:

(i) long-term care consultation services under section 256B.0911;

(ii) designated care coordinators of contracted entities under section 256B.035 for persons who are enrolled in a managed care plan; or

(iii) the long-term care consultation team for those who are appropriate for relocation service coordination due to high-risk factors or psychological or physical disability; and

(12) develop referral protocols and processes that will assist certified health care homes and hospitals to identify at-risk older adults and determine when to refer these individuals to the Senior LinkAge Line for long-term care options counseling under this section. The commissioner is directed to work with the commissioner of health to develop protocols that would comply with the health care home designation criteria and protocols available at the time of hospital discharge.

Sec. 2. Minnesota Statutes 2011 Supplement, section 256B.0911, subdivision 3c, is amended to

read:

Subd. 3c. **Consultation for housing with services.** (a) The purpose of long-term care consultation for registered housing with services is to support persons with current or anticipated long-term care needs in making informed choices among options that include the most cost-effective and least restrictive settings. Prospective residents maintain the right to choose housing with services or assisted living if that option is their preference.

(b) Registered housing with services establishments shall inform all prospective residents or the prospective resident's designated or legal representative of the availability of long-term care consultation and the need to receive and verify the consultation prior to signing a lease or contract requirement for long-term care options counseling and the opportunity to decline long-term care options counseling. Prospective residents declining long-term care options counseling are required to sign a waiver form designated by the commissioner and supplied by the provider. The housing with services establishment shall maintain copies of signed waiver forms or verification that the consultation was conducted for audit for a period of three years. Long-term care consultation for registered housing with services is provided as determined by the commissioner of human services. The service is delivered under a partnership between lead agencies as defined in subdivision 1a, paragraph (d), and the Area Agencies on Aging, and is a point of entry to a combination of telephone-based long-term care options counseling provided by Senior LinkAge Line and in-person long-term care consultation provided by lead agencies. The point of entry service must be provided within five working days of the request of the prospective resident as follows:

(1) the consultation shall be conducted with the prospective resident, or in the alternative, the resident's designated or legal representative, if:

(i) the resident verbally requests; or

(ii) the registered housing with services provider has documentation of the designated or legal representative's authority to enter into a lease or contract on behalf of the prospective resident and accepts the documentation in good faith;

(2) the consultation shall be performed in a manner that provides objective and complete information;

~~(2)~~ (3) the consultation must include a review of the prospective resident's reasons for considering housing with services, the prospective resident's personal goals, a discussion of the prospective resident's immediate and projected long-term care needs, and alternative community services or housing with services settings that may meet the prospective resident's needs;

~~(3)~~ (4) the prospective resident shall be informed of the availability of a face-to-face visit at no charge to the prospective resident to assist the prospective resident in assessment and planning to meet the prospective resident's long-term care needs; and

~~(4)~~ (5) verification of counseling shall be generated and provided to the prospective resident by Senior LinkAge Line upon completion of the telephone-based counseling.

(c) Housing with services establishments registered under chapter 144D shall:

(1) inform all prospective residents or the prospective resident's designated or legal representative of the availability of and contact information for consultation services under this

subdivision;

(2) ~~except for individuals seeking lease-only arrangements in subsidized housing settings,~~ receive a copy of the verification of counseling prior to executing a lease or service contract with the prospective resident, and prior to executing a service contract with individuals who have previously entered into lease-only arrangements; and

(3) retain a copy of the verification of counseling as part of the resident's file.

Sec. 3. Minnesota Statutes 2010, section 256B.0911, is amended by adding a subdivision to read:

Subd. 3d. **Exemptions.** Individuals shall be exempt from the requirements outlined in subdivision 3c in the following circumstances:

(1) the individual is seeking a lease-only arrangement in a subsidized housing setting; or

(2) the individual has previously received a long-term care consultation assessment under this section. In this instance, the assessor who completes the long-term care consultation will issue a verification code and provide it to the individual."

Amend the title numbers accordingly

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

Senator Hann from the Committee on Health and Human Services, to which was referred

S.F. No. 2440: A bill for an act relating to health; providing for an exemption for the Webber Pool project in the city of Minneapolis; amending Minnesota Statutes 2010, section 144.1222, by adding a subdivision.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2011 Supplement, section 144.1222, subdivision 5, is amended to read:

Subd. 5. ~~Swimming pond exemption~~ **Exemptions.** (a) A public swimming pond in existence before January 1, 2008, is not a public pool for purposes of this section and section 157.16, and is exempt from the requirements for public swimming pools under Minnesota Rules, chapter 4717.

(b) A naturally treated swimming pool located in the city of Minneapolis is not a public pool for purposes of this section and section 157.16, and is exempt from the requirements for public swimming pools under Minnesota Rules, chapter 4717.

~~(b)~~ (c) Notwithstanding paragraph paragraphs (a) and (b), a public swimming pond and a naturally treated swimming pool must meet the requirements for public pools described in subdivisions 1c and 1d.

~~(e)~~ (d) For purposes of this subdivision, a "public swimming pond" means an artificial body of water contained within a lined, sand-bottom basin, intended for public swimming, relaxation, or recreational use that includes a water circulation system for maintaining water quality and does not

include any portion of a naturally occurring lake or stream.

(e) For purposes of this subdivision, a "naturally treated swimming pool" means an artificial body of water contained in a basin, intended for public swimming, relaxation, or recreational use that uses a chemical free filtration system for maintaining water quality through natural processes, including the use of plants, beneficial bacteria, and microbes.

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

Amend the title as follows:

Page 1, line 2, delete everything after "exemption" and insert "for naturally treated swimming pools from certain pool regulations"

Page 1, line 3, delete everything before the semicolon

Amend the title numbers accordingly

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

Senator Hann from the Committee on Health and Human Services, to which was referred

S.F. No. 2238: A bill for an act relating to health; requiring disclosure of certain hospital futility policies; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Page 1, line 8, delete "and" and insert "when the hospital identifies the need for a formal process to address concerns over the proposed treatment of a child. The hospital"

Page 1, line 13, delete everything after "futility" and insert a period

Page 1, delete line 14

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

Senator Hann from the Committee on Health and Human Services, to which was referred

S.F. No. 2195: A bill for an act relating to health; authorizing the licensure of physicians to dispense drugs in pharmacies located in health professional shortage areas; amending Minnesota Statutes 2010, section 151.01, by adding subdivisions; Minnesota Statutes 2011 Supplement, section 151.19, by adding a subdivision.

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

Senator Hann from the Committee on Health and Human Services, to which was referred

S.F. No. 2128: A bill for an act relating to health; allowing the electronic prescribing of controlled substances; amending Minnesota Statutes 2010, section 152.11.

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

Senator Hann from the Committee on Health and Human Services, to which was referred

S.F. No. 1412: A bill for an act relating to human services; creating an exception to the foster care licensing moratorium; amending Minnesota Statutes 2010, section 245A.03, subdivision 7.

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

Delete everything after the enacting clause and insert:

"Section 1. **FOSTER CARE FOR INDIVIDUALS WITH AUTISM.**

The commissioner shall identify and coordinate with one or more counties that agree to issue a foster care license and authorize funding for people with autism who are currently receiving home and community-based services under Minnesota Statutes, section 256B.092 or 256B.49. Children eligible under this section must be in an out-of-home placement approved by the lead agency that has legal responsibility for the placement. Nothing in this section must be construed as restricting an individual's choice of provider. The commissioner will assist the interested county or counties with obtaining necessary capacity within the moratorium under Minnesota Statutes, section 245A.03, subdivision 7. The commissioner shall coordinate with the interested counties and issue a request for information to identify providers who have the training and skills to meet the needs of the individuals identified in this section."

Delete the title and insert:

"A bill for an act relating to human services; establishing specialized foster care for people with autism."

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

Senator Limmer from the Committee on Judiciary and Public Safety, to which was referred

S.F. No. 2464: A bill for an act relating to public safety; requiring a modification to the sex offender sentencing grid.

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

Senator Limmer from the Committee on Judiciary and Public Safety, to which was referred

S.F. No. 2295: A bill for an act relating to public safety; clarifying the community notification law by adding cross-references; amending Minnesota Statutes 2010, section 244.052, subdivision 4.

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

Senator Limmer from the Committee on Judiciary and Public Safety, to which was referred

S.F. No. 2184: A bill for an act relating to real property; registered land; providing for registration for time share interests; amending Minnesota Statutes 2010, sections 508.58, subdivision 2, by adding subdivisions; 508.71, by adding a subdivision.

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

Page 2, line 16, delete "recorder" and insert "registrar of titles"

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

Senator Limmer from the Committee on Judiciary and Public Safety, to which was re-referred

S.F. No. 1912: A bill for an act relating to health; requiring a prescribing physician be physically present when certain abortion-inducing drugs are administered; providing for criminal penalty; proposing coding for new law in Minnesota Statutes, chapter 145.

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

Page 2, delete lines 9 to 36

Page 3, delete lines 1 to 25

Amend the title as follows:

Page 1, line 3, delete "providing for criminal penalty;"

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

Senator Limmer from the Committee on Judiciary and Public Safety, to which was re-referred

S.F. No. 1839: A bill for an act relating to natural resources; authorizing certain agency prepayments; providing for apprentice riders; modifying aquatic invasive species provisions; modifying local government trail authority; modifying enforcement provisions; modifying certain bait provisions; modifying prior appropriations; eliminating certain reporting, plan, and meeting requirements; eliminating loan program; modifying La Salle Lake State Recreation Area administration; adding to and deleting from state parks, state recreation areas, and state forests; authorizing private sale of certain state lands; modifying certain easements; modifying certain lease provisions; providing civil penalties; amending Minnesota Statutes 2010, sections 16A.065; 84.631; 84.67; 84.91, subdivision 1; 84D.05, subdivision 1; 85.018, subdivision 2; 85.20, subdivision 1; 85.46, subdivision 1; 86B.331, subdivision 1; 92.50, subdivision 1; 97A.421, subdivision 4a; Minnesota Statutes 2011 Supplement, sections 84D.01, subdivision 15a; 84D.09, subdivision 2; 84D.10, subdivisions 1, 4; 84D.105, subdivision 2; 84D.13, subdivision 5; 97C.341; Laws 2007, chapter 57, article 1, section 4, subdivision 2, as amended; Laws 2010, chapter 362, section 2, subdivision 7; Laws 2011, First Special Session chapter 6, article 3, section 8, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 84; 86B; repealing Minnesota Statutes 2010, sections 84.946, subdivision 3; 86A.12, subdivision 5; 89.06; 90.042; 97A.4742, subdivision 4; 103G.705.

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

Senator Limmer from the Committee on Judiciary and Public Safety, to which was referred

H.F. No. 795: A bill for an act relating to child support; instructing the commissioner to initiate a foreign reciprocal agreement.

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

Page 1, line 7, delete "2011" and insert "2012"

Page 1, line 12, delete "2012" and insert "2013"

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

Senator Limmer from the Committee on Judiciary and Public Safety, to which was referred

S.F. No. 1804: A bill for an act relating to state government; making changes to health and human services policy provisions; modifying provisions related to continuing care, the telephone equipment program, chemical and mental health, and health care; reforming comprehensive assessment and case management services; requiring reports; amending Minnesota Statutes 2010, sections 144A.071, subdivision 5a; 237.50; 237.51; 237.52; 237.53; 237.54; 237.55; 237.56; 245.461, by adding a subdivision; 245.462, subdivision 20; 245.487, by adding a subdivision; 245.4871, subdivision 15; 245.4932, subdivision 1; 245A.11, subdivisions 2a, 8; 246.53, by adding a subdivision; 252.32, subdivision 1a; 252A.21, subdivision 2; 256.476, subdivision 11; 256.9657, subdivision 1; 256B.04, subdivision 14; 256B.056, subdivision 3c; 256B.0595, subdivision 2; 256B.0625, subdivisions 13, 13d, 19c, 42; 256B.0659, subdivisions 1, 2, 3, 3a, 4, 9, 13, 14, 19, 20, 21, 24, 30; 256B.0911, subdivisions 1, 2b, 2c, 3, 3b, 4c, 6; 256B.0913, subdivisions 7, 8; 256B.0915, subdivisions 1a, 1b, 3c, 6; 256B.0916, subdivision 7; 256B.092, subdivisions 1, 1a, 1b, 1e, 1g, 2, 3, 5, 7, 8, 8a, 9, 11; 256B.096, subdivision 5; 256B.15, subdivisions 1c, 1f; 256B.19, subdivision 1c; 256B.441, subdivisions 13, 31, 53; 256B.49, subdivisions 13, 21; 256B.69, subdivision 5; 256F.13, subdivision 1; 256G.02, subdivision 6; 256L.05, subdivision 3; 514.982, subdivision 1; Minnesota Statutes 2011 Supplement, sections 125A.21, subdivision 7; 144A.071, subdivisions 3, 4a; 245A.03, subdivision 7; 254B.04, subdivision 2a; 256B.056, subdivision 3; 256B.057, subdivision 9; 256B.0625, subdivisions 13e, 13h, 14, 56; 256B.0631, subdivisions 1, 2; 256B.0659, subdivision 11; 256B.0911, subdivisions 1a, 3a, 4a; 256B.0915, subdivision 10; 256B.49, subdivisions 14, 15; 256B.69, subdivisions 5a, 28; 256L.15, subdivision 1; 626.557, subdivision 9; Laws 2009, chapter 79, article 8, section 81, as amended; proposing coding for new law in Minnesota Statutes, chapter 252; repealing Minnesota Statutes 2010, sections 256.01, subdivision 18b; 256B.431, subdivisions 2c, 2g, 2i, 2j, 2k, 2l, 2o, 3c, 11, 14, 17b, 17f, 19, 20, 25, 27, 29; 256B.434, subdivisions 4a, 4b, 4c, 4d, 4e, 4g, 4h, 7, 8; 256B.435; 256B.436; Minnesota Statutes 2011 Supplement, section 256B.431, subdivision 26; Minnesota Rules, part 9555.7700.

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

Page 38, after line 2, insert:

"Sec. 31. Laws 2008, chapter 338, section 3, subdivision 1, is amended to read:

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

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

- (1) a description of the entities participating in the consortium, the scope of collaboration, and the process to be used for joint-decision making;
- (2) the methods by which the consortium plans to achieve the goals specified in subdivision 2;
- (3) a description of the proposed demonstration site; and
- (4) other information the commissioner determines to be necessary to evaluate proposals.

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

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

Sec. 32. Laws 2008, chapter 338, section 3, subdivision 8, is amended to read:

Subd. 8. **Evaluation and report.** The commissioner of human services, in cooperation with the commissioners of health and housing finance, shall evaluate the demonstration project, and report preliminary findings and recommendations to the legislature by November 15, 2011, on whether the demonstration project should be continued and whether the number of demonstration project sites increased. The final report of findings and recommendations shall be delivered to the legislature by January 15, ~~2013~~ 2015. The preliminary and final evaluation and report must include:

- (1) a comparison of the performance of demonstration sites relative to nonconsortium communities on the quality measures specified in subdivision 5;
- (2) an assessment of the extent to which the demonstration project can be successfully expanded to other parts of the state;
- (3) legislative changes necessary to improve the effectiveness of the demonstration project and to expand the projects to other parts of the state; and
- (4) any actions taken by the commissioner of health under subdivision 5.

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

Page 67, line 23, after "(h)" insert "Notwithstanding any requirements in this section,"

Page 67, line 25, delete everything after the comma

Page 67, line 26, delete "system"

Page 91, line 1, delete "a time-limited" and insert "an"

Page 113, delete section 16 and insert:

"Sec. 16. Minnesota Statutes 2011 Supplement, section 256B.69, subdivision 5a, is amended to read:

Subd. 5a. **Managed care contracts.** (a) Managed care contracts under this section and section 256L.12 shall be entered into or renewed on a calendar year basis beginning January 1, 1996. Managed care contracts which were in effect on June 30, 1995, and set to renew on July 1, 1995, shall be renewed for the period July 1, 1995 through December 31, 1995 at the same terms that were in effect on June 30, 1995. The commissioner may issue separate contracts with requirements specific to services to medical assistance recipients age 65 and older.

(b) A prepaid health plan providing covered health services for eligible persons pursuant to chapters 256B and 256L is responsible for complying with the terms of its contract with the commissioner. Requirements applicable to managed care programs under chapters 256B and 256L established after the effective date of a contract with the commissioner take effect when the contract is next issued or renewed.

(c) Effective for services rendered on or after January 1, 2003, the commissioner shall withhold five percent of managed care plan payments under this section and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance program pending completion of performance targets. Each performance target must be quantifiable, objective, measurable, and reasonably attainable, except in the case of a performance target based on a federal or state law or rule. Criteria for assessment of each performance target must be outlined in writing prior to the contract effective date. Clinical or utilization performance targets and their related criteria must consider evidence-based research and reasonable interventions when available or applicable to the populations served, and must be developed with input from external clinical experts and stakeholders, including managed care and county-based purchasing plans and providers. The managed care plan must demonstrate, to the commissioner's satisfaction, that the data submitted regarding attainment of the performance target is accurate. The commissioner shall periodically change the administrative measures used as performance targets in order to improve plan performance across a broader range of administrative services. The performance targets must include measurement of plan efforts to contain spending on health care services and administrative activities. The commissioner may adopt plan-specific performance targets that take into account factors affecting only one plan, including characteristics of the plan's enrollee population. The withheld funds must be returned no sooner than July of the following year if performance targets in the contract are achieved. The commissioner may exclude special demonstration projects under subdivision 23.

(d) Effective for services rendered on or after January 1, 2009, through December 31, 2009, the commissioner shall withhold three percent of managed care plan payments under this section and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance

program. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following year. The commissioner may exclude special demonstration projects under subdivision 23.

(e) Effective for services provided on or after January 1, 2010, the commissioner shall require that managed care plans use the assessment and authorization processes, forms, timelines, standards, documentation, and data reporting requirements, protocols, billing processes, and policies consistent with medical assistance fee-for-service or the Department of Human Services contract requirements consistent with medical assistance fee-for-service or the Department of Human Services contract requirements for all personal care assistance services under section 256B.0659.

(f) Effective for services rendered on or after January 1, 2010, through December 31, 2010, the commissioner shall withhold 4.5 percent of managed care plan payments under this section and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance program. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following year. The commissioner may exclude special demonstration projects under subdivision 23.

(g) Effective for services rendered on or after January 1, 2011, through December 31, 2011, the commissioner shall include as part of the performance targets described in paragraph (c) a reduction in the health plan's emergency room utilization rate for state health care program enrollees by a measurable rate of five percent from the plan's utilization rate for state health care program enrollees for the previous calendar year. Effective for services rendered on or after January 1, 2012, the commissioner shall include as part of the performance targets described in paragraph (c) a reduction in the health plan's emergency department utilization rate for medical assistance and MinnesotaCare enrollees, as determined by the commissioner. For 2012, the reduction shall be based on the health plan's utilization in 2009. To earn the return of the withhold each year, the managed care plan or county-based purchasing plan must achieve a qualifying reduction of no less than ten percent of the plan's emergency department utilization rate for medical assistance and MinnesotaCare enrollees, excluding Medicare enrollees in programs described in subdivisions 23 and 28, compared to the previous calendar measurement year until the final performance target is reached. When measuring performance, the commissioner must consider the difference in health risk in a plan's membership in the baseline year compared to the measurement year, and work with the managed care or county-based purchasing plan to account for differences that they agree are significant.

The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if the managed care plan or county-based purchasing plan demonstrates to the satisfaction of the commissioner that a reduction in the utilization rate was achieved.

The withhold described in this paragraph shall continue for each consecutive contract period until the plan's emergency room utilization rate for state health care program enrollees is reduced by 25 percent of the plan's emergency room utilization rate for medical assistance and MinnesotaCare enrollees for calendar year ~~2011~~ 2009. Hospitals shall cooperate with the health plans in meeting this performance target and shall accept payment withholds that may be returned to the hospitals if the performance target is achieved.

(h) Effective for services rendered on or after January 1, 2012, the commissioner shall include as part of the performance targets described in paragraph (c) a reduction in the plan's

hospitalization admission rate for medical assistance and MinnesotaCare enrollees, as determined by the commissioner. To earn the return of the withhold each year, the managed care plan or county-based purchasing plan must achieve a qualifying reduction of no less than five percent of the plan's hospital admission rate for medical assistance and MinnesotaCare enrollees, excluding Medicare enrollees in programs described in subdivisions 23 and 28, compared to the previous calendar year until the final performance target is reached. When measuring performance, the commissioner must evaluate the difference in health risk in a plan's membership in the baseline year compared to the measurement year, and work with the managed care or county-based purchasing plan to account for differences that they agree are significant.

The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if the managed care plan or county-based purchasing plan demonstrates to the satisfaction of the commissioner that this reduction in the hospitalization rate was achieved.

The withhold described in this paragraph shall continue until there is a 25 percent reduction in the hospital admission rate compared to the hospital admission rates in calendar year 2011, as determined by the commissioner. The hospital admissions in this performance target do not include the admissions applicable to the subsequent hospital admission performance target under paragraph (i). Hospitals shall cooperate with the plans in meeting this performance target and shall accept payment withholds that may be returned to the hospitals if the performance target is achieved.

(i) Effective for services rendered on or after January 1, 2012, the commissioner shall include as part of the performance targets described in paragraph (c) a reduction in the plan's hospitalization admission rates for subsequent hospitalizations within 30 days of a previous hospitalization of a patient regardless of the reason, for medical assistance and MinnesotaCare enrollees, as determined by the commissioner. To earn the return of the withhold each year, the managed care plan or county-based purchasing plan must achieve a qualifying reduction of the subsequent hospitalization rate for medical assistance and MinnesotaCare enrollees, excluding Medicare enrollees in programs described in subdivisions 23 and 28, of no less than five percent compared to the previous calendar year until the final performance target is reached.

The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if the managed care plan or county-based purchasing plan demonstrates to the satisfaction of the commissioner that a qualifying reduction in the subsequent hospitalization rate was achieved.

The withhold described in this paragraph must continue for each consecutive contract period until the plan's subsequent hospitalization rate for medical assistance and MinnesotaCare enrollees, excluding Medicare enrollees in programs described in subdivisions 23 and 28, is reduced by 25 percent of the plan's subsequent hospitalization rate for calendar year 2011. Hospitals shall cooperate with the plans in meeting this performance target and shall accept payment withholds that must be returned to the hospitals if the performance target is achieved.

(j) Effective for services rendered on or after January 1, 2011, through December 31, 2011, the commissioner shall withhold 4.5 percent of managed care plan payments under this section and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance program. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following year. The commissioner may exclude special demonstration projects under subdivision 23.

(k) Effective for services rendered on or after January 1, 2012, through December 31, 2012, the commissioner shall withhold 4.5 percent of managed care plan payments under this section and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance program. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following year. The commissioner may exclude special demonstration projects under subdivision 23.

(l) Effective for services rendered on or after January 1, 2013, through December 31, 2013, the commissioner shall withhold 4.5 percent of managed care plan payments under this section and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance program. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following year. The commissioner may exclude special demonstration projects under subdivision 23.

(m) Effective for services rendered on or after January 1, 2014, the commissioner shall withhold three percent of managed care plan payments under this section and county-based purchasing plan payments under section 256B.692 for the prepaid medical assistance program. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following year. The commissioner may exclude special demonstration projects under subdivision 23.

(n) A managed care plan or a county-based purchasing plan under section 256B.692 may include as admitted assets under section 62D.044 any amount withheld under this section that is reasonably expected to be returned.

(o) Contracts between the commissioner and a prepaid health plan are exempt from the set-aside and preference provisions of section 16C.16, subdivisions 6, paragraph (a), and 7.

(p) The return of the withhold under paragraphs (d), (f), and (j) to (m) is not subject to the requirements of paragraph (c)."

Page 119, after line 20, insert:

"Sec. 19. Minnesota Statutes 2011 Supplement, section 256L.12, subdivision 9, is amended to read:

Subd. 9. Rate setting; performance withholds. (a) Rates will be prospective, per capita, where possible. The commissioner may allow health plans to arrange for inpatient hospital services on a risk or nonrisk basis. The commissioner shall consult with an independent actuary to determine appropriate rates.

(b) For services rendered on or after January 1, 2004, the commissioner shall withhold five percent of managed care plan payments and county-based purchasing plan payments under this section pending completion of performance targets. Each performance target must be quantifiable, objective, measurable, and reasonably attainable, except in the case of a performance target based on a federal or state law or rule. Criteria for assessment of each performance target must be outlined in writing prior to the contract effective date. Clinical or utilization performance targets and their related criteria must consider evidence-based research and reasonable interventions, when available or applicable to the populations served, and must be developed with input from external clinical experts and stakeholders, including managed care and county-based purchasing plans and providers. The managed care plan must demonstrate, to the commissioner's satisfaction, that the

data submitted regarding attainment of the performance target is accurate. The commissioner shall periodically change the administrative measures used as performance targets in order to improve plan performance across a broader range of administrative services. The performance targets must include measurement of plan efforts to contain spending on health care services and administrative activities. The commissioner may adopt plan-specific performance targets that take into account factors affecting only one plan, such as characteristics of the plan's enrollee population. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if performance targets in the contract are achieved.

(c) For services rendered on or after January 1, 2011, the commissioner shall withhold an additional three percent of managed care plan or county-based purchasing plan payments under this section. The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year. The return of the withhold under this paragraph is not subject to the requirements of paragraph (b).

(d) Effective for services rendered on or after January 1, 2011, through December 31, 2011, the commissioner shall include as part of the performance targets described in paragraph (b) a reduction in the plan's emergency room utilization rate for state health care program enrollees by a measurable rate of five percent from the plan's utilization rate for the previous calendar year. Effective for services rendered on or after January 1, 2012, the commissioner shall include as part of the performance targets described in paragraph (b) a reduction in the health plan's emergency department utilization rate for medical assistance and MinnesotaCare enrollees, as determined by the commissioner. For 2012, the reduction shall be based on the health plan's utilization in 2009. To earn the return of the withhold each year, the managed care plan or county-based purchasing plan must achieve a qualifying reduction of no less than ten percent of the plan's utilization rate for medical assistance and MinnesotaCare enrollees, excluding Medicare enrollees in programs described in section 256B.69, subdivisions 23 and 28, compared to the previous calendar measurement year, until the final performance target is reached. When measuring performance, the commissioner must evaluate the difference in health risk in a plan's membership in the baseline year compared to the measurement year, and work with the managed care or county-based purchasing plan to account for differences that they agree are significant.

The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if the managed care plan or county-based purchasing plan demonstrates to the satisfaction of the commissioner that a reduction in the utilization rate was achieved.

The withhold described in this paragraph shall continue for each consecutive contract period until the plan's emergency room utilization rate for state health care program enrollees is reduced by 25 percent of the plan's emergency room utilization rate for medical assistance and MinnesotaCare enrollees for calendar year 2011. Hospitals shall cooperate with the health plans in meeting this performance target and shall accept payment withholds that may be returned to the hospitals if the performance target is achieved.

(e) Effective for services rendered on or after January 1, 2012, the commissioner shall include as part of the performance targets described in paragraph (b) a reduction in the plan's hospitalization admission rate for medical assistance and MinnesotaCare enrollees, as determined by the commissioner. To earn the return of the withhold each year, the managed care plan or county-based purchasing plan must achieve a qualifying reduction of no less than five percent of the plan's hospital admission rate for medical assistance and MinnesotaCare enrollees, excluding

Medicare enrollees in programs described in section 256B.69, subdivisions 23 and 28, compared to the previous calendar year, until the final performance target is reached. When measuring performance, the commissioner must evaluate the difference in health risk in a plan's membership in the baseline year compared to the measurement year, and work with the managed care or county-based purchasing plan to account for differences that they agree are significant.

The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if the managed care plan or county-based purchasing plan demonstrates to the satisfaction of the commissioner that this reduction in the hospitalization rate was achieved.

The withhold described in this paragraph shall continue until there is a 25 percent reduction in the hospitals admission rate compared to the hospital admission rate for calendar year 2011 as determined by the commissioner. Hospitals shall cooperate with the plans in meeting this performance target and shall accept payment withholds that may be returned to the hospitals if the performance target is achieved. The hospital admissions in this performance target do not include the admissions applicable to the subsequent hospital admission performance target under paragraph (f).

(f) Effective for services provided on or after January 1, 2012, the commissioner shall include as part of the performance targets described in paragraph (b) a reduction in the plan's hospitalization rate for a subsequent hospitalization within 30 days of a previous hospitalization of a patient regardless of the reason, for medical assistance and MinnesotaCare enrollees, as determined by the commissioner. To earn the return of the withhold each year, the managed care plan or county-based purchasing plan must achieve a qualifying reduction of the subsequent hospital admissions rate for medical assistance and MinnesotaCare enrollees, excluding Medicare enrollees described in section 256B.69, subdivisions 23 and 28, of no less than five percent compared to the previous calendar year until the final performance target is reached.

The withheld funds must be returned no sooner than July 1 and no later than July 31 of the following calendar year if the managed care plan or county-based purchasing plan demonstrates to the satisfaction of the commissioner that a reduction in the subsequent hospitalization rate was achieved.

The withhold described in this paragraph must continue for each consecutive contract period until the plan's subsequent hospitalization rate for medical assistance and MinnesotaCare enrollees is reduced by 25 percent of the plan's subsequent hospitalization rate for calendar year 2011. Hospitals shall cooperate with the plans in meeting this performance target and shall accept payment withholds that must be returned to the hospitals if the performance target is achieved.

(g) A managed care plan or a county-based purchasing plan under section 256B.692 may include as admitted assets under section 62D.044 any amount withheld under this section that is reasonably expected to be returned."

Renumber the sections in sequence

Amend the title numbers accordingly

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

Senator Limmer from the Committee on Judiciary and Public Safety, to which was

re-referred

S.F. No. 1572: A bill for an act relating to corporations; providing for incorporation of for-profit public benefit corporations; proposing coding for new law as Minnesota Statutes, chapter 304A.

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

Page 1, line 13, delete "directly or indirectly"

Page 1, line 14, delete everything before "public" and delete the first "and" and insert a comma and after "improvements" insert a comma

Page 1, line 15, delete everything before "local" and insert "for the well-being of the general public in" and delete "world" and insert "international" and after "communities" insert "through for-profit business undertakings"

Page 1, line 20, after "interest" insert "identified in the bylaws or articles of incorporation"

Page 2, line 2, delete everything after "as" and insert "provided in sections 304A.04 and 304A.05."

Page 2, delete line 3

Page 2, delete section 6 and insert:

"Sec. 6. **[304A.06] STAKEHOLDER ENGAGEMENT.**

Subdivision 1. Stakeholder impact. The board of a public benefit corporation shall provide opportunities for engagement and advisory input from stakeholders other than shareholders, such as regular stakeholder meetings scheduled by the board or a Web site or e-mail listserve provided by the corporation for communication among those stakeholders and between those stakeholders and the officers and directors.

Subd. 2. Public interest reports. A public benefit corporation shall produce and publish an annual report to the public on its financial condition and describing its efforts with respect to achieving public benefit and engaging with material stakeholder interests. If the corporation is a publicly held corporation, as defined in section 302A.011, subdivision 40, the corporation shall produce and publish the annual public interest report at the same time as it files its annual financial report required under federal securities laws. The public interest report must summarize the corporation's actions undertaken within the preceding year that benefit the public interest and stakeholders other than shareholders and must describe how the corporation takes into account those interests."

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

Senator Limmer from the Committee on Judiciary and Public Safety, to which was re-referred

S.F. No. 2061: A bill for an act relating to agriculture; modifying provisions related to pesticides, plants, nursery law, inspections, enforcements, food, animals, grain, and weights and measures; establishing Dairy Research, Teaching, and Consumer Education Authority; requiring reports; modifying certain ethanol and biodiesel provisions; delaying the effective date to eliminate

certain limitations on wind easements; providing for food law enforcement; making technical and conforming changes; amending Minnesota Statutes 2010, sections 17.114, subdivisions 3, 4; 17.982, subdivision 1; 17.983; 17.984, subdivision 1; 18B.065, subdivision 2a, by adding a subdivision; 18B.316, subdivision 6; 18G.02, subdivision 14; 18G.07, subdivision 1; 18G.10, subdivision 7, by adding a subdivision; 18H.02, subdivision 14, by adding a subdivision; 18H.10; 18H.14; 18J.01; 18J.02; 18J.03; 18J.04, subdivisions 1, 2, 3, 4; 18J.05, subdivisions 1, 2, 6; 18J.06; 18J.07, subdivisions 3, 4, 5; 21.82, subdivisions 7, 8; 25.33, subdivisions 5, 13, 14; 25.36; 25.37; 28A.03, subdivisions 3, 5, 6; 28A.21, subdivision 6; 31.01, subdivisions 2, 3, 4, 21, 25, 28; 31.121; 31.123; 31.13; 31.94; 31A.02, subdivisions 13, 14, 15, 16; 31A.23; 32.01, subdivisions 11, 12; 35.0661, subdivisions 2, 3; 40A.17; 41A.12, subdivisions 2, 4; 223.16, subdivision 12; 223.17, subdivisions 1, 4, 6, 9; 232.21, subdivisions 2, 6, 12; 232.22, subdivisions 3, 4, 5, 7; 232.23, subdivisions 2, 5, 10; 232.24, subdivisions 1, 2; 239.092; 239.093; 239.77, subdivisions 3, 5; 239.791, subdivision 1a; Laws 2008, chapter 296, article 1, section 25, as amended; Laws 2011, chapter 14, section 6; proposing coding for new law as Minnesota Statutes, chapters 32C; 34A; repealing Minnesota Statutes 2010, sections 17B.01; 17B.02; 17B.03; 17B.04; 17B.041; 17B.0451; 17B.048; 17B.05; 17B.06; 17B.07; 17B.10; 17B.11; 17B.12; 17B.13; 17B.14; 17B.15, subdivisions 1, 3; 17B.16; 17B.17; 17B.18; 17B.20; 17B.22, subdivisions 1, 2; 17B.28; 17B.29; 27.19, subdivisions 2, 3; 27.20; 28.15; 28A.12; 28A.13; 29.28; 31.031; 31.041; 31.05; 31.14; 31.393; 31.58; 31.592; 31.621, subdivision 5; 31.631, subdivision 4; 31.633, subdivision 2; 31.681; 31.74, subdivision 3; 31.91; 31A.24; 31A.26; 34.113; 35.243; 35.255; 35.67; 35.68; 35.69; 35.72; 223.16, subdivision 7; 223.18; 232.21, subdivision 4; 232.24, subdivision 3; 232.25; 233.01; 233.015; 233.017; 233.02; 233.03; 233.04; 233.05; 233.06; 233.07; 233.08; 233.09; 233.10; 233.11; 233.12; 233.22; 233.23; 233.24; 233.33; 234.01; 234.03; 234.04; 234.05; 234.06; 234.08; 234.09; 234.10; 234.11; 234.12; 234.13; 234.14; 234.15; 234.16; 234.17; 234.18; 234.19; 234.20; 234.21; 234.22; 234.23; 234.24; 234.25; 234.27; 235.01; 235.02; 235.04; 235.05; 235.06; 235.07; 235.08; 235.09; 235.10; 235.13; 235.18; 236.01; 236.02; 236.03; 236.04; 236.05; 236.06; 236.07; 236.08; 236.09; 395.14; 395.15; 395.16; 395.17; 395.18; 395.19; 395.20; 395.21; 395.22; 395.23; 395.24; Minnesota Rules, parts 1505.0780; 1505.0810; 1511.0100; 1511.0110; 1511.0120; 1511.0130; 1511.0140; 1511.0150; 1511.0160; 1511.0170; 1540.0010, subpart 26; 1550.0930, subparts 3, 4, 5, 6, 7; 1550.1040, subparts 3, 4, 5, 6; 1550.1260, subparts 6, 7; 1562.0100, subparts 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25; 1562.0200; 1562.0400; 1562.0700; 1562.0900; 1562.1300; 1562.1800.

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

Pages 17 to 21, delete sections 33 to 38

Page 37, delete sections 4 to 7

Page 40, delete section 11

Page 43, line 24, delete the comma and insert a period

Page 43, delete line 25

Page 45, line 26, delete "subdivision 1"

Page 46, line 29, delete "paragraph (a)"

Page 48, line 28, delete the second comma

Page 48, line 29, delete "subdivision 1"

Page 49, line 3, delete ", paragraph (a)"

Page 49, line 7, delete "chapters 25 and" and insert "chapter"

Page 49, line 18, delete the colon

Page 49, line 19, delete "(1)"

Page 49, line 21, delete "; or" and insert a period

Page 49, delete line 22

Page 50, line 26, delete everything before "Food"

Page 50, lines 28 and 30, delete "human or animal"

Page 51, lines 15 and 21, delete "human or animal"

Page 51, line 27, delete everything after "manner" and insert a semicolon

Page 51, delete line 28

Page 52, delete subdivision 2

Page 54, line 23, delete everything after the period

Page 54, line 24, delete "chapter do not apply to chapters 25 and 32."

Page 55, line 17, delete "institute" and insert "consider instituting"

Page 55, line 18, delete "without delay" and delete "prosecute" and insert "prosecuting"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, delete everything after the semicolon

Page 1, line 5, delete "Authority;"

Amend the title numbers accordingly

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

SECOND READING OF SENATE BILLS

S.F. Nos. 2319, 516, 1911, 1975, 1543, 1993, 2098, 1721, 753, 2379, 1860, 2004, 2144, 2294, 2420, 2059, 2058, 1990, 577, 2440, 2238, 2195, 2128, 1412, 2295, 2184, 1912, 1839, 1804, 1572 and 2061 were read the second time.

SECOND READING OF HOUSE BILLS

H.F. No. 795 was read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senators Rosen and Higgins introduced—

S.F. No. 2494: A bill for an act relating to public safety; increasing the maximum amounts of methamphetamine precursor drugs that may be sold in over-the-counter transactions; requiring an electronic methamphetamine precursor drug tracking system to facilitate the sales of these drugs and to prevent sales exceeding the maximum amounts; providing civil immunity; requiring the issuance of a request for proposals; requiring reports to the legislature; amending Minnesota Statutes 2010, sections 13.6905, by adding a subdivision; 152.02, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 152.

Referred to the Committee on Judiciary and Public Safety.

Senator Metzen introduced—

S.F. No. 2495: A bill for an act relating to state government; designating an official state pipe band; proposing coding for new law in Minnesota Statutes, chapter 1.

Referred to the Committee on State Government Innovation and Veterans.

Senators Wolf, Hoffman, Marty, Eaton and Nienow introduced—

S.F. No. 2496: A bill for an act relating to human services; modifying emergency medical condition for purposes of medical assistance coverage; amending Minnesota Statutes 2011 Supplement, section 256B.06, subdivision 4.

Referred to the Committee on Health and Human Services.

Senators Benson and Parry introduced—

S.F. No. 2497: A bill for an act relating to taxes; individual income; providing a tax credit to employers that employ qualified veterans; amending Minnesota Statutes 2010, section 290.06, by adding a subdivision.

Referred to the Committee on Taxes.

Senator Wiger introduced—

S.F. No. 2498: A bill for an act relating to education; establishing a State Board of Education; amending Minnesota Statutes 2010, sections 120A.05, by adding a subdivision; 127A.05, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 127A.

Referred to the Committee on Education.

Senator DeKruif introduced—

S.F. No. 2499: A bill for an act relating to transportation; clarifying authority of civilian escort drivers and licensed protective agents to escort oversized loads; amending Minnesota Statutes 2010, sections 169.06, subdivision 4; 169.86, subdivision 3b; 299D.085, subdivisions 2, 3, by adding a subdivision; 326.338, subdivision 4.

Referred to the Committee on Transportation.

Senator Miller introduced—

S.F. No. 2500: A bill for an act relating to transportation; highways; requiring the commissioner of transportation to pay the costs of improvements necessitated by construction on marked Trunk Highway 44 in Caledonia.

Referred to the Committee on Transportation.

Senator Miller introduced—

S.F. No. 2501: A bill for an act relating to highways; authorizing sale and issuance of trunk highway bonds; appropriating money for infrastructure improvements attendant to construction on marked Trunk Highway 44 in Caledonia.

Referred to the Committee on Transportation.

Senator Cohen introduced—

S.F. No. 2502: A bill for an act relating to human services; providing a nursing facility rate increase for a specified facility; amending Minnesota Statutes 2010, section 256B.441, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Senator Sheran introduced—

S.F. No. 2503: A bill for an act relating to higher education; establishing an open-access textbook task force; requiring a plan for improved use of open-access textbooks.

Referred to the Committee on Higher Education.

Senator Ingebrigtsen introduced—

S.F. No. 2504: A bill for an act relating to public safety; appropriating money for firefighter training.

Referred to the Committee on Judiciary and Public Safety.

Senators Latz, Eaton and Pappas introduced—

S.F. No. 2505: A bill for an act relating to wireless telecommunications; requiring wireless telecommunications service providers to alert customers whose usage approaches or exceeds their contract limit; proposing coding for new law in Minnesota Statutes, chapter 325F.

Referred to the Committee on Energy, Utilities and Telecommunications.

Senators Pederson, Miller, Tomassoni, Nelson and Daley introduced—

S.F. No. 2506: A bill for an act relating to transportation; establishing and appropriating money for a safe routes to school program; authorizing the sale and issuance of state bonds; proposing coding for new law in Minnesota Statutes, chapter 174.

Referred to the Committee on Transportation.

Senators Bonoff, Saxhaug and Magnus introduced—

S.F. No. 2507: A bill for an act relating to game and fish; making the free deer license for disabled veterans permanent; amending Minnesota Statutes 2010, section 97A.441, subdivision 6.

Referred to the Committee on Environment and Natural Resources.

Senators Bonoff and Olson introduced—

S.F. No. 2508: A bill for an act relating to day care facilities; changing certain requirements; amending Minnesota Statutes 2010, sections 245A.14, subdivision 1; 462.357, subdivision 7.

Referred to the Committee on Health and Human Services.

Senator Senjem introduced—

S.F. No. 2509: A bill for an act relating to education finance; authorizing funding for a pilot project designed to increase the efficiency and efficacy of instructional services through mobile technologies; appropriating money.

Referred to the Committee on Education.

Senators Pappas, Higgins, Tomassoni, Rest and McGuire introduced—

S.F. No. 2510: A bill for an act relating to the Capitol; requiring the Capitol Area Architectural and Planning Board to commission a new work of art.

Referred to the Committee on State Government Innovation and Veterans.

Senators Tomassoni and Bakk introduced—

S.F. No. 2511: A bill for an act relating to judgments; providing for the recovery of attorney fees incurred in collecting conciliation court judgments; amending Minnesota Statutes 2010, section 491A.02, subdivision 9, by adding a subdivision.

Referred to the Committee on Judiciary and Public Safety.

Senator Michel introduced—

S.F. No. 2512: A bill for an act relating to taxation; gross revenues taxes; modifying credits and exemptions to include treatment of eating disorders; amending Minnesota Statutes 2010, section 295.53, subdivision 4a; Minnesota Statutes 2011 Supplement, section 295.53, subdivision 1.

Referred to the Committee on Taxes.

Senators Ingebrigtsen, Senjem, McGuire and Bakk introduced—

S.F. No. 2513: A bill for an act relating to public safety; appropriating money for fire safety services.

Referred to the Committee on Judiciary and Public Safety.

Senator Gerlach introduced—

S.F. No. 2514: A bill for an act relating to metropolitan transit; changing the formula for assistance by the Metropolitan Council to cities and towns with replacement transit service; amending Minnesota Statutes 2010, section 473.388, subdivision 4.

Referred to the Committee on Transportation.

Senator Senjem introduced—

S.F. No. 2515: A bill for an act relating to school district debt limits; repealing Minnesota Statutes 2010, section 475.53, subdivision 5.

Referred to the Committee on Education.

Senators Rest, Latz and Marty introduced—

S.F. No. 2516: A bill for an act relating to data privacy; prohibiting the use of Social Security numbers in certain health records; amending Minnesota Statutes 2010, section 325E.59, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 62Q; 144.

Referred to the Committee on Judiciary and Public Safety.

Senators Howe, Metzen, Gazelka and Vandeverer introduced—

S.F. No. 2517: A bill for an act relating to commerce; regulating debt collection agencies; modifying an exclusion; amending Minnesota Statutes 2010, section 332.32.

Referred to the Committee on Commerce and Consumer Protection.

Senators Saxhaug, Skoe and Langseth introduced—

S.F. No. 2518: A bill for an act relating to capital investment; appropriating money for a regional

public television station in Bemidji; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senators Saxhaug, Skoe and Langseth introduced—

S.F. No. 2519: A bill for an act relating to capital improvements; appropriating money to establish the Northern Minnesota Veterans Home; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senators Saxhaug, Bakk and Langseth introduced—

S.F. No. 2520: A bill for an act relating to capital improvements; appropriating money for Koochiching renewable energy clean air project; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senators Saxhaug, Skoe and Langseth introduced—

S.F. No. 2521: A bill for an act relating to capital investment; appropriating money for Bemidji State University; authorizing the sale and issuance of state bonds.

Referred to the Committee on Capital Investment.

Senator Bakk introduced—

S.F. No. 2522: A bill for an act relating to state lands; modifying land exchange provisions; providing for certain compensation; authorizing public and private sales of certain tax-forfeited land; amending Minnesota Statutes 2010, section 94.342, by adding a subdivision.

Referred to the Committee on Environment and Natural Resources.

Senator Bakk introduced—

S.F. No. 2523: A bill for an act relating to state lands; authorizing private sale of certain tax-forfeited land.

Referred to the Committee on Environment and Natural Resources.

Senator Carlson introduced—

S.F. No. 2524: A bill for an act relating to property taxation; allowing homestead resort classification for property adjacent to a state trail; amending Minnesota Statutes 2011 Supplement, section 273.13, subdivision 22.

Referred to the Committee on Taxes.

MOTIONS AND RESOLUTIONS

Senator Howe moved that the name of Senator Saxhaug be added as a co-author to S.F. No. 962. The motion prevailed.

Senator Jungbauer moved that the name of Senator Metzen be added as a co-author to S.F. No. 2366. The motion prevailed.

Senator Latz moved that his name be stricken as a co-author to S.F. No. 2381. The motion prevailed.

Senator Hann moved that the name of Senator Sheran be added as a co-author to S.F. No. 2463. The motion prevailed.

Senators Miller and Howe introduced –

Senate Resolution No. 136: A Senate resolution honoring the Winona Area Chamber of Commerce on the occasion of its Centennial celebration.

Referred to the Committee on Rules and Administration.

Senators Higgins, Eaton and Harrington introduced –

Senate Resolution No. 137: A Senate resolution honoring Khao Insiengmay for his service to the Lao community and the citizens of Minnesota.

Referred to the Committee on Rules and Administration.

Senators Latz and Dibble introduced –

Senate Resolution No. 138: A Senate resolution congratulating the Benilde-St. Margaret's High School boys hockey team on winning the 2012 State High School Class 2A boys hockey championship.

Referred to the Committee on Rules and Administration.

Senator Nienow moved that H.F. No. 2246, No. 1 on the Consent Calendar, be stricken and placed on General Orders. The motion prevailed.

Senator Nienow moved that S.F. No. 1165, No. 96 on General Orders, be stricken and re-referred to the Committee on Finance. The motion prevailed.

Senator Hall moved that S.F. No. 2409 be withdrawn from the Committee on Education and re-referred to the Committee on Judiciary and Public Safety. The motion prevailed.

SPECIAL ORDERS

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

H.F. Nos. 545, 1738, S.F. Nos. 1735, 1586, 1934, 2131 and 2296.

SPECIAL ORDER

H.F. No. 545: A bill for an act relating to state government; requiring state budget documents to include federal funding contingency planning; amending Minnesota Statutes 2010, section 16A.10, by adding a subdivision.

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 12, as follows:

Those who voted in the affirmative were:

Benson	Gerlach	Koch	Nienow	Skoe
Bonoff	Gimse	Kruse	Olson	Sparks
Brown	Hall	Langseth	Ortman	Stumpf
Carlson	Hann	Latz	Parry	Thompson
Chamberlain	Harrington	Limmer	Pederson	Tomassoni
Cohen	Higgins	Magnus	Robling	Vanderveer
Dahms	Hoffman	Metzen	Rosen	Wiger
Daley	Howe	Michel	Saxhaug	Wolf
DeKruif	Ingebrigtsen	Miller	Senjem	
Fischbach	Jungbauer	Nelson	Sheran	
Gazelka	Kelash	Newman	Sieben	

Those who voted in the negative were:

Bakk	Eaton	Lourey	Pappas
Dibble	Goodwin	Marty	Rest
Dziedzic	Hayden	McGuire	Torres Ray

So the bill passed and its title was agreed to.

SPECIAL ORDER

H.F. No. 1738: A bill for an act relating to local government; providing for detachment from a municipality; amending Minnesota Statutes 2010, section 414.06, subdivisions 1, 2, 3, by adding subdivisions.

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

The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Bakk	Daley	Gimse	Howe	Limmer
Benson	DeKruif	Goodwin	Ingebrigtsen	Lourey
Bonoff	Dibble	Hall	Jungbauer	Magnus
Brown	Dziedzic	Hann	Kelash	Marty
Carlson	Eaton	Harrington	Koch	McGuire
Chamberlain	Fischbach	Hayden	Kruse	Metzen
Cohen	Gazelka	Higgins	Langseth	Michel
Dahms	Gerlach	Hoffman	Latz	Miller

Nelson	Pappas	Rosen	Skoe	Torres Ray
Newman	Parry	Saxhaug	Sparks	Vandevveer
Nienow	Pederson	Senjem	Stumpf	Wiger
Olson	Rest	Sheran	Thompson	Wolf
Ortman	Robling	Sieben	Tomassoni	

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1735: A bill for an act relating to financial institutions; clarifying state bank closures for holidays; making changes in state bank lending limits to comply with federal law; repealing obsolete language relating to deposits payable on demand; amending Minnesota Statutes 2010, sections 47.015, subdivision 2; 48.24, subdivision 1; repealing Minnesota Statutes 2010, sections 48.50; 48.51.

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 65 and nays 0, as follows:

Those who voted in the affirmative were:

Bakk	Fischbach	Jungbauer	Michel	Saxhaug
Benson	Gazelka	Kelash	Miller	Senjem
Bonoff	Gerlach	Koch	Nelson	Sheran
Brown	Gimse	Kruse	Newman	Sieben
Carlson	Goodwin	Langseth	Nienow	Skoe
Chamberlain	Hall	Latz	Olson	Sparks
Cohen	Hann	Lillie	Ortman	Stumpf
Dahms	Harrington	Limmer	Pappas	Thompson
Daley	Hayden	Lourey	Parry	Tomassoni
DeKruif	Higgins	Magnus	Pederson	Torres Ray
Dibble	Hoffman	Marty	Rest	Vandevveer
Dziedzic	Howe	McGuire	Robling	Wiger
Eaton	Ingebrigtsen	Metzen	Rosen	Wolf

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 1586: A bill for an act relating to public safety; adding a felony-level penalty and affirmative defenses to the vulnerable adult neglect crime; amending Minnesota Statutes 2010, section 609.233.

Senator Limmer moved to amend S.F. No. 1586 as follows:

Page 3, after line 5, insert:

"For these affirmative defenses, a defendant bears only the burden of production. A defendant's failure to meet the burden of production does not relieve the state of its burden of persuasion as to all elements of the offense."

The motion prevailed. So the amendment was adopted.

S.F. No. 1586 was read the third time, as amended, and placed on its final passage.

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

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

Those who voted in the affirmative were:

Bakk	Fischbach	Kelash	Miller	Senjem
Benson	Gazelka	Koch	Nelson	Sheran
Bonoff	Gerlach	Kruse	Newman	Sieben
Brown	Gimse	Langseth	Nienow	Skoe
Carlson	Goodwin	Latz	Olson	Sparks
Chamberlain	Hall	Lillie	Ortman	Stumpf
Cohen	Hann	Limmer	Pappas	Thompson
Dahms	Hayden	Lourey	Parry	Tomassoni
Daley	Higgins	Magnus	Pederson	Torres Ray
DeKruif	Hoffman	Marty	Rest	Vandever
Dibble	Howe	McGuire	Robling	Wiger
Dziedzic	Ingebrigtsen	Metzen	Rosen	Wolf
Eaton	Jungbauer	Michel	Saxhaug	

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

SPECIAL ORDER

S.F. No. 1934: A bill for an act relating to insurance; regulating township mutual fire insurance company combination policies; amending Minnesota Statutes 2010, section 67A.191.

Senator Dahms moved to amend S.F. No. 1934 as follows:

Page 1, after line 23, insert:

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

The motion prevailed. So the amendment was adopted.

S.F. No. 1934 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 45 and nays 21, as follows:

Those who voted in the affirmative were:

Bakk	Gazelka	Koch	Nelson	Rosen
Benson	Gerlach	Kruse	Newman	Saxhaug
Brown	Gimse	Langseth	Nienow	Senjem
Carlson	Hall	Lillie	Olson	Sheran
Chamberlain	Hann	Limmer	Ortman	Skoe
Dahms	Hoffman	Lourey	Parry	Sparks
Daley	Howe	Magnus	Pederson	Stumpf
DeKruif	Ingebrigtsen	Michel	Reinert	Thompson
Fischbach	Jungbauer	Miller	Robling	Wolf

Those who voted in the negative were:

Bonoff	Eaton	Higgins	McGuire	Sieben
Cohen	Goodwin	Kelash	Metzen	Tomassoni
Dibble	Harrington	Latz	Pappas	Torres Ray
Dziedzic	Hayden	Marty	Rest	Vandever

Wiger

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

CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 12.5, Senator Wolf moved that the following members be excused for a Conference Committee on H.F. No. 1870 at 12:00 noon:

Senators Wolf, Olson, Bonoff, Daley and Kruse. The motion prevailed.

SPECIAL ORDER

S.F. No. 2131: A bill for an act relating to transportation; contracts; authorizing completion of design-build projects approved by commissioner of transportation; amending Laws 2009, chapter 36, article 3, sections 28; 29.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 59 and nays 2, as follows:

Those who voted in the affirmative were:

Bakk	Gazelka	Jungbauer	Miller	Saxhaug
Benson	Gerlach	Kelash	Nelson	Senjem
Brown	Gimse	Koch	Newman	Sheran
Carlson	Goodwin	Langseth	Nienow	Sieben
Chamberlain	Hall	Latz	Ortman	Skoe
Cohen	Hann	Lillie	Pappas	Sparks
Dahms	Harrington	Lourey	Parry	Stumpf
DeKruif	Hayden	Magnus	Pederson	Thompson
Dibble	Higgins	Marty	Reinert	Tomassoni
Dziedzic	Hoffman	McGuire	Rest	Torres Ray
Eaton	Howe	Metzen	Robling	Wiger
Fischbach	Ingebrigtsen	Michel	Rosen	

Those who voted in the negative were:

Limmer Vandever

So the bill passed and its title was agreed to.

SPECIAL ORDER

S.F. No. 2296: A bill for an act relating to elections; modifying certificate on absentee ballot envelopes; amending Minnesota Statutes 2010, section 203B.21, 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 60 and nays 1, as follows:

Those who voted in the affirmative were:

Bakk	Gazelka	Kelash	Miller	Saxhaug
Benson	Gerlach	Koch	Nelson	Senjem
Brown	Gimse	Langseth	Newman	Sheran
Carlson	Hall	Latz	Nienow	Sieben
Chamberlain	Hann	Lillie	Ortman	Skoe
Cohen	Harrington	Limmer	Pappas	Sparks
Dahms	Hayden	Lourey	Parry	Stumpf
DeKruif	Higgins	Magnus	Pederson	Thompson
Dibble	Hoffman	Marty	Reinert	Tomassoni
Dziedzic	Howe	McGuire	Rest	Torres Ray
Eaton	Ingebrigtsen	Metzen	Robling	Vandever
Fischbach	Jungbauer	Michel	Rosen	Wiger

Those who voted in the negative were:

Goodwin

So the bill passed 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 and Second Reading of Senate Bills.

REPORTS OF COMMITTEES

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

Senator Olson from the Committee on Education, to which was referred

S.F. No. 2471: A bill for an act relating to education; modifying certain bonding election timing provisions for school districts; amending Minnesota Statutes 2010, section 475.58, by adding a subdivision.

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

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 2010, section 475.53, subdivision 5, is amended to read:

Subd. 5. **Certain independent school districts.** No independent school district located wholly ~~or partly~~ within a city of the first class shall issue obligations with a term of more than two years, whenever the aggregate of the outstanding obligations of the district equals or exceeds 0.7 percent of the market value of the taxable property within the school district."

Renumber the sections in sequence

Amend the title numbers accordingly

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

Senator Olson from the Committee on Education, to which was referred

S.F. No. 2113: A bill for an act relating to education; modifying certain charter school provisions; amending Minnesota Statutes 2011 Supplement, section 124D.10, subdivisions 3, 4, 6, 11, 15, 17a, 23, 25.

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

Page 9, line 16, strike "three" and insert "five"

Page 9, line 25, after "renewal" insert a comma

Page 9, line 26, delete "or" and after "termination" insert ", and an appeal process of such termination,"

Page 9, line 30, after "includes" insert "at least"

Page 9, line 33, after the semicolon, insert "and"

Page 9, delete lines 34 and 35

Page 9, line 36, delete "(v)" and insert "(iii)"

Page 11, lines 29 to 30, delete the new language and insert "An authorizer may not assess a fee for any required services other than as provided in this subdivision"

Page 14, line 2, before "after" insert "at the end of the current contract with the consent of the current authorizer and"

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

Senator Olson from the Committee on Education, to which was re-referred

S.F. No. 1621: A bill for an act relating to human services; modifying child care accreditation provisions; amending Minnesota Statutes 2010, section 119B.13, subdivision 3a.

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

Senator Olson from the Committee on Education, to which was referred

S.F. No. 451: A bill for an act relating to education; modifying the career and technical levy; providing for career and technical education credits; amending Minnesota Statutes 2010, sections 120B.023, subdivision 2; 124D.4531, subdivision 1.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2011 Supplement, section 120B.023, subdivision 2, is amended to read:

Subd. 2. **Revisions and reviews required.** (a) The commissioner of education must

revise and appropriately embed technology and information literacy standards consistent with recommendations from school media specialists into the state's academic standards and graduation requirements and implement a review cycle for state academic standards and related benchmarks, consistent with this subdivision. During each review cycle, the commissioner also must examine the alignment of each required academic standard and related benchmark with the knowledge and skills students need for college readiness and advanced work in the particular subject area.

(b) The commissioner in the 2006-2007 school year must revise and align the state's academic standards and high school graduation requirements in mathematics to require that students satisfactorily complete the revised mathematics standards, beginning in the 2010-2011 school year. Under the revised standards:

- (1) students must satisfactorily complete an algebra I credit by the end of eighth grade; and
- (2) students scheduled to graduate in the 2014-2015 school year or later must satisfactorily complete an algebra II credit or its equivalent.

The commissioner also must ensure that the statewide mathematics assessments administered to students in grades 3 through 8 and 11 are aligned with the state academic standards in mathematics, consistent with section 120B.30, subdivision 1, paragraph (b). The commissioner must implement a review of the academic standards and related benchmarks in mathematics beginning in the 2015-2016 school year.

(c) The commissioner in the 2007-2008 school year must revise and align the state's academic standards and high school graduation requirements in the arts to require that students satisfactorily complete the revised arts standards beginning in the 2010-2011 school year. The commissioner must implement a review of the academic standards and related benchmarks in arts beginning in the 2016-2017 school year.

(d) The commissioner in the 2008-2009 school year must revise and align the state's academic standards and high school graduation requirements in science to require that students satisfactorily complete the revised science standards, beginning in the 2011-2012 school year. Under the revised standards, students scheduled to graduate in the 2014-2015 school year or later must satisfactorily complete a chemistry, physics, or career and technical education credit that ~~meets the standards underlying either~~ utilizes standards associated with the chemistry ~~or~~, physics, or biology credit or a combination thereof. The commissioner must implement a review of the academic standards and related benchmarks in science beginning in the 2017-2018 school year.

(e) The commissioner in the 2009-2010 school year must revise and align the state's academic standards and high school graduation requirements in language arts to require that students satisfactorily complete the revised language arts standards beginning in the 2012-2013 school year. The commissioner must implement a review of the academic standards and related benchmarks in language arts beginning in the 2018-2019 school year.

(f) The commissioner in the 2010-2011 school year must revise and align the state's academic standards and high school graduation requirements in social studies to require that students satisfactorily complete the revised social studies standards beginning in the 2013-2014 school year. The commissioner must implement a review of the academic standards and related benchmarks in social studies beginning in the 2019-2020 school year.

(g) School districts and charter schools must revise and align local academic standards and high school graduation requirements in health, world languages, and career and technical education to require students to complete the revised standards beginning in a school year determined by the school district or charter school. School districts and charter schools must formally establish a periodic review cycle for the academic standards and related benchmarks in health, world languages, and career and technical education.

Sec. 2. Minnesota Statutes 2010, section 120B.024, is amended to read:

120B.024 GRADUATION REQUIREMENTS; COURSE CREDITS.

(a) Students beginning 9th grade in the 2004-2005 school year and later must successfully complete the following high school level course credits for graduation:

(1) four credits of language arts;

(2) three credits of mathematics, encompassing at least algebra, geometry, statistics, and probability sufficient to satisfy the academic standard;

(3) three credits of science, including at least one credit in biology;

(4) three and one-half credits of social studies, encompassing at least United States history, geography, government and citizenship, world history, and economics or three credits of social studies encompassing at least United States history, geography, government and citizenship, and world history, and one-half credit of economics taught in a school's social studies, agriculture education, or business department;

(5) one credit in the arts; and

(6) a minimum of seven elective course credits.

A course credit is equivalent to a student successfully completing an academic year of study or a student mastering the applicable subject matter, as determined by the local school district.

(b) An agriculture science course may fulfill a science credit requirement in addition to the specified science credits in biology and chemistry or physics under paragraph (a), clause (3), and paragraph (d).

(c) A career and technical education course may fulfill a science, mathematics, or arts credit requirement in addition to the specified science, mathematics, or arts credits under paragraph (a), clause (2), (3), or (5), and paragraph (d).

(d) Students scheduled to graduate in the 2014-2015 school year and later must successfully complete a chemistry or physics credit."

Delete the title and insert:

"A bill for an act relating to education; making adjustments to graduation standards; amending Minnesota Statutes 2010, section 120B.024; Minnesota Statutes 2011 Supplement, section 120B.023, subdivision 2."

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

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

S.F. No. 2321: A bill for an act relating to transportation; requiring fare increases for Metro Transit service; amending Minnesota Statutes 2010, section 473.408, by adding a subdivision.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2010, section 13.72, is amended by adding a subdivision to read:

Subd. 17. **Construction manager/general contractor data.** When the Department of Transportation undertakes a construction manager/general contractor contract, as defined and authorized in sections 161.3207 to 161.3209, the provisions of this subdivision apply.

(a) When the commissioner of transportation solicits a request for qualifications:

(1) the following data are classified as protected nonpublic:

(i) the statement of qualifications scoring evaluation manual; and

(ii) the statement of qualifications evaluations;

(2) the following data are classified as nonpublic: the statement of qualifications submitted by a potential construction manager/general contractor; and

(3) the following data are classified as private data: identifying information concerning the members of the technical review committee.

(b) When the commissioner of transportation announces the short list of qualified construction managers/general contractors, the following data become public:

(1) the statement of qualifications scoring evaluation manual; and

(2) the statement of qualifications evaluations.

(c) When the commissioner of transportation solicits a request for proposals:

(1) the following data are classified as protected nonpublic: the proposal scoring manual; and

(2) the following data are classified as nonpublic data:

(i) the proposals submitted by a potential construction manager/general contractor; and

(ii) the proposal evaluations.

(d) When the commissioner of transportation has completed the ranking of proposals and announces the selected construction manager/general contractor, the proposal evaluation score or rank and proposal evaluations become public.

(e) When the commissioner of transportation conducts contract negotiations with a construction manager/general contractor, government data created, collected, stored, and maintained during those negotiations are nonpublic data until a construction manager/general contractor contract is fully executed.

(f) When the construction manager/general contractor contract is fully executed or when the commissioner of transportation decides to use another contract procurement process other than construction manager/general contractor authority authorized under section 161.3209, subdivision 3, paragraph (b), all remaining data not already made public under this subdivision become public.

(g) If the commissioner of transportation rejects all responses to a request for proposals before a construction manager/general contractor contract is fully executed, all data other than that data made public under this subdivision retains its classification until a resolicitation of the request for proposals results in a fully executed construction manager/general contractor contract, or a determination is made to abandon the project. If a resolicitation of proposals does not occur within one year of the announcement of the request for proposals, the remaining data become public.

EFFECTIVE DATE. This section is effective the day following final enactment and expires one year following the acceptance of ten construction manager/general contractor contracts.

Sec. 2. Minnesota Statutes 2010, section 116.06, subdivision 22, is amended to read:

Subd. 22. **Solid waste.** "Solid waste" means garbage, refuse, sludge from a water supply treatment plant or air contaminant treatment facility, and other discarded waste materials and sludges, in solid, semisolid, liquid, or contained gaseous form, resulting from industrial, commercial, mining, and agricultural operations, and from community activities, but does not include hazardous waste; animal waste used as fertilizer; earthen fill, boulders, rock; concrete diamond grinding and saw slurry associated with the construction, improvement, or repair of a road when deposited on the road project site in a manner that is in compliance with general standards and best practices for waters of the state under rules of the agency; sewage sludge; solid or dissolved material in domestic sewage or other common pollutants in water resources, such as silt, dissolved or suspended solids in industrial wastewater effluents or discharges which are point sources subject to permits under section 402 of the Federal Water Pollution Control Act, as amended, dissolved materials in irrigation return flows; or source, special nuclear, or by-product material as defined by the Atomic Energy Act of 1954, as amended.

Sec. 3. Minnesota Statutes 2010, section 161.14, is amended by adding a subdivision to read:

Subd. 70. **Black and Yellow Trail.** Legislative Route No. 7, signed as Trunk Highway 14 as of the effective date of this section, from the border with South Dakota to the border with Wisconsin, is designated as the "Black and Yellow Trail." The commissioner shall adopt a suitable design to mark this highway and erect appropriate signs, subject to section 161.139.

Sec. 4. [161.318] CONTINGENT APPROPRIATION TO FUND STATE ROAD OPERATION, MAINTENANCE, PLANNING, AND CONSTRUCTION.

Subdivision 1. **Appropriation for state roads.** If, before July 1 of an odd-numbered year, legislation is not enacted to appropriate money to the commissioner of transportation for state roads in the next fiscal year, on July 1, an amount sufficient to pay the costs described in this subdivision is appropriated from the trunk highway fund to the commissioner of transportation for costs of contracts relating to state roads operation and maintenance, program planning and delivery, and state road construction. The appropriation must be sufficient to pay both the described contract costs and the costs of Department of Transportation employees whose work is essential to the administration and performance of the contracts. This section applies only to those contracts as to which funds were encumbered before the July 1 appropriation date. The

commissioner of management and budget shall ensure that the commissioner of transportation is able to access money under this appropriation. Any subsequent appropriation to the commissioner of transportation for a biennium in which this subdivision has been applied shall supersede and replace the funding authorized in this subdivision.

Subd. 2. **Continued operations.** If, by July 1 of an odd-numbered year, legislation has not been enacted to appropriate money for the next biennium to the commissioner of management and budget for central accounting, procurement, payroll, and human resources functions, amounts necessary to operate those functions stated in subdivision 1 are appropriated for the next biennium from the general fund to the commissioner of management and budget. As necessary, the commissioner may transfer a portion of this appropriation to other state agencies to support carrying out these functions. Any subsequent appropriation to the commissioner of management and budget for a biennium in which this section has been applied shall supersede and replace the funding authorized in this section.

Sec. 5. [161.3207] CONSTRUCTION MANAGER/GENERAL CONTRACTOR CONTRACTS; DEFINITIONS.

Subdivision 1. **Scope.** The terms used in sections 161.3207 to 161.3209 have the meanings given them in this section.

Subd. 2. **Acceptance.** "Acceptance" means an action of the commissioner authorizing the execution of a construction manager/general contractor contract.

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of transportation.

Subd. 4. **Construction manager/general contractor.** "Construction manager/general contractor" means a proprietorship, partnership, limited liability partnership, joint venture, corporation, any type of limited liability company, professional corporation, or any legal entity selected by the commissioner to act as a construction manager to manage the construction process, which includes, but is not limited to, responsibility for the price, schedule, and execution of preconstruction services or the workmanship of construction performed according to section 161.3209, or both.

Subd. 5. **Construction manager/general contractor contract.** "Construction manager/general contractor contract" means a contract for construction of a project between a construction manager/general contractor and the commissioner, which must include terms providing for a price, construction schedule, and workmanship of the construction performed. The construction manager/general contractor contract may include provisions for incremental price contracts for specific work packages, additional work performed, contingencies, or other contract provisions that will allow the commissioner to negotiate time and cost changes to the contract.

Subd. 6. **Past performance; experience.** "Past performance" or "experience" does not include the exercise or assertion of a person's legal rights.

Subd. 7. **Preconstruction services.** "Preconstruction services" means all non-construction-related services that a construction manager/general contractor is allowed to perform before execution of a construction manager/general contractor contract or work package.

Subd. 8. **Preconstruction services contract.** "Preconstruction services contract" means a contract under which a construction manager/general contractor is paid on the basis of the actual cost to perform the work specified in the contract plus an amount for overhead and profit for all

preconstruction services.

Subd. 9. **Project.** "Project" means any project selected by the commissioner as a construction manager/general contractor project under section 161.3208.

Subd. 10. **Request for proposals; RFP.** "Request for proposals" or "RFP" means the document or publication soliciting proposals for a construction manager/general contractor contract.

Subd. 11. **Request for qualifications; RFQ.** "Request for qualifications" or "RFQ" means a document or publication used to prequalify and short-list potential construction managers/general contractors.

Subd. 12. **Work package.** "Work package" means the scope of work for a defined portion of a project. A defined portion includes construction services on any project aspect, including procuring materials or services.

EFFECTIVE DATE. This section is effective the day following final enactment and expires one year following the acceptance of ten construction manager/general contractor contracts.

Sec. 6. **[161.3208] CONSTRUCTION MANAGER/GENERAL CONTRACTOR AUTHORITY.**

Subdivision 1. **Selection authority; limitation.** Notwithstanding sections 16C.25, 161.32, and 161.321, or any other law to the contrary, the commissioner may select a construction manager/general contractor as provided in section 161.3209, and award a construction manager/general contractor contract. The number of awarded contracts shall not exceed four in any calendar year.

Subd. 2. **Determination.** Final determination to use a construction manager/general contractor contracting procedure may be made only by the commissioner.

Subd. 3. **Cancellation.** The solicitation of construction manager/general contractor requests for qualifications or proposals does not obligate the commissioner to enter into a construction manager/general contractor contract. The commissioner may accept or reject any or all responses received as a result of the request. The solicitation of proposals may be canceled at any time at the commissioner's sole discretion if cancellation is considered to be in the state's best interest. If the commissioner rejects all responses or cancels the solicitation for proposals, the commissioner may resolicit a request for proposals using the same or different requirements.

Subd. 4. **Reporting.** The commissioner shall notify the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over transportation policy and transportation finance each time the commissioner decides to use the construction manager/general contractor method of procurement and explain why that method was chosen.

EFFECTIVE DATE. This section is effective the day following final enactment and expires one year following the acceptance of ten construction manager/general contractor contracts.

Sec. 7. **[161.3209] CONSTRUCTION MANAGER/GENERAL CONTRACTOR; PROCEDURES.**

Subdivision 1. **Solicitation of proposals.** If the commissioner determines that a construction manager/general contractor method of procurement is appropriate for a project, the commissioner

shall establish a two-phase procedure for awarding the construction manager/general contractor contract, as described in subdivisions 2 and 3.

Subd. 2. **Phase 1 - request for proposals.** (a) The commissioner shall prepare or have prepared an RFP for each construction manager/general contractor contract as provided in this section. The RFP must contain, at a minimum, the following elements:

- (1) the minimum qualifications of the construction manager/general contractor;
- (2) the procedures for submitting proposals and the criteria for evaluation of qualifications and the relative weight for each criteria;
- (3) the form of the contract to be awarded;
- (4) the scope of intended construction work;
- (5) a listing of the types of preconstruction services that will be required;
- (6) an anticipated schedule for commencing and completing the project;
- (7) any applicable budget limits for the project;
- (8) the requirements for insurance, statutorily required performance, and payment bonds;
- (9) the requirements that the construction manager/general contractor provide a letter from a surety or insurance company stating that the construction manager/general contractor is capable of obtaining a performance bond and payment bond covering the estimated contract cost;
- (10) the method for how construction manager/general contractor fees for the preconstruction services contract will be negotiated;
- (11) a statement that past performance or experience does not include the exercise or assertion of a person's legal rights; and
- (12) any other information desired by the commissioner.

(b) Before receiving any responses to the RFP:

(1) the commissioner shall appoint a technical review committee of at least five individuals, of which one is a Department of Transportation manager who is also a licensed professional engineer in Minnesota;

(2) the technical review committee shall evaluate the construction manager/general contractor proposals according to criteria and subcriteria published in the RFP and procedures established by the commissioner. The commissioner shall, as designated in the RFP, evaluate construction manager/general contractor proposals on the basis of best value as defined in section 16C.05, or using the qualifications-based selection process set forth in section 16C.095, except that subdivision 1 of section 16C.095 shall not apply. If the commissioner does not receive at least two proposals from construction managers, the commissioner may:

(i) solicit new proposals;

(ii) revise the RFP and thereafter solicit new proposals using the revised RFP;

(iii) select another allowed procurement method; or

(iv) reject the proposals; and

(3) the technical review committee shall evaluate the responses to the request for proposals and rank the construction manager/general contractor based on the predefined criteria set forth in the RFP in accordance with paragraph (a), clause (2).

(c) Unless all proposals are rejected, the commissioner shall conduct contract negotiations for a preconstruction services contract with the construction manager/general contractor with the highest ranking. If the construction manager/general contractor with the highest ranking declines or is unable to reach an agreement, the commissioner may begin contract negotiations with the next highest ranked construction manager/general contractor.

(d) Before issuing the RFP, the commissioner may elect to issue a request for qualifications (RFQ) and short-list the most highly qualified construction managers/general contractors. The RFQ must include the procedures for submitting statements of qualification, the criteria for evaluation of qualifications, and the relative weight for each criterion. The statements of qualifications must be evaluated by the technical review committee.

Subd. 3. **Phase 2 - construction manager/general contractor contract.** (a) Before conducting any construction-related services, the commissioner shall:

(1) conduct an independent cost estimate for the project or each work package; and

(2) conduct contract negotiations with the construction manager/general contractor to develop a construction manager/general contractor contract. This contract must include a minimum construction manager/general contractor self-performing requirement of 30 percent of the negotiated cost. Items designated in the construction manager/general contractor contract as specialty items may be subcontracted and the cost of any specialty item performed under the subcontract will be deducted from the cost before computing the amount of work required to be performed by the contractor.

(b) If the construction manager/general contractor and the commissioner are unable to negotiate a contract, the commissioner may use other contract procurement processes or may readvertise the construction manager/general contractor contract. The construction manager/general contractor may (1) bid or propose on the project if advertised under section 161.32 or 161.3206 or (2) join a design-build team if advertised under sections 161.3410 to 161.3428.

(c) The commissioner shall provide to all bidders or design-build teams, all data shared between the commissioner and the construction manager/general contractor during the contract negotiations under this subdivision.

EFFECTIVE DATE. This section is effective the day following final enactment and expires one year following the acceptance of ten construction manager/general contractor contracts.

Sec. 8. Minnesota Statutes 2010, section 161.321, is amended to read:

161.321 SMALL BUSINESS CONTRACTS.

Subdivision 1. **Definitions.** For purposes of this section the following terms have the meanings given them, except where the context clearly indicates a different meaning is intended.

(a) "Award" means the granting of a contract in accordance with all applicable laws and rules governing competitive bidding except as otherwise provided in this section.

(b) "Contract" means an agreement entered into between a business entity and the state of Minnesota for the construction of transportation improvements.

(c) "Subcontractor" means a business entity which enters into a legally binding agreement with another business entity which is a party to a contract as defined in paragraph (b).

(d) "Targeted group business" means a business designated under section 16C.16, subdivision 5.

(e) "Veteran-owned small business" means a business designated under section 16C.16, subdivision 6a.

Subd. 2. Small business set-asides; procurement and construction contract preferences.

(a) The commissioner may award up to a six percent preference in the amount bid for specified construction work to small targeted group businesses and veteran-owned small businesses.

(b) The commissioner may designate a contract for construction work for award only to small targeted group businesses if the commissioner determines that at least three small targeted group businesses are likely to bid. The commissioner may designate a contract for construction work for award only to veteran-owned small businesses if the commissioner determines that at least three veteran-owned small businesses are likely to bid.

~~(c) The commissioner, as a condition of awarding a construction contract, may set goals that require the prime contractor to subcontract a portion of the contract to small targeted group businesses and veteran-owned small businesses. The commissioner must establish a procedure for granting waivers from the subcontracting requirement when qualified small targeted group businesses and veteran-owned small businesses are not reasonably available. The commissioner may establish financial incentives for prime contractors who exceed the goals for use of subcontractors and financial penalties for prime contractors who fail to meet goals under this paragraph. The subcontracting requirements of this paragraph do not apply to prime contractors who are small targeted group businesses or veteran-owned small businesses.~~

~~(d) The commissioner may award up to a four percent preference in the amount bid on procurement for specified construction work to small businesses located in an economically disadvantaged area as defined in section 16C.16, subdivision 7.~~

Subd. 2a. Subcontracting goals. (a) The commissioner, as a condition of awarding a construction contract, may set goals that require the prime contractor to subcontract portions of the contract to small targeted group businesses and veteran-owned small businesses. Prime contractors must demonstrate good faith efforts to meet the project goals. The commissioner shall establish a procedure for granting waivers from the subcontracting requirement when either qualified small targeted group businesses or veteran-owned small businesses, or both, are not reasonably available. The commissioner may establish (1) financial incentives for prime contractors who exceed the goals set for the use of subcontractors under this subdivision and (2) sanctions for prime contractors who fail to make good faith efforts to meet the goals set under this subdivision.

(b) The small targeted group business subcontracting requirements of this subdivision do not apply to prime contractors who are small targeted group businesses. The veteran-owned small business subcontracting requirements of this subdivision do not apply to prime contractors who are

veteran-owned small businesses.

Subd. 3. **Subcontract awards to small businesses.** At least 75 percent of subcontracts awarded to small targeted group businesses must be performed by the business to which the subcontract is awarded or another small targeted group business. At least 75 percent of subcontracts awarded to veteran-owned small businesses must be performed by the business to which the subcontract is awarded or another veteran-owned small business.

Subd. 4. **Contract awards, limitations.** Contracts awarded pursuant to this section are subject to all limitations contained in rules adopted by the commissioner of administration.

Subd. 4a. **Limited duration and reevaluation.** The commissioner shall cooperate with the commissioner of administration to periodically reevaluate the targeted group businesses to determine that there is a statistical disparity between the percentage of construction contracts awarded to businesses owned by targeted group members and the representation of businesses owned by targeted group members among all businesses in the state in the construction category. The commissioner of administration shall designate targeted groups pursuant to section 16C.16, subdivision 5.

Subd. 5. **Recourse to other businesses.** If the commissioner is unable to award a contract pursuant to the provisions of subdivisions 2 ~~and 3~~ to 4a, the award may be placed pursuant to the normal solicitation and award provisions set forth in this chapter and chapter 16C.

Subd. 6. **Rules; eligibility.** (a) The rules adopted by the commissioner of administration to define small businesses and to set time and other eligibility requirements for participation in programs under sections 16C.16 to 16C.19 apply to this section. The commissioner may promulgate other rules necessary to carry out this section.

(b) In addition to other eligibility requirements, a small targeted group business or veteran-owned small business is eligible for the bid preferences under this section only for eight years following the later of: (1) the effective date of this act; or (2) the date of initial designation as a small targeted group business or veteran-owned small business by the commissioner of administration under section 16C.16.

Subd. 7. **Noncompetitive bids.** The commissioner is encouraged to purchase from small targeted group businesses and veteran-owned small businesses designated under section 16C.16 when making purchases that are not subject to competitive bidding procedures.

Subd. 8. **Report by commissioner Reporting.** (a) ~~The commissioner of transportation~~ shall report to the commissioner of administration on compliance with this section. The information must be reported at the time and in the manner requested by the commissioner of administration.

(b) By February 1 of each even-numbered year, the commissioner shall submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance concerning contract awards under this section. At a minimum, the report must include:

(1) a summary of the program;

(2) a review of the use of preferences for contracting, including frequency of establishment of a preference and frequency of contract award to a small targeted group business or veteran-owned

small business;

(3) a review of goals and good faith efforts to use small targeted group businesses and veteran-owned small businesses in subcontracts, including analysis of methods used for, and effectiveness of, good faith efforts;

(4) a summary of any financial incentives or sanctions imposed;

(5) information on each reevaluation under subdivision 4a, including details on the methodology for reevaluation; and

(6) any recommendations for legislative or programmatic changes.

Sec. 9. Minnesota Statutes 2010, section 162.02, subdivision 2, is amended to read:

Subd. 2. **Rules; advisory committee.** (a) The rules shall be made and promulgated by the commissioner acting with the advice of a committee selected by the several county boards acting through the officers of the statewide association of county commissioners. The committee shall be composed of nine members so selected that each member shall be from a different state highway construction district. Not more than five of the nine members of the committee shall be county commissioners. The remaining members shall be county highway engineers. In the event that agreement cannot be reached on any rule, the commissioner's determination shall be final. The rules shall be printed and copies forwarded to the county engineers of the several counties. ~~For the purposes of this section, the expedited process for adopting rules established in section 14.389 may be used.~~

(b) Notwithstanding section 15.059, subdivision 5, the committee does not expire.

Sec. 10. Minnesota Statutes 2010, section 162.02, subdivision 3, is amended to read:

Subd. 3. **Rules have force of law.** The rules shall have the force and effect of law upon compliance with the provisions of sections 14.05 to 14.28 as provided in chapter 14.

Sec. 11. Minnesota Statutes 2010, section 162.09, subdivision 2, is amended to read:

Subd. 2. **Rules; advisory committee.** (a) The rules shall be made and promulgated by the commissioner acting with the advice of a committee selected by the governing bodies of such cities, acting through the officers of the statewide association of municipal officials. The committee shall be composed of 12 members, so selected that there shall be one member from each state highway construction district and in addition one member from each city of the first class. Not more than six members of the committee shall be elected officials of the cities. The remaining members of the committee shall be city engineers. In the event that agreement cannot be reached on any rule the commissioner's determination shall be final. The rules shall be printed and copies forwarded to the clerks and engineers of the cities. ~~For the purposes of this section, the expedited process for adopting rules established in section 14.389 may be used.~~

(b) Notwithstanding section 15.059, subdivision 5, the committee does not expire.

Sec. 12. Minnesota Statutes 2010, section 162.09, subdivision 3, is amended to read:

Subd. 3. **Rules have force of law.** The rules shall have the force and effect of law upon compliance with the provisions of sections 14.05 to 14.28 as provided in chapter 14.

Sec. 13. Minnesota Statutes 2010, section 162.09, subdivision 4, is amended to read:

Subd. 4. **Federal census is conclusive.** (a) In determining whether any city has a population of 5,000 or more, the last federal census shall be conclusive, except as otherwise provided in this subdivision.

(b) The governing body of a city may contract with the United States Bureau of the Census to take a special census. A certified copy of the results of the census shall be filed with the appropriate state authorities by the city. The result of the census shall be the population of the city for the purposes of any law providing that population is a required qualification for distribution of highway aids under chapter 162. The special census shall remain in effect until the next federal census is completed and filed. The expense of taking the special census shall be paid by the city.

(c) If an entire area not heretofore incorporated as a city is incorporated as such during the interval between federal censuses, its population shall be determined by its incorporation census. The incorporation census shall be determinative of the population of the city only until the next federal census.

(d) The population of a city created by the consolidation of two or more previously incorporated cities shall be determined by the most recent population estimate of the Metropolitan Council or state demographer, until the first federal decennial census or special census taken after the consolidation.

(e) The population of a city that is not receiving a municipal state-aid street fund apportionment shall be determined, upon request of the city, by the most recent population estimate of the Metropolitan Council or state demographer. A municipal state-aid street fund apportionment received by the city must be based on this population estimate until the next federal decennial census or special census.

(f) A city that is found in the most recent federal decennial census to have fewer than 5,000 population is deemed for the purposes of this chapter and the Minnesota Constitution, article XIV, to have a population of 5,000 or more under the following circumstances: (1) immediately before the most recent federal decennial census, the city was receiving municipal state-aid street fund distributions; and (2) the population of the city was found in the most recent federal decennial census to be fewer than 5,000. Following the end of the first calendar year that ends in "4" after the decennial census and until the next decennial census, the population of any city must be determined under paragraphs (a) to (e).

EFFECTIVE DATE. This section is effective July 1, 2012.

Sec. 14. Minnesota Statutes 2010, section 162.13, subdivision 1, is amended to read:

Subdivision 1. **Factors in formula.** After deducting for administrative costs and for the disaster fund and research account as heretofore provided, and for any allocation made under section 162.125, the remainder of the total sum provided for in subdivision 1 of section 162.12 shall be identified as the apportionment sum, and shall be apportioned by the commissioner to the cities having a population of 5,000 or more, in accordance with the following formula:

(1) An amount equal to 50 percent of such apportionment sum shall be apportioned among the cities having a population of 5,000 or more so that each such city shall receive of such amount the percentage that its money needs bears to the total money needs of all such cities.

(2) An amount equal to 50 percent of such apportionment sum shall be apportioned among the cities having a population of 5,000 or more so that each such city shall receive of such amount the percentage that its population bears to the total population of all such cities. For purposes of this subdivision, population of a city is the greater of 5,000 or the number calculated under section 162.09, subdivision 4, paragraph (a), (b), (c), (d), or (e).

EFFECTIVE DATE. This section is effective July 1, 2012.

Sec. 15. Minnesota Statutes 2010, section 162.155, is amended to read:

162.155 RULES FOR VARIANCES RULEMAKING.

(a) The commissioner shall adopt rules, ~~no later than January 1, 1980, in accordance with sections 15.041 to 15.052,~~ setting forth the criteria to be considered by the commissioner in evaluating requests for variances under sections 162.02, subdivision 3a and 162.09, subdivision 3a. The rules ~~shall~~ must include, but are not limited to, economic, engineering and safety guidelines.

(b) The commissioner shall adopt rules establishing the engineering standards ~~adopted pursuant to section~~ for cost estimation under sections 162.07, subdivision 2, ~~or~~ and 162.13, subdivision 2, ~~shall be adopted pursuant to the requirements of chapter 15 by July 1, 1980.~~

(c) The rules adopted by the commissioner under this section, and sections 162.02; 162.07, subdivision 2; 162.09; and 162.13, subdivision 2, are exempt from the rulemaking provisions of chapter 14. The rules are subject to section 14.386, except that, notwithstanding paragraph (b) of that section, the rules continue in effect until repealed or superseded by other law or rule.

Sec. 16. Minnesota Statutes 2010, section 168.10, subdivision 1a, is amended to read:

Subd. 1a. **Collector's vehicle, pioneer plate.** (a) Any motor vehicle that: (1) was manufactured prior to 1936 or is a restored pioneer vehicle, as defined in section 168A.01, subdivision 16a; and (2) is owned and operated solely as a collector's item shall be listed for taxation and registration as follows: as provided by paragraph (b).

(b) An affidavit shall be executed stating the name and address of the owner, the name and address of the person from whom purchased, the make of the motor vehicle, year and number of the model, the manufacturer's identification number and that the vehicle is owned and operated solely as a collector's item and not for general transportation purposes. If the commissioner is satisfied that the affidavit is true and correct and the owner pays a \$25 tax and the plate fee authorized under section 168.12, the commissioner shall list such vehicle for taxation and registration and shall issue a single number plate.

~~(b)~~ (c) The number plate so issued shall bear the inscription "Pioneer," "Minnesota" and the registration number or other combination of characters authorized under section 168.12, subdivision 2a, but no date. The number plate is valid without renewal as long as the vehicle is in existence in Minnesota. The commissioner has the power to revoke said plate for failure to comply with this subdivision.

Sec. 17. Minnesota Statutes 2010, section 168.27, subdivision 2, is amended to read:

Subd. 2. **New motor vehicle dealer.** (a) A new motor vehicle dealer licensee may sell, broker, wholesale, or auction and solicit and advertise the sale, brokerage, wholesale, or auction of new

motor vehicles covered by the franchise and any used motor vehicles, and may lease and solicit and advertise the lease of new motor vehicles and any used motor vehicles. New motor vehicle dealer sales or leases may be either for consumer use at retail or for resale to a dealer. A new motor vehicle dealer may engage in the business of buying or otherwise acquiring vehicles for dismantling the vehicles and selling used parts and remaining scrap materials under chapter 168A, except that a new motor vehicle dealer may not purchase a junked vehicle from a salvage pool, insurance company, or its agent unless the dealer is also licensed as a used vehicle parts dealer or licensed as a scrap metal processor. Nothing in this subdivision requires an applicant for a dealer license who proposes to deal in: (1) new and unused motor vehicle bodies; or (2) type A, B, or C motor homes as defined in section 168.002, subdivision 27, to have a bona fide contract or franchise in effect with either the first-stage manufacturer of the motor home or the manufacturer or distributor of any motor vehicle chassis upon which the new and unused motor vehicle body is mounted. The modification or conversion of a new van-type vehicle into a multipurpose passenger vehicle which is not a motor home does not constitute dealing in new or unused motor vehicle bodies, and a person engaged in the business of selling these van-type vehicles must have a bona fide contract or franchise with the appropriate manufacturer under subdivision 10. A van converter or modifier who owns these modified or converted van-type vehicles may sell them at wholesale to new motor vehicle dealers having a bona fide contract or franchise with the first-stage manufacturer of the vehicles.

(b) The requirements pertaining to franchises do not apply to persons who remodel or convert motor vehicles for medical purposes. For purposes of this subdivision, "medical purpose" means certification by a licensed physician that remodeling or conversion of a motor vehicle is necessary to enable a disabled person to use the vehicle.

(c) A new motor vehicle dealer shall not deliver a manufacturer's or importer's certificate of origin for a passenger automobile, pickup truck, or van requiring a certificate of title according to chapter 168A to any person in conjunction with the sale of a vehicle except to the department, another new motor vehicle dealer licensed to sell the same line or make, or a person whose primary business is picking up and delivering motor vehicle title documents.

(d) If a new motor vehicle dealer agrees to sell or lease a new motor vehicle using the services of a motor vehicle broker, the new motor vehicle dealer may not refuse to deliver possession of the vehicle to the buyer or lessee. This paragraph does not require delivery unless all arrangements have been properly completed for payment, insurance required by law, titling, transfer, and registration of the new vehicle and any trade-in vehicle. Delivery may take place at or away from the dealership.

Sec. 18. Minnesota Statutes 2010, section 168.27, subdivision 3, is amended to read:

Subd. 3. **Used motor vehicle dealer.** A used motor vehicle dealer licensee may sell, lease, broker, wholesale, or auction and solicit and advertise the sale, lease, brokerage, wholesale, or auction of any used motor vehicles for consumer use at retail or for resale to a dealer. A used motor vehicle dealer may engage in the business of buying or otherwise acquiring vehicles for dismantling the vehicles and selling used parts and remaining scrap materials under chapter 168A, except that a used motor vehicle dealer may not acquire a junked vehicle from a salvage pool, insurance company, or its agent, unless the dealer is also licensed as a used vehicle parts dealer or licensed as a scrap metal processor.

Sec. 19. Minnesota Statutes 2010, section 168.27, subdivision 3c, is amended to read:

Subd. 3c. **Vehicle salvage pool.** A vehicle salvage pool licensee may store and display and may

solicit and advertise the storing and displaying, for sale, of damaged or junked vehicles as an agent or escrow agent of an insurance company. A vehicle salvage pool licensee shall not sell junked vehicles to any party other than a licensed used parts dealer or a licensed scrap metal processor.

Sec. 20. Minnesota Statutes 2010, section 168A.01, subdivision 6a, is amended to read:

Subd. 6a. **High-value vehicle.** "High-value vehicle" means a vehicle ~~manufactured six or more years before the start of the current model year~~ that had an actual cash value in excess of \$5,000 ~~\$9,000~~ before being damaged, or a vehicle with a manufacturer's rating of over 26,000 pounds gross vehicle weight that is not a late-model vehicle.

Sec. 21. Minnesota Statutes 2010, section 168A.01, subdivision 8a, is amended to read:

Subd. 8a. **Late-model vehicle.** "Late-model vehicle" means a vehicle ~~manufactured in the current model year or the five model years~~ with a manufacturer's designated model year equal to or greater than the fifth calendar year immediately preceding the current model calendar year.

Sec. 22. Minnesota Statutes 2010, section 168A.01, subdivision 12a, is amended to read:

Subd. 12a. **Older model vehicle.** "Older model vehicle" means a vehicle ~~manufactured in the sixth model year immediately preceding the current model year or earlier that is not a high-value vehicle~~ that is not a late-model vehicle.

Sec. 23. Minnesota Statutes 2010, section 168A.01, subdivision 16, is amended to read:

Subd. 16. **Reconstructed vehicle.** (a) "Reconstructed vehicle" means a vehicle of a type for which a certificate of title is required hereunder materially altered from its original construction by the removal, addition, or substitution of essential parts, new or used.

(b) Reconstructed vehicle does not include a restored pioneer vehicle.

Sec. 24. Minnesota Statutes 2010, section 168A.01, is amended by adding a subdivision to read:

Subd. 16a. **Restored pioneer vehicle.** (a) "Restored pioneer vehicle" means a vehicle:

(1) for which a certificate of title is required under this chapter;

(2) originally manufactured prior to 1919;

(3) for which one or more essential parts, whether new or used, are replaced; and

(4) for which each essential part under clause (3) is replaced:

(i) only as necessary in order to restore or retain the character and appearance of the vehicle as originally manufactured;

(ii) in a manner which reasonably restores or retains the character and appearance of the vehicle as originally manufactured; and

(iii) in a manner which substantially conforms to the fit, form, and function of the original essential part.

(b) A vehicle meeting both the requirements under paragraph (a) and subdivision 16 for a reconstructed vehicle is a restored pioneer vehicle.

(c) For purposes of this subdivision, replacement of an essential part includes, but is not limited to, removal, addition, modification, or substitution of the essential part.

Sec. 25. Minnesota Statutes 2010, section 168A.04, subdivision 5, is amended to read:

Subd. 5. ~~**Specially constructed or reconstructed vehicle**~~ **Certain unconventional vehicles; additional information; identifying number.** (a) Except as provided in subdivision 6, if the application refers to a specially constructed vehicle or a reconstructed vehicle, or a restored pioneer vehicle, the application shall so state and shall contain or be accompanied by:

(1) any information and documents the department reasonably requires to establish the ownership of the vehicle and the existence or nonexistence and priority of security interests in it;

(2) the certificate of a person authorized by the department that the identifying number of the vehicle has been inspected and found to conform to the description given in the application, or any other proof of the identity of the vehicle the department reasonably requires; and

(3) at the time of application, a written certification to the department that the vehicle to be titled meets the requirements of chapter 169 for vehicles in its class regarding safety and acceptability to operate on public roads and highways.

(b) As part of the application for certificate of title on a restored pioneer vehicle, the applicant shall supply evidence of the manufacturer's year, make, model, and identifying number of the vehicle. A manufacturer's identifying number is valid under this paragraph if it matches a number permanently affixed, stamped, or otherwise assigned to at least one essential part of the motor vehicle, including but not limited to the engine block or the vehicle body. In the case of an insufficient application, the commissioner may require additional documentation, including, but not limited to, photographic proof, copies of original vehicle catalogs, or certification letters from antique car collector organizations to confirm the manufacturer's identifying number on the vehicle.

Sec. 26. Minnesota Statutes 2010, section 168A.05, subdivision 3, is amended to read:

Subd. 3. **Content of certificate.** (a) Each certificate of title issued by the department shall contain:

(1) the date issued;

(2) the first, middle, and last names and the dates of birth of all owners who are natural persons, and the full names of all other owners;

(3) the residence address of the owner listed first if that owner is a natural person or the address if that owner is not a natural person;

(4) the names of any secured parties, and the address of the first secured party, listed in the order of priority (i) as shown on the application, or (ii) if the application is based on a certificate of title, as shown on the certificate, or (iii) as otherwise determined by the department;

(5) any liens filed pursuant to a court order or by a public agency responsible for child support enforcement against the owner;

(6) the title number assigned to the vehicle;

(7) a description of the vehicle including, so far as the following data exists, its make, model, year, identifying number, type of body, whether new or used, and if a new vehicle, the date of the first sale of the vehicle for use;

(8) with respect to a motor vehicle subject to section 325E.15, (i) the true cumulative mileage registered on the odometer or (ii) that the actual mileage is unknown if the odometer reading is known by the owner to be different from the true mileage;

(9) with respect to a vehicle subject to sections 325F.6641 and 325F.6642, the appropriate term "flood damaged," "rebuilt," "prior salvage," or "reconstructed";

(10) with respect to a vehicle contaminated by methamphetamine production, if the registrar has received the certificate of title and notice described in section 152.0275, subdivision 2, paragraph (g), the term "hazardous waste contaminated vehicle";

(11) with respect to a vehicle subject to section 325F.665, the term "lemon law vehicle"; and

(12) any other data the department prescribes.

(b) For a certificate of title on a vehicle that is a restored pioneer vehicle:

(1) the identifying number must be the valid identifying number as provided under section 168A.04, subdivision 5;

(2) the year of the vehicle must be the year of original vehicle manufacture and not the year of restoration; and

(3) the title must not bear a "reconstructed vehicle" brand.

Sec. 27. Minnesota Statutes 2010, section 168A.09, is amended by adding a subdivision to read:

Subd. 4. **Restored pioneer vehicle; replacement title.** (a) The owner of a vehicle may apply to the commissioner for a replacement title if:

(1) a Minnesota title has been issued prior to the effective date of this section; and

(2) the vehicle meets the requirements for a restored pioneer vehicle under section 168A.01, subdivision 16a.

(b) The commissioner shall establish and make publicly available requirements for an application under this subdivision, and shall make reasonable efforts to minimize burden on the title applicant. Among the application requirements, a person applying for a replacement title shall surrender the original title.

(c) The commissioner shall impose a fee for a replacement title issued under this subdivision that is equal to the fee for issuing a duplicate certificate of title under section 168A.29. Fee proceeds must be allocated in the same manner as the fee for a duplicate certificate of title.

Sec. 28. Minnesota Statutes 2010, section 168A.15, subdivision 2, is amended to read:

Subd. 2. **Certain unconventional vehicles; requirements to obtain certificate for reconstructed vehicle.** If a vehicle is altered so as to become a reconstructed vehicle or restored pioneer vehicle, the owner shall apply for a certificate of title to the reconstructed vehicle in the

manner provided in section 168A.04, and any existing certificate of title to the vehicle shall be surrendered for cancellation.

Sec. 29. Minnesota Statutes 2010, section 168A.151, subdivision 1, is amended to read:

Subdivision 1. **Salvage titles.** (a) When an insurer, licensed to conduct business in Minnesota, acquires ownership of a late-model or high-value vehicle through payment of damages, the insurer shall immediately apply for a salvage certificate of title or shall stamp the existing certificate of title with the legend "SALVAGE CERTIFICATE OF TITLE" in a manner prescribed by the department. ~~Within 48 hours of taking possession~~ ten days of obtaining the title of a vehicle through payment of damages, an insurer must notify the department in a manner prescribed by the department.

(b) A person shall immediately apply for a salvage certificate of title if the person acquires a damaged late-model or high-value ~~motor~~ vehicle with an out-of-state title and the vehicle:

- (1) is a vehicle that was acquired by an insurer through payment of damages;
- (2) is a vehicle for which the cost of repairs exceeds the value of the damaged vehicle; or
- (3) has an out-of-state salvage certificate of title as proof of ownership.

(c) A self-insured owner of a late-model or high-value vehicle ~~who~~ that sustains damage by collision or other occurrence which exceeds ~~70~~ 80 percent of its actual cash value shall immediately apply for a salvage certificate of title. ~~Damage, for the purpose of this calculation, does not include the actual cost incurred to repair, replace, or reinstall inflatable safety restraints and other vehicle components that must be replaced due to the deployment of the inflatable safety restraints.~~

Sec. 30. Minnesota Statutes 2010, section 168A.151, subdivision 6, is amended to read:

Subd. 6. **Authority under junking certificate.** A junking certificate authorizes the holder only to possess and transport the vehicle, except that a salvage pool or insurance company, or its agent, may sell an unrepairable total loss vehicle with a junking certificate to a licensed used parts dealer or a licensed scrap metal processor.

Sec. 31. Minnesota Statutes 2010, section 169.06, subdivision 4, is amended to read:

Subd. 4. **Obedience to traffic-control signal or flagger; presumptions.** (a) The driver of any vehicle shall obey the instructions of any official traffic-control device applicable thereto placed in accordance with the provisions of this chapter, unless otherwise directed by a police officer or by a ~~certified overdimensional load escort driver~~ flagger authorized under this subdivision, subject to the exceptions granted the driver of an authorized emergency vehicle in this chapter.

(b) No provision of this chapter for which official traffic-control devices are required shall be enforced against an alleged violator if at the time and place of the alleged violation an official device is not in proper position and sufficiently legible to be seen by an ordinarily observant person. Whenever a particular section does not state that official traffic-control devices are required, such section shall be effective even though no devices are erected or in place.

(c) Whenever official traffic-control devices are placed in position approximately conforming to the requirements of this chapter, such devices shall be presumed to have been so placed by the official act or direction of lawful authority, unless the contrary shall be established by competent evidence.

(d) Any official traffic-control device placed pursuant to the provisions of this chapter and purporting to conform to the lawful requirements pertaining to such devices shall be presumed to comply with the requirements of this chapter, unless the contrary shall be established by competent evidence.

(e) A flagger in a designated work zone may stop vehicles and hold vehicles in place until it is safe for the vehicles to proceed. A person operating a motor vehicle that has been stopped by a flagger in a designated work zone may proceed after stopping only on instruction by the flagger.

(f) An overdimensional load escort driver with a certificate issued under section 299D.085, while acting as a flagger escorting a legal overdimensional load, may stop vehicles and hold vehicles in place until it is safe for the vehicles to proceed. A person operating a motor vehicle that has been stopped by an escort driver acting as a flagger may proceed only on instruction by the flagger or a police officer.

(g) A person may stop and hold vehicles in place until it is safe for the vehicles to proceed, if the person: (1) holds a motorcycle road guard certificate issued under section 171.60; (2) meets the safety and equipment standards for operating under the certificate; and (3) is acting as a flagger escorting a motorcycle group ride. A flagger operating as provided under this paragraph may direct operators of motorcycles within a motorcycle group ride or other vehicle traffic, notwithstanding any contrary indication of a traffic-control device, including stop signs or traffic-control signals. A person operating a vehicle that has been stopped by a flagger under this paragraph may proceed only on instruction by the flagger or a police officer.

(h) A person representing a motorcycle group ride in any city of the first class may no later than seven days before the ride request of the city's police chief that traffic and traffic signals be controlled or modified to allow the ride to proceed through a specified route at a specified time without stopping. The police chief shall no later than three days before the ride notify the organizer as to whether the city will control traffic as requested at no cost to the organizer. If the city chooses not to control traffic as requested at no cost to the organizer, traffic may be controlled by persons authorized under paragraph (g) within the limits of that authority.

EFFECTIVE DATE. This section is effective one year after publication in the State Register of rules adopted under section 171.60, subdivision 5.

Sec. 32. Minnesota Statutes 2010, section 169.09, subdivision 13, is amended to read:

Subd. 13. **Reports confidential; evidence, fee, penalty, appropriation.** (a) All reports and supplemental information required under this section must be for the use of the commissioner of public safety and other appropriate state, federal, county, and municipal governmental agencies for accident analysis purposes, except:

(1) the commissioner of public safety or any law enforcement agency shall, upon written request of any individual involved in an accident or upon written request of the representative of the individual's estate, surviving spouse, or one or more surviving next of kin, or a trustee appointed under section 573.02, or other person injured in person, property, or means of support, or who incurs other pecuniary loss by virtue of the accident, disclose to the requester, the requester's legal counsel, or a representative of the requester's insurer the report required under subdivision 8;

(2) the commissioner of public safety shall, upon written request, provide the driver filing a

report under subdivision 7 with a copy of the report filed by the driver;

(3) the commissioner of public safety may verify with insurance companies vehicle insurance information to enforce sections 65B.48, 169.792, 169.793, 169.796, and 169.797;

(4) the commissioner of public safety shall provide the commissioner of transportation the information obtained for each traffic accident involving a commercial motor vehicle, for purposes of administering commercial vehicle safety regulations; ~~and~~

(5) upon request, the commissioner of public safety shall provide the commissioner of transportation the information obtained for each traffic accident involving damage to state-owned infrastructure, for purposes of debt collection under section 161.20, subdivision 4; and

~~(5)~~ (6) the commissioner of public safety may give to the United States Department of Transportation commercial vehicle accident information in connection with federal grant programs relating to safety.

(b) Accident reports and data contained in the reports are not discoverable under any provision of law or rule of court. No report shall be used as evidence in any trial, civil or criminal, or any action for damages or criminal proceedings arising out of an accident. However, the commissioner of public safety shall furnish, upon the demand of any person who has or claims to have made a report or upon demand of any court, a certificate showing that a specified accident report has or has not been made to the commissioner solely to prove compliance or failure to comply with the requirements that the report be made to the commissioner.

(c) Nothing in this subdivision prevents any individual who has made a report under this section from providing information to any individuals involved in an accident or their representatives or from testifying in any trial, civil or criminal, arising out of an accident, as to facts within the individual's knowledge. It is intended by this subdivision to render privileged the reports required, but it is not intended to prohibit proof of the facts to which the reports relate.

(d) Disclosing any information contained in any accident report, except as provided in this subdivision, section 13.82, subdivision 3 or 6, or other statutes, is a misdemeanor.

(e) The commissioner of public safety shall charge authorized persons as described in paragraph (a) a \$5 fee for a copy of an accident report. Ninety percent of the \$5 fee collected under this paragraph must be deposited in the special revenue fund and credited to the driver services operating account established in section 299A.705 and ten percent must be deposited in the general fund. The commissioner may also furnish an electronic copy of the database of accident records, which must not contain personal or private data on an individual, to private agencies as provided in paragraph (g), for not less than the cost of preparing the copies on a bulk basis as provided in section 13.03, subdivision 3.

(f) The fees specified in paragraph (e) notwithstanding, the commissioner and law enforcement agencies shall charge commercial users who request access to response or incident data relating to accidents a fee not to exceed 50 cents per record. "Commercial user" is a user who in one location requests access to data in more than five accident reports per month, unless the user establishes that access is not for a commercial purpose. Of the money collected by the commissioner under this paragraph, 90 percent must be deposited in the special revenue fund and credited to the driver services operating account established in section 299A.705 and ten percent must be deposited in the

general fund.

(g) The fees in paragraphs (e) and (f) notwithstanding, the commissioner shall provide an electronic copy of the accident records database to the public on a case-by-case basis using the cost-recovery charges provided for under section 13.03, subdivision 3. The database provided must not contain personal or private data on an individual. However, unless the accident records database includes the vehicle identification number, the commissioner shall include the vehicle registration plate number if a private agency certifies and agrees that the agency:

(1) is in the business of collecting accident and damage information on vehicles;

(2) will use the vehicle registration plate number only for identifying vehicles that have been involved in accidents or damaged, to provide this information to persons seeking access to a vehicle's history and not for identifying individuals or for any other purpose; and

(3) will be subject to the penalties and remedies under sections 13.08 and 13.09.

Sec. 33. Minnesota Statutes 2010, section 169.222, subdivision 6, is amended to read:

Subd. 6. **Bicycle equipment.** (a) No person shall operate a bicycle at nighttime unless the bicycle or its operator is equipped with a lamp which shall emit a white light visible from a distance of at least 500 feet to the front and with a red reflector of a type approved by the Department of Public Safety which is visible from all distances from 100 feet to 600 feet to the rear when directly in front of lawful lower beams of headlamps on a motor vehicle. No person may operate a bicycle at any time when there is not sufficient light to render persons and vehicles on the highway clearly discernible at a distance of 500 feet ahead unless the bicycle or its operator is equipped with reflective surfaces that shall be visible during the hours of darkness from 600 feet when viewed in front of lawful lower beams of headlamps on a motor vehicle. The reflective surfaces shall include reflective materials on each side of each pedal to indicate their presence from the front or the rear and with a minimum of 20 square inches of reflective material on each side of the bicycle or its operator. Any bicycle equipped with side reflectors as required by regulations for new bicycles prescribed by the United States Consumer Product Safety Commission shall be considered to meet the requirements for side reflectorization contained in this subdivision. A bicycle may be equipped with a front lamp that emits a white flashing signal or a rear lamp that emits a red flashing signal.

(b) Bicycle tires may be equipped with studs or other protuberances designed to increase traction.

(c) No person shall operate a bicycle unless it is equipped with a brake which will enable the operator to make the braked wheels skid on dry, level, clean pavement.

~~(e)~~ (d) No person shall operate upon a highway any bicycle equipped with handlebars so raised that the operator must elevate the hands above the level of the shoulders in order to grasp the normal steering grip area.

~~(d)~~ (e) No person shall operate upon a highway any bicycle which is of such a size as to prevent the operator from stopping the bicycle, supporting it with at least one foot on the highway surface and restarting in a safe manner.

Sec. 34. Minnesota Statutes 2010, section 169.4501, subdivision 1, is amended to read:

Subdivision 1. **National standards adopted.** Except as provided in sections 169.4502 and

169.4503, the construction, design, equipment, and color of types A, B, C, D school buses and multifunction school activity buses used for the transportation of school children shall meet the requirements of the "~~bus chassis standards~~" and "~~bus body standards and chassis specifications~~" in the ~~2005~~ 2010 edition of the "National School Transportation Specifications and Procedures" adopted by the National Congress on School Transportation. Except as provided in section 169.4504, the construction, design, and equipment of types A, B, C, D school buses and multifunction school activity buses used for the transportation of students with disabilities also shall meet the requirements of the "specially equipped school bus ~~standards specifications~~" in the ~~2005~~ 2010 National School Transportation Specifications and Procedures. The "~~bus chassis standards,~~" "~~bus body standards,~~ and chassis specifications" and "specially equipped school bus ~~standards specifications~~" sections of the ~~2005~~ 2010 edition of the "National School Transportation Specifications and Procedures," adopted by the Fifteenth National Congress on School Transportation, are incorporated by reference in this chapter.

Sec. 35. Minnesota Statutes 2010, section 169.4501, subdivision 2, is amended to read:

Subd. 2. **Applicability.** (a) The standards adopted in this section and sections 169.4502 and 169.4503, govern the construction, design, equipment, and color of school buses used for the transportation of school children, when owned or leased and operated by a school or privately owned or leased and operated under a contract with a school. Each school, its officers and employees, and each person employed under the contract is subject to these standards.

(b) The standards apply to school buses manufactured after December 31, ~~2007~~ 2012. Buses complying with the standards when manufactured need not comply with standards established later except as specifically provided for by law.

(c) A school bus manufactured on or before December 31, ~~2007~~ 2012, must conform to the Minnesota standards in effect on the date the vehicle was manufactured except as specifically provided for in law.

(d) A new bus body may be remounted on a used chassis provided that the remounted vehicle meets state and federal standards for new buses which are current at the time of the remounting. Permission must be obtained from the commissioner of public safety before the remounting is done. A used bus body may not be remounted on a new or used chassis.

Sec. 36. Minnesota Statutes 2010, section 169.4503, subdivision 5, is amended to read:

Subd. 5. **Colors.** Fenderettes may be black. The beltline may be painted yellow over black or black over yellow. The rub rails shall be black. The area around the lenses of alternately flashing signal lamps extending outward from the edge of the lamp three inches, plus or minus one-quarter inch, to the sides and top and at least one inch to the bottom, shall be black. Visors or hoods, black in color, with a minimum of four inches may be provided.

Sec. 37. Minnesota Statutes 2010, section 169.4503, subdivision 20, is amended to read:

Subd. 20. **Seat and crash barriers.** ~~(a)~~ All restraining barriers and passenger seats shall be covered with a material that has fire retardant or fire block characteristics.

~~(b) All seats must have a minimum cushion depth of 15 inches and a seat back height of at least 20 inches above the seating reference point, and beginning October 21, 2009, must also conform to the Federal Motor Vehicle Safety Standard in Code of Federal Regulations, title 49, section 571.222.~~

Sec. 38. Minnesota Statutes 2010, section 169.4503, is amended by adding a subdivision to read:

Subd. 28. **Auxiliary fans.** Additional auxiliary fans are required for school buses manufactured on or after December 31, 2012, and shall meet the following requirements:

(1) fans for the left and right sides of the windshields shall be placed in a location where they can be adjusted for maximum effectiveness and where they do not obstruct vision to any mirror. Type A buses may be equipped with one fan;

(2) fans shall be a minimum of six inches in diameter;

(3) fan blades shall be covered with a protective cage; and

(4) each fan shall be controlled by a separate switch.

Sec. 39. Minnesota Statutes 2010, section 169.4503, is amended by adding a subdivision to read:

Subd. 29. **Video/mobile surveillance systems.** Camera heads for video/mobile surveillance may be mounted in the driver compartment area, mid-bus, or on a rear interior bulkhead in the student passenger area. For buses manufactured or retrofitted with a surveillance system after December 31, 2012, cameras mounted mid-bus must be parallel to a seat back, must not have any sharp edges, must not extend outward more than three inches, and must be located within 24 inches of the top of the side window of the bus.

Sec. 40. Minnesota Statutes 2010, section 169.4582, subdivision 2, is amended to read:

Subd. 2. **Duty to report; school official.** Consistent with the school bus safety policy under section 123B.91, subdivision 1, the school principal, the school transportation safety director, or other designated school official shall immediately report to the local law enforcement agency having jurisdiction where the misbehavior occurred and to the school superintendent if the reporting school official knows or has reason to believe that a student has committed a reportable offense on a school bus or in a bus loading or unloading area. The reporting school official shall issue a report to the commissioner of public safety concerning the incident ~~on a form developed by the commissioner for that purpose~~ upon request of the commissioner.

Sec. 41. Minnesota Statutes 2010, section 169.79, subdivision 6, is amended to read:

Subd. 6. **Other motor vehicles.** If the motor vehicle is any kind of motor vehicle other than those provided for in subdivisions 2 to 4, ~~one plate~~ two plates must be displayed ~~on~~. One plate must be displayed at the front and one on the rear of the vehicle and one at the back. The two plates must either be mounted on the front and rear bumpers of the vehicle or on the front and back of the vehicle exterior in places designed to hold a license plate.

Sec. 42. Minnesota Statutes 2011 Supplement, section 169.86, subdivision 5, is amended to read:

Subd. 5. **Fees; proceeds deposited; appropriation.** The commissioner, with respect to highways under the commissioner's jurisdiction, may charge a fee for each permit issued. Unless otherwise specified, all such fees for permits issued by the commissioner of transportation shall be deposited in the state treasury and credited to the trunk highway fund. Except for those annual permits for which the permit fees are specified elsewhere in this chapter, the fees shall be:

(a) \$15 for each single trip permit.

(b) \$36 for each job permit. A job permit may be issued for like loads carried on a specific route for a period not to exceed two months. "Like loads" means loads of the same product, weight, and dimension.

(c) \$60 for an annual permit to be issued for a period not to exceed 12 consecutive months. Annual permits may be issued for:

(1) motor vehicles used to alleviate a temporary crisis adversely affecting the safety or well-being of the public;

(2) motor vehicles which travel on interstate highways and carry loads authorized under subdivision 1a;

(3) motor vehicles operating with gross weights authorized under section 169.826, subdivision 1a;

(4) special pulpwood vehicles described in section 169.863;

(5) motor vehicles bearing snowplow blades not exceeding ten feet in width;

(6) noncommercial transportation of a boat by the owner or user of the boat;

(7) motor vehicles carrying bales of agricultural products authorized under section 169.862; and

(8) special milk-hauling vehicles authorized under section 169.867.

(d) \$120 for an oversize annual permit to be issued for a period not to exceed 12 consecutive months. Annual permits may be issued for:

(1) mobile cranes;

(2) construction equipment, machinery, and supplies;

(3) manufactured homes and manufactured storage buildings;

(4) implements of husbandry;

(5) double-deck buses;

(6) commercial boat hauling and transporting waterfront structures, including, but not limited to, portable boat docks and boat lifts;

(7) three-vehicle combinations consisting of two empty, newly manufactured trailers for cargo, horses, or livestock, not to exceed 28-1/2 feet per trailer; provided, however, the permit allows the vehicles to be moved from a trailer manufacturer to a trailer dealer only while operating on twin-trailer routes designated under section 169.81, subdivision 3, paragraph (c); and

(8) vehicles operating on that portion of marked Trunk Highway 36 described in section 169.81, subdivision 3, paragraph (e).

(e) For vehicles which have axle weights exceeding the weight limitations of sections 169.823 to 169.829, an additional cost added to the fees listed above. However, this paragraph applies to any vehicle described in section 168.013, subdivision 3, paragraph (b), but only when the vehicle exceeds its gross weight allowance set forth in that paragraph, and then the additional cost is for

all weight, including the allowance weight, in excess of the permitted maximum axle weight. The additional cost is equal to the product of the distance traveled times the sum of the overweight axle group cost factors shown in the following chart:

Weight (pounds) exceeding weight limitations on axles	Overweight Axle Group Cost Factors		
	Cost Per Mile For Each Group Of:		
	Two consecutive axles spaced within 8 feet or less	Three consecutive axles spaced within 9 feet or less	Four consecutive axles spaced within 14 feet or less
0-2,000	.12	.05	.04
2,001-4,000	.14	.06	.05
4,001-6,000	.18	.07	.06
6,001-8,000	.21	.09	.07
8,001-10,000	.26	.10	.08
10,001-12,000	.30	.12	.09
12,001-14,000	Not permitted	.14	.11
14,001-16,000	Not permitted	.17	.12
16,001-18,000	Not permitted	.19	.15
18,001-20,000	Not permitted	Not permitted	.16
20,001-22,000	Not permitted	Not permitted	.20

The amounts added are rounded to the nearest cent for each axle or axle group. The additional cost does not apply to paragraph (c), clauses (1) and (3).

For a vehicle found to exceed the appropriate maximum permitted weight, a cost-per-mile fee of 22 cents per ton, or fraction of a ton, over the permitted maximum weight is imposed in addition to the normal permit fee. Miles must be calculated based on the distance already traveled in the state plus the distance from the point of detection to a transportation loading site or unloading site within the state or to the point of exit from the state.

(f) As an alternative to paragraph (e), an annual permit may be issued for overweight, or oversize and overweight, mobile cranes; construction equipment, machinery, and supplies; implements of husbandry; and commercial boat hauling. The fees for the permit are as follows:

Gross Weight (pounds) of Vehicle	Annual Permit Fee
90,000 or less	\$200
90,001 - 100,000	\$300
100,001 - 110,000	\$400
110,001 - 120,000	\$500

120,001 - 130,000	\$600
130,001 - 140,000	\$700
140,001 - 145,000	\$800

If the gross weight of the vehicle is more than 145,000 pounds the permit fee is determined under paragraph (e).

(g) For vehicles which exceed the width limitations set forth in section 169.80 by more than 72 inches, an additional cost equal to \$120 added to the amount in paragraph (a) when the permit is issued while seasonal load restrictions pursuant to section 169.87 are in effect.

(h) \$85 for an annual permit to be issued for a period not to exceed 12 months, for refuse-compactor vehicles that carry a gross weight of not more than: 22,000 pounds on a single rear axle; 38,000 pounds on a tandem rear axle; or, subject to section 169.828, subdivision 2, 46,000 pounds on a tridem rear axle. A permit issued for up to 46,000 pounds on a tridem rear axle must limit the gross vehicle weight to not more than 62,000 pounds.

(i) \$300 for a motor vehicle described in section 169.8261. The fee under this paragraph must be deposited as follows:

~~(1) in fiscal years 2005 through 2010:~~

~~(i) (1) the first \$50,000 in each fiscal year must be deposited in the trunk highway fund for costs related to administering the permit program and inspecting and posting bridges; and~~

~~(ii) (2) all remaining money in each fiscal year must be deposited in a the bridge inspection and signing account in the special revenue fund as provided under subdivision 5a. Money in the account is appropriated to the commissioner for:~~

~~(A) inspection of local bridges and identification of local bridges to be posted, including contracting with a consultant for some or all of these functions; and~~

~~(B) erection of weight posting signs on local bridges; and~~

~~(2) in fiscal year 2011 and subsequent years must be deposited in the trunk highway fund.~~

(j) Beginning August 1, 2006, \$200 for an annual permit for a vehicle operating under authority of section 169.824, subdivision 2, paragraph (a), clause (2).

Sec. 43. Minnesota Statutes 2010, section 169.86, is amended by adding a subdivision to read:

Subd. 5a. **Bridge inspection and signing account; appropriation.** (a) A bridge inspection and signing account is established in the special revenue fund. The account consists of fees for special permits as specified under this chapter, and any other money donated, allotted, transferred, or otherwise provided to the account.

(b) The revenue in the bridge inspection and signing account under this subdivision is annually appropriated to the commissioner for:

(1) inspection of local bridges and identification of local bridges to be posted, including contracting with a consultant for some or all of these functions; and

(2) erection of weight-posting signs on local bridges.

Sec. 44. Minnesota Statutes 2010, section 169.865, subdivision 4, is amended to read:

Subd. 4. **Deposit of revenues; appropriation.** ~~(a) Revenue from the permits issued by the commissioner under this section must be deposited:-~~

~~(1) in fiscal years 2008 through 2011, in the bridge inspection and signing account in the special revenue fund; and~~

~~(2) in fiscal year 2012 and subsequent years, in the trunk highway fund as provided under section 169.86, subdivision 5a.~~

~~(b) The revenue in the bridge inspection and signing account under this section is annually appropriated to the commissioner for:-~~

~~(1) inspection of local bridges and identification of local bridges to be posted, including contracting with a consultant for some or all of these functions; and~~

~~(2) erection of weight-posting signs on local bridges.~~

Sec. 45. Minnesota Statutes 2010, section 169.98, subdivision 1, is amended to read:

Subdivision 1. **Colors and markings.** (a) Except as provided in subdivisions 2 and 2a, all motor vehicles which are primarily used in the enforcement of highway traffic rules by the State Patrol or for general uniform patrol assignment by any municipal police department or other law enforcement agency, except conservation officers, shall have uniform colors and markings as provided in this subdivision. Motor vehicles of:

(1) municipal police departments, including the University of Minnesota Police Department and park police units, shall be predominantly blue, brown, green, black, or white;

(2) the State Patrol shall be predominantly maroon; and

(3) the county sheriff's office shall be predominantly brown, black, gold, or white.

(b) The identity of the governmental unit operating the vehicle shall be displayed on both front door panels and on the rear of the vehicle. The identity may be in the form of a shield or emblem, or may be the word "police," "sheriff," or the words "State Patrol" or "conservation officer," as appropriate, with letters not less than 2-1/2 inches high, one-inch wide and of a three-eighths inch brush stroke. The identity shall be of a color contrasting with the background color so that the motor vehicle is easily identifiable as belonging to a specific type of law enforcement agency. Each vehicle shall be marked with its own identifying number on the rear of the vehicle. The number shall be printed in the same size and color required pursuant to this subdivision for identifying words which may be displayed on the vehicle.

Sec. 46. Minnesota Statutes 2010, section 169.98, subdivision 3, is amended to read:

Subd. 3. **Security guard vehicle.** (a) All motor vehicles which are used by security guards in the course of their employment may have any color other than those specified in subdivision 1 for law enforcement vehicles. The identity of the security service shall be displayed on the motor vehicle as required for law enforcement vehicles.

(b) Notwithstanding subdivision 1, paragraph (a), clause (1), a security guard may continue to use a motor vehicle that is predominantly black in the course of the guard's employment if the vehicle was being used in this manner before August 1, 2002.

(c) Notwithstanding subdivision 1, paragraph (a), clause (3), a security guard may continue to use a motor vehicle that is predominantly gold in the course of the guard's employment if the vehicle was being used in this manner before August 1, 2012.

Sec. 47. [171.60] MOTORCYCLE ROAD GUARD CERTIFICATE.

Subdivision 1. **Certificate required.** No person may perform traffic control as a motorcycle road guard as provided under chapter 169 without a valid motorcycle road guard certificate issued by the commissioner.

Subd. 2. **Certification qualifications and standards; fee.** Through the Minnesota Motorcycle Safety Center, the commissioner of public safety shall:

(1) establish qualifications and requirements for a person to obtain a motorcycle road guard certificate under this section, which must include:

- (i) a minimum 18 years of age;
- (ii) possession of a valid driver's license; and
- (iii) successful completion of a motorcycle road guard certification course;

(2) develop and offer, whether by the Minnesota Motorcycle Safety Center or authorized agents, a motorcycle road guard certification course; and

(3) establish safety and equipment standards for a person who operates under a motorcycle road guard certificate, including but not limited to specifying requirements for a reflective safety vest.

Subd. 3. **Fee.** The commissioner of public safety shall assess a fee for each applicant for a motorcycle road guard certificate, calculated to cover the commissioner's cost of establishing and administering the program.

Subd. 4. **Penalty.** A person who violates any provision of this section is guilty of a petty misdemeanor.

Subd. 5. **Rulemaking.** The commissioner of public safety shall adopt rules to carry out the provisions of this section. Notwithstanding section 16A.1283, the rules must specify the fee to be assessed under subdivision 3.

EFFECTIVE DATE. Subdivisions 1 to 4 are effective one year after publication in the State Register of rules adopted under subdivision 5. Subdivision 5 is effective the day following final enactment.

Sec. 48. Minnesota Statutes 2010, section 174.03, is amended by adding a subdivision to read:

Subd. 1d. **Statewide freight plan.** (a) The commissioner of transportation, in cooperation with the commissioner of the Department of Employment and Economic Development, shall conduct a freight rail economic development study. The study will assess the economic impact of freight railroads in the state and identify opportunities to expand business development and enhance

economic competitiveness through improved utilization of freight rail options. Findings from the study shall be incorporated as an amendment to the statewide freight and passenger rail plan.

(b) The commissioner of transportation shall provide an interim progress report on the study by January 15, 2013, and a final report on September 1, 2013, to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance and over employment and economic development. The reports shall include any recommended legislative initiatives.

(c) The commissioner of transportation may expend up to \$216,000 in fiscal year 2013 under section 222.50, subdivision 7, to pay the costs of this study and report.

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

Sec. 49. [174.40] SAFE ROUTES TO SCHOOL PROGRAM.

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

(b) "Bond eligible cost" means expenditures under this section for acquisition of land or permanent easements, predesign, design, preliminary and final engineering, environmental analysis, construction, and reconstruction of publicly owned infrastructure in this state with a useful life of at least ten years that provides for nonmotorized transportation to and from a school; preparation of land for which a route to school is established, including demolition of structures and remediation of any hazardous conditions on the land; and the unpaid principal on debt issued by a political subdivision for a safe routes to school project.

(c) "Federal program" means the safe routes to school program under Title I, section 1404 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU) of 2005, Public Law 109-59.

(d) "School" means a school, as defined in section 120A.22, subdivision 4, excluding a home school.

Subd. 2. **Program creation.** (a) A safe routes to school program is established to provide assistance in capital investments for safe and appealing nonmotorized transportation to and from a school. The commissioner shall develop and implement the safe routes to school program as provided in this section. Financial assistance under this section is to supplement or replace aid for infrastructure projects under the federal program.

(b) The commissioner may provide grants or other financial assistance for a safe routes to school project at the commissioner's discretion, subject to the requirements of this section.

Subd. 3. **Safe routes to school accounts.** (a) A safe routes to school account is established in the bond proceeds fund. The account consists of state bond proceeds appropriated to the commissioner. Money in the account may only be expended on bond-eligible costs of a project receiving financial assistance as provided under this section. All uses of funds from the account must be for publicly owned property.

(b) A safe routes to school account is established in the general fund. The account consists of funds as provided by law, and any other money donated, allotted, transferred, or otherwise

provided to the account. Money in the account may only be expended on a project receiving financial assistance as provided under this section.

Subd. 4. **State general obligation bond funds.** Minnesota Constitution, article XI, section 5, clause (a), requires that state general obligation bonds be issued to finance only the acquisition or betterment of public land, buildings, and other public improvements of a capital nature. The legislature has determined that many school transportation infrastructure projects will constitute betterments and capital improvements within the meaning of the Minnesota Constitution and capital expenditures under generally accepted accounting principles, and will be financed more efficiently and economically under this section than by direct appropriations for specific projects.

Subd. 5. **Program administration.** (a) The commissioner shall establish general program requirements and a competitive process for financial assistance, including but not limited to eligibility requirements for grant recipients and projects; procedures for solicitation of grants; application requirements; procedures for payment of financial assistance awards; and a schedule for application, evaluation, and award of financial assistance.

(b) An application must include:

- (1) a detailed and specific description of the project;
- (2) an estimate, along with necessary supporting evidence, of the total costs for the project and the allocation of identified and proposed funding sources for the project;
- (3) an assessment of the need for and benefits of the project;
- (4) a resolution adopted by the governing body of the school for which a safe routes to school grant is requested, certifying that: (i) the governing body of the school supports the project; and (ii) funds, if any, required to be supplied by the school to complete the project are available and committed;
- (5) a timeline indicating the major milestones of the project and their anticipated completion dates; and
- (6) any additional information or material the commissioner prescribes.

(c) The commissioner shall make reasonable efforts to (1) publicize each solicitation for applications among all eligible recipients, and (2) provide technical and informational assistance in creating and submitting applications.

(d) By January 1, 2013, the commissioner of transportation shall publish and maintain a manual on the safe routes to school program that assists applicants for and recipients of financial assistance. The manual must include identification of eligibility and general program requirements, explanation of the application process, and review of criteria for evaluation of projects.

Subd. 6. **Evaluation criteria.** The commissioner shall establish criteria for evaluation of applications and selection of projects. The criteria must include:

- (1) establishment or capital improvement of transportation infrastructure that improves safety and encourages nonmotorized transportation to and from a school;
- (2) compliance with all applicable requirements for capital infrastructure projects established by

the Federal Highway Administration, U.S. Department of Transportation, for the federal program; and

(3) other components as determined by the commissioner.

Subd. 7. **Grant cancellation.** If, five years after execution of a grant agreement, the commissioner determines that the grantee has not proceeded in a timely manner with implementation of the project funded, the commissioner must cancel the grant and the grantee must repay to the commissioner all grant money paid to the grantee. Section 16A.642 applies to any appropriations made from the bond proceeds fund to the commissioner under this section that have not been awarded as financial assistance.

Subd. 8. **Legislative report.** By November 1 annually, the commissioner shall submit a report on the safe routes to school program to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over transportation policy and finance. The report must at a minimum:

(1) summarize program implementation;

(2) provide an overview of grant evaluation and criteria used in project selection;

(3) provide a brief description of each project funded in the previous fiscal year, including the amount of money provided from each safe routes to school account under this section and the amount provided under the federal program;

(4) summarize the status of the federal program or successor legislation; and

(5) identify any recommendations for legislative changes, including proposals to improve program effectiveness.

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

Sec. 50. Minnesota Statutes 2011 Supplement, section 297B.03, is amended to read:

297B.03 EXEMPTIONS.

There is specifically exempted from the provisions of this chapter and from computation of the amount of tax imposed by it the following:

(1) purchase or use, including use under a lease purchase agreement or installment sales contract made pursuant to section 465.71, of any motor vehicle by the United States and its agencies and instrumentalities and by any person described in and subject to the conditions provided in section 297A.67, subdivision 11;

(2) purchase or use of any motor vehicle by any person who was a resident of another state or country at the time of the purchase and who subsequently becomes a resident of Minnesota, provided the purchase occurred more than 60 days prior to the date such person began residing in the state of Minnesota and the motor vehicle was registered in the person's name in the other state or country;

(3) purchase or use of any motor vehicle by any person making a valid election to be taxed under the provisions of section 297A.90;

(4) purchase or use of any motor vehicle previously registered in the state of Minnesota when

such transfer constitutes a transfer within the meaning of section 118, 331, 332, 336, 337, 338, 351, 355, 368, 721, 731, 1031, 1033, or 1563(a) of the Internal Revenue Code;

(5) purchase or use of any vehicle owned by a resident of another state and leased to a Minnesota-based private or for-hire carrier for regular use in the transportation of persons or property in interstate commerce provided the vehicle is titled in the state of the owner or secured party, and that state does not impose a sales tax or sales tax on motor vehicles used in interstate commerce;

(6) purchase or use of a motor vehicle by a private nonprofit or public educational institution for use as an instructional aid in automotive training programs operated by the institution. "Automotive training programs" includes motor vehicle body and mechanical repair courses but does not include driver education programs;

(7) purchase of a motor vehicle by an ambulance service licensed under section 144E.10 when that vehicle is equipped and specifically intended for emergency response or for providing ambulance service;

(8) purchase of a motor vehicle by or for a public library, as defined in section 134.001, subdivision 2, as a bookmobile or library delivery vehicle;

(9) purchase of a ready-mixed concrete truck;

(10) purchase or use of a motor vehicle by a town for use exclusively for road maintenance, including snowplows and dump trucks, but not including automobiles, vans, or pickup trucks;

(11) purchase or use of a motor vehicle by a corporation, society, association, foundation, or institution organized and operated exclusively for charitable, religious, or educational purposes, except a public school, university, or library, but only if the vehicle is:

(i) a truck, as defined in section 168.002, a bus, as defined in section 168.002, or a passenger automobile, as defined in section 168.002, if the automobile is designed and used for carrying more than nine persons including the driver; and

(ii) intended to be used primarily to transport tangible personal property or individuals, other than employees, to whom the organization provides service in performing its charitable, religious, or educational purpose;

(12) purchase of a motor vehicle for use by a transit provider exclusively to provide transit service is exempt if the transit provider is either (i) receiving financial assistance or reimbursement under section 174.24 or 473.384, or (ii) operating under section 174.29, 473.388, or 473.405;

(13) purchase or use of a motor vehicle by a qualified business, as defined in section 469.310, located in a job opportunity building zone, if the motor vehicle is principally garaged in the job opportunity building zone and is primarily used as part of or in direct support of the person's operations carried on in the job opportunity building zone. The exemption under this clause applies to sales, if the purchase was made and delivery received during the duration of the job opportunity building zone. The exemption under this clause also applies to any local sales and use tax; ~~and~~

(14) purchase of a leased vehicle by the lessee who was a participant in a lease-to-own program from a charitable organization that is:

(i) described in section 501(c)(3) of the Internal Revenue Code; and

(ii) licensed as a motor vehicle lessor under section 168.27, subdivision 4; and

(15) purchase of a motor vehicle used exclusively as a mobile medical unit for the provision of medical or dental services by a federally qualified health center, as defined under title 19 of the Social Security Act, as amended by section 4161 of the Omnibus Budget Reconciliation Act of 1990.

EFFECTIVE DATE. This section is effective retroactively for sales and purchases made after December 31, 2010.

Sec. 51. Minnesota Statutes 2010, section 299D.09, is amended to read:

299D.09 ESCORT SERVICE; APPROPRIATION; RECEIPTS.

Fees charged for escort services provided by the State Patrol are annually appropriated to the commissioner of public safety to administer and provide these services.

The fees fee charged for services provided by the State Patrol with a vehicle are \$73.60 is \$79.28 an hour in fiscal year 2008 and \$75.76 an hour in fiscal year 2009 and thereafter. The fees fee charged for services provided without a vehicle are \$54 is \$59.28 an hour in fiscal year 2008 and \$56.16 an hour in fiscal year 2009 and thereafter.

The fees charged for State Patrol flight services are \$140 an hour for a fixed wing aircraft, \$490 an hour for a helicopter, and \$600 an hour for the Queen Air in fiscal year 2012, and \$139.64 an hour for a fixed wing aircraft, \$560.83 an hour for a helicopter, and \$454.84 an hour for the Queen Air in fiscal year 2013 and in fiscal year 2014.

EFFECTIVE DATE. This section is effective July 1, 2012.

Sec. 52. Minnesota Statutes 2010, section 325F.6641, is amended to read:

325F.6641 DISCLOSURE OF MOTOR VEHICLE DAMAGE.

Subdivision 1. **Damage.** (a) If a motor late-model vehicle, as defined in section 168A.01, subdivision 8a, has sustained damage by collision or other occurrence which exceeds 70 80 percent of its actual cash value immediately prior to sustaining damage, the seller must disclose that fact to the buyer, if the seller has actual knowledge of the damage. The amount of damage is determined by the retail cost of repairing the vehicle based on a complete written retail repair estimate or invoice, exclusive of the actual cost incurred to repair, replace, or reinstall inflatable safety restraints and other vehicle components that must be replaced due to the deployment of the inflatable safety restraints.

(b) The disclosure required under this subdivision must be made in writing on the application for title and registration or other transfer document, in a manner prescribed by the registrar of motor vehicles. The registrar shall revise the certificate of title form, including the assignment by seller (transferor) and reassignment by licensed dealer sections of the form, the separate application for title forms, and other transfer documents to accommodate this disclosure. If the seller is a motor vehicle dealer licensed pursuant to section 168.27, the disclosure required by this section must be made orally by the dealer to the prospective buyer in the course of the sales presentation.

(c) Upon transfer and application for title to a vehicle covered by this subdivision, the registrar shall record the term "rebuilt" on the first Minnesota certificate of title and all subsequent Minnesota certificates of title used for that vehicle.

Subd. 2. **Form of disclosure.** The disclosure required in this section must be made in substantially the following form: "To the best of my knowledge, this vehicle has has not sustained damage, ~~exclusive of any costs to repair, replace, or reinstall air bags and other components that were replaced due to deployment of air bags,~~ in excess of ~~70~~ 80 percent actual cash value."

Sec. 53. Minnesota Statutes 2010, section 325F.6644, subdivision 1, is amended to read:

Subdivision 1. **Damage disclosure.** Section 325F.6641 does not apply to ~~vehicles that are six years old or older as calculated from the first day of January of the designated model year or to~~ commercial motor vehicles with a gross vehicle weight rating of 16,000 pounds or more or to motorcycles.

Sec. 54. Minnesota Statutes 2010, section 325F.6644, subdivision 2, is amended to read:

Subd. 2. **Title branding.** Section 325F.6642 does not apply to commercial motor vehicles with a gross vehicle weight rating of 16,000 pounds or more or to motorcycles, other than reconstructed vehicles, as defined in section 168A.01, subdivision 16, and restored pioneer vehicles, as defined in section 168A.01, subdivision 16a.

Sec. 55. Laws 2009, chapter 36, article 3, section 28, is amended to read:

Sec. 28. **DESIGN-BUILD PROJECT SELECTION COUNCIL LOCAL PROJECTS.**

~~Subdivision 1. **Establishment of council.** A Design-Build Project Selection Council is established to select, evaluate, and support county and municipal transportation projects on the state-aid system that are conducive to use of the design-build method of contracting and to report to the legislature.~~

Subd. 1a. **Selection authority.** The commissioner of transportation or the commissioner's designee from the Department of Transportation State Aid for Local Transportation Division shall select, evaluate, and support county and municipal transportation projects on the state-aid system that are conducive to use of the design-build method of contracting.

Subd. 2. **Duties of council commissioner.** In order to accomplish these purposes, the council commissioner shall:

- (1) review applications for participation received by the commissioner from counties and cities;
- (2) select projects for participation in the pilot program a maximum of 15 projects on the state-aid system, no more than ten of which may be on the county state-aid highway system, and no more than ten of which may be on the municipal state-aid street system each calendar year;
- (3) determine that the use of design-build in the selected projects would serve the public interest, after considering, at a minimum:
 - (i) the extent to which the municipality can adequately define the project requirements in a proposed scope of the design and construction desired;

- (ii) the time constraints for delivery of the project;
 - (iii) the capability of potential contractors with the design-build method of project delivery;
 - (iv) the suitability of the project for use of the design-build method of project delivery with respect to time, schedule, costs, and quality factors;
 - (v) the capability of the municipality to manage the project, including the employment of experienced personnel or outside consultants; and
 - (vi) the original character of the product or the services; and
- (4) periodically review and evaluate the use of design-build in the selected projects; and
- ~~(5) assist the commissioner in preparing a report to the legislature at the conclusion of the pilot program.~~

~~Subd. 3. **Membership.** (a) The council is composed of the following members:~~

- ~~(1) two contractors, at least one of whom represents a small contracting firm, selected by the Associated General Contractors, Minnesota chapter;~~
 - ~~(2) two project designers selected by the American Council of Engineering Companies, Minnesota chapter;~~
 - ~~(3) one representative of a metropolitan area county selected by the Association of Minnesota Counties;~~
 - ~~(4) one representative of a greater Minnesota county selected by the Association of Minnesota Counties;~~
 - ~~(5) one representative of a metropolitan area city selected by the League of Minnesota Cities;~~
 - ~~(6) one representative of a greater Minnesota city selected by the League of Minnesota Cities; and~~
 - ~~(7) the commissioner of transportation or a designee from the Minnesota Department of Transportation Division of State Aid for Local Transportation.~~
- ~~(b) All appointments required by paragraph (a) must be completed by August 1, 2009.~~
- ~~(c) The commissioner or the commissioner's designee shall convene the first meeting of the council within two weeks after the members have been appointed to the council and shall serve as chair of the council.~~

~~Subd. 4. **Report to legislature.** Annually, by January 15, the council shall submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation budget and policy, and to the legislature as provided under Minnesota Statutes, section 15.059. The report must summarize the design-build pilot program selection process, including the number of applications considered; the proposal process for each project that was selected; the contracting process for each project that was completed; and project costs. The report must evaluate the process and results applying the performance-based measures with which the commissioner evaluates trunk highway design-build projects. The report must include any~~

~~recommendations for future legislation.~~

EFFECTIVE DATE. This section is effective the day following final enactment and expires upon completion of nine design-build projects.

Sec. 56. Laws 2009, chapter 36, article 3, section 28, the effective date, is amended to read:

~~**EFFECTIVE DATE.** This section is effective the day following final enactment and expires on October 1, 2012, or upon completion of nine design-build projects under this pilot program, whichever occurs first.~~

Sec. 57. Laws 2009, chapter 36, article 3, section 29, is amended to read:

Sec. 29. **DESIGN-BUILD CONTRACTING PILOT PROGRAM.**

Subdivision 1. **Definitions.** The following terms have the meanings given:

- (1) "commissioner" means the commissioner of transportation;
- (2) "municipality" means a county or statutory or home rule charter city;
- (3) "design-build contract" means a single contract between a municipality and a design-build company or firm to furnish the architectural or engineering and related design services as well as the labor, material, supplies, equipment, and construction services for the transportation project;
- (4) "design-build firm" means a proprietorship, partnership, limited liability partnership, joint venture, corporation, any type of limited liability company, professional corporation, or any legal entity;
- (5) "design professional" means a person who holds a license under Minnesota Statutes, chapter 326B, that is required to be registered under Minnesota law;
- (6) "design-build transportation project" means the procurement of both the design and construction of a transportation project in a single contract with a company or companies capable of providing the necessary engineering services and construction;
- (7) "design-builder" means the design-build firm that proposes to design and build a transportation project governed by the procedures of this section;
- (8) "request for proposals" or "RFP" means the document by which the municipality solicits proposals from qualified design-build firms to design and construct the transportation project;
- (9) "request for qualifications" or "RFQ" means a document to qualify potential design-build firms; and
- (10) "responsive proposal" means a technical proposal of which no major component (i) contradicts the goals of the project, (ii) materially violates an RFP requirement so as to give the proposer a competitive advantage, or (iii) places conditions on a proposal inconsistent with the requirements of the RFP.

Subd. 2. **Establishment of ~~pilot~~ the program.** (a) The commissioner of transportation shall conduct a design-build contracting ~~pilot~~ program to select local transportation projects for participation in the program, to conduct information sessions for engineers and contractors, to

support and evaluate the use of the design-build method of contracting by counties and statutory and home rule charter cities in constructing, improving, and maintaining streets and highways on the state-aid system, ~~and to report to the legislature.~~

(b) The commissioner must concur in the RFQ and RFP prior to solicitation.

(c) The selection of design-build projects under the ~~pilot~~ program must be as made by the Design-Build Project Selection Council established by the commissioner as provided in section 28.

Subd. 3. **Licensing requirements.** (a) Each design-builder shall employ, or have as a partner, member, officer, coventurer, or subcontractor, a person duly licensed and registered to provide the design services required to complete the project and do business in the state, including the provision of sureties of sufficient amount to protect the interests of the awarding municipality.

(b) A design-builder may enter into a contract to provide professional or construction services for a project that the design-builder is not licensed, registered, or qualified to perform, so long as the design-builder provides those services through subcontractors with duly licensed, registered, or otherwise qualified individuals in accordance with Minnesota Statutes, sections 161.3410 to 161.3428.

(c) Nothing in this section authorizing design-build contracts is intended to limit or eliminate the responsibility or liability owed by a professional on a design-build project to the state, municipality, or other third party under existing law.

(d) The design service portion of a design-build contract must be considered a service and not a product.

Subd. 4. **Information session for municipal engineer.** After a project is selected for participation in the design-build contracting ~~pilot~~ program, the commissioner or the commissioner's designee with design-build experience shall conduct an information session for the municipality's engineer for each selected project, in which issues unique to design-build must be discussed, including, but not limited to, writing an RFP, project oversight requirements, assessing risk, and communication with the design-build firm. After participation in the information session, the municipality's engineer is qualified to post the selected project, along with any future design-build project RFP in the ~~pilot~~ program.

Subd. 5. **Technical Review Committee.** During the phase one RFQ and before solicitation, the municipality shall appoint a Technical Review Committee of at least five individuals. The Technical Review Committee must include an individual whose name and qualifications are submitted to the municipality by the Minnesota chapter of the Associated General Contractors, after consultation with other commercial contractor associations in the state. Members of the Technical Review Committee who are not state employees are subject to the Minnesota Government Data Practices Act and Minnesota Statutes, section 16C.06, to the same extent that state agencies are subject to those provisions. A Technical Review Committee member may not participate in the review or discussion of responses to the RFQ or RFP when a design-build firm in which the member has a financial interest has responded to the RFQ or RFP. "Financial interest" includes, but is not limited to, being or serving as an owner, employee, partner, limited liability partner, shareholder, joint venturer, family member, officer, or director of a design-build firm responding to an RFQ or RFP for a specific project, or having any other economic interest in that design-build firm. The members of the Technical Review Committee must be treated as municipal employees in the event

of litigation resulting from any action arising out of their service on the committee.

Subd. 6. **Phase one; design-build RFQ.** The municipality shall prepare an RFQ, which must include the following:

- (1) the minimum qualifications of design-builders necessary to meet the requirements for acceptance;
- (2) a scope of work statement and schedule;
- (3) documents defining the project requirements;
- (4) the form of contract to be awarded;
- (5) the weighted selection criteria for compiling a short list and the number of firms to be included in the short list, which must be at least two but not more than five;
- (6) a description of the request for proposals (RFP) requirements;
- (7) the maximum time allowed for design and construction;
- (8) the municipality's estimated cost of design and construction;
- (9) requirements for construction experience, design experience, financial, personnel, and equipment resources available from potential design-builders for the project and experience in other design-build transportation projects or similar projects, provided that these requirements may not unduly restrict competition; and
- (10) a statement that "past performance" or "experience" or other criteria used in the RFQ evaluation process does not include the exercise or assertion of a person's legal rights.

Subd. 7. **Information session for prospective design-build firms.** After a design-build project is advertised, any prospective design-build firm shall attend a design-build information session conducted by the commissioner or the commissioner's designee with design-build experience. The information must include information about design-build contracts, including, but not limited to, communication with partner firms, project oversight requirements, assessing risk, and communication with the municipality's engineer. After participation in the information session, the design-build firm is eligible to bid on the design-build project and any future design-build ~~pilot~~ program projects.

Subd. 8. **Evaluation.** The selection team shall evaluate the design-build qualifications of responding firms and shall compile a short list of no more than five most highly qualified firms in accordance with qualifications criteria described in the RFQ. If only one design-build firm responds to the RFQ or remains on the short list, the municipality may readvertise or cancel the project as the municipality deems necessary.

Subd. 9. **Phase two; design-build RFP.** The municipality shall prepare an RFP, which must include:

- (1) the scope of work, including (i) performance and technical requirements, (ii) conceptual design, (iii) specifications consistent with state standards and specifications, and (iv) functional and operational elements for the delivery of the completed project, all of which must be prepared by a

registered or licensed professional engineer;

- (2) copies of the contract documents that the successful proposer will be expected to sign;
- (3) the maximum time allowable for design and construction;
- (4) the road authority's estimated cost of design and construction;
- (5) the requirement that a submitted proposal be segmented into two parts, a technical proposal and a price proposal;
- (6) the requirement that each proposal be in a separately sealed, clearly identified package and include the date and time of the submittal deadline;
- (7) the requirement that the technical proposal include a critical path method, bar schedule of the work to be performed, or similar schematic; preliminary design plans and specifications; technical reports; calculations; permit requirements; applicable development fees; and other data requested in the RFP;
- (8) the requirement that the price proposal contain all design, construction, engineering, inspection, and construction costs of the proposed project;
- (9) the requirement that surety be submitted equal to the total amount of the proposal;
- (10) a description of the qualifications required of the design-builder and the selection criteria, including the weight of each criterion and subcriterion;
- (11) the date, time, and location of the public opening of the sealed price proposals;
- (12) the amount of, and eligibility for, a stipulated fee;
- (13) other information relevant to the project; and
- (14) a statement that "past performance," "experience," or other criteria used in the RFP evaluation process does not include the exercise or assertion of a person's legal rights.

Subd. 10. **Design-build award; computation; announcement.** A design-build contract shall be awarded as follows:

(a) The Technical Review Committee shall score the technical proposals of the proposers selected under subdivision 8 using the selection criteria in the RFP. The Technical Review Committee shall then submit a technical proposal score for each design-builder to the municipality. The Technical Review Committee shall reject any nonresponsive proposal, including those unable to provide sufficient surety to guarantee project completion. The municipality shall review the technical proposal scores.

(b) The commissioner or the commissioner's designee shall review the technical proposal scores. The commissioner shall submit the final technical proposal scores to the municipality.

(c) The municipality shall announce the technical proposal score for each design-builder and shall publicly open the sealed price proposals and shall divide each design-builder's price by the technical score that the commissioner has given to it to obtain an adjusted score. The design-builder selected must be that responsive and responsible design-builder whose adjusted score is the lowest.

(d) If a time factor is included with the selection criteria in the RFP package, the municipality may use a value of the time factor established by the municipality as a criterion in the RFP.

(e) Unless all proposals are rejected, the municipality shall award the contract to the responsive and responsible design-builder with the lowest adjusted score. The municipality shall reserve the right to reject all proposals.

(f) The municipality shall award a stipulated fee not less than two-tenths of one percent of the municipality's estimated cost of design and construction to each short-listed, responsible proposer who provides a responsive but unsuccessful proposal. If the municipality does not award a contract, all short-listed proposers must receive the stipulated fee. If the municipality cancels the contract before reviewing the technical proposals, the municipality shall award each design-builder on the short list a stipulated fee of not less than two-tenths of one percent of the municipality's estimated cost of design and construction. The municipality shall pay the stipulated fee to each proposer within 90 days after the award of the contract or the decision not to award a contract. In consideration for paying the stipulated fee, the municipality may use any ideas or information contained in the proposals in connection with any contract awarded for the project or in connection with a subsequent procurement, without any obligation to pay any additional compensation to the unsuccessful proposers. Notwithstanding the other provisions of this subdivision, an unsuccessful short-list proposer may elect to waive the stipulated fee. If an unsuccessful short-list proposer elects to waive the stipulated fee, the municipality may not use ideas and information contained in that proposer's proposal. Upon the request of the municipality, a proposer who waived a stipulated fee may withdraw the waiver, in which case the municipality shall pay the stipulated fee to the proposer and thereafter may use ideas and information in the proposer's proposal.

(g) The municipality shall not limit the ability of design-builders that have submitted proposals to protest a contemplated or actual award by the commissioner by, among other things, unreasonably restricting the time to protest; restricting the right to seek judicial review of the commissioner's actions; attempting to change the judicial standard of review; or requiring the protestor to pay attorney fees for an unsuccessful, nonfrivolous protest. Unless all design-builders that have submitted proposals agree to execution of a contract for the project without a waiting period beforehand, the municipality shall wait at least seven days after both the award of the project and public disclosure of the Technical Review Committee's scoring data and the successful proposal before executing a contract for the project.

Subd. 11. **Low-bid design-build process.** (a) The municipality may also use low-bid, design-build procedures to award a design-build contract where the scope of the work can be clearly defined.

(b) Low-bid design-build projects may require an RFQ and short-listing, and must require an RFP.

(c) Submitted proposals under this subdivision must include separately a technical proposal and a price proposal. The low-bid, design-build procedures must follow a two-step process for review of the responses to the RFP as follows:

(1) the first step is the review of the technical proposal by the Technical Review Committee as provided in subdivision 5. The Technical Review Committee must open the technical proposal first and must determine if it complies with the requirements of the RFP and is responsive. The Technical Review Committee may not perform any ranking or scoring of the technical proposals; and

(2) the second step is the determination of the low bidder based on the price proposal. The municipality may not open the price proposal until the review of the technical proposal is complete.

(d) The contract award under low-bid, design-build procedures must be made to the proposer whose sealed bid is responsive to the technical requirements as determined by the Technical Review Committee and that is also the lowest bid.

(e) A stipulated fee may be paid for unsuccessful bids on low-bid, design-build projects only when the municipality has required an RFQ and short-listed the most highly qualified responsive bidders.

EFFECTIVE DATE. This section is effective the day following final enactment and expires upon completion of nine design-build projects.

Sec. 58. Laws 2009, chapter 36, article 3, section 29, the effective date, is amended to read:

~~**EFFECTIVE DATE.** This section is effective the day following final enactment and expires on October 1, 2012, or upon completion of nine design-build projects under this pilot program, whichever occurs first.~~

Sec. 59. **PUBLIC-PRIVATE PARTNERSHIP PILOT PROGRAM.**

(a) The commissioner of transportation is authorized to consider and utilize public-private partnership procurement methods for up to three pilot projects if objective analysis demonstrates that it provides better long-term value for the state than traditional procurement methods.

(b) Notwithstanding Minnesota Statutes, section 160.845, 160.98, or any other law to the contrary, the commissioner may consider for use in the pilot program any existing public-private partnership mechanism or any proposed mechanism that proves the best available option for the state. Mechanisms the commissioner may consider include, but are not limited to, toll facilities, BOT facilities, or BTO facilities. For the purposes of this paragraph, toll facilities, BOT facilities, and BTO facilities have the meanings given under section 160.84.

(c) Among the projects the commissioner may consider is the construction of the Interstate 94/U.S. Highway 10 River Crossing near marked Trunk Highway 24.

Sec. 60. **PILOT PROGRAM RESTRICTIONS.**

(a) The commissioner may not receive, consider, evaluate, or accept unsolicited proposals for a public-private initiative.

(b) The commissioner shall select a private entity or entities for a public-private partnership on a competitive basis to the maximum extent possible.

(c) When entering into a public-private partnership, the commissioner may not enter into any noncompete agreement that inhibits the state's ability to address ongoing or future infrastructure needs.

(d) If the commissioner enters into a public-private partnership agreement that includes a temporary transfer of ownership or control of a road, bridge, or other infrastructure investment to the private entity, the agreement must include a provision requiring the return of the road, bridge, or other infrastructure investment to the state after a specified period of time.

Sec. 61. CONSIDERATIONS IN SELECTING PRIVATE ENTITY.

In soliciting, evaluating, and selecting a private entity with which to enter into a public-private project, the commissioner must consider:

- (1) the ability of the proposed project to improve safety, reduce congestion, increase capacity, and promote economic growth;
- (2) the proposed cost of and financial plan for the project;
- (3) the general reputation, qualifications, industry experience, and financial capacity of the private entity;
- (4) the project's proposed design, operation, and feasibility;
- (5) comments from local citizens and affected jurisdictions;
- (6) benefits to the public;
- (7) the safety record of the private entity; and
- (8) any other criteria the commissioner deems appropriate.

Sec. 62. PUBLIC-PRIVATE AGREEMENT.

(a) A public-private agreement between the commissioner and a private entity shall, at a minimum, specify:

- (1) the planning, acquisition, financing, development, design, construction, reconstruction, replacement, improvement, maintenance, management, repair, leasing, or operation of the project;
- (2) the term of the public-private agreement;
- (3) the type of property interest, if any, that the private entity will have in the project;
- (4) a description of the actions the commissioner may take to ensure proper maintenance of the project;
- (5) whether user fees will be collected on the project and the basis by which the user fees shall be determined and modified;
- (6) compliance with applicable federal, state, and local laws;
- (7) grounds for termination of the public-private agreement by the commissioner; and
- (8) procedures for amendment of the agreement.

(b) A public-private agreement between the commissioner and a private entity may provide for:

- (1) review and approval by the commissioner of the private entity's plans for the development and operation of the project;
- (2) inspection by the commissioner of construction and improvements to the project;
- (3) maintenance by the private entity of a liability insurance policy;

- (4) filing of appropriate financial statements by the private entity on a periodic basis;
- (5) filing of traffic reports by the private entity on a periodic basis;
- (6) financing obligations of the commissioner and the private entity;
- (7) apportionment of expenses between the commissioner and the private entity;
- (8) the rights and remedies available in the event of a default or delay;
- (9) the rights and duties of the private entity, the commissioner, and other state or local governmental entities with respect to the use of the project;
- (10) the terms and conditions of indemnification of the private entity by the commissioner;
- (11) assignment, subcontracting, or other delegations of responsibilities of the private entity or commissioner under agreement to third parties, including other private entities or state agencies;
- (12) if applicable, sale or lease to the private entity of private property related to the project;
- (13) traffic enforcement and other policing issues; and
- (14) any other terms and conditions the commissioner deems appropriate.

Sec. 63. FUNDING FROM FEDERAL GOVERNMENT.

(a) The commissioner may accept from the United States or any of its agencies funds that are available to the state for carrying out the pilot program, whether the funds are available by grant, loan, or other financial assistance.

(b) The commissioner may enter into agreements or other arrangements with the United States or any of its agencies as necessary for carrying out the pilot program.

(c) The commissioner may combine federal, state, local, and private funds to finance a public-private partnership pilot project.

Sec. 64. REPORTING ON PUBLIC-PRIVATE PILOT PROGRAM.

By August 1, 2014, and annually by August 1 thereafter, the commissioner shall submit to the chairs and ranking minority members of the house of representatives and senate committees having jurisdiction over transportation policy and finance a listing of all agreements executed under the pilot program authority. The listing must identify each agreement, the contracting entities, contract amount and duration, any repayment requirements, and provide an update on the project's progress. The listing may be submitted electronically and is subject to Minnesota Statutes, section 3.195, subdivision 1.

Sec. 65. DISTANCE-BASED FARE SURCHARGE; PILOT PROGRAM.

Subdivision 1. **Pilot program authorized.** Notwithstanding Minnesota Statutes, section 473.408, subdivision 2a, or any other law to the contrary, replacement service transit providers operating under Minnesota Statutes, section 473.388, may establish a pilot program that adds a distance-based surcharge to standard transit fares.

Subd. 2. **Pilot program restrictions.** (a) A replacement service transit provider exercising its

authority under subdivision 1 may only impose a distance-based surcharge on routes with a total length greater than 15 miles.

(b) Any distance-based surcharge imposed must be prorated on the basis of the distance traveled by the rider paying the surcharge.

Subd. 3. **Reporting requirements.** By August 1 of each year a pilot program is in effect, the replacement service transit provider imposing the distance-based surcharge shall submit to the chairs and ranking minority members of the house of representatives and senate committees having jurisdiction over transportation policy and finance a report detailing the activities of the pilot program. The report shall include information specifying the total revenue collected from the distance-based surcharge and the average surcharge collected per rider, analyzing any impact the surcharge has had on the fare policy considerations under Minnesota Statutes, section 473.408, subdivision 2, and any other information requested by the chairs of the house of representatives and senate committees having jurisdiction over transportation policy and finance.

EFFECTIVE DATE. This section is effective the day following final enactment and expires on January 1, 2016.

Sec. 66. **REPORTS ON USE OF CONSTRUCTION MANAGER/GENERAL CONTRACTOR METHOD.**

Subdivision 1. **Submission of reports.** The commissioner shall report on experience with and evaluation of the construction manager/general contractor method of contracting authorized in Minnesota Statutes, sections 161.3207 to 161.3209. The reports must be submitted to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy or transportation finance and in compliance with Minnesota Statutes, sections 3.195 and 3.197. An interim report must be submitted no later than 12 months following the commissioner's acceptance of five construction manager/general contractor contracts. A final report must be submitted no later than 12 months following the commissioner's acceptance of ten construction manager/general contractor contracts.

Subd. 2. **Content of reports.** The reports must include: (1) a description of circumstances of any projects as to which construction manager/general contractor requests for qualifications or requests for proposals were solicited, followed by a cancellation of the solicitation; (2) a description of projects as to which construction manager/general contractor method was utilized; (3) a comparison of project cost estimates with final project costs, if available; and (4) evaluation of the construction manager/general contractor method of procurement with respect to implications for project cost, use of innovative techniques, completion time, and obtaining maximum value. The final report must also include recommendations as to continued use of the program and desired modifications to the program, and recommended legislation to continue, discontinue, or modify the program.

EFFECTIVE DATE. This section is effective the day following final enactment and expires one year following the acceptance of ten construction manager/general contractor contracts.

Sec. 67. **MUNICIPAL STATE-AID STREET FUND 2013 ALLOCATION.**

(a) Notwithstanding Minnesota Statutes, section 162.13, subdivision 1, the commissioner of transportation shall allocate the apportionment sum available in the municipal state-aid street fund, following the deductions under Minnesota Statutes, section 162.12, as provided in this section.

(b) The commissioner shall identify a remuneration sum for each city that:

(1) qualifies for municipal state-aid street funds under Minnesota Statutes, section 162.09, subdivision 4a; and

(2) was not allocated municipal state-aid street funds for calendar year 2012.

(c) The remuneration sum for each city equals the amount the city received under the allocation of municipal state-aid street funds for calendar year 2011.

(d) For the calendar year 2013 allocation only, the commissioner shall:

(1) allocate to the appropriate city an amount from the apportionment sum equal to the remuneration sum calculated in paragraph (c); and

(2) allocate the remaining apportionment sum as provided under Minnesota Statutes, section 162.13, subdivision 1.

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

Sec. 68. TRANSFER OF MONEY FROM MUNICIPAL STATE-AID STREET FUND FOR MUNICIPAL BOND DEBT SERVICE.

Subdivision 1. **Definitions.** For purposes of this section, the following definitions apply:

(1) "bonds" means municipal general obligation bonds dated July 17, 2008, of which the original principal amount of \$1,055,000 applies to state-aid streets; and

(2) "city" means a city that:

(i) issued bonds;

(ii) received municipal state-aid distributions immediately before the 2010 federal decennial census; and

(iii) was found in the 2010 federal decennial census to have fewer than 5,000 population.

Subd. 2. **Population.** In any calendar year in which the city is not eligible, other than as provided by this section, to receive a municipal state-aid street fund apportionment, the city is deemed to have a population of 5,000 or more solely for the purposes of Minnesota Statutes, section 162.18, and solely with respect to the bonds defined in this section.

Subd. 3. **Deposit in sinking fund.** The commissioner of management and budget shall, until the bonds are retired, issue a warrant annually in the amount certified by the commissioner of transportation as needed by the city for the principal and interest, to the fiscal officer of the city, and the amount must be deposited by the fiscal officer in the sinking fund from which the principal and interest on the bonds are payable.

Subd. 4. **Transfer from municipal state-aid street fund.** In each year in which the city is not eligible to receive a municipal state-aid street fund apportionment, other than as provided by this section, the commissioner of transportation shall, following the deductions under Minnesota Statutes, section 162.12, transfer from the municipal state-aid street fund to the city's maintenance account money sufficient to pay the principal and interest on the bonds as they become due.

Subd. 5. **Allocation of remaining municipal state-aid apportionment sum.** The commissioner of transportation shall allocate the remaining apportionment sum as provided under Minnesota Statutes, section 162.13, subdivision 1.

EFFECTIVE DATE. This section is effective the day following final enactment and expires on the earlier of the day after the bonds are retired or the day after the commissioner of management and budget has, under this section or under Minnesota Statutes, section 162.18, transferred to the city's sinking fund an amount that will be sufficient to retire the bonds.

Sec. 69. WATER PERMITTING PROCESSES FOR TRANSPORTATION PROJECTS; REPORT.

By November 15, 2012, the commissioners of transportation, natural resources, and the Pollution Control Agency, in consultation with local road authorities and the Board of Water and Soil Resources, shall submit recommendations to the house of representatives and senate committees and divisions with primary jurisdiction over environment and natural resources policy and finance and transportation policy and finance on how water-related permitting for transportation projects can best be streamlined through creation of a single point of issuance system. The recommendations shall specifically:

(1) outline a single point of issuance system in which road authorities applying for state water permits would interact with a single state agency serving as the sole intermediary on behalf of all state agencies with an interest in a road authority's water permit application;

(2) provide a goal for the maximum number of days that the state believes are necessary to issue final water permitting decisions;

(3) identify how state entities with current oversight authority over water permitting decisions would allocate resources to accommodate a single point of issuance system; and

(4) suggest strategies to enhance the coordination of federal and state water permitting information gathering and decision-making.

Sec. 70. RULE CHANGE.

The commissioner shall amend Minnesota Rules, part 7400.5300, subpart 3, to remove the words "from Minnesota" and to allow a dealer to sell a junked vehicle as described in subpart 3 to a purchaser whom the dealer verifies is a licensed scrap metal processor. The commissioner must comply with Minnesota Statutes, section 14.389, subdivision 5, in adopting the amendment.

Sec. 71. REVISOR'S INSTRUCTION.

The revisor of statutes shall renumber the provisions of Minnesota Statutes listed in column A to the references listed in column B. The revisor shall also make necessary cross-reference changes in Minnesota Statutes consistent with the renumbering.

<u>Column A</u>	<u>Column B</u>
<u>169.011, subdivision 83</u>	<u>168B.011, subdivision 12a</u>
<u>169.041</u>	<u>168B.035</u>
<u>169.64, subdivision 5</u>	<u>168B.16</u>

<u>169.86, subdivision 8</u>	<u>168B.15</u>
<u>465.75</u>	<u>168B.14</u>
<u>514.18, subdivision 1a</u>	<u>168B.045</u>

Sec. 72. **REPEALER.**

Minnesota Statutes 2010, sections 169.441, subdivision 5; 169.445, subdivision 2; and 169.454, subdivision 10, are repealed."

Delete the title and insert:

"A bill for an act relating to transportation; providing for alternatives for contracting and procurement, state aid, traffic regulations and reports, vehicles, vehicle titles, school buses, transit fares, and studies; providing penalties; appropriating money; amending Minnesota Statutes 2010, sections 13.72, by adding a subdivision; 116.06, subdivision 22; 161.14, by adding a subdivision; 161.321; 162.02, subdivisions 2, 3; 162.09, subdivisions 2, 3, 4; 162.13, subdivision 1; 162.155; 168.10, subdivision 1a; 168.27, subdivisions 2, 3, 3c; 168A.01, subdivisions 6a, 8a, 12a, 16, by adding a subdivision; 168A.04, subdivision 5; 168A.05, subdivision 3; 168A.09, by adding a subdivision; 168A.15, subdivision 2; 168A.151, subdivisions 1, 6; 169.06, subdivision 4; 169.09, subdivision 13; 169.222, subdivision 6; 169.4501, subdivisions 1, 2; 169.4503, subdivisions 5, 20, by adding subdivisions; 169.4582, subdivision 2; 169.79, subdivision 6; 169.86, by adding a subdivision; 169.865, subdivision 4; 169.98, subdivisions 1, 3; 174.03, by adding a subdivision; 299D.09; 325F.6641; 325F.6644, subdivisions 1, 2; Minnesota Statutes 2011 Supplement, sections 169.86, subdivision 5; 297B.03; Laws 2009, chapter 36, article 3, sections 28; 29; proposing coding for new law in Minnesota Statutes, chapters 161; 171; 174; repealing Minnesota Statutes 2010, sections 169.441, subdivision 5; 169.445, subdivision 2; 169.454, subdivision 10."

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

Senator Ingebrigtsen from the Committee on Environment and Natural Resources, to which was referred

S.F. No. 1750: A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited land bordering public water.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2010, section 84.631, is amended to read:

84.631 ROAD EASEMENTS ACROSS STATE LANDS.

(a) Except as provided in section 85.015, subdivision 1b, the commissioner of natural resources, on behalf of the state, may convey a road easement across state land under the commissioner's jurisdiction ~~other than school trust land~~, to a private person requesting an easement for access to property owned by the person only if the following requirements are met: (1) there are no reasonable alternatives to obtain access to the property; and (2) the exercise of the easement will not cause

significant adverse environmental or natural resource management impacts.

(b) The commissioner shall:

(1) require the applicant to pay the market value of the easement;

(2) limit the easement term to 50 years if the road easement is across school trust land;

(3) provide that the easement reverts to the state in the event of nonuse; and

~~(3)~~ (4) impose other terms and conditions of use as necessary and appropriate under the circumstances.

(c) An applicant shall submit an application fee of \$2,000 with each application for a road easement across state land. The application fee is nonrefundable, even if the application is withdrawn or denied.

(d) In addition to the payment for the market value of the easement and the application fee, the commissioner of natural resources shall assess the applicant a monitoring fee to cover the projected reasonable costs for monitoring the construction of the road and preparing special terms and conditions for the easement. The commissioner must give the applicant an estimate of the monitoring fee before the applicant submits the fee. The applicant shall pay the application and monitoring fees to the commissioner of natural resources. The commissioner shall not issue the easement until the applicant has paid in full the application fee, the monitoring fee, and the market value payment for the easement.

(e) Upon completion of construction of the road, the commissioner shall refund the unobligated balance from the monitoring fee revenue.

(f) Fees collected under paragraphs (c) and (d) must be credited to the land management account in the natural resources fund and are appropriated to the commissioner of natural resources to cover the reasonable costs incurred under this section.

Sec. 2. Minnesota Statutes 2010, section 92.50, subdivision 1, is amended to read:

Subdivision 1. **Lease terms.** (a) The commissioner of natural resources may lease land under the commissioner's jurisdiction and control:

(1) to remove sand, gravel, clay, rock, marl, peat, and black dirt;

(2) to store ore, waste materials from mines, or rock and tailings from ore milling plants;

(3) for roads or railroads; or

(4) for other uses consistent with the interests of the state.

(b) The commissioner shall offer the lease at public or private sale for an amount and under terms and conditions prescribed by the commissioner. Commercial leases for more than ten years and leases for removal of peat that cover 320 or more acres must be approved by the Executive Council.

(c) The lease term may not exceed ~~ten~~ 21 years except:

(1) leases of lands for storage sites for ore, waste materials from mines, or rock and tailings from

ore milling plants, or for the removal of peat for nonagricultural purposes may not exceed a term of 25 years; and

(2) ~~leases for the use of peat lands for agricultural purposes may not exceed 21 years; and~~

~~(3) leases for commercial purposes, including major resort, convention center, or recreational area purposes, may not exceed a term of 40 years.~~

(d) Leases must be subject to sale and leasing of the land for mineral purposes and contain a provision for cancellation for just cause at any time by the commissioner upon six months' written notice. A longer notice period, not exceeding three years, may be provided in leases for storing ore, waste materials from mines or rock or tailings from ore milling plants. The commissioner may determine the terms and conditions, including the notice period, for cancellation of a lease for the removal of peat and commercial leases.

(e) Money received from leases under this section must be credited to the fund to which the land belongs.

Sec. 3. [92.80] EXPEDITED EXCHANGE OF LAND WITHIN BOUNDARY WATERS CANOE AREA WILDERNESS FOR FEDERALLY OWNED LANDS.

Subdivision 1. Purpose and scope. (a) The purpose of this section is to expedite the exchange of a portion of the state-owned lands located within the Boundary Waters Canoe Area Wilderness. The state owns 116,559 acres of land within the wilderness area, 86,295 acres of which are school trust land.

(b) Exchange of school trust lands within the Boundary Waters Canoe Area Wilderness for federally owned lands located outside the wilderness area will preserve the spectacular wild areas while producing economic benefits for Minnesota's public schools.

(c) For land exchanges under this section, sections 94.342 to 94.347 apply only to the extent specified in this section.

Subd. 2. Classes of land; definitions. The classes of state land that may be involved in an expedited exchange under this section are:

(1) school trust land as defined in section 92.025;

(2) university land granted to the state by acts of Congress;

(3) all other lands acquired by the state in any manner and under the control of the commissioner of natural resources; and

(4) all lands acquired by the state through tax forfeiture, held subject to a trust in favor of the taxing districts, and under the control of county authorities for classification, appraisal, and sale.

Subd. 3. Valuation of land. (a) In an exchange of school trust land, university land, or other land under the control of the commissioner of natural resources for land owned by the United States, the examination and value determination of the land shall be done in a manner as agreed to between the commissioner and the authorized representative of the United States.

(b) In an exchange of tax-forfeited land for land owned by the United States, the examination

and value determination shall be done in a manner as agreed to between the county board and the authorized representative of the United States.

(c) All lands exchanged under this section shall be exchanged only for lands of at least substantially equal value. For the purposes of this subdivision, "substantially equal value" has the meaning given under section 94.343, subdivision 3, paragraph (b). No payment is due either party if the lands are of substantially equal value but are not of the same value.

Subd. 4. **Title.** Title to the land must be examined to the extent necessary for the parties to determine that the title is good, with any encumbrances identified. The parties to the exchange may use title insurance to aid in the determination.

Subd. 5. **Approval by Land Exchange Board.** In accordance with the Minnesota Constitution, article XI, section 10, all expedited land exchanges under this section require the unanimous approval of the Land Exchange Board.

Subd. 6. **Conveyance.** (a) Conveyance of school trust land, university land, or other land under the control of the commissioner of natural resources shall be made by deed executed by the commissioner in the name of the state. Conveyance of tax-forfeited land shall be by a deed executed by the commissioner of revenue in the name of the state.

(b) School trust land, university land, and other land under the control of the commissioner of natural resources and given in exchange is subject to reservations under section 94.343, subdivision 4, and the Minnesota Constitution, article XI, section 10. Tax-forfeited land given in exchange is subject to reservations under section 94.344, subdivision 4, and the Minnesota Constitution, article XI, section 10.

(c) All deeds shall be recorded or registered in the county in which the lands lie.

Subd. 7. **Land status.** Land received in exchange for school trust land, university land, or other land under the control of the commissioner of natural resources is subject to the same trust, if any, and otherwise has the same status as the land given in exchange. Land received in exchange for tax-forfeited land is subject to a trust in favor of the governmental subdivision in which it lies and all laws relating to tax-forfeited land.

Sec. 4. [92.82] PRIVATE SALE OF SURPLUS STATE LAND WITHIN BOUNDARY WATERS CANOE AREA WILDERNESS; COOK, LAKE, AND ST. LOUIS COUNTIES.

(a) Notwithstanding sections 92.06, 92.13, 92.14, 92.45, 94.09, and 94.10, the commissioner of natural resources may sell to the United States by private sale the surplus land, including the land bordering public water, that is described in paragraph (d).

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

(c) Notwithstanding sections 92.115, 92.12, and 94.10, an appraisal of the lands is not required, and the value of the lands shall be determined in the same manner as the exchange with the United States of other state-owned lands within the Boundary Waters Canoe Area Wilderness.

(d) The land that may be sold is state-owned land under the control of the commissioner of natural resources and located within the boundary of the Boundary Waters Canoe Area Wilderness

in Cook, Lake, and St. Louis Counties. The state-owned lands may include the state land for which the school trust interest was extinguished through condemnation, university lands granted to the state by acts of Congress, and all other lands acquired by the state in any manner and under the control of the commissioner of natural resources.

(e) Conveyance of state lands within the Boundary Waters Canoe Area Wilderness to the United States will preserve the spectacular wild areas while producing economic benefits for the state.

(f) Payment for state lands for which the school trust interest was extinguished through condemnation shall be used to pay the award under the condemnation action.

Sec. 5. DELETIONS FROM STATE PARKS.

Subdivision 1. **[85.012] [Subd. 28] Interstate State Park, Chisago County.** The following area is deleted from Interstate State Park: that part of Lots 8, 9, and 10 of Block 35 of the Plat of the Town of Taylor's Falls, on file and of record in the Chisago County Recorder's Office, described as follows: beginning at the northwest corner of said Lot 10; thence on an assumed bearing of South 08 degrees 05 minutes 41 seconds West 151.46 feet along the west line of said Lots 10, 9, and 8 to the southwest corner of said Lot 8; thence South 89 degrees 51 minutes 29 seconds East 160.00 feet along the south line of said Lot 8; thence North 00 degrees 30 minutes 25 seconds East 150.00 feet to a point which is 140.00 feet east of the northwest corner of said Lot 10 as measured along the north line thereof; thence North 89 degrees 51 minutes 29 seconds West 140.00 feet to the point of beginning.

Subd. 2. **[85.012] [Subd. 40] McCarthy Beach State Park, St. Louis County.** The following area is deleted from McCarthy Beach State Park: that part of Government Lot 1, Section 20, Township 60 North, Range 21 West, St. Louis County, Minnesota, described as follows: commencing at meander corner #6 on the north line of said section; thence North 89 degrees 49 minutes 20 seconds East, assumed bearing, along the north line of said section 100.00 feet to the point of beginning; thence South 31 degrees 35 minutes 24 seconds East 409.70 feet to the centerline of McCarthy Beach Road; thence North 20 degrees 47 minutes 12 seconds East along said centerline 374.52 feet to the north line of said section; thence South 89 degrees 49 minutes 20 seconds West along the north line of said section 347.53 feet to the point of beginning.

Sec. 6. ADDITIONS TO STATE RECREATION AREAS.

Subdivision 1. **[85.013] [Subd. 11b] Greenleaf Lake State Recreation Area, Meeker County.** The following area is added to the Greenleaf Lake State Recreation Area, Meeker County: the Southwest Quarter of the Northwest Quarter and Government Lots 5, 6, 7, and 8, all in Section 20, Township 118 North, Range 30 West, Meeker County, Minnesota, LESS AND EXCEPT the following two tracts:

(1) that part of Government Lot 8, Section 20, Township 118 North, Range 30 West, lying North of the south line of said Section 20 and East of a line at right angles to and beginning at a point on said line 734.6 feet East of its intersection with the centerline of County Road No. 169; and

(2) all that part of Government Lots 7 and 8 of Section 20, Township 118 North, Range 30 West, lying West of County Road No. 169.

Subd. 2. **[85.013] [Subd. 12a] Iron Range Off-Highway Vehicle Recreation Area, St. Louis County.** The following areas are added to the Iron Range Off-Highway Vehicle Recreation Area:

(1) that part of the Northwest Quarter of the Southwest Quarter, Section 25, Township 58 North, Range 17 West, St. Louis County, Minnesota, lying southeasterly of the DM & IR Railroad; and

(2) the East 100 feet of the Southeast Quarter of Section 26, Township 58 North, Range 17 West, St. Louis County, Minnesota.

Sec. 7. DELETION FROM STATE RECREATION AREA.

[85.013] [Subd. 12a] Iron Range Off-Highway Vehicle Recreation Area, St. Louis County. The following areas are deleted from the Iron Range Off-Highway Vehicle Recreation Area:

(1) that part of the Northeast Quarter of the Southeast Quarter, the Northwest Quarter of the Southeast Quarter, and the Southwest Quarter of the Southeast Quarter, all in Section 26, Township 58 North, Range 17 West, St. Louis County, Minnesota, lying northwesterly of the Gilbert mine pit in said section;

(2) that part of the Southwest Quarter of the Northeast Quarter, Section 35, Township 58 North, Range 17 West, St. Louis County, Minnesota, lying northwesterly of Deep Lake in said section; and

(3) the South Half of Section 36, except the Southeast Quarter of the Southwest Quarter, all in Township 58 North, Range 17 West, St. Louis County, Minnesota.

Sec. 8. DELETION FROM STATE FOREST.

[89.021] [Subd. 18] Fond du Lac State Forest. The following areas are deleted from the Fond du Lac State Forest:

(1) that part of Section 7 lying east of State Highway 23 and Sections 18, 19, and 30 of Township 48 North, Range 15 West; and

(2) that part of Sections 13 and 24 lying east of State Highway 23 and Section 25 of Township 48 North, Range 16 West.

Sec. 9. ADDITION TO STATE FOREST.

[89.021] [Subd. 35] Nemadji State Forest. The following areas are added to the Nemadji State Forest:

(1) that part of Section 7 lying east of State Highway 23 and Sections 18, 19, and 30 of Township 48 North, Range 15 West; and

(2) that part of Sections 13 and 24 lying east of State Highway 23 and Section 25 of Township 48 North, Range 16 West.

Sec. 10. MISSISSIPPI RIVER MANAGEMENT PLAN; CRITICAL AREA ADMINISTRATION.

(a) Notwithstanding Minnesota Rules, parts 6105.0800 to 6105.0960, or other law to the contrary, those portions of the Mississippi River within the boundaries of the cities of Dayton and Ramsey are exempt from designation as a component of the Minnesota wild, scenic, and recreational rivers system.

(b) The zoning standards in effect in the cities of Dayton and Ramsey on March 1, 2012, shall

become the minimum standards for future critical area ordinance approval by the commissioner of natural resources, but the commissioner may, by written approval, allow varied standards, provided the purposes of Minnesota Statutes, section 116G.15, are satisfied.

(c) For purposes of land use districts within the Mississippi River corridor critical area under Minnesota Statutes, section 116G.15, the commissioner of natural resources shall classify the city of Dayton as rural open space according to the governor's Executive Order No. 79-19, published in the State Register on March 12, 1979.

Sec. 11. PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; BELTRAMI COUNTY.

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

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

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

(1) parcel 01.00113.00;

(2) parcel 01.00204.00;

(3) parcel 34.00558.00; and

(4) parcel 34.00568.00.

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

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

Sec. 12. PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; BIG STONE COUNTY.

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

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

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

(1) Lots 1 to 12, Block 3, Original Plat; and

(2) Outlot 160, city of Ortonville.

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

Sec. 13. PRIVATE SALE OF SURPLUS STATE LAND; DAKOTA COUNTY.

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

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy. The commissioner may sell to the United States for less than the value of the land, as determined by the commissioner, but the conveyance must provide that the land be managed for conservation purposes and reverts to the state if the United States fails to manage the land for conservation purposes.

(c) The land that may be sold is located in Dakota County and is described as: that part of the West Half of the Northeast Quarter of Section 34, Township 27 North, Range 24 West, lying northwesterly of the Chicago and North Western Transportation Company Railroad, and that part of the East Half of the Northwest Quarter of Section 34, Township 27 North, Range 24 West, described as follows: beginning at the northeast corner of said East Half of the Northwest Quarter; thence on an assumed bearing of South 89 degrees 49 minutes 47 seconds West along the north line of said East Half of the Northwest Quarter, a distance of 127.6 feet; thence South 24 degrees 20 minutes 13 seconds West, a distance of 437.59 feet; thence South 47 degrees 28 minutes 32 seconds West, a distance of 522.97 feet; thence South 1/2 degree 31 minutes 28 seconds East, a distance of 866.39 feet to the northwesterly line of the Chicago and North Western Transportation Company Railroad; thence North 44 degrees 39 minutes 07 seconds East, along said northwesterly line, a distance of 130.52 feet to the east line of said East Half of the Northwest Quarter; thence North 00 degrees 42 minutes 27 seconds East, along the east line of said East Half of the Northwest Quarter, a distance of 1,487.79 feet to the point of beginning; containing 30.72 acres, more or less.

(d) The Department of Natural Resources has determined that the state's land management interests would best be served if the land was conveyed to the United States. The land was part of the Black Dog Preserve Scientific and Natural Area, which was de-designated by the commissioner, effective November 21, 2011. The United States, acting by and through the United States Fish and Wildlife Service, wishes to acquire the land for inclusion in the Minnesota Valley National Wildlife Refuge.

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

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

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

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

(1) part of Lot 3, Welch Township, Section 26, Township 114 North, Range 16 West (parcel 46.126.0070); and

(2) Lots 4, 5, 6, 7, and 8, Block 6, Emerald Valley, city of Wanamingo (parcels 70.147.1010, 70.147.1020, 70.147.1030, 70.147.1040, and 70.147.1050).

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

Sec. 15. CONVEYANCE OF TAX-FORFEITED LAND BORDERING PUBLIC WATERS; HENNEPIN COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45; 282.01, subdivision 1a; and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Hennepin County may convey to a governmental subdivision of the state for no consideration the tax-forfeited land bordering public water that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy. The conveyance must provide that the land reverts to the state if the governmental subdivision stops using the land as a flood plain and open space and for wetland mitigation purposes.

(c) The land to be conveyed is located in Hennepin County and is described as: that part of Government Lot 3 lying South of the North 45 rods thereof and North of Nichols Shoreland and lying westerly of Magda Drive, Section 36, Township 119 North, Range 22 West (Hennepin County tax identification no. 36-119-22 11 0004).

(d) The county has determined that the county's land management interests would be best served if the land is conveyed to a governmental subdivision of the state for use as a flood plain and open space and for wetland mitigation purposes.

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

Sec. 16. CONVEYANCE OF TAX-FORFEITED LAND BORDERING PUBLIC WATERS; HENNEPIN COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45; 282.01, subdivision 1a; and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Hennepin County may convey to a governmental subdivision of the state for no consideration the tax-forfeited land bordering public water that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy. The conveyance must provide that the land reverts to the state if the governmental subdivision stops using the land for preservation of wetlands.

(c) The land to be conveyed is located in Hennepin County and is described as: Government Lot 1, Section 19, Township 120 North, Range 22 West (Hennepin County tax identification no. 19-120-22 22 0001).

(d) The county has determined that the county's land management interests would be best served if the land is conveyed to a governmental subdivision of the state for preservation of wetlands.

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

Sec. 17. CONVEYANCE OF TAX-FORFEITED LAND BORDERING PUBLIC WATERS; HENNEPIN COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45; 282.01, subdivision 1a; and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Hennepin County may convey to the city of Corcoran for no consideration the tax-forfeited land bordering public

water that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy. The conveyance must provide that the land reverts to the state if the city of Corcoran stops using the land for a recreational trail and for storm water ponding.

(c) The land to be conveyed is located in Hennepin County and is described as: Outlot A, Lake Jubert Estates (Hennepin County tax identification no. 29-119-23 43 0008).

(d) The county has determined that the county's land management interests would be best served if the land is conveyed to the city of Corcoran for a recreational trail and for storm water ponding.

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

Sec. 18. PRIVATE SALE OF TAX-FORFEITED LANDS; ITASCA COUNTY.

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, Itasca County may sell by private sale to the adjoining landowner the tax-forfeited lands that are described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy. The purchaser must provide a certified survey of the parcel to be sold that is acceptable to Itasca County and must pay all survey and appraisal costs.

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

(1) a parcel of land situated in Government Lot 7, Section 14, Township 54 North, Range 27 West, more particularly described as follows: commencing at the southeast corner of said Government Lot 7; thence North 01 degrees 06 minutes 20 seconds West, bearing assigned along the east line of said Government Lot 7, a distance of 975.45 feet to the point of beginning; thence North 59 degrees 29 minutes 01 seconds West 120.07 feet more or less to intersect a line that is 100.00 feet westerly of the east line of said Government Lot 7; thence North 01 degrees 06 minutes 20 seconds West on a line 100.00 feet westerly of the east line of said Government Lot 7, a distance of 50.41 feet; thence North 23 degrees 18 minutes 59 seconds East 241.87 feet more or less to a 2-1/2 inch aluminum cap affixed to a 5/8 inch by 2-foot rebar along the east line of said Government Lot 7; thence South 01 degrees 06 minutes 20 seconds East along the east line of said Government Lot 7, a distance of 332.21 feet to the point of beginning and there terminate; and

(2) the South 15 feet of the East 100 feet of the West 460 feet of the Northeast Quarter of the Southwest Quarter, Section 10, Township 61 North, Range 23 West.

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

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

Sec. 19. PRIVATE SALE OF TAX-FORFEITED LAND; KOOCHICHING COUNTY.

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, Koochiching County may sell by private sale the tax-forfeited lands that are described in paragraph (c), under the

remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy. Prior to the sale, the county shall grant an easement in accordance with Minnesota Statutes, section 282.04, subdivision 4, to provide for public road access.

(c) The land to be sold is in Koochiching County and is described as: the South Half of the Southeast Quarter of the Southwest Quarter of Section 6, Township 63 North, Range 25 West.

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

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

Sec. 20. SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATERS; LAKE COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Lake County may sell the tax-forfeited lands bordering public waters that are described in paragraph (c).

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

(c) The land to be sold is in Lake County and is described as Government Lot 2, Government Lot 3, and the Southeast Quarter of the Northwest Quarter, all in Section 36, Township 60 North, Range 7 West.

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

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

Sec. 21. PRIVATE SALE OF TAX-FORFEITED LAND; LAKE COUNTY.

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, Lake County may sell by private sale the tax-forfeited land described in paragraph (c).

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

(c) The land to be sold is located in Lake County and is described as: the Northeast Quarter of the Southeast Quarter, Section 19, Township 56 North, Range 9 West.

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

Sec. 22. PRIVATE SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATERS; MORRISON COUNTY.

(a) Notwithstanding Minnesota Statutes, sections 282.01, subdivision 1a, and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Morrison County

may convey to a governmental subdivision of the state for less than market value for public use as a park, the tax-forfeited land bordering public water that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy. The conveyance must provide that the land be for public use as a park and reverts to the state if the governmental subdivision of the state abandons such use.

(c) The land to be sold is located in Morrison County and is described as: Government Lot 20, Section 18, Township 133 North, Range 31 West, Morrison County, less that part described as follows: beginning at the southwest corner of said Section 18; thence North 0 degrees 01 minute 24 seconds East along the west line of said Section 18 a distance of 180.00 feet; thence South 89 degrees 47 minutes 30 seconds East a distance of 450.00 feet; thence South 0 degrees 01 minute 24 seconds West a distance of 147.00 feet; thence South 89 degrees 47 minutes 30 seconds East a distance of 776.83 feet to the westerly right-of-way of State Highway 10; thence southerly along said westerly right-of-way line a distance of 14.61 feet along a nontangential curve concave to the East, having a radius of 5,789.58 feet and a central angle of 0 degrees 08 minutes 41 seconds, the chord of said curve bears South 0 degrees 14 minutes 53 seconds West; thence South 0 degrees 10 minutes 32 seconds West along said westerly right-of-way line a distance of 18.39 feet to the south line of said Section 18; thence North 89 degrees 47 minutes 30 seconds West along the southerly line of said Section 18 a distance of 1,226.72 feet to the point of beginning (parcel 410029000).

(d) The county has determined that the county's land management interests would be best served if the land is conveyed to a governmental subdivision for public use as a park.

Sec. 23. PRIVATE SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; ST. LOUIS COUNTY.

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

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

(c) The land that may be sold is located in St. Louis County and is described as: that part of Government Lot 1, Section 20, Township 60 North, Range 21 West, St. Louis County, Minnesota, described as follows: commencing at meander corner #6 on the north line of said section; thence North 89 degrees 49 minutes 20 seconds East, assumed bearing, along the north line of said section 100.00 feet to the point of beginning; thence South 31 degrees 35 minutes 24 seconds East 409.70 feet to the centerline of McCarthy Beach Road; thence North 20 degrees 47 minutes 12 seconds East along said centerline 374.52 feet to the north line of said section; thence South 89 degrees 49 minutes 20 seconds West along the north line of said section 347.53 feet to the point of beginning, containing 1.4 acres, more or less. Subject to existing easements of record.

(d) Prior to the sale of the land described in paragraph (c), the commissioner shall convey a perpetual easement according to Minnesota Statutes, section 84.631, for the benefit of Lots 50, 51, and 52 of the Plat of McCarthy's Beach over and across an existing driveway being a strip of land 16.5 feet in width, lying 8.25 feet on each side of the following described centerline: commencing at

meander corner #6 on the north line of Section 20; thence North 89 degrees 49 minutes 20 seconds East, assumed bearing, along the north line of said section 196.98 feet to the centerline of an existing driveway and the point of beginning; thence South 20 degrees 14 minutes 17 seconds East 54.79 feet; thence South 17 degrees 53 minutes 29 seconds East 47.03 feet; thence South 04 degrees 05 minutes 31 seconds East 44.44 feet; thence South 06 degrees 18 minutes 21 seconds West 61.38 feet; thence South 04 degrees 27 minutes 18 seconds West 53.03 feet; thence South 01 degree 47 minutes 03 seconds East 90.46 feet, more or less, to the centerline of McCarthy Beach Road and there terminating, containing 0.13 acres, more or less.

(e) The land to be sold is part of a parcel that borders Big Sturgeon Lake. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would be best served if the land were conveyed to an adjacent landowner to resolve an inadvertent trespass.

**Sec. 24. PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER;
ST. LOUIS COUNTY.**

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

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy. The easement required under paragraph (c), clause (9), shall be memorialized on the certificate of title according to Minnesota Statutes, section 508.49, upon filing of the instrument that creates the easement.

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

(1) all of Government Lot 1, Section 26, Township 51 North, Range 13 West, lying South of the Duluth and Iron Range Railway, except the East 1,184.75 feet (parcel 010-2690-00520);

(2) the West 135 feet of the East 1,184.75 feet of that part of Government Lot 1, Section 26, Township 51 North, Range 13 West, South of the Duluth and Iron Range Railway (parcel 010-2690-00521);

(3) the Northeast Quarter of the Northeast Quarter, Section 18, Township 58 North, Range 20 West (parcel 235-0010-03050);

(4) the Southeast Quarter of the Northeast Quarter, Section 34, Township 59 North, Range 20 West (parcel 235-0030-05460);

(5) Government Lot 4, Section 11, Township 58 North, Range 16 West, except the railway right-of-way 5.55 acres and except that part West of County State-Aid Highway 4 (parcel 260-0012-00150);

(6) Government Lot 5, Section 11, Township 58 North, Range 16 West (parcel 260-0012-00160);

(7) the Northeast Quarter of the Southeast Quarter, Section 22, Township 57 North, Range 18 West, except the North 250 feet of the East 600 feet and except the highway right-of-way (parcel 295-0016-00120);

(8) Lot 7, Block 1, Reinkes Shore Lots, town of Cotton, Section 20, Township 54 North, Range

16 West (parcel 305-0043-00070);

(9) the West Half of the Northeast Quarter of the Northeast Quarter, Section 27, Township 52 North, Range 12 West (parcel 315-0020-04395). Prior to sale of this land, the commissioner of revenue shall grant an easement according to Minnesota Statutes, section 282.37, to provide riparian protection and angler access. The easement must be 150 feet in width, lying 75 feet on each side of the centerline of the river;

(10) Outlot 4, Rearrangement Eagles Nest, Section 22, Township 62 North, Range 14 West (parcel 317-0081-00100);

(11) an undivided half interest in Government Lot 2, Section 33, Township 55 North, Range 16 West (parcel 320-0010-05400);

(12) an undivided half interest in Government Lot 2, Section 33, Township 55 North, Range 16 West (parcel 320-0010-05401);

(13) Government Lot 2, Section 6, Township 55 North, Range 17 West, except the 1.34 acres at the southwest corner (parcel 320-0020-00830);

(14) the North Half of the Southwest Quarter of the Southeast Quarter, Section 17, Township 62 North, Range 12 West (parcel 465-0010-02420);

(15) the Southwest Quarter of the Northeast Quarter, Section 27, Township 61 North, Range 16 West (parcel 560-0011-04320); and

(16) the Southwest Quarter of the Northeast Quarter, Section 3, Township 57 North, Range 15 West (parcel 570-0010-00370).

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

Sec. 25. PRIVATE SALE OF TAX-FORFEITED LAND; ST. LOUIS COUNTY.

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited land described in paragraph (c).

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

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

(1) Lot P, Block 18, Hunter/Markells Grassy Point Addition to Duluth, Section 13, Township 49 North, Range 15 West, except the railway right-of-way, including part of the adjacent vacated avenue and including part of the vacated street (parcel 010-2420-03700); and

(2) the Northeast Quarter of the Southwest Quarter, Section 6, Township 57 North, Range 19 West, except that part South of the railway right-of-way and except the 5.15 acres North of the railway right-of-way except beginning at a point 588 feet South of the northeast corner on the east line; thence North 79 degrees 57 minutes 49 seconds West a distance of 775 feet to the easterly right-of-way of County Highway 451; thence northerly and easterly along the right-of-way to the

easterly line of forty; thence South along the east line a distance of 516 feet to the point of beginning (parcel 290-0010-00990).

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

Sec. 26. PRIVATE SALE OF TAX-FORFEITED LAND; ST. LOUIS COUNTY.

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County shall sell the tax-forfeited land described in paragraph (c) to the city of Virginia.

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy. Notwithstanding Minnesota Statutes, section 282.01, subdivision 1a, the county shall sell the land to the city of Virginia for less than the appraised value, not to exceed \$25,000.

(c) The land to be sold is located in St. Louis County and is described as: that part of the Southwest Quarter of the Southeast Quarter, Section 8, Township 58 North, Range 17 West, commencing at the southwest corner of said forty; thence North 87 degrees 38 minutes 02 seconds East 124.67 feet to the point of beginning; thence North 23 degrees 30 minutes 20 seconds West 91.12 feet; thence North 87 degrees 38 minutes 02 seconds East parallel to the south line 252.66 feet; thence North 02 degrees 21 minutes 58 seconds West 415 feet; thence North 87 degrees 38 minutes 02 seconds East 350 feet; thence South 02 degrees 21 minutes 58 seconds East 500 feet to the south line of said forty; thence South 87 degrees 38 minutes 02 seconds West 569.80 feet to the point of beginning; except assuming the west line of the Southwest Quarter of the Southeast Quarter to bear North 01 degree 57 minutes 18 seconds West and commencing at the southwest corner of said forty; thence run North 87 degrees 38 minutes 02 seconds East along the south line 444.47 feet to the point of beginning; thence run North 02 degrees 21 minutes 58 seconds West 500 feet; thence North 87 degrees 38 minutes 02 seconds East 250 feet; thence South 02 degrees 21 minutes 58 seconds East 500 feet to the south boundary line of said forty; thence South 87 degrees 38 minutes 02 seconds West 250 feet to the point of beginning. 1.61 acres. (parcel 090-0195-00205).

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

Sec. 27. SALE OF TAX-FORFEITED LEASED LANDS; ST. LOUIS COUNTY.

Subdivision 1. **Sale authorized.** Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, St. Louis County may in its sole discretion sell tax-forfeited lakeshore lots that are currently leased. St. Louis County may also sell other adjacent tax-forfeited lands under this section necessary for roadway access and the creation of conforming lot sizes.

Subd. 2. **Method of sale.** (a) The leaseholder of a leased parcel may purchase at private sale the leased parcel and any other lands allocated to the parcel by the county under subdivision 6 that is offered for sale under this section. The purchase price is the appraised value of the land under subdivision 3 exclusive of improvements on it. To purchase a parcel, a leaseholder must pay in cash to the county an amount equal to the appraised value of the land within 180 days from the date of mailing to or service of notice of appraised value to the leaseholder by the county. The 180-day

period runs from the date of mailing of a copy of the appraisal to the leaseholder at the address shown upon the most recent lease agreement between the parties, exclusive of the date of mailing or service. The county may use any alternative method of notice under the Minnesota Rules of Civil Procedure for the service of a summons and complaint.

(b) If the leaseholder does not purchase the parcel so offered, the county may offer the lands for sale at public auction under the provisions of Minnesota Statutes, section 282.01, subdivision 3. If a person other than the leaseholder purchases the parcel, the purchaser must make payment in full to the leaseholder in the manner provided in Minnesota Statutes, section 92.06, subdivision 4, for the value of any improvements as determined under subdivision 3.

(c) Failure of a purchaser to comply with the terms of payment voids the sale and the property may be reoffered for sale.

Subd. 3. **Appraisal.** (a) An appraisal must be made in accordance with Minnesota Statutes, section 282.01, subdivision 3, except as modified by this subdivision. Improvements that are owned by the lessee must be appraised separately.

(b) The county shall select the appraiser. The appraiser selected must meet the minimal appraisal standards established by the federal Farmers Home Administration or the federal Veterans Administration, and be licensed under Minnesota Statutes, section 82B.03, to appraise the property to be sold.

(c) The costs of appraisal must be allocated by the county to the lots offered for sale and the successful purchaser on each lot shall reimburse the county for the appraisal costs allocated to the lot purchased. If no one purchases a lot, the county is responsible for the appraisal cost.

(d) If a leaseholder disagrees with the appraised value of the leasehold improvements, the leaseholder may select an appraiser that meets the qualifications in paragraph (b) to reappraise the improvements. The leaseholder must give notice of intent to object to the appraised value of the improvements within ten days of the date of the mailing or service of notice under subdivision 2, paragraph (a). The reappraisal must be delivered by the leaseholder to the county auditor within 60 days of the date of mailing or service of notice of appraised value under subdivision 2, paragraph (a), or the initial appraisal shall be conclusive. The leaseholder is responsible for the costs of the reappraisal. If the parcel is reappraised within the time required in this paragraph and the county and the leaseholder fail to agree on the value of the improvements by a date set by the county, each of the appraisers shall agree upon the selection of a third appraiser to conduct a third appraisal that shall be conclusive as to the value of the improvements. The cost of this appraisal must be paid equally by the county and the leaseholder.

Subd. 4. **Proceeds.** (a) Except as provided in paragraph (b), the proceeds from the sale of land described in subdivision 1 must be deposited by the county into an environmental trust fund as provided in Laws 1998, chapter 389, article 16, section 31, subdivision 4, as amended.

(b) The following amounts may be withheld by a county board and not deposited into an environmental trust fund: the costs of appraisal, abstracts, and surveys; money received from a sale that is attributable to land owned by a county in fee; amounts paid to lessees for improvements; and the costs of sale to lessees or other parties, including the costs of advertising, realtors, and closing services.

Subd. 5. **Survey.** (a) Prior to offering it for sale, St. Louis County shall have each lot surveyed by a licensed surveyor.

(b) The costs of the survey must be allocated by the county to the lots offered for sale and the successful purchaser on each lot shall reimburse the county for the survey costs allocated to the lot purchased. If no one purchases the lot, the county is responsible for the survey costs. All surveying must be conducted by a licensed surveyor.

Subd. 6. **Adding lands; zoning conformance.** Any lands to be sold under this section must be considered lots of record for zoning purposes. Whenever possible, St. Louis County may add land to the lots offered for sale to permit conformance with zoning requirements. The added lands must be included in the appraised value of the lot.

Subd. 7. **Roadways.** St. Louis County has the authority to designate whether roads within minor subdivisions under the county platting and subdivision ordinance are public or private.

Subd. 8. **Sunset.** This section expires five years after the effective date.

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

Sec. 28. PRIVATE SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; WASHINGTON COUNTY.

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

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

(c) The land to be sold is located in Washington County and is described as: Block 21, Division No. 1, St. Paul Park, together with the south half of vacated Second Avenue adjacent to the north side of Block 21 and the west half of Front Street adjacent to the east side of Block 21 (parcel 02.027.22.41.0011).

(d) The sale would be to an adjacent landowner and the Department of Natural Resources has determined that the land is not appropriate for the department to manage."

Delete the title and insert:

"A bill for an act relating to natural resources; providing for expedited exchanges of certain lands; adding to and deleting from state parks, state recreation areas, and state forests; authorizing public and private sale of certain state lands; modifying certain easements; modifying certain lease provisions; modifying Mississippi River management plan; amending Minnesota Statutes 2010, sections 84.631; 92.50, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 92."

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

Senator Michel from the Committee on Jobs and Economic Growth, to which was referred

S.F. No. 2465: A bill for an act relating to workers' compensation; modifying payment provisions; amending Minnesota Statutes 2010, sections 176.101, subdivision 4; 353.656, subdivision 2.

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

Page 2, after line 9, insert:

"**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to all future payments to members of the Public Employees Retirement Association police and fire plan regardless of the date of injury."

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

Senator Michel from the Committee on Jobs and Economic Growth, to which was referred

S.F. No. 2355: A bill for an act relating to taxation; small business investment credit; providing a higher credit percentage for certain investments; amending Minnesota Statutes 2010, section 116J.8737, subdivisions 5, 7; Minnesota Statutes 2011 Supplement, section 116J.8737, subdivisions 1, 2.

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

Page 4, line 32, delete "50" and insert "40"

Page 7, after line 26, insert:

"Sec. 5. Minnesota Statutes 2010, section 116J.8737, subdivision 9, is amended to read:

Subd. 9. **Report to legislature.** Beginning in 2011, the commissioner must annually report by March 15 to the chairs and ranking minority members of the legislative committees having jurisdiction over taxes and economic development in the senate and the house of representatives, in compliance with sections 3.195 and 3.197, on the tax credits issued under this section. The report must include:

- (1) the number and amount of the credits issued;
- (2) the recipients of the credits;
- (3) for each qualified small business, its location, line of business, and if it received an investment resulting in certification of tax credits;
- (4) the total amount of investment in each qualified small business resulting in certification of tax credits;
- (5) for each qualified small business that received investments resulting in tax credits, the total amount of additional investment that did not qualify for the tax credit;
- (6) the number and amount of credits revoked under subdivision 7;
- (7) the number and amount of credits that are no longer subject to the three-year holding period because of the exceptions under subdivision 5, paragraph (g), clauses (1) to (4); ~~and~~

- (8) the number of qualified small businesses that are women or minority-owned; and
(9) any other information relevant to evaluating the effect of these credits."

Amend the title numbers accordingly

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

Senator Michel from the Committee on Jobs and Economic Growth, to which was referred

S.F. No. 1441: A bill for an act relating to economic development; authorizing redevelopment demolition loans; amending Minnesota Statutes 2010, sections 116J.571; 116J.572; 116J.575, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 116J.

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

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 2010, section 116J.555, subdivision 2, is amended to read:

Subd. 2. **Application cycles; reporting to legislature.** (a) In making grants, the commissioner shall establish semiannual application deadlines in which grants will be authorized from all or part of the available appropriations of money in the account.

~~(b) After each semiannual cycle in which grants are awarded, the commissioner shall report to the environment and natural resources committees of the senate and house of representatives, the Finance Division of the senate Committee on Environment and Natural Resources, and the house of representatives Committee on Environment and Natural Resources finance the grants awarded and appropriate supporting information describing each grant made. This report must be made within 30 days after the grants are awarded.~~

~~(e) (b)~~ The commissioner shall annually report to the ~~legislative committees in paragraph (b)~~ committees of the senate and house of representatives with jurisdiction over environment and natural resources finance on the status of the cleanup projects undertaken under grants made under the programs. The commissioner shall include in the annual report information on the cleanup and development activities undertaken for the grants made in that and previous fiscal years. The commissioner shall make this report no later than 120 days after the end of the fiscal year."

Page 2, line 18, delete "shall" and insert "may"

Page 2, line 34, delete "bee" and insert "been"

Page 3, line 5, delete "he" and insert "the"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after "loans;" insert "eliminating a semiannual report;"

Amend the title numbers accordingly

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

Senator Michel from the Committee on Jobs and Economic Growth, to which was re-referred

S.F. No. 1701: A bill for an act relating to restaurants; expanding the sales tax exemption for certain meals and drinks; expanding the capital equipment exemption; providing for the application of gratuities in calculating the minimum wage; modifying the calculation of unemployment taxes; modifying license fees; authorizing the delegation agreement between the commissioner of health and local governments to specify fees to be charged; amending Minnesota Statutes 2010, sections 145A.07, subdivision 3; 157.16, subdivision 3; 177.24, subdivisions 1, 2; 268.035, subdivision 24; 297A.68, subdivision 5, by adding subdivisions; 327.15, subdivision 3.

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

Page 6, delete sections 3 and 4

Page 7, delete sections 5 to 8

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to health; authorizing the delegation agreement between the commissioner of health and local governments to specify fees to be charged; modifying license fees; amending Minnesota Statutes 2010, sections 145A.07, subdivision 3; 157.16, subdivision 3; 327.15, subdivision 3."

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

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

S.F. No. 2185: A bill for an act relating to commerce; regulating industrial loan and thrift companies; amending Minnesota Statutes 2010, sections 53.01; 53.015; 53.02; 53.03; 53.04, subdivisions 1, 3a; 53.06; 53.08; 53.09, subdivision 1.

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

Page 6, delete section 6

Renumber the sections in sequence

Amend the title numbers accordingly

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

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

S.F. No. 2337: A bill for an act relating to liquor; creating licensure for wine educators; proposing

coding for new law in Minnesota Statutes, chapter 340A.

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

Page 1, delete lines 13 to 15

Page 1, line 16, delete "(3)" and insert "(2)"

Page 1, line 18, delete "(4)" and insert "(3)"

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

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

S.F. No. 2342: A bill for an act relating to commerce; regulating auto insurance claims practices; amending Minnesota Statutes 2010, sections 65B.54, subdivision 6; 609.612, subdivision 1.

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

Page 2, line 26, delete everything after the period

Page 2, delete lines 27 and 28

Page 2, line 30, delete "In"

Page 2, delete lines 31 to 34

Page 2, delete section 2

Amend the title numbers accordingly

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

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

S.F. No. 2186: A bill for an act relating to liquor; authorizing purchase in special circumstances; amending Minnesota Statutes 2010, section 340A.301, subdivision 6a.

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

Page 1, line 19, delete "In" and insert "Notwithstanding section 340A.401, in"

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

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

S.F. No. 2047: A bill for an act relating to alcohol; allowing certain persons under the age of 21 to drink alcohol under certain conditions; proposing coding for new law in Minnesota Statutes,

chapter 340A.

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

Page 1, delete section 1

Page 1, line 16, delete "16 TO 18" and insert "18 TO 21"

Page 1, line 18, delete "16 years of age and less than 18" and insert "18 years of age and less than 21"

Page 2, line 1, delete "2011" and insert "2012"

Page 2, line 2, delete "16" and insert "18"

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

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

S.F. No. 2127: A bill for an act relating to economic development; providing for a new privately owned National Football League stadium in Minnesota; authorizing the issuance of revenue bonds; phasing out statewide business property tax; amending Minnesota Statutes 2010, sections 275.025, subdivision 1; 297A.71, by adding a subdivision; Minnesota Statutes 2011 Supplement, section 340A.404, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 116J; repealing Minnesota Statutes 2010, section 275.025, subdivisions 2, 4.

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

Page 1, delete lines 10 to 12

Page 1, line 23, after "repaid" insert "or for 30 years, whichever is longer"

Page 2, before line 1, insert:

"Subdivision 1. **Scope of application.** For purposes of sections 116J.6911 to 116J.699, the terms in this section have the meanings given."

Page 2, line 1, delete "Subdivision 1" and insert "Subd. 2" and delete "Unless otherwise specified, "commissioner" in" and insert ""Commissioner" means the commissioner of management and budget."

Page 2, delete line 2

Page 2, line 3, delete "2" and insert "3"

Page 2, line 9, delete "3" and insert "4"

Page 2, line 11, delete "4" and insert "5"

Page 2, line 16, delete "5" and insert "6"

Page 2, line 24, delete the second "a" and insert "any"

Page 2, line 28, delete "seat/suite/box" and after "fees" insert "for seats, suites, or boxes"

Page 5, line 6, delete "this act" and insert "section 116J.698, subdivision 1"

Page 8, after line 33, insert:

"Sec. 11. **EXPIRATION DATE.**

This article expires May 18, 2014, if no agreement is reached between the state and the team memorializing the team's obligations consistent with this act."

Page 9, delete article 2

Delete the title and insert:

"A bill for an act relating to economic development; providing for a new privately owned National Football League stadium in Minnesota; authorizing the issuance of revenue bonds; amending Minnesota Statutes 2010, section 297A.71, by adding a subdivision; Minnesota Statutes 2011 Supplement, section 340A.404, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 116J."

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

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

S.F. No. 2324: A bill for an act relating to occupational licensing; modifying electrical licenses; amending Minnesota Statutes 2010, sections 326B.31, subdivision 14, by adding subdivisions; 326B.33, subdivision 19, by adding a subdivision.

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

Page 1, line 17, after "equipment" insert "for a residential dwelling"

Page 2, after line 4, insert:

"Sec. 4. Minnesota Statutes 2010, section 326B.31, is amended by adding a subdivision to read:

Subd. 33. **Satellite system contractor.** "Satellite system contractor" means a licensed contractor whose responsible licensed individual is a licensed satellite system installer."

Page 2, line 12, delete the third "or" and insert "and"

Page 2, line 13, delete "board" and insert "department"

Page 2, line 16, delete the second "approved"

Page 2, line 17, delete "or"

Page 2, line 19, delete "limited"

Page 2, line 20, after "power" insert "limited"

Page 2, line 23, delete "Licensees" and insert "Satellite system installers" and delete "eight" and insert "four"

Page 2, line 24, delete "board" and insert "Board of Electricity"

Page 2, after line 24, insert:

"Sec. 6. Minnesota Statutes 2010, section 326B.33, subdivision 17, is amended to read:

Subd. 17. **Employment of master electrician, satellite system installer, or power limited technician.** (a) Each contractor must designate a responsible master electrician, satellite system installer, or power limited technician, who shall be responsible for the performance of all electrical work in accordance with the requirements of sections 326B.31 to 326B.399, all rules adopted under these sections, and all orders issued under section 326B.082. The classes of work that a licensed contractor is authorized to perform shall be limited to the classes of work that the responsible master electrician, satellite system installer, or power limited electrician is licensed to perform.

(b) When a contractor's license is held by an individual, sole proprietorship, partnership, limited liability company, or corporation and the individual, proprietor, one of the partners, one of the members, or an officer of the corporation, respectively, is not the responsible master electrician or power limited technician, all requests for inspection shall be signed by the responsible master electrician, satellite system installer, or power limited technician. If the contractor is an individual or a sole proprietorship, the responsible licensed individual must be the individual, proprietor, or managing employee. If the contractor is a partnership, the responsible licensed individual must be a general partner or managing employee. If the licensed contractor is a limited liability company, the responsible licensed individual must be a chief manager or managing employee. If the contractor is a corporation, the responsible licensed individual must be an officer or managing employee. If the responsible licensed individual is a managing employee, the responsible licensed individual must be actively engaged in performing electrical work on behalf of the contractor, and cannot be employed in any capacity as an electrician, installer, or technician by any other contractor or employer designated in subdivision 21. An individual may be the responsible licensed individual for only one contractor or employer.

(c) All applications and renewals for contractor licenses shall include a verified statement that the applicant or licensee has complied with this subdivision."

Page 3, line 16, delete "5" and insert "7"

Renumber the sections in sequence

Amend the title numbers accordingly

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

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

S.F. No. 2392: A bill for an act relating to liquor; clarifying the citation of Minnesota Statutes, chapter 340A; amending Minnesota Statutes 2010, section 340A.901.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2010, section 340A.315, is amended by adding a subdivision to read:

Subd. 8. **Bulk wine.** Farm wineries licensed under this section are permitted to purchase and use bulk wine, provided the quantity of bulk wine in any farm winery's annual production shall not exceed ten percent of that winery's annual production. "Bulk wine," as used in this subdivision, means fermented juice from grapes, other fruit bases, or honey.

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

Sec. 2. Minnesota Statutes 2011 Supplement, section 340A.404, subdivision 5a, is amended to read:

Subd. 5a. **Wine festival.** A municipality with the approval of the commissioner may issue a temporary license to a bona fide association of owners and operators of wineries sponsoring an annual festival to showcase wines produced by members of the association. The commissioner may only approve one temporary license in a calendar year for each qualified association under this subdivision. The license issued under this subdivision authorizes the sale of table, sparkling, or fortified wines produced by the wineries at on-sale by the glass, provided that no more than two glasses per customer may be sold, and off-sale by the bottle, provided that no more than six bottles in total per customer may be sold. The license also authorizes the dispensing of free samples of the wines offered for sale within designated premises of the festival. A license issued under this subdivision is subject to all laws and ordinances governing the sale, possession, and consumption of table, sparkling, or fortified wines. For purposes of this subdivision, a "bona fide association of owners and operators of wineries" means an association of more than ten wineries that has been in existence for more than two years at the time of application for the temporary license.

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

Sec. 3. **[340A.4042] WINE EDUCATOR; ON-SALE LICENSE.**

The commissioner may issue an on-sale license to a person meeting the requirements specified in sections 340A.402 and 340A.409, at an annual cost of \$250 per license to a wine educator and \$50 per permit for each employee of the wine educator that will be pouring wine, under the following conditions:

(1) the license may be used to purchase wine at retail and serve wine for educational purposes in any part of the state, unless a political subdivision adopts an ordinance prohibiting wine education;

(2) all events conducted pursuant to this license must be conducted through advance registration, and no walk-in access to the general public is permitted;

(3) licensees must possess certification that is satisfactory to the commissioner, including, but not limited to, a certified specialist of wine or certified wine educator status as conferred by the Society of Wine Educators, a Wine and Spirits Education Trust Diploma, status as a certified sommelier, or the completion of a wine industry program at a technical college or culinary school. A wine educator must also complete Training for Intervention Procedures (TIPS) or other certified alcohol training

programs and have a valid certificate on file with the commissioner;

(4) a license holder shall not sell alcohol for off-premises consumption and no orders may be taken for future sales;

(5) classes shall not be conducted at retail businesses that do not have a liquor license during business hours; and

(6) prior to providing a class authorized under this section, the licensee shall notify the police chief of the city where the class will take place, if the event will take place within the corporate limits of a city. If the city has no police department, the licensee shall notify the city's clerk. If the class will take place outside the corporate limits of any city, the licensee shall notify the sheriff of the county where the class will take place.

Sec. 4. Minnesota Statutes 2010, section 340A.412, subdivision 14, is amended to read:

Subd. 14. **Exclusive liquor stores.** (a) Except as otherwise provided in this subdivision, an exclusive liquor store may sell only the following items:

- (1) alcoholic beverages;
- (2) tobacco products;
- (3) ice;
- (4) beverages, either liquid or powder, specifically designated for mixing with intoxicating liquor;
- (5) soft drinks;
- (6) liqueur-filled candies;
- (7) food products that contain more than one-half of one percent alcohol by volume;
- (8) cork extraction devices;
- (9) books and videos on the use of alcoholic beverages;
- (10) magazines and other publications published primarily for information and education on alcoholic beverages;
- (11) multiple-use bags designed to carry purchased items;
- (12) devices designed to ensure safe storage and monitoring of alcohol in the home, to prevent access by underage drinkers; ~~and~~
- (13) home brewing equipment; and
- (14) clothing marked with the specific name, brand, or identifying logo of the exclusive liquor store, and bearing no other name, brand, or identifying logo.

(b) An exclusive liquor store that has an on-sale, or combination on-sale and off-sale license may sell food for on-premise consumption when authorized by the municipality issuing the license.

(c) An exclusive liquor store may offer live or recorded entertainment.

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

Sec. 5. Minnesota Statutes 2010, section 340A.419, subdivision 2, is amended to read:

Subd. 2. **Tastings.** (a) Notwithstanding any other law, an exclusive liquor store may conduct a wine, malt liquor, or spirits tasting on the premises of a holder of an on-sale intoxicating liquor license that is not a temporary license or on the premises of a holder of a wine license under section 340A.404, subdivision 5, if the exclusive liquor store complies with this section.

(b) No wine, malt liquor, or spirits authorized for use under this section may be sold for off-premises consumption. A participant in the tasting may fill out a form indicating preferences for wine, malt liquor, or spirits. The form may be held on the premises of the exclusive liquor store to assist the participant in making an off-sale purchase at a later date.

(c) Notwithstanding any other law, an exclusive liquor store may purchase or otherwise obtain wine or spirits for a tasting conducted under this section from a wholesaler licensed to sell wine or spirits. The wholesaler may sell or give wine or spirits to an exclusive liquor store for a tasting conducted under this section and may provide personnel to assist in the tasting.

(d) An exclusive liquor store that conducts a tasting under this section must use any fees collected from participants in the tasting only to defray the cost of conducting the tasting.

(e) Notwithstanding section 340A.409, subdivision 4, the premises on which a tasting is conducted must be insured as required by section 340A.409, subdivision 1.

(f) Exclusive liquor stores may conduct classes for a fee and allow tastings in the conduct of those classes, provided that the amount served at a class is limited to the amount authorized under section 340A.4041.

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

Sec. 6. **EXEMPTION; OUT-OF-STATE CRAFT BREWER.**

(a) No license or brand registration shall be required under this chapter for an out-of-state brewer if:

(1) total production of malt liquor by the brewer in the prior calendar year was less than 5,000 barrels; and

(2) the brewer's malt liquor is only to be sold at retail in this state on one day in any calendar year in the city of Winnebago by a person who holds an appropriate retail license.

(b) Malt liquor referenced in paragraph (a) need not be sold through a licensed wholesale or delivered to a wholesaler as required by section 340A.3021.

EFFECTIVE DATE. This section is effective upon approval by the Winnebago City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 7. **ON-SALE LICENSE AUTHORIZED.**

Notwithstanding any law or ordinance to the contrary, in addition to the number of licenses authorized, the city of Moorhead may issue an on-sale intoxicating liquor license to the governing body of the Bluestem Center for the Arts for the premises known as the Bluestem Center for the

Arts. The license shall authorize the dispensing of intoxicating liquor only to persons attending events on the licensed premises, and shall authorize consumption on the licensed premises only. The license may provide that the governing body of the Bluestem Center for the Arts may contract for intoxicating liquor catering service with the holder of an on-sale intoxicating liquor license issued by the city of Moorhead. The city council shall establish the fee for the license. All provisions of Minnesota Statutes, chapter 340A, governing alcoholic beverages not inconsistent with this law apply to the license.

EFFECTIVE DATE. This section is effective upon approval by the Moorhead City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 8. SPECIAL PROVISION; CITY OF MINNEAPOLIS.

(a) The city of Minneapolis may extend any interim zoning, liquor licensing, or other approvals granted to Kick's Liquor Store, Inc., a Minnesota corporation currently licensed as an exclusive liquor store doing business as Broadway Liquor Outlet at 2201 West Broadway, where the building housing the business at its current location was damaged beyond reasonable repair by the 2011 tornado, to permit the ongoing interim operation of the business in a temporary structure at the current location prior to the relocation of the business to a permanent facility located across the street at 2200-2220 West Broadway, or as this property is or may be more fully described in the property records of Hennepin County, notwithstanding limitations of law, local ordinances, or charter provisions relating to zoning or liquor licensing.

(b) The city of Minneapolis may grant, renew, or otherwise reissue the existing off-sale intoxicating liquor license to Kick's Liquor Store, Inc., doing business as Broadway Liquor Outlet, upon the relocation of the business to the permanent facility at 2200-2220 West Broadway or as this property is or may be more fully described in the property records of Hennepin County, notwithstanding limitations of law, local ordinances, or charter provisions relating to liquor licensing or contiguous zoning requirements.

EFFECTIVE DATE. This section is effective upon approval by the Minneapolis City Council and compliance with Minnesota Statutes, section 645.021

Sec. 9. REVISOR'S INSTRUCTION.

The revisor of statutes shall renumber Minnesota Statutes, section 340A.404, subdivision 5a, as Minnesota Statutes, section 340A.4175, and make any necessary cross-reference changes in Minnesota Statutes."

Delete the title and insert:

"A bill for an act relating to liquor; modifying liquor regulation; authorizing liquor licenses; amending Minnesota Statutes 2010, sections 340A.315, by adding a subdivision; 340A.412, subdivision 14; 340A.419, subdivision 2; Minnesota Statutes 2011 Supplement, section 340A.404, subdivision 5a; proposing coding for new law in Minnesota Statutes, chapter 340A."

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

Senator Parry from the Committee on State Government Innovation and Veterans, to which was referred

S.F. No. 2478: A bill for an act relating to state government; creating an advisory inspections process; proposing coding for new law in Minnesota Statutes, chapter 15.

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

Page 1, line 7, before "upon" insert "no more than once a year"

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

Senator Parry from the Committee on State Government Innovation and Veterans, to which was referred

S.F. No. 1679: A bill for an act relating to human services; modifying advisory council provisions; amending Minnesota Statutes 2010, sections 254A.035, subdivision 2; 254A.04; 256B.093, subdivision 1; 260.835, subdivision 2.

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

Senator Parry from the Committee on State Government Innovation and Veterans, to which was re-referred

S.F. No. 1426: A bill for an act relating to health occupations; establishing licensure for medical laboratory science professionals; creating the Board of Medical Laboratory Science; establishing fees; proposing coding for new law as Minnesota Statutes, chapter 148F.

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

Page 9, line 15, after "(a)" insert "By,"

Page 10, line 11, after the period, insert "The commissioner shall convene the first meeting of the advisory council before"

Page 10, after line 12, insert:

"Subd. 4. **Terms.** Members shall serve for a term of ... years.

Subd. 5. **Chair.** The members of the advisory council shall select a chair from its membership at the first meeting of the council. The chair shall serve for a term of ... years.

Subd. 6. **Meetings.** The advisory council shall meet at the commissioner's request, but not less than ... annually."

Page 10, line 13, delete "4" and insert "7"

Page 17, delete lines 6 to 8

Page 17, line 9, delete "(3)" and insert "(2)"

Page 17, line 12, delete "(4)" and insert "(3)"

Page 17, line 13, delete "(5)" and insert "(4)"

Page 17, line 15, delete "(6)" and insert "(5)"

Page 17, line 17, delete "(7)" and insert "(6)"

Page 17, line 19, delete "(8)" and insert "(7)"

Page 17, line 22, delete "(9)" and insert "(8)"

Page 17, line 24, delete "(10)" and insert "(9)"

Page 17, line 26, delete "(11)" and insert "(10)"

Page 17, line 28, delete "(12)" and insert "(11)"

Page 17, line 29, delete "(13) been convicted of violating" and insert "(12) violated"

Page 17, delete lines 31 to 34

Page 18, line 1, delete "(16)" and insert "(13)"

Page 18, line 4, delete "(17)" and insert "(14)"

Page 18, line 6, delete "(18)" and insert "(15)"

Page 18, line 9, delete "(19)" and insert "(16)"

Page 18, line 19, after the semicolon, insert "or"

Page 18, delete lines 20 to 28

Page 18, line 29, delete "(7)" and insert "(6)"

Page 20, delete subdivision 7

Page 21, delete subdivision 8

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

Senator Parry from the Committee on State Government Innovation and Veterans, to which was re-referred

S.F. No. 2313: A bill for an act relating to insurance; permitting certain entities to administer unified personal health premium accounts; creating a task force; amending Minnesota Statutes 2011 Supplement, section 256L.031, subdivision 4; proposing coding for new law as Minnesota Statutes, chapter 62V; repealing Minnesota Statutes 2010, section 62L.12, subdivisions 3, 4.

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

Page 4, line 2, delete "public funds" and insert "defined contributions under the healthy Minnesota contribution program in accordance with section 256L.031,"

Page 4, line 17, delete "WEBSITE"

Page 4, lines 18 and 20, delete "Website"

Page 5, line 5, before "The" insert "The working group shall designate one of the task force"

members to convene the initial meeting of the task force."

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

Senator Parry from the Committee on State Government Innovation and Veterans, to which was referred

S.F. No. 2348: A bill for an act relating to state government; making changes to budget preparation requirements; amending Minnesota Statutes 2010, section 16A.10.

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

Page 2, line 36, reinstate the stricken language

Page 3, line 1, reinstate the stricken language

Page 3, line 2, reinstate the stricken language and delete the new language

Page 3, line 10, after "must" insert "classify expenditures by agency, program, activity, and statewide outcome, and"

Page 3, line 11, reinstate the stricken language

Page 3, line 12, reinstate the stricken "increased funding is accomplishing its goals."

Page 3, line 17, delete the new language

Page 3, delete lines 18 and 19

Page 3, line 27, delete "and"

Page 3, line 28, delete everything after "list" and insert "that links every budget program, activity, and appropriation with the one"

Page 3, line 29, after "statewide" insert "core" and delete the period and insert "; and"

Page 3, after line 29, insert:

"(6) after June 30, 2014, a comprehensive list that links every budget program, activity, and appropriation with the one statewide contributing outcome that it primarily supports."

Page 4, line 5, delete "and the Statewide Accounting System"

Page 4, line 6, delete "allotments" and insert "appropriations"

Page 4, line 7, delete everything after "(b)" and insert "An initial chart of outcomes shall be established by the Statewide Outcomes Commission established under section 2."

Page 4, delete lines 8 to 26

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

Page 4, after line 29, insert:

"Sec. 2. STATEWIDE OUTCOMES COMMISSION.

Subdivision 1. **Membership.** The Statewide Outcomes Commission consists of eight members appointed as follows:

(1) four senators appointed according to the rules of the senate, with no more than three senators from the majority caucus;

(2) four members of the house of representatives, appointed by the speaker of the house of representatives, with no more than three of the members of the house of representatives from the majority caucus; and

(3) four members appointed by the governor.

Subd. 2. **Appointments; first meeting.** The members of the Statewide Outcomes Commission must be appointed within 30 days of the effective date of this section. The first meeting shall be convened by the most senior senator from the majority caucus within 45 days of the effective date of this section.

Subd. 3. **Terms.** Legislative members serve at the pleasure of the appointing authority. The governor's appointees serve at the pleasure of the governor.

Subd. 4. **Vacancies.** If a vacancy occurs, the appointing authority shall appoint a person to serve for the remainder of the unexpired term in the same manner as the original appointment.

Subd. 5. **Officers.** The commission shall have a chair and vice-chair as presiding officers. The officers shall be elected by the members at the first meeting of the commission.

Subd. 6. **Quorum; voting.** Five members of the commission constitute a quorum. Actions or recommendations may not be made unless approved by a recorded vote of at least five members.

Subd. 7. **Staff.** The Department of Management and Budget shall provide staff and administrative services for the commission.

Subd. 8. **Rules.** The commission may adopt rules necessary to carry out this section.

Subd. 9. **Commission duties.** Before August 1, 2012, the commission shall report to the committees in the senate and the house of representatives with primary jurisdiction over the Department of Management and Budget. The report shall include the state level core outcomes and contributing outcomes, and shall include the initial chart of outcomes.

Subd. 10. **Expiration.** The commission shall expire on the day following the submission of the commission's report under subdivision 9.

Sec. 3. **EFFECTIVE DATE.**

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

Amend the title accordingly

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

SECOND READING OF SENATE BILLS

S.F. Nos. 1621, 451, 1750, 1701, 2185, 2342, 2392, 2478, 1679 and 2313 were read the second time.

MOTIONS AND RESOLUTIONS - CONTINUED

Senator Pappas moved that S.F. No. 2047 be withdrawn from the Committee on Transportation, given a second reading, and placed on General Orders.

Senator Limmer moved that S.F. No. 2047 be withdrawn from the Committee on Transportation and re-referred to the Committee on Judiciary and Public Safety. The motion prevailed.

MEMBERS EXCUSED

Senator Reinert was excused from the Session of today from 11:10 to 11:50 a.m. Senator Lillie was excused from the Session of today from 11:25 to 11:35 a.m. Senator Harrington was excused from the Session of today from 11:35 to 11:45 a.m.

ADJOURNMENT

Senator Senjem moved that the Senate do now adjourn until 12:00 noon, Tuesday, March 20, 2012. The motion prevailed.

Cal R. Ludeman, Secretary of the Senate

