

TWENTY-SEVENTH DAY

St. Paul, Minnesota, Monday, March 18, 2013

The Senate met at 10:00 a.m. and was called to order by the President.

CALL OF THE SENATE

Senator Bakk 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. Cindy Rasmussen.

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

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

Anderson	Eaton	Johnson	Osmek	Sieben
Bakk	Eken	Kent	Pappas	Skoe
Benson	Fischbach	Kiffmeyer	Pederson, J.	Sparks
Bonoff	Franzen	Koenen	Petersen, B.	Stumpf
Brown	Gazelka	Latz	Pratt	Thompson
Carlson	Goodwin	Limmer	Reinert	Tomassoni
Chamberlain	Hall	Lourey	Rest	Torres Ray
Champion	Hann	Marty	Rosen	Weber
Clausen	Hawj	Metzen	Ruud	Westrom
Cohen	Hayden	Miller	Saxhaug	Wiger
Dahle	Hoffman	Nelson	Scalze	Wiklund
Dahms	Housley	Newman	Schmit	
Dibble	Ingebrigtsen	Nienow	Senjem	
Dziedzic	Jensen	Ortman	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.

March 14, 2013

The Honorable Paul Thissen
Speaker of the House of Representatives

The Honorable Sandra L. Pappas
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2013 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 2013	Date Filed 2013
	66	4	2:14 p.m. March 14	March 14
	90	5	2:14 p.m. March 14	March 14
	365	6	2:15 p.m. March 14	March 14
	278	7	2:16 p.m. March 14	March 14

Sincerely,
Mark Ritchie
Secretary of State

March 15, 2013

The Honorable Paul Thissen
Speaker of the House of Representatives

The Honorable Sandra L. Pappas
President of the Senate

I have the honor to inform you that the following enrolled Act of the 2013 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 2013	Date Filed 2013
	582	8	11:10 a.m. March 15	March 15

Sincerely,
Mark Ritchie
Secretary of State

MESSAGES FROM THE HOUSE

Madam President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 5, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 5 is herewith transmitted to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted March 14, 2013

CALL OF THE SENATE

Senator Bakk imposed a call of the Senate for the balance of the proceedings on H.F. No. 5. The Sergeant at Arms was instructed to bring in the absent members.

CONFERENCE COMMITTEE REPORT ON H. F. NO. 5

A bill for an act relating to commerce; establishing the Minnesota Insurance Marketplace; prescribing its powers and duties; prohibiting abortion coverage with certain exemptions; recognizing the right to a person's physician of choice; establishing the right not to participate; specifying open meeting requirements and data practices procedures; appropriating money; amending Minnesota Statutes 2012, section 13.7191, by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 62V.

March 14, 2013

The Honorable Paul Thissen
Speaker of the House of Representatives

The Honorable Sandra L. Pappas
President of the Senate

We, the undersigned conferees for H. F. No. 5 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 5 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2012, section 13.7191, is amended by adding a subdivision to read:

Subd. 14a. **Minnesota Insurance Marketplace.** Classification and sharing of data of the Minnesota Insurance Marketplace is governed by section 62V.06.

Sec. 2. Minnesota Statutes 2012, section 13D.08, is amended by adding a subdivision to read:

Subd. 5a. **Minnesota Insurance Marketplace.** Meetings of the Minnesota Insurance Marketplace are governed by section 62V.03, subdivision 2.

Sec. 3. **[62V.01] TITLE.**

This chapter may be cited as the "Minnesota Insurance Marketplace Act."

Sec. 4. **[62V.02] DEFINITIONS.**

Subdivision 1. **Scope.** For the purposes of this chapter, the following terms have the meanings given.

Subd. 2. **Board.** "Board" means the Board of Directors of the Minnesota Insurance Marketplace specified in section 62V.04.

Subd. 3. **Dental plan.** "Dental plan" has the meaning defined in section 62Q.76, subdivision 3.

Subd. 4. **Health plan.** "Health plan" means a policy, contract, certificate, or agreement defined in section 62A.011, subdivision 3.

Subd. 5. **Health carrier.** "Health carrier" has the meaning defined in section 62A.011.

Subd. 6. **Individual market.** "Individual market" means the market for health insurance coverage offered to individuals.

Subd. 7. **Insurance producer.** "Insurance producer" has the meaning defined in section 60K.31.

Subd. 8. **Minnesota Insurance Marketplace.** "Minnesota Insurance Marketplace" means the Minnesota Insurance Marketplace created as a state health benefit exchange as described in section 1311 of the federal Patient Protection and Affordable Care Act, Public Law 111-148, and further defined through amendments to the act and regulations issued under the act.

Subd. 9. **Navigator.** "Navigator" has the meaning described in section 1311(i) of the federal Patient Protection and Affordable Care Act, Public Law 111-148, and further defined through amendments to the act and regulations issued under the act.

Subd. 10. **Public health care program.** "Public health care program" means any public health care program administered by the commissioner of human services.

Subd. 11. **Qualified health plan.** "Qualified health plan" means a health plan that meets the definition in section 1301(a) of the Affordable Care Act, Public Law 111-148, and has been certified by the board in accordance with section 62V.05, subdivision 5, to be offered through the Minnesota Insurance Marketplace.

Subd. 12. **Small group market.** "Small group market" means the market for health insurance coverage offered to small employers as defined in section 62L.02, subdivision 26.

Subd. 13. **Web site.** "Web site" means a site maintained on the World Wide Web by the Minnesota Insurance Marketplace that allows for access to information and services provided by the Minnesota Insurance Marketplace.

Sec. 5. **[62V.03] MINNESOTA INSURANCE MARKETPLACE; ESTABLISHMENT.**

Subdivision 1. **Creation.** The Minnesota Insurance Marketplace is created as a board under section 15.012, paragraph (a), to:

(1) promote informed consumer choice, innovation, competition, quality, value, market participation, affordability, suitable and meaningful choices, health improvement, care management, reduction of health disparities, and portability of health plans;

(2) facilitate and simplify the comparison, choice, enrollment, and purchase of health plans for individuals purchasing in the individual market through the Minnesota Insurance Marketplace and for employees and employers purchasing in the small group market through the Minnesota Insurance Marketplace;

(3) assist small employers with access to small business health insurance tax credits and to assist individuals with access to public health care programs, premium assistance tax credits and cost-sharing reductions, and certificates of exemption from individual responsibility requirements;

(4) facilitate the integration and transition of individuals between public health care programs and health plans in the individual or group market and develop processes that, to the maximum extent possible, provide for continuous coverage; and

(5) establish and modify as necessary a name and brand for the Minnesota Insurance Marketplace based on market studies that show maximum effectiveness in attracting the uninsured and motivating them to take action.

Subd. 2. Application of other law. (a) The Minnesota Insurance Marketplace must be reviewed by the legislative auditor under section 3.971. The legislative auditor shall audit the books, accounts, and affairs of the Minnesota Insurance Marketplace once each year or less frequently as the legislative auditor's funds and personnel permit. Upon the audit of the financial accounts and affairs of the Minnesota Insurance Marketplace, the Minnesota Insurance Marketplace is liable to the state for the total cost and expenses of the audit, including the salaries paid to the examiners while actually engaged in making the examination. The legislative auditor may bill the Minnesota Insurance Marketplace either monthly or at the completion of the audit. All collections received for the audits must be deposited in the general fund and are appropriated to the legislative auditor. Pursuant to section 3.97, subdivision 3a, the Legislative Audit Commission is requested to direct the legislative auditor to report by March 1, 2014, to the legislature on any duplication of services that occurs within state government as a result of the creation of the Minnesota Insurance Marketplace. The legislative auditor may make recommendations on consolidating or eliminating any services deemed duplicative. The board shall reimburse the legislative auditor for any costs incurred in the creation of this report.

(b) Board members of the Minnesota Insurance Marketplace are subject to sections 10A.07 and 10A.09. Board members and the personnel of the Minnesota Insurance Marketplace are subject to section 10A.071.

(c) All meetings of the board shall comply with the open meeting law in chapter 13D, except that:

(1) meetings, or portions of meetings, regarding compensation negotiations with the director or managerial staff may be closed in the same manner and according to the same procedures identified in section 13D.03;

(2) meetings regarding contract negotiation strategy may be closed in the same manner and according to the same procedures identified in section 13D.05, subdivision 3, paragraph (c); and

(3) meetings, or portions of meetings, regarding not public data described in section 62V.06, subdivision 3, and regarding trade secret information as defined in section 13.37, subdivision 1, paragraph (b), are closed to the public, but must otherwise comply with the procedures identified in chapter 13D.

(d) The Minnesota Insurance Marketplace and provisions specified under this chapter are exempt from:

(1) chapter 14, including section 14.386, except as specified in section 62V.05; and

(2) chapters 16B and 16C, with the exception of sections 16C.08, subdivision 2, paragraph (b), clauses (1) to (8); 16C.086; 16C.09, paragraph (a), clauses (1) and (3), paragraph (b), and paragraph (c); and section 16C.16. However, the Minnesota Insurance Marketplace, in consultation

with the commissioner of administration, shall implement policies and procedures to establish an open and competitive procurement process for the Minnesota Insurance Marketplace that, to the extent practicable, conforms to the principles and procedures contained in chapters 16B and 16C. In addition, the Minnesota Insurance Marketplace may enter into an agreement with the commissioner of administration for other services.

(e) The board and the Web site are exempt from chapter 60K. Any employee of the Minnesota Insurance Marketplace who sells, solicits, or negotiates insurance to individuals or small employers must be licensed as an insurance producer under chapter 60K.

(f) Section 3.3005 applies to any federal funds received by the Minnesota Insurance Marketplace.

(g) The Minnesota Insurance Marketplace is exempt from the following sections in chapter 16E: 16E.01, subdivision 3, paragraph (b); 16E.03, subdivisions 3 and 4; 16E.04, subdivision 1, subdivision 2, paragraph (e), and subdivision 3, paragraph (b); 16E.0465; 16E.055; 16E.145; 16E.15; 16E.16; 16E.17; 16E.18; and 16E.22.

(h) A Minnesota Insurance Marketplace decision that requires a vote of the board, other than a decision that applies only to hiring of employees or other internal management of the Minnesota Insurance Marketplace, is an "administrative action" under section 10A.01, subdivision 2.

Subd. 3. **Continued operation of a private marketplace.** (a) Nothing in this chapter shall be construed to prohibit: (1) a health carrier from offering outside of the Minnesota Insurance Marketplace a health plan to a qualified individual or qualified employer; and (2) a qualified individual from enrolling in, or a qualified employer from selecting for its employees, a health plan offered outside of the Minnesota Insurance Marketplace.

(b) Nothing in this chapter shall be construed to restrict the choice of a qualified individual to enroll or not enroll in a qualified health plan or to participate in the Minnesota Insurance Marketplace. Nothing in this chapter shall be construed to compel an individual to enroll in a qualified health plan or to participate in the Minnesota Insurance Marketplace.

(c) For purposes of this subdivision, "qualified individual" and "qualified employer" have the meanings given in section 1312 of the Affordable Care Act, Public Law 111-148, and further defined through amendments to the act and regulations issued under the act.

Sec. 6. **[62V.04] GOVERNANCE.**

Subdivision 1. **Board.** The Minnesota Insurance Marketplace is governed by a board of directors with seven members.

Subd. 2. **Appointment.** (a) Board membership of the Minnesota Insurance Marketplace consists of the following:

(1) three members appointed by the governor with the advice and consent of both the senate and the house of representatives acting separately in accordance with paragraph (d), with one member representing the interests of individual consumers eligible for individual market coverage, one member representing individual consumers eligible for public health care program coverage, and one member representing small employers. Members are appointed to serve four-year terms following the initial staggered-term lot determination;

(2) three members appointed by the governor with the advice and consent of both the senate and the house of representatives acting separately in accordance with paragraph (d) who have demonstrated expertise, leadership, and innovation in the following areas: one member representing the areas of health administration, health care finance, health plan purchasing, and health care delivery systems; one member representing the areas of public health, health disparities, public health care programs, and the uninsured; and one member representing health policy issues related to the small group and individual markets. Members are appointed to serve four-year terms following the initial staggered-term lot determination; and

(3) the commissioner of human services or a designee.

(b) Section 15.0597 shall apply to all appointments, except for the commissioner.

(c) The governor shall make appointments to the board that are consistent with federal law and regulations regarding its composition and structure. All board members appointed by the governor must be legal residents of Minnesota.

(d) Upon appointment by the governor, a board member shall exercise duties of office immediately. If both the house of representatives and the senate vote not to confirm an appointment, the appointment terminates on the day following the vote not to confirm in the second body to vote.

(e) Initial appointments shall be made by April 30, 2013.

(f) One of the six members appointed under paragraph (a), clause (1) or (2), must have experience in representing the needs of vulnerable populations and persons with disabilities.

(g) Membership on the board must include representation from outside the seven-county metropolitan area, as defined in section 473.121, subdivision 2.

Subd. 3. **Terms.** (a) Board members may serve no more than two consecutive terms, except for the commissioner or the commissioner's designee, who shall serve until replaced by the governor.

(b) A board member may resign at any time by giving written notice to the board.

(c) The appointed members under subdivision 2, paragraph (a), clauses (1) and (2), shall have an initial term of two, three, or four years, determined by lot by the secretary of state.

Subd. 4. **Conflicts of interest.** (a) Within one year prior to or at any time during their appointed term, board members appointed under subdivision 2, paragraph (a), clauses (1) and (2), shall not be employed by, be a member of the board of directors of, or otherwise be a representative of a health carrier, institutional health care provider or other entity providing health care, navigator, insurance producer, or other entity in the business of selling items or services of significant value to or through the Minnesota Insurance Marketplace. For purposes of this paragraph, "health care provider or entity" does not include an academic institution.

(b) Board members must recuse themselves from discussion of and voting on an official matter if the board member has a conflict of interest. A conflict of interest means an association including a financial or personal association that has the potential to bias or have the appearance of biasing a director's decisions in matters related to the exchange or the conduct of activities under this chapter.

(c) No board member shall have a spouse who is an executive of a health carrier.

(d) No member of the board may currently serve as a lobbyist, as defined under section 10A.01, subdivision 21.

Subd. 5. **Acting chair; first meeting; supervision.** (a) The governor shall designate as acting chair one of the appointees described in subdivision 2.

(b) The board shall hold its first meeting within 60 days of enactment.

(c) The board shall elect a chair to replace the acting chair at the first meeting.

Subd. 6. **Chair.** The board shall have a chair, elected by a majority of members. The chair shall serve for one year.

Subd. 7. **Officers.** The members of the board shall elect officers by a majority of members. The officers shall serve for one year.

Subd. 8. **Vacancies.** If a vacancy occurs, the governor shall appoint a new member within 90 days, and the newly appointed member shall be subject to the same confirmation process described in subdivision 2.

Subd. 9. **Removal.** (a) A board member may be removed by the appointing authority and a majority vote of the board following notice and hearing before the board. For purposes of this subdivision, the appointing authority or a designee of the appointing authority shall be a voting member of the board for purposes of constituting a quorum.

(b) A conflict of interest as defined in subdivision 4, shall be cause for removal from the board.

Subd. 10. **Meetings.** The board shall meet at least quarterly.

Subd. 11. **Quorum.** A majority of the members of the board constitutes a quorum, and the affirmative vote of a majority of members of the board is necessary and sufficient for action taken by the board.

Subd. 12. **Compensation.** (a) The board members shall be paid a salary not to exceed the salary limits established under section 15A.0815, subdivision 4. The salary for board members shall be set in accordance with this subdivision and section 15A.0815, subdivision 5. This paragraph expires December 31, 2015.

(b) Beginning January 1, 2016, the board members may be compensated in accordance with section 15.0575.

Subd. 13. **Advisory committees.** (a) The board shall establish and maintain advisory committees to provide insurance producers, health care providers, the health care industry, consumers, and other stakeholders with the opportunity to advise the board regarding the operation of the Minnesota Insurance Marketplace as required under section 1311(d)(6) of the Affordable Care Act, Public Law 111-148. The board shall regularly consult with the advisory committees. The advisory committees established under this paragraph shall not expire.

(b) The board may establish additional advisory committees, as necessary, to gather and provide information to the board in order to facilitate the operation of the Minnesota Insurance Marketplace. The advisory committees established under this paragraph shall not expire, except by action of the board.

(c) Section 15.0597 shall not apply to any advisory committee established by the board under this subdivision.

(d) The board may provide compensation and expense reimbursement under section 15.059, subdivision 3, to members of the advisory committees.

Sec. 7. [62V.05] RESPONSIBILITIES AND POWERS OF THE MINNESOTA INSURANCE MARKETPLACE.

Subdivision 1. **General.** (a) The board shall operate the Minnesota Insurance Marketplace according to this chapter and applicable state and federal law.

(b) The board has the power to:

(1) employ personnel and delegate administrative, operational, and other responsibilities to the director and other personnel as deemed appropriate by the board. This authority is subject to chapters 43A and 179A. The director and managerial staff of the Minnesota Insurance Marketplace shall serve in the unclassified service and shall be governed by a compensation plan prepared by the board, submitted to the commissioner of management and budget for review and comment within 14 days of its receipt, and approved by the Legislative Coordinating Commission and the legislature under section 3.855, except that section 15A.0815, subdivision 5, paragraph (e), shall not apply;

(2) establish the budget of the Minnesota Insurance Marketplace;

(3) seek and accept money, grants, loans, donations, materials, services, or advertising revenue from government agencies, philanthropic organizations, and public and private sources to fund the operation of the Minnesota Insurance Marketplace. No health carrier or insurance producer shall advertise on the Minnesota Insurance Marketplace;

(4) contract for the receipt and provision of goods and services;

(5) enter into information-sharing agreements with federal and state agencies and other entities, provided the agreements include adequate protections with respect to the confidentiality and integrity of the information to be shared, and comply with all applicable state and federal laws, regulations, and rules, including the requirements of section 62V.06; and

(6) exercise all powers reasonably necessary to implement and administer the requirements of this chapter and the Affordable Care Act, Public Law 111-148.

(c) The board shall establish policies and procedures to gather public comment and provide public notice in the State Register.

(d) Within 180 days of enactment, the board shall establish bylaws, policies, and procedures governing the operations of the Minnesota Insurance Marketplace in accordance with this chapter.

Subd. 2. **Operations funding.** (a) Prior to January 1, 2015, the Minnesota Insurance Marketplace shall retain or collect up to 1.5 percent of total premiums for individual and small group market health plans and dental plans sold through the Minnesota Insurance Marketplace to fund the cash reserves of the Minnesota Insurance Marketplace, but the amount collected shall not exceed a dollar amount equal to 25 percent of the funds collected under Minnesota Statutes, section 62E.11, subdivision 6, for calendar year 2012.

(b) Beginning January 1, 2015, the Minnesota Insurance Marketplace shall retain or collect up to 3.5 percent of total premiums for individual and small group market health plans and dental plans sold through the Minnesota Insurance Marketplace to fund the operations of the Minnesota Insurance Marketplace, but the amount collected shall not exceed a dollar amount equal to 50 percent of the funds collected under Minnesota Statutes, section 62E.11, subdivision 6, for calendar year 2012.

(c) Beginning January 1, 2016, the Minnesota Insurance Marketplace shall retain or collect up to 3.5 percent of total premiums for individual and small group market health plans and dental plans sold through the Minnesota Insurance Marketplace to fund the operations of the Minnesota Insurance Marketplace, but the amount collected may never exceed a dollar amount greater than 100 percent of the funds collected under Minnesota Statutes, section 62E.11, subdivision 6, for calendar year 2012.

(d) For fiscal years 2014 and 2015, the commissioner of management and budget is authorized to provide cash flow assistance of up to \$20,000,000 from the special revenue fund or the statutory general fund under Minnesota Statutes, section 16A.671, subdivision 3, paragraph (a), to the Minnesota Insurance Marketplace. Any funds provided under this paragraph shall be repaid, with interest, by June 30, 2015.

(e) Funding for the operations of the Minnesota Insurance Marketplace shall cover any compensation provided to navigators participating in the navigator program.

Subd. 3. **Insurance producers.** (a) By April 30, 2013, the board, in consultation with the commissioner of commerce, shall establish certification requirements that must be met by insurance producers in order to assist individuals and small employers with purchasing coverage through the Minnesota Insurance Marketplace. Prior to January 1, 2015, the board may amend the requirements, only if necessary, due to a change in federal rules.

(b) Certification requirements shall not exceed the requirements established under Code of Federal Regulations, title 45, part 155.220. Certification shall include training on health plans available through the Minnesota Insurance Marketplace, available tax credits and cost-sharing arrangements, compliance with privacy and security standards, eligibility verification processes, online enrollment tools, and basic information on available public health care programs. Training required for certification under this subdivision shall qualify for continuing education requirements for insurance producers required under chapter 60K, and must comply with course approval requirements under chapter 45.

(c) Producer compensation shall be established by health carriers that provide health plans through the Minnesota Insurance Marketplace. The structure of compensation to insurance producers must be similar for health plans sold through the Minnesota Insurance Marketplace and outside the Minnesota Insurance Marketplace.

(d) Any insurance producer compensation structure established by a health carrier for the small group market must include compensation for defined contribution plans that involve multiple health carriers. The compensation offered must be commensurate with other small group market defined health plans.

(e) Any insurance producer assisting an individual or small employer with purchasing coverage through the Minnesota Insurance Marketplace must disclose, orally and in writing, to the individual or small employer at the time of the first solicitation with the prospective purchaser the following:

(1) the health carriers and qualified health plans offered through the Minnesota Insurance Marketplace that the producer is authorized to sell, and that the producer may not be authorized to sell all the qualified health plans offered through the Minnesota Insurance Marketplace;

(2) that the producer may be receiving compensation from a health carrier for enrolling the individual or small employer into a particular health plan; and

(3) that information on all qualified health plans offered through the Minnesota Insurance Marketplace is available through the Minnesota Insurance Marketplace Web site.

For purposes of this paragraph, "solicitation" means any contact by a producer, or any person acting on behalf of a producer made for the purpose of selling or attempting to sell coverage through the Minnesota Insurance Marketplace. If the first solicitation is made by telephone, the disclosures required under this paragraph need not be made in writing, but the fact that disclosure has been made must be acknowledged on the application.

(f) Beginning January 15, 2015, each health carrier that offers or sells qualified health plans through the Minnesota Insurance Marketplace shall report in writing to the board and the commissioner of commerce the compensation and other incentives it offers or provides to insurance producers with regard to each type of health plan the health carrier offers or sells both inside and outside of the Minnesota Insurance Marketplace. Each health carrier shall submit a report annually and upon any change to the compensation or other incentives offered or provided to insurance producers.

(g) Nothing in this chapter shall prohibit an insurance producer from offering professional advice and recommendations to a small group purchaser based upon information provided to the producer.

(h) An insurance producer that offers health plans in the small group market shall notify each small group purchaser of which group health plans qualify for Internal Revenue Service approved section 125 tax benefits. The insurance producer shall also notify small group purchasers of state law provisions that benefit small group plans when the employer agrees to pay 50 percent or more of its employees' premium. Individuals who are eligible for cost-effective medical assistance will count toward the 75 percent participation requirement in section 62L.03, subdivision 3.

(i) Nothing in this subdivision shall be construed to limit the licensure requirements or regulatory functions of the commissioner of commerce under chapter 60K.

Subd. 4. **Navigator; in-person assisters; call center.** (a) The board shall establish policies and procedures for the ongoing operation of a navigator program, in-person assister program, call center, and customer service provisions for the Minnesota Insurance Marketplace to be implemented beginning January 1, 2015.

(b) Until the implementation of the policies and procedures described in paragraph (a), the following shall be in effect:

(1) the navigator program shall be met by section 256.962;

(2) entities eligible to be navigators, including entities defined in Code of Federal Regulations, title 45, part 155.210(c)(2), may serve as in-person assisters;

(3) the board shall establish requirements and compensation for the navigator program and the in-person assister program by April 30, 2013. Compensation for navigators and in-person assisters

must take into account any other compensation received by the navigator or in-person assister for conducting the same or similar services; and

(4) call center operations shall utilize existing state resources and personnel, including referrals to counties for medical assistance.

(c) The board shall establish a toll-free number for the Minnesota Insurance Marketplace and may hire and contract for additional resources as deemed necessary.

(d) The navigator program and in-person assister program must meet the requirements of section 1311(i) of the Affordable Care Act, Public Law 111-148. In establishing training standards for the navigators and in-person assisters, the board must ensure that all entities and individuals carrying out navigator and in-person assister functions have training in the needs of underserved and vulnerable populations; eligibility and enrollment rules and procedures; the range of available public health care programs and qualified health plan options offered through the Minnesota Insurance Marketplace; and privacy and security standards. For calendar year 2014, the commissioner of human services shall ensure that the navigator program under section 256.962 provides application assistance for both qualified health plans offered through the Minnesota Insurance Marketplace and public health care programs.

(e) The board must ensure that any information provided by navigators, in-person assisters, the call center, or other customer assistance portals be accessible to persons with disabilities and that information provided on public health care programs include information on other coverage options available to persons with disabilities.

Subd. 5. Health carrier and health plan requirements; participation. (a) Beginning January 1, 2015, the board may establish certification requirements for health carriers and health plans to be offered through the Minnesota Insurance Marketplace that satisfy federal requirements under section 1311(c)(1) of the Affordable Care Act, Public Law 111-148.

(b) Paragraph (a) does not apply if by June 1, 2013, the legislature enacts regulatory requirements that:

(1) apply uniformly to all health carriers and health plans in the individual market;

(2) apply uniformly to all health carriers and health plans in the small group market; and

(3) satisfy minimum federal certification requirements under section 1311(c)(1) of the Affordable Care Act, Public Law 111-148.

(c) In accordance with section 1311(e) of the Affordable Care Act, Public Law 111-148, the board shall establish policies and procedures for certification and selection of health plans to be offered as qualified health plans through the Minnesota Insurance Marketplace. The board shall certify and select a health plan as a qualified health plan to be offered through the Minnesota Insurance Marketplace, if:

(1) the health plan meets the minimum certification requirements established in paragraph (a) or the market regulatory requirements in paragraph (b);

(2) the board determines that making the health plan available through the Minnesota Insurance Marketplace is in the interest of qualified individuals and qualified employers;

(3) the health carrier applying to offer the health plan through the Minnesota Insurance Marketplace also applies to offer health plans at each actuarial value level and service area that the health carrier currently offers in the individual and small group markets; and

(4) the health carrier does not apply to offer health plans in the individual and small group markets through the Minnesota Insurance Marketplace under a separate license of a parent organization or holding company under section 60D.15, that is different from what the health carrier offers in the individual and small group markets outside the Minnesota Insurance Marketplace.

(d) In determining the interests of qualified individuals and employers under paragraph (c), clause (2), the board may not exclude a health plan for any reason specified under section 1311(e)(1)(B) of the Affordable Care Act, Public Law 111-148. The board may consider:

(1) affordability;

(2) quality and value of health plans;

(3) promotion of prevention and wellness;

(4) promotion of initiatives to reduce health disparities;

(5) market stability and adverse selection;

(6) meaningful choices and access;

(7) alignment and coordination with state agency and private sector purchasing strategies and payment reform efforts; and

(8) other criteria that the board determines appropriate.

(e) For qualified health plans offered through the Minnesota Insurance Marketplace on or after January 1, 2015, the board shall establish policies and procedures under paragraphs (c) and (d) for selection of health plans to be offered as qualified health plans through the Minnesota Insurance Marketplace by February 1 of each year, beginning February 1, 2014. The board shall consistently and uniformly apply all policies and procedures and any requirements, standards, or criteria to all health carriers and health plans. For any policies, procedures, requirements, standards, or criteria that are defined as rules under section 14.02, subdivision 4, the board may use the process described in subdivision 9.

(f) For 2014, the board shall not have the power to select health carriers and health plans for participation in the Minnesota Insurance Marketplace. The board shall permit all health plans that meet the certification requirements under section 1311(c)(1) of the Affordable Care Act, Public Law 111-148, to be offered through the Minnesota Insurance Marketplace.

(g) Under this subdivision, the board shall have the power to verify that health carriers and health plans are properly certified to be eligible for participation in the Minnesota Insurance Marketplace.

(h) The board has the authority to decertify health carriers and health plans that fail to maintain compliance with section 1311(c)(1) of the Affordable Care Act, Public Law 111-148.

(i) For qualified health plans offered through the Minnesota Insurance Marketplace beginning January 1, 2015, health carriers must use the most current addendum for Indian health care providers approved by the Centers for Medicare and Medicaid Services and the tribes as part of their contracts

with Indian health care providers. The Minnesota Insurance Marketplace shall comply with all future changes in federal law with regard to health coverage for the tribes.

Subd. 6. **Appeals.** (a) The board may conduct hearings, appoint hearing officers, and recommend final orders related to appeals of any Minnesota Insurance Marketplace determinations, except for those determinations identified in paragraph (d). An appeal by a health carrier regarding a specific certification or selection determination made by the Minnesota Insurance Marketplace under subdivision 5 must be conducted as a contested case proceeding under chapter 14, with the report or order of the administrative law judge constituting the final decision in the case, subject to judicial review under sections 14.63 to 14.69. For other appeals, the board shall establish hearing processes which provide for a reasonable opportunity to be heard and timely resolution of the appeal and which are consistent with the requirements of federal law and guidance. An appealing party may be represented by legal counsel at these hearings, but this is not a requirement.

(b) The Minnesota Insurance Marketplace may establish service-level agreements with state agencies to conduct hearings for appeals. Notwithstanding section 471.59, subdivision 1, a state agency is authorized to enter into service-level agreements for this purpose with the Minnesota Insurance Marketplace.

(c) For proceedings under this subdivision, the Minnesota Insurance Marketplace may be represented by an attorney who is an employee of the Minnesota Insurance Marketplace.

(d) This subdivision does not apply to appeals of determinations where a state agency hearing is available under section 256.045.

Subd. 7. **Agreements; consultation.** (a) The board shall:

(1) establish and maintain an agreement with the chief information officer of the Office of Enterprise Technology for information technology services that ensures coordination with public health care programs. The board may establish and maintain agreements with the chief information officer of the Office of Enterprise Technology for other information technology services, including an agreement that would permit the Minnesota Insurance Marketplace to administer eligibility for additional health care and public assistance programs under the authority of the commissioner of human services;

(2) establish and maintain an agreement with the commissioner of human services for cost allocation and services regarding eligibility determinations and enrollment for public health care programs that use a modified adjusted gross income standard to determine program eligibility. The board may establish and maintain an agreement with the commissioner of human services for other services;

(3) establish and maintain an agreement with the commissioners of commerce and health for services regarding enforcement of Minnesota Insurance Marketplace certification requirements for health plans and dental plans offered through the Minnesota Insurance Marketplace. The board may establish and maintain agreements with the commissioners of commerce and health for other services; and

(4) establish interagency agreements to transfer funds to other state agencies for their costs related to implementing and operating the Minnesota Insurance Marketplace, excluding medical assistance allocatable costs.

(b) The board shall consult with the commissioners of commerce and health regarding the operations of the Minnesota Insurance Marketplace.

(c) The board shall consult with Indian tribes and organizations regarding the operation of the Minnesota Insurance Marketplace.

(d) Beginning March 15, 2014, and each March 15 thereafter, the board shall submit a report to the chairs and ranking minority members of the committees in the senate and house of representatives with primary jurisdiction over commerce, health, and human services on all the agreements entered into with the chief information officer of the Office of Enterprise Technology, or the commissioners of human services, health, or commerce in accordance with this subdivision. The report shall include the agency in which the agreement is with; the time period of the agreement; the purpose of the agreement; and a summary of the terms of the agreement. A copy of the agreement must be submitted to the extent practicable.

Subd. 8. **Rulemaking.** (a) If the board's policies, procedures, or other statements are rules, as defined in section 14.02, subdivision 4, the requirements in either paragraph (b) or (c) apply, as applicable.

(b) Effective upon enactment until January 1, 2015:

(1) the board shall publish notice of proposed rules in the State Register after complying with section 14.07, subdivision 2;

(2) interested parties have 21 days to comment on the proposed rules. The board must consider comments it receives. After the board has considered all comments and has complied with section 14.07, subdivision 2, the board shall publish notice of the final rule in the State Register;

(3) if the adopted rules are the same as the proposed rules, the notice shall state that the rules have been adopted as proposed and shall cite the prior publication. If the adopted rules differ from the proposed rules, the portions of the adopted rules that differ from the proposed rules shall be included in the notice of adoption, together with a citation to the prior State Register that contained the notice of the proposed rules; and

(4) rules published in the State Register before January 1, 2014, take effect upon publication of the notice. Rules published in the State Register on and after January 1, 2014, take effect 30 days after publication of the notice.

(c) Beginning January 1, 2015, the board may adopt rules to implement any provisions in this chapter using the expedited rulemaking process in section 14.389.

(d) The notice of proposed rules required in paragraph (b) must provide information as to where the public may obtain a copy of the rules. The board shall post the proposed rules on the Minnesota Insurance Marketplace Web site at the same time the notice is published in the State Register.

Subd. 9. **Dental plans.** (a) The provisions of this section that apply to health plans shall apply to dental plans offered as stand-alone dental plans through the Minnesota Insurance Marketplace, to the extent practicable.

(b) A stand-alone dental plan offered through the Minnesota Insurance Marketplace must meet all certification requirements under section 1311(c)(1) of the Affordable Care Act, Public Law

111-148, that are applicable to health plans, except for certification requirements that cannot be met because the dental plan only covers dental benefits.

Subd. 10. **Limitations; risk-bearing.** (a) The board shall not bear insurance risk or enter into any agreement with health care providers to pay claims.

(b) Nothing in this subdivision shall prevent the Minnesota Insurance Marketplace from providing insurance for its employees.

Sec. 8. **[62V.06] DATA PRACTICES.**

Subdivision 1. **Applicability.** The Minnesota Insurance Marketplace is a state agency for purposes of the Minnesota Government Data Practices Act and is subject to all provisions of chapter 13, in addition to the requirements contained in this section.

Subd. 2. **Definitions.** As used in this section:

(1) "individual" means an individual according to section 13.02, subdivision 8, but does not include a vendor of services; and

(2) "participating" means that an individual, employee, or employer is seeking, or has sought an eligibility determination, enrollment processing, or premium processing through the Minnesota Insurance Marketplace.

Subd. 3. **General data classifications.** The following data collected, created, or maintained by the Minnesota Insurance Marketplace are classified as private data on individuals, as defined in section 13.02, subdivision 12, or nonpublic data, as defined in section 13.02, subdivision 9:

(1) data on any individual participating in the Minnesota Insurance Marketplace;

(2) data on any individuals participating in the Minnesota Insurance Marketplace as employees of an employer participating in the Minnesota Insurance Marketplace; and

(3) data on employers participating in the Minnesota Insurance Marketplace.

Subd. 4. **Application and certification data.** (a) Data submitted by an insurance producer in an application for certification to sell a health plan through the Minnesota Insurance Marketplace, or submitted by an applicant seeking permission or a commission to act as a navigator or in-person assister, are classified as follows:

(1) at the time the application is submitted, all data contained in the application are private data, as defined in section 13.02, subdivision 12, or nonpublic data as defined in section 13.02, subdivision 9, except that the name of the applicant is public; and

(2) upon a final determination related to the application for certification by the Minnesota Insurance Marketplace, all data contained in the application are public, with the exception of trade secret data as defined in section 13.37.

(b) Data created or maintained by a government entity as part of the evaluation of an application are protected nonpublic data, as defined in section 13.02, subdivision 13, until a final determination as to certification is made and all rights of appeal have been exhausted. Upon a final determination and exhaustion of all rights of appeal, these data are public, with the exception of trade secret data as defined in section 13.37 and data subject to attorney-client privilege or other protection as provided in section 13.393.

(c) If an application is denied, the public data must include the criteria used by the board to evaluate the application and the specific reasons for the denial, and these data must be published on the Minnesota Insurance Marketplace Web site.

Subd. 5. **Data sharing.** (a) The Minnesota Insurance Marketplace may share or disseminate data classified as private or nonpublic in subdivision 3 as follows:

(1) to the subject of the data, as provided in section 13.04;

(2) according to a court order;

(3) according to a state or federal law specifically authorizing access to the data;

(4) with other state or federal agencies, only to the extent necessary to verify the identity of, determine the eligibility of, process premiums for, process enrollment of, or investigate fraud related to an individual, employer, or employee participating in the Minnesota Insurance Marketplace, provided that the Minnesota Insurance Marketplace must enter into a data-sharing agreement with the agency prior to sharing data under this clause; and

(5) with a nongovernmental person or entity, only to the extent necessary to verify the identity of, determine the eligibility of, process premiums for, process enrollment of, or investigate fraud related to an individual, employer, or employee participating in the Minnesota Insurance Marketplace, provided that the Minnesota Insurance Marketplace must enter a contract with the person or entity, as provided in section 13.05, subdivision 6 or 11, prior to disseminating data under this clause.

(b) The Minnesota Insurance Marketplace may share or disseminate data classified as private or nonpublic in subdivision 4 as follows:

(1) to the subject of the data, as provided in section 13.04;

(2) according to a court order;

(3) according to a state or federal law specifically authorizing access to the data;

(4) with other state or federal agencies, only to the extent necessary to carry out the functions of the Minnesota Insurance Marketplace, provided that the Minnesota Insurance Marketplace must enter into a data-sharing agreement with the agency prior to sharing data under this clause; and

(5) with a nongovernmental person or entity, only to the extent necessary to carry out the functions of the Minnesota Insurance Marketplace, provided that the Minnesota Insurance Marketplace must enter a contract with the person or entity, as provided in section 13.05, subdivision 6 or 11, prior to disseminating data under this clause.

(c) Sharing or disseminating data outside of the exchange in a manner not authorized by this subdivision is prohibited. The list of authorized dissemination and sharing contained in this subdivision must be included in the Tennessen warning required by section 13.04, subdivision 2.

(d) Until July 1, 2014, state agencies must share data classified as private or nonpublic on individuals, employees, or employers participating in the Minnesota Insurance Marketplace with the Minnesota Insurance Marketplace, only to the extent such data are necessary to verify the identity of, determine the eligibility of, process premiums for, process enrollment of, or investigate fraud related to a Minnesota Insurance Marketplace participant. The agency must enter into a

data-sharing agreement with the Minnesota Insurance Marketplace prior to sharing any data under this paragraph.

Subd. 6. **Notice and disclosures.** (a) In addition to the Tennesen warning required by section 13.04, subdivision 2, the Minnesota Insurance Marketplace must provide any data subject asked to supply private data with:

(1) a notice of rights related to the handling of genetic information, pursuant to section 13.386; and

(2) a notice of the records retention policy of the Minnesota Insurance Marketplace, detailing the length of time the Minnesota Insurance Marketplace will retain data on the individual and the manner in which it will be destroyed upon expiration of that time.

(b) All notices required by this subdivision, including the Tennesen warning, must be provided in an electronic format suitable for downloading or printing.

Subd. 7. **Summary data.** In addition to creation and disclosure of summary data derived from private data on individuals, as permitted by section 13.05, subdivision 7, the Minnesota Insurance Marketplace may create and disclose summary data derived from data classified as nonpublic under this section.

Subd. 8. **Access to data; audit trail.** (a) Only individuals with explicit authorization from the board may enter, update, or access not public data collected, created, or maintained by the Minnesota Insurance Marketplace. The ability of authorized individuals to enter, update, or access data must be limited through the use of role-based access that corresponds to the official duties or training level of the individual, and the statutory authorization that grants access for that purpose. All queries and responses, and all actions in which data are entered, updated, accessed, or shared or disseminated outside of the Minnesota Insurance Marketplace, must be recorded in a data audit trail. Data contained in the audit trail are public, to the extent that the data are not otherwise classified by this section.

The board shall immediately and permanently revoke the authorization of any individual determined to have willfully entered, updated, accessed, shared, or disseminated data in violation of this section, or any provision of chapter 13. If an individual is determined to have willfully gained access to data without explicit authorization from the board, the board shall forward the matter to the county attorney for prosecution.

(b) This subdivision shall not limit or affect the authority of the legislative auditor to access data needed to conduct audits, evaluations, or investigations of the Minnesota Insurance Marketplace or the obligation of the board and Minnesota Insurance Marketplace employees to comply with section 3.978, subdivision 2.

(c) This subdivision does not apply to actions taken by a Minnesota Insurance Marketplace participant to enter, update, or access data held by the Minnesota Insurance Marketplace, if the participant is the subject of the data that is entered, updated, or accessed.

Subd. 9. **Sale of data prohibited.** The Minnesota Insurance Marketplace may not sell any data collected, created, or maintained by the Minnesota Insurance Marketplace, regardless of its classification, for commercial or any other purposes.

Subd. 10. **Gun and firearm ownership.** The Minnesota Insurance Marketplace shall not collect information that indicates whether or not an individual owns a gun or has a firearm in the individual's home.

Sec. 9. **[62V.07] FUNDS.**

(a) The Minnesota Insurance Marketplace account is created in the special revenue fund of the state treasury. All funds received by the Minnesota Insurance Marketplace shall be deposited in the account. Funds in the account are appropriated to the Minnesota Insurance Marketplace for the operation of the Minnesota Insurance Marketplace. Notwithstanding section 11A.20, all investment income and all investment losses attributable to the investment of the Minnesota Insurance Marketplace account not currently needed, shall be credited to the Minnesota Insurance Marketplace account.

(b) The budget submitted to the legislature under section 16A.11 must include budget information for the Minnesota Insurance Marketplace.

Sec. 10. **[62V.08] REPORTS.**

(a) The Minnesota Insurance Marketplace shall submit a report to the legislature by January 15, 2015, and each January 15 thereafter, on: (1) the performance of Minnesota Insurance Marketplace operations; (2) meeting the Minnesota Insurance Marketplace responsibilities; (3) an accounting of the Minnesota Insurance Marketplace budget activities; (4) practices and procedures that have been implemented to ensure compliance with data practices laws, and a description of any violations of data practices laws or procedures; and (5) the effectiveness of the outreach and implementation activities of the Minnesota Insurance Marketplace in reducing the rate of uninsurance.

(b) The Minnesota Insurance Marketplace must publish its administrative and operational costs on a Web site to educate consumers on those costs. The information published must include: (1) the amount of premiums and federal premium subsidies collected; (2) the amount and source of revenue received under section 62V.05, subdivision 1, paragraph (b), clause (3); (3) the amount and source of any other fees collected for purposes of supporting operations; and (4) any misuse of funds as identified in accordance with section 3.975. The Web site must be updated at least annually.

Sec. 11. **[62V.09] EXPIRATION AND SUNSET EXCLUSION.**

Notwithstanding section 15.059, the board and its advisory committees shall not expire, except as specified in section 62V.04, subdivision 13. The board and its advisory committees are not subject to review or sunseting under chapter 3D.

Sec. 12. **[62V.10] RIGHT NOT TO PARTICIPATE.**

Nothing in this chapter infringes on the right of a Minnesota citizen not to participate in the Minnesota Insurance Marketplace.

Sec. 13. **[62V.11] LEGISLATIVE OVERSIGHT COMMITTEE.**

Subdivision 1. **Legislative oversight.** (a) The Legislative Oversight Committee is established to provide oversight to the implementation of this chapter and the operation of the Minnesota Insurance Marketplace.

(b) The committee shall review the operations of the Minnesota Insurance Marketplace at least annually and shall recommend necessary changes in policy, implementation, and statutes to the board and to the legislature.

(c) The Minnesota Insurance Marketplace shall present to the committee the annual report required in section 62V.08, the appeals process under section 62V.05, subdivision 6, and the actions taken regarding the treatment of multiemployer plans.

Subd. 2. **Membership; meetings; compensation.** (a) The Legislative Oversight Committee shall consist of five members of the senate, three members appointed by the majority leader of the senate, and two members appointed by the minority leader of the senate; and five members of the house of representatives, three members appointed by the speaker of the house, and two members appointed by the minority leader of the house of representatives.

(b) Appointed legislative members serve at the pleasure of the appointing authority and shall continue to serve until their successors are appointed.

(c) The first meeting of the committee shall be convened by the chair of the Legislative Coordinating Commission. Members shall elect a chair at the first meeting. The chair must convene at least one meeting annually, and may convene other meetings as deemed necessary.

Subd. 3. **Review of proposed rules.** (a) Prior to the implementation of rules proposed under section 62V.05, subdivision 8, paragraph (b), the board shall submit the proposed rules to the committee at the same time the proposed rules are published in the State Register.

(b) When the legislature is in session, the rule may be adopted, but, if within ten days of receipt of the proposed rule a majority of the committee members appointed by the senate and a majority of the committee members appointed by the house of representatives request further review of the proposed rule, the rule shall not be effective until the request has been satisfied and withdrawn, the rule is approved in law, or the regular session of the legislature is adjourned for the year.

(c) If the legislature is not in session, the rule may be adopted, but, if within ten days of receipt of the proposed rule a majority of the committee members appointed by the senate and a majority of the committee members appointed by the house of representatives request further review of the proposed rule, the rule shall not be effective until the request has been satisfied and withdrawn, or February 1, whichever occurs first.

Subd. 4. **Review of costs.** The board shall submit for review the annual budget of the Minnesota Insurance Marketplace for the next fiscal year by March 15 of each year, beginning March 15, 2014.

Sec. 14. **TRANSITION OF AUTHORITY.**

(a) Upon the effective date of this act, the commissioner of management and budget shall exercise all authorities and responsibilities under Minnesota Statutes, sections 62V.03 and 62V.05 until the board has satisfied the requirements of Minnesota Statutes, section 62V.05, subdivision 1, paragraph (c). In exercising these authorities and responsibilities of the board, the commissioner of management and budget shall be subject to or exempted from the same statutory provisions as the board, as identified in Minnesota Statutes, section 62V.03, subdivision 2.

(b) Upon the establishment of bylaws, policies, and procedures governing the operations of the Minnesota Insurance Marketplace by the board as required under Minnesota Statutes, section 62V.05, subdivision 1, paragraph (c), all personnel, assets, contracts, obligations, and funds

managed by the commissioner of management and budget for the design and development of the Minnesota Insurance Marketplace shall be transferred to the board. Existing personnel managed by the commissioner of management and budget for the design and development of the Minnesota Insurance Marketplace shall staff the board upon enactment.

Sec. 15. MINNESOTA COMPREHENSIVE HEALTH ASSOCIATION TERMINATION.

The commissioner of commerce, in consultation with the board of directors of the Minnesota Comprehensive Health Association, has the authority to develop and implement the phase-out and eventual appropriate termination of coverage provided by the Minnesota Comprehensive Health Association under Minnesota Statutes, chapter 62E. The phase-out of coverage shall begin no sooner than January 1, 2014, or upon the effective date of the operation of the Minnesota Insurance Marketplace and the ability to purchase qualified health plans through the Minnesota Insurance Marketplace, whichever is later, and shall, to the extent practicable, ensure the least amount of disruption to the enrollees' health care coverage. The member assessments established under Minnesota Statutes, section 62E.11, shall take into consideration any phase-out of coverage implemented under this section.

Sec. 16. REPORT ON APPEALS PROCESS.

By February 1, 2014, and February 1, 2015, the board of directors of the Minnesota Insurance Marketplace shall submit a report to the chairs and ranking minority members of the committees in the senate and house of representatives with primary jurisdiction over commerce, health, and civil law on the appeals process for eligibility determinations established under Minnesota Statutes, section 62V.05, subdivision 6.

Sec. 17. CONTINGENT TREATMENT OF MULTIEMPLOYER PLANS.

On or after the date that final federal regulations are adopted regarding the treatment of multiemployer plans, the Minnesota Insurance Marketplace shall take such actions as are necessary, in consultation with the commissioner of commerce and in accordance with final federal regulations, to: (1) ensure that all multiemployer plans are notified of the final federal rules; (2) conform all policies and procedures of the Minnesota Insurance Marketplace with applicable federal rules related to multiemployer plans; and (3) permit multiemployer plans to be integrated in the Minnesota Insurance Marketplace to the maximum extent permitted by federal rules. The Minnesota Insurance Marketplace shall submit written notification to the legislature regarding its compliance with this section.

Sec. 18. EFFECTIVE DATE.

Sections 1 to 17 are effective the day following final enactment. The secretary of state must post notice of vacancies for positions on the board immediately after final enactment. Any actions taken by any state agencies in furtherance of the design, development, and implementation of the Minnesota Insurance Marketplace prior to the effective date shall be considered actions taken by the Minnesota Insurance Marketplace and shall be governed by the provisions of this chapter and state law. Health plan and dental plan coverage through the Minnesota Insurance Marketplace is effective January 1, 2014."

Delete the title and insert:

"A bill for an act relating to commerce; establishing the Minnesota Insurance Marketplace; prescribing its powers and duties; establishing the right not to participate; specifying data practices procedures; establishing a legislative oversight committee; requiring reports; appropriating money; amending Minnesota Statutes 2012, sections 13.7191, by adding a subdivision; 13D.08, by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 62V."

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

House Conferees: Joe Atkins, Thomas Huntley, Tina Liebling, Dan Schoen

Senate Conferees: Tony Lourey, Kathy Sheran, Jeff Hayden, Barb Goodwin, James P. Metzen

Senator Lourey moved that the foregoing recommendations and Conference Committee Report on H.F. No. 5 be now adopted, and that the bill be repassed as amended by the Conference Committee.

Senator Benson moved that the recommendations and Conference Committee Report on H.F. No. 5 be rejected and that the bill be re-referred to the Conference Committee as formerly constituted for further consideration.

The question was taken on the adoption of the Benson motion.

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

Those who voted in the affirmative were:

Anderson	Franzen	Koenen	Osmek	Thompson
Benson	Gazelka	Limmer	Pederson, J.	Weber
Bonoff	Hall	Miller	Petersen, B.	Westrom
Brown	Hann	Nelson	Pratt	
Chamberlain	Housley	Newman	Rosen	
Dahms	Ingebrigtsen	Nienow	Ruud	
Fischbach	Kiffmeyer	Ortman	Senjem	

Those who voted in the negative were:

Bakk	Dziedzic	Johnson	Reinert	Skoe
Carlson	Eaton	Kent	Rest	Stumpf
Champion	Eken	Latz	Saxhaug	Tomassoni
Clausen	Hawj	Lourey	Scalze	Torres Ray
Cohen	Hayden	Marty	Schmit	Wiger
Dahle	Hoffman	Metzen	Sheran	Wiklund
Dibble	Jensen	Pappas	Sieben	

The motion did not prevail.

The question recurred on the Lourey motion that the foregoing recommendations and Conference Committee report on H.F. No. 5 be now adopted, and that the bill be repassed as amended by the Conference Committee.

The roll was called, and there were yeas 39 and nays 28, as follows:

Those who voted in the affirmative were:

Bakk	Dibble	Hayden	Lourey	Scalze
Bonoff	Dziedzic	Hoffman	Marty	Schmit
Carlson	Eaton	Jensen	Metzen	Sheran
Champion	Eken	Johnson	Pappas	Sieben
Clausen	Franzen	Kent	Reinert	Skoe
Cohen	Goodwin	Koenen	Rest	Sparks
Dahle	Hawj	Latz	Saxhaug	Stumpf

Tomassoni Torres Ray Wiger Wiklund

Those who voted in the negative were:

Anderson	Gazelka	Limmer	Osmek	Senjem
Benson	Hall	Miller	Pederson, J.	Thompson
Brown	Hann	Nelson	Petersen, B.	Weber
Chamberlain	Housley	Newman	Pratt	Westrom
Dahms	Ingebrigtsen	Nienow	Rosen	
Fischbach	Kiffmeyer	Ortman	Ruud	

The motion prevailed. So the recommendations and Conference Committee report were adopted.

H.F. No. 5 was read the third time, as amended by the Conference Committee, and placed on its repassage.

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

The roll was called, and there were yeas 39 and nays 28, as follows:

Those who voted in the affirmative were:

Bakk	Dziedzic	Jensen	Pappas	Skoe
Bonoff	Eaton	Johnson	Reinert	Sparks
Carlson	Eken	Kent	Rest	Stumpf
Champion	Franzen	Koenen	Saxhaug	Tomassoni
Clausen	Goodwin	Latz	Scalze	Torres Ray
Cohen	Hawj	Lourey	Schmit	Wiger
Dahle	Hayden	Marty	Sheran	Wiklund
Dibble	Hoffman	Metzen	Sieben	

Those who voted in the negative were:

Anderson	Gazelka	Limmer	Osmek	Senjem
Benson	Hall	Miller	Pederson, J.	Thompson
Brown	Hann	Nelson	Petersen, B.	Weber
Chamberlain	Housley	Newman	Pratt	Westrom
Dahms	Ingebrigtsen	Nienow	Rosen	
Fischbach	Kiffmeyer	Ortman	Ruud	

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

REPORTS OF COMMITTEES

Senator Bakk moved that the Committee Reports at the Desk be now adopted, with the exception of the report on S.F. No. 458. The motion prevailed.

Senator Metzen from the Committee on Commerce, to which was referred

S.F. No. 639: A bill for an act relating to environment; providing for product stewardship programs; requiring a report; amending Minnesota Statutes 2012, section 13.7411, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 115A.

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

Page 1, delete section 2

Page 19, after line 33, insert:

"Subd. 17. **Exemption; medical device.** The requirements of this section do not apply to a medical device as defined in the Food, Drug, and Cosmetic Act, United States Code, title 21, section 321, paragraph (h)."

Page 20, line 5, delete "5" and insert "4"

Renumber the sections in sequence

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

Senator Metzen from the Committee on Commerce, to which was re-referred

S.F. No. 357: A bill for an act relating to public health; banning formaldehyde in certain children's products; proposing coding for new law in Minnesota Statutes, chapter 325F.

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

Page 1, line 8, delete "12" and insert "eight"

Page 1, line 9, after "a product" insert "primarily"

Page 1, line 11, after "supplement," insert "pharmaceutical product or biologic, children's toys that are covered by the ASTM International F963 standard for Toy Safety,"

Page 1, delete lines 16 to 20 and insert:

"(a) Beginning August 1, 2014, no manufacturer or wholesaler may sell or offer for sale in this state a children's product that intentionally contains:

(1) formaldehyde, including formaldehyde contained in a solution; or

(2) ingredients that chemically degrade under normal conditions of temperature and pressure to release formaldehyde.

(b) Beginning August 1, 2015, no retailer may sell or offer for sale in this state a children's product that intentionally contains:

(1) formaldehyde, including formaldehyde contained in a solution; or

(2) ingredients that chemically degrade under normal conditions of temperature and pressure to release formaldehyde."

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

Senator Metzen from the Committee on Commerce, to which was re-referred

S.F. No. 379: A bill for an act relating to children's health; prohibiting sale of children's food containers containing bisphenol-A; proposing coding for new law in Minnesota Statutes, chapter 325F.

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

Page 1, lines 7 and 10, delete "January" and insert "August"

Page 1, line 8, after "state" insert "infant formula, baby food, or toddler food stored in" and delete "children's food"

Page 1, line 9, after "contains" insert "intentionally added"

Page 1, line 11, after "state" insert "infant formula, baby food, or toddler food stored in" and delete "children's food" and after "contains" insert "intentionally added"

Page 1, delete line 14 and insert "(a) "Baby food" means a prepared solid food consisting of a soft paste or an easily chewed food that is intended for consumption by children two years of age or younger and is commercially available"

Page 1, delete lines 15 and 16

Page 1, line 17, delete "(2)" and insert "(b)"

Page 1, after line 18, insert:

"(c) "Infant formula" means a liquid or powder that purports to be or is represented for special dietary use solely as a food for infants by reason of its simulation of human milk or its suitability as a complete or partial substitute for human milk.

(d) "Toddler food" means any food or beverage, other than baby food or infant formula, that is intended for consumption by children under three years of age. For purposes of this section, toddler food in can containers is not included in this definition."

Page 1, line 21, before "A" insert "Beginning August 1, 2014,"

Page 2, delete lines 9 and 10 and insert:

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

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

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

S.F. No. 953: A bill for an act relating to health; modifying a social work licensure provision; amending Minnesota Statutes 2012, section 148E.0555, subdivision 2.

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

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

S.F. No. 1099: A bill for an act relating to human services; modifying provisions related to health care and health disparities; requiring reports; appropriating money; amending Minnesota Statutes 2012, sections 62Q.19, subdivision 3; 62U.02, subdivision 1; 145.928, by adding a subdivision; 256B.06, subdivision 4; 256B.0625, by adding a subdivision; 256B.0651, by adding subdivisions; 256B.76, subdivision 4, by adding a subdivision; 256B.763.

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

Page 6, after line 21, insert:

"Sec. 5. Minnesota Statutes 2012, section 256B.06, is amended by adding a subdivision to read:

Subd. 6. **Health care for uninsured persons.** (a) Persons who are eligible for payment under subdivision 4, paragraphs (e) and (f), are eligible to enroll in a coverage program administered by the commissioner through which payment will be made to enrolled providers for the services authorized in subdivision 4, and also the services listed below that are medically necessary for treatment of an emergency medical condition as defined in subdivision 4, paragraph (g), to the extent these services are not otherwise covered pursuant to subdivision 4:

- (1) hospital emergency department services;
- (2) inpatient and outpatient hospital services;
- (3) dialysis;
- (4) chemotherapy;
- (5) physician services;
- (6) federally qualified health center services;
- (7) rural health clinic services;
- (8) nursing facility services;
- (9) home and community-based waiver services;
- (10) dental services;
- (11) prescription drugs and pharmacy services;
- (12) mental health services; and
- (13) care coordination provided by a certified home health care

(b) In addition to services that are covered under subdivision 4 and paragraph (a), the commissioner may authorize payment for the following additional services if determined by the commissioner to be medically necessary for the treatment of an emergency medical condition after a case review process administered by the commissioner:

- (1) case management for seriously and persistently mentally ill persons and for children with serious emotional disturbances;
- (2) case management and directly observed therapy for people with tuberculosis;
- (3) chiropractor services;
- (4) clinic services;
- (5) community paramedic services;
- (6) other diagnostic, screening, and preventive services;
- (7) emergency hospital services;
- (8) extended services to women;
- (9) hearing aids;
- (10) hospice care;

(11) individual education plan (IEP) services provided by a school district to disabled students;
(12) some services for residents of institutions for mental diseases (IMDs);
(13) inpatient psychiatric facility services for persons under age 22;
(14) intermediate care facility services, including services provided in an intermediate care facility for persons with developmental disabilities (ICF/DD);

(15) medical equipment and supplies;

(16) medical transportation services;

(17) nurse anesthetist services;

(18) occupational therapy services;

(19) personal care assistant services;

(20) pharmacy services;

(21) physical therapy services;

(22) podiatry services;

(23) private duty nursing services;

(24) prosthetics and orthotics;

(25) public health nursing services;

(26) rehabilitation services, including day treatment for mental illness;

(27) speech therapy services; and

(28) vision care services and eyeglasses.

(c) The services covered under paragraphs (a) and (b) are covered whether or not the patient previously was treated in an emergency department or inpatient hospital for the emergency medical condition, if the services are medically necessary for the treatment of an emergency medical condition and the absence of the services could reasonably be expected to result in:

(1) placing the patient's health in serious jeopardy;

(2) serious impairment to bodily functions; or

(3) serious dysfunction of any bodily organ or part.

(d) The commissioner may contract with a health plan, provider network, nonprofit coverage program, county or group of counties, or health care delivery system established under sections 256B.0755 and 256B.0756 to administer the coverage program authorized under this subdivision, and may delegate to the contractor the responsibility to perform case reviews and authorize payment. The commissioner may contract under this paragraph on a capitated or fixed budget basis under which the contractor is responsible for providing the covered services to eligible persons within the limits of the capitation or payment amount. The commissioner may also contract using gain-sharing and risk-sharing methods authorized for demonstration projects established under sections 256B.0755 and 256B.0756. If the commissioner contracts on a capitated, fixed

fee payment, or gain-sharing or risk-sharing method, the commissioner may withhold up to five percent of the payment amount, to be paid only if the contractor achieves standards for quality and cost that are comparable to those required of health care delivery system projects under sections 256B.0755 and 256B.0756. The commissioner may separate nursing facility services and pharmacy services from other covered services in order to provide payment for these services under the commissioner's fee-for-service payment system instead of payment to the contracted entity. The commissioner may administer the program through a fee-for-service payment system without a health plan, provider network, coverage program, county or group of counties, or health care delivery system in rural areas and other regions where these options are not feasible or appropriate.

(e) The commissioner shall seek federal financial participation on all services covered under subdivision 4 and this subdivision to the extent permitted under federal law. Services for which federal financial participation is not available shall be paid for through state appropriations provided for this purpose.

(f) Coverage under this subdivision shall be authorized by the commissioner to the extent that appropriations made for this purpose are sufficient to cover all services. If appropriations are not sufficient to cover all services, the commissioner may exclude certain services from coverage or limit the number of persons eligible to receive payment for certain services, or both."

Page 8, line 20, after the semicolon, insert "and"

Page 8, delete lines 21 to 23

Page 8, line 24, delete "(iv)" and insert "(iii)"

Page 8, lines 26 to 29, reinstate the stricken language

Page 8, line 30, reinstate the stricken language and delete the new language

Page 10, line 24, delete "community mental health center"

Page 10, after line 26, insert:

"(i) In addition to the rate increase authorized in section 256B.763, payment rates for services rendered on or after January 1, 2014, shall be increased by ten percent over the rate in effect on December 31, 2013, for services by psychiatrists and advanced practice registered nurses with a mental health specialty delivered by community mental health centers as defined in section 256B.0625, subdivision 5, or by essential community providers who are licensed or certified as mental health providers under section 256B.0623, 256B.0943, or Minnesota Rules, parts 9520.0750 to 9520.0870."

Page 11, after line 12, insert:

"Sec. 16. **APPROPRIATION.**

\$...... for the fiscal year ending June 30, 2014, and \$...... for the fiscal year ending June 30, 2015, are appropriated from the health care access fund to the commissioner of human services for purposes of Minnesota Statutes, section 256B.06, subdivisions 4 and 6."

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 Sheran from the Committee on Health, Human Services and Housing, to which was referred

S.F. No. 1259: A bill for an act relating to human services; modifying the child care assistance accreditation bonus; amending Minnesota Statutes 2012, section 119B.13, subdivision 3a.

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

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

S.F. No. 787: A bill for an act relating to health; modifying the definition of mental illness in the Adult Mental Health Act; amending Minnesota Statutes 2012, section 245.462, subdivision 20.

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

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

S.F. No. 980: A bill for an act relating to human services; modifying parental contribution amounts; amending Minnesota Statutes 2012, section 252.27, subdivision 2a.

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

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

S.F. No. 184: A bill for an act relating to human services; establishing MinnesotaCare as the state's basic health program; amending Minnesota Statutes 2012, sections 16A.724, subdivision 3; 256.962, subdivisions 1, 2, by adding a subdivision; 256L.01, by adding subdivisions; 256L.02, subdivision 2, by adding subdivisions; 256L.03, subdivisions 1, 6, by adding subdivisions; 256L.04, subdivision 7b, by adding subdivisions; 256L.05, subdivisions 1, 2, 3, 3a, 3c, by adding a subdivision; 256L.09, subdivision 2; 256L.11, subdivision 1, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 256L; repealing Minnesota Statutes 2012, sections 256L.01, subdivisions 3, 3a, 4a, 5; 256L.02, subdivision 3; 256L.03, subdivisions 1a, 3, 4, 5; 256L.031; 256L.04, subdivisions 1, 1b, 2a, 7, 7a, 8, 9, 13; 256L.05, subdivisions 1b, 1c, 5; 256L.06, subdivision 3; 256L.07, subdivisions 1, 2, 3, 4, 5, 8, 9; 256L.09, subdivisions 1, 4, 5, 6, 7; 256L.11, subdivisions 2a, 3, 6; 256L.12; 256L.15, subdivisions 1, 1a, 1b, 2; 256L.17, subdivisions 1, 2, 3, 4, 5.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2012, section 16A.724, subdivision 3, is amended to read:

Subd. 3. **MinnesotaCare federal receipts.** Receipts received as a result of federal participation pertaining to administrative costs of the Minnesota health care reform waiver shall be deposited

as nondedicated revenue in the health care access fund. Receipts received as a result of federal participation pertaining to grants shall be deposited in the federal fund and shall offset health care access funds for payments to providers. All federal funding received by Minnesota for implementation and administration of MinnesotaCare as a basic health program, as authorized in section 1331 of the Affordable Care Act (Public Law 111-148, as amended by Public Law 111-152), is dedicated to that program and shall be deposited into the health care access fund. Federal funding that is received for implementing and administering MinnesotaCare as a basic health program and deposited in the fund shall be used only for that program to purchase health care coverage for enrollees and reduce enrollee premiums and cost-sharing or provide additional enrollee benefits.

EFFECTIVE DATE. This section is effective January 1, 2015.

Sec. 2. Minnesota Statutes 2012, section 256.01, is amended by adding a subdivision to read:

Subd. 35. **Federal approval.** (a) The commissioner shall seek federal authority from the U.S. Department of Health and Human Services necessary to operate a health insurance program for Minnesotans with incomes up to 275 percent of the federal poverty guidelines (FPG). The proposal shall seek to secure all federal funding available from at least the following services:

(1) all premium tax credits and cost sharing subsidies available under United States Code, title 26, section 36B, and United States Code, title 42, section 18071, for individuals with incomes above 133 percent and at or below 275 percent of the federal poverty guidelines who would otherwise be enrolled in the Minnesota Insurance Marketplace as defined in section 62V.02, if enacted in 2013 H.F. No. 5/S.F. No. 1;

(2) Medicaid funding; and

(3) other funding sources identified by the commissioner that support coverage or care redesign in Minnesota.

(b) Funding received shall be used to design and implement a health insurance program that creates a single streamlined program and meets the needs of Minnesotans with incomes up to 275 percent of the federal poverty guidelines. The program must incorporate:

(1) payment reform characteristics included in the health care delivery system and accountable care organization payment models;

(2) flexibility in benefit set design such that benefits can be targeted to meet enrollee needs in different income and health status situations and can provide a more seamless transition from public to private health care coverage;

(3) flexibility in co-payment or premium structures to incent patients to seek high quality, low cost care settings; and

(4) flexibility in premium structures to ease the transition from public to private health care coverage.

(c) The commissioner shall develop and submit a proposal consistent with the above criteria and shall seek all federal authority necessary to implement the coverage program. In developing the request, the commissioner shall consult with appropriate stakeholder groups and consumers.

(d) The commissioner is authorized to seek any available waivers or federal approvals to accomplish the goals under paragraph (b) prior to 2017.

(e) The commissioner shall report progress on implementing this section to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and financing by December 1, 2014.

(f) The commissioner is authorized to accept and expend federal funds that support the purposes of this section.

Sec. 3. Minnesota Statutes 2012, section 256B.0625, subdivision 3a, is amended to read:

Subd. 3a. **Sex reassignment surgery.** Sex reassignment surgery is not covered, unless medically necessary.

Sec. 4. Minnesota Statutes 2012, section 256B.0755, subdivision 3, is amended to read:

Subd. 3. **Accountability.** (a) Health care delivery systems must accept responsibility for the quality of care based on standards established under subdivision 1, paragraph (b), clause (10), and the cost of care or utilization of services provided to its enrollees under subdivision 1, paragraph (b), clause (1).

(b) A health care delivery system may contract and coordinate with providers and clinics for the delivery of services and shall contract with community health clinics, federally qualified health centers, community mental health centers or programs, county agencies, and rural clinics to the extent practicable.

(c) A health care delivery system must demonstrate how its services will be coordinated with other services affecting its attributed patients' health, quality of care, and cost of care that are provided by other providers and county agencies in the local service. The health care delivery system must document how other providers and counties, including county-based purchasing plans, will provide services to persons attributed to the health care delivery system participated in developing the application. A health care delivery system must document how it will address applicable local needs, priorities, and public health goals.

Sec. 5. Minnesota Statutes 2012, section 256B.694, is amended to read:

256B.694 SOLE-SOURCE OR SINGLE-PLAN MANAGED CARE CONTRACT.

(a) MS 2010 [Expired, 2008 c 364 s 10]

(b) The commissioner shall consider, and may approve, contracting on a single-health plan basis with ~~other~~ county-based purchasing plans, or with other qualified health plans that have coordination arrangements with counties, to serve persons ~~with a disability who voluntarily enroll~~ enrolled in state health care programs, in order to promote better coordination or integration of health care services, social services and other community-based services, provided that all requirements applicable to health plan purchasing, including those in section 256B.69, subdivision 23, are satisfied. ~~Nothing in this paragraph supersedes or modifies the requirements in paragraph (a).~~

Sec. 6. Minnesota Statutes 2012, section 256L.01, is amended by adding a subdivision to read:

Subd. 1b. **Affordable Care Act.** "Affordable Care Act" means Public Law 111-148, as amended by the federal Health Care and Education Reconciliation Act of 2010 (Public Law 111-152), and any amendments to, or regulations or guidance issued under, those acts.

Sec. 7. Minnesota Statutes 2012, section 256L.01, is amended by adding a subdivision to read:

Subd. 4b. **Minnesota Insurance Marketplace.** "Minnesota Insurance Marketplace" means the Minnesota Insurance Marketplace as defined in section 62V.02, if enacted in 2013 H.F. No. 5/S.F. No. 1.

Sec. 8. Minnesota Statutes 2012, section 256L.01, is amended by adding a subdivision to read:

Subd. 6. **MinnesotaCare.** "MinnesotaCare" means a health coverage program that meets the standards of this chapter and the requirements for a basic health program under section 1331 of the Affordable Care Act.

EFFECTIVE DATE. This section is effective January 1, 2015.

Sec. 9. Minnesota Statutes 2012, section 256L.01, is amended by adding a subdivision to read:

Subd. 7. **Modified adjusted gross income and household income.** "Modified adjusted gross income" and "household income" have the meanings provided in section 2002 of the Affordable Care Act.

EFFECTIVE DATE. This section is effective January 1, 2014.

Sec. 10. Minnesota Statutes 2012, section 256L.01, is amended by adding a subdivision to read:

Subd. 8. **Participating entity.** "Participating entity" means a health plan company as defined in section 62Q.01, subdivision 4; a county-based purchasing plan established under section 256B.692; an accountable care organization or other entity operating a health care delivery systems demonstration project authorized under section 256B.0755; an entity operating a county integrated health care delivery network pilot project authorized under section 256B.0756; or a network of health care providers established to offer services under MinnesotaCare.

EFFECTIVE DATE. This section is effective January 1, 2015.

Sec. 11. Minnesota Statutes 2012, section 256L.02, subdivision 2, is amended to read:

Subd. 2. **Commissioner's duties.** The commissioner shall establish an office for the state administration of this plan. The plan shall be used to provide covered health services for eligible persons. Payment for these services shall be made to all ~~eligible providers~~ participating entities under contract with the commissioner. The commissioner shall adopt rules to administer the MinnesotaCare program as a basic health program in accordance with section 1331 of the Affordable Care Act and this chapter and shall adopt any necessary rules. Nothing in this chapter is intended to violate the requirements of the Affordable Care Act. The commissioner shall not implement any provision of this chapter if the provision is found to violate the Affordable Care Act. The commissioner shall establish marketing efforts to encourage potentially eligible persons to receive information about the program and about other medical care programs administered or supervised by the Department of Human Services. A toll-free telephone number must be used to provide information about medical programs and to promote access to the covered services.

EFFECTIVE DATE. This section is effective January 1, 2015.

Sec. 12. Minnesota Statutes 2012, section 256L.02, is amended by adding a subdivision to read:

Subd. 5. **Determination of funding adequacy.** The commissioners of revenue and Minnesota Management and Budget, in consultation with the commissioner of human services, shall conduct an assessment of health care taxes, including the gross premiums tax, the provider tax, and Medicaid surcharges, and their relationship to the long-term solvency of the health care access fund, as part of the state revenue and expenditure forecast in November 2013. The commissioners shall determine the amount of state funding that will be required after December 31, 2019, in addition to the federal payments made available under section 1331 of the Affordable Care Act, for the MinnesotaCare program. The commissioners shall evaluate the stability and likelihood of long-term federal funding for the MinnesotaCare program under section 1331. The commissioners shall report the results of this assessment to the legislature by January 15, 2014, along with recommendations for changes to state revenue for the health care access fund, if state funding will continue to be required beyond December 31, 2019.

Sec. 13. Minnesota Statutes 2012, section 256L.02, is amended by adding a subdivision to read:

Subd. 6. **Federal approval.** (a) The commissioner of human services shall seek federal approval to implement the MinnesotaCare program under this chapter as a basic health program. In any agreement with the Centers for Medicare and Medicaid Services to operate MinnesotaCare as a basic health program, the commissioner shall seek to include procedures to ensure that federal funding is predictable, stable, and sufficient to sustain ongoing operation of MinnesotaCare. These procedures must address issues related to the timing of federal payments, payment reconciliation, enrollee risk adjustment, and minimization of state financial risk. The commissioner shall consult with the commissioner of Minnesota Management and Budget, when developing the proposal for establishing MinnesotaCare as a basic health program to be submitted to the Centers for Medicare and Medicaid Services.

(b) The commissioner of human services, in consultation with the commissioner of Minnesota Management and Budget, shall work with the Centers for Medicare and Medicaid Services to establish a process for reconciliation and adjustment of federal payments that balances state and federal liability over time. The commissioner of human services shall request that the United States secretary of health and human services hold the state, and enrollees, harmless in the reconciliation process for the first three years, to allow the state to develop a statistically valid methodology for predicting enrollment trends and their net effect on federal payments.

(c) The commissioner of human services, through December 31, 2015, may modify the MinnesotaCare program as specified in this chapter, if it is necessary to enhance health benefits, expand provider access, or reduce cost-sharing and premiums in order to comply with the terms and conditions of federal approval as a basic health program. The commissioner may not reduce benefits, impose greater limits on access to providers, or increase cost-sharing and premiums by enrollees under the authority granted by this paragraph. If the commissioner modifies the terms and requirements for MinnesotaCare under this paragraph, the commissioner shall provide the legislature with notice of implementation of the modifications at least ten working days before notifying enrollees and participating entities. The costs of any changes to the program necessary to comply with federal approval shall become part of the program's base funding for purposes of future budget forecasts.

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

Sec. 14. Minnesota Statutes 2012, section 256L.02, is amended by adding a subdivision to read:

Subd. 7. **Coordination with Minnesota Insurance Marketplace.** MinnesotaCare shall be considered a MAGI public health care program for purposes of chapter 62V if enacted in 2013 H.F. No. 5/S.F. No. 1.

EFFECTIVE DATE. This section is effective January 1, 2014.

Sec. 15. Minnesota Statutes 2012, section 256L.03, subdivision 1, is amended to read:

Subdivision 1. **Covered health services.** (a) "Covered health services" means the health services reimbursed under chapter 256B, and all essential health benefits required under section 1302 of the Affordable Care Act, with the exception of inpatient hospital services, special education services, private duty nursing services, adult dental care services other than services covered under section 256B.0625, subdivision 9, orthodontic services, nonemergency medical transportation services, personal care assistance and case management services, nursing home or intermediate care facilities services, inpatient mental health services, and chemical dependency services nursing facility services and intermediate care facility for persons with developmental disabilities (ICF/DD) services, and except as provided in this section.

(b) No public funds shall be used for coverage of abortion under MinnesotaCare except where the life of the female would be endangered or substantial and irreversible impairment of a major bodily function would result if the fetus were carried to term; or where the pregnancy is the result of rape or incest.

~~(c) Covered health services shall be expanded as provided in this section.~~

EFFECTIVE DATE. This section is effective January 1, 2015.

Sec. 16. Minnesota Statutes 2012, section 256L.03, subdivision 3, is amended to read:

Subd. 3. **Inpatient hospital services.** (a) Covered health services shall include inpatient hospital services, including inpatient hospital mental health services and inpatient hospital and residential chemical dependency treatment, subject to those limitations necessary to coordinate the provision of these services with eligibility under the medical assistance spenddown. ~~The inpatient hospital benefit for adult enrollees who qualify under section 256L.04, subdivision 7, or who qualify under section 256L.04, subdivisions 1 and 2, with family gross income that exceeds 200 percent of the federal poverty guidelines or 215 percent of the federal poverty guidelines on or after July 1, 2009, and who are not pregnant, is subject to an annual limit of \$10,000.~~

(b) Admissions for inpatient hospital services paid for under section 256L.11, subdivision 3, must be certified as medically necessary in accordance with Minnesota Rules, parts 9505.0500 to 9505.0540, except as provided in clauses (1) and (2):

(1) all admissions must be certified, except those authorized under rules established under section 254A.03, subdivision 3, or approved under Medicare; and

(2) payment under section 256L.11, subdivision 3, shall be reduced by five percent for admissions for which certification is requested more than 30 days after the day of admission. The hospital may not seek payment from the enrollee for the amount of the payment reduction under this clause.

EFFECTIVE DATE. This section is effective January 1, 2014.

Sec. 17. Minnesota Statutes 2012, section 256L.03, is amended by adding a subdivision to read:

Subd. 4a. **Cost-sharing.** (a) Except as provided in paragraph (b), the MinnesotaCare program shall include the following cost-sharing requirements for all enrollees:

(1) \$3 per brand-name prescription and \$1 per generic drug prescription, subject to a \$12 per month maximum for prescription drug co-payments. No co-payments shall apply to antipsychotic drugs when used for treatment of mental illness;

(2) \$3 per nonpreventive visit. For purposes of this subdivision, a "visit" means an episode of service which is required because of a recipient's symptoms, diagnosis, or established illness, and which is delivered in an ambulatory setting by a physician or physician ancillary, chiropractor, podiatrist, nurse midwife, advanced practice nurse, audiologist, optician, or optometrist; and

(3) \$3.50 for nonemergency visits to a hospital-based emergency room, except that this co-payment shall be increased to \$20 upon federal approval.

(b) Paragraph (a), clause (2), does not apply to mental health services.

(c) The commissioner, through the contracting process under section 256L.121, may allow participating entities to waive the family deductible described under paragraph (a), clause (4). The value of the family deductible shall not be included in any capitation or other payment made by the commissioner to participating entities. Participating entities shall certify annually to the commissioner the dollar value of the family deductible.

(d) The commissioner may waive the collection of the family deductible described under paragraph (a), clause (4), from individuals and allow long-term care and waived service providers to assume responsibility for payment.

EFFECTIVE DATE. This section is effective January 1, 2015.

Sec. 18. Minnesota Statutes 2012, section 256L.03, is amended by adding a subdivision to read:

Subd. 4b. **Loss ratio.** Health coverage provided through the MinnesotaCare program must have a medical loss ratio of at least 85 percent, as defined using the loss ratio methodology described in section 1001 of the Affordable Care Act.

EFFECTIVE DATE. This section is effective January 1, 2015.

Sec. 19. Minnesota Statutes 2012, section 256L.03, subdivision 5, is amended to read:

Subd. 5. **Cost-sharing.** (a) Except as provided in ~~paragraphs~~ paragraph (b) ~~and (c)~~, the MinnesotaCare benefit plan shall include the following cost-sharing requirements for all enrollees:

(1) ten percent of the paid charges for inpatient hospital services for adult enrollees, subject to an annual inpatient out-of-pocket maximum of \$1,000 per individual;

(2) (1) \$3 per prescription for adult enrollees;

(3) (2) \$25 for eyeglasses for adult enrollees;

(4) (3) \$3 per nonpreventive visit. For purposes of this subdivision, a "visit" means an episode of service which is required because of a recipient's symptoms, diagnosis, or established illness, and which is delivered in an ambulatory setting by a physician or physician ancillary, chiropractor, podiatrist, nurse midwife, advanced practice nurse, audiologist, optician, or optometrist;

~~(5)~~ (4) \$6 for nonemergency visits to a hospital-based emergency room for services provided through December 31, 2010, and \$3.50 effective January 1, 2011; and

~~(6)~~ (5) a family deductible equal to the maximum amount allowed under Code of Federal Regulations, title 42, part 447.54.

~~(b)~~ Paragraph (a), clause (1), does not apply to parents and relative caretakers of children under the age of 21.

~~(c)~~ (b) Paragraph (a) does not apply to pregnant women and children under the age of 21.

~~(d)~~ (c) Paragraph (a), clause ~~(4)~~ (3), does not apply to mental health services.

~~(e)~~ Adult enrollees with family gross income that exceeds 200 percent of the federal poverty guidelines or 215 percent of the federal poverty guidelines on or after July 1, 2009, and who are not pregnant shall be financially responsible for the coinsurance amount, if applicable, and amounts which exceed the \$10,000 inpatient hospital benefit limit.

~~(f)~~ When a MinnesotaCare enrollee becomes a member of a prepaid health plan, or changes from one prepaid health plan to another during a calendar year, any charges submitted towards the \$10,000 annual inpatient benefit limit, and any out-of-pocket expenses incurred by the enrollee for inpatient services, that were submitted or incurred prior to enrollment, or prior to the change in health plans, shall be disregarded.

~~(g)~~ (d) MinnesotaCare reimbursements to fee-for-service providers and payments to managed care plans or county-based purchasing plans shall not be increased as a result of the reduction of the co-payments in paragraph (a), clause ~~(5)~~ (4), effective January 1, 2011.

~~(h)~~ (e) The commissioner, through the contracting process under section 256L.12, may allow managed care plans and county-based purchasing plans to waive the family deductible under paragraph (a), clause ~~(6)~~ (5). The value of the family deductible shall not be included in the capitation payment to managed care plans and county-based purchasing plans. Managed care plans and county-based purchasing plans shall certify annually to the commissioner the dollar value of the family deductible.

EFFECTIVE DATE. This section is effective January 1, 2014.

Sec. 20. Minnesota Statutes 2012, section 256L.03, subdivision 6, is amended to read:

Subd. 6. **Lien.** When the state agency provides, pays for, or becomes liable for covered health services, the agency shall have a lien for the cost of the covered health services upon any and all causes of action accruing to the enrollee, or to the enrollee's legal representatives, as a result of the occurrence that necessitated the payment for the covered health services. All liens under this section shall be subject to the provisions of section 256.015. For purposes of this subdivision, "state agency" includes prepaid health plans participating entities, under contract with the commissioner according to sections 256B.69, 256D.03, subdivision 4, paragraph (c), and 256L.12; and county-based purchasing entities under section 256B.692 section 256L.121.

EFFECTIVE DATE. This section is effective January 1, 2015.

Sec. 21. Minnesota Statutes 2012, section 256L.04, is amended by adding a subdivision to read:

Subd. 1c. **General requirements.** To be eligible for coverage under MinnesotaCare, a person must meet the eligibility requirements of this section. A person eligible for MinnesotaCare shall not be treated as a qualified individual under section 1312 of the Affordable Care Act, and is not eligible for enrollment in a qualified health plan offered through the health benefit exchange under section 1331 of the Affordable Care Act.

EFFECTIVE DATE. This section is effective January 1, 2015.

Sec. 22. Minnesota Statutes 2012, section 256L.04, is amended by adding a subdivision to read:

Subd. 1d. **Eligible groups; income limits.** (a) To be eligible under MinnesotaCare, a person must:

(1) be a resident of Minnesota;

(2) not be eligible under medical assistance;

(3) have a household income that is greater than 133 percent but does not exceed 200 percent of the federal poverty guidelines for family size, except that a noncitizen lawfully present in the United States, who is not eligible for the Medicaid program under title XIX of the Social Security Act due to immigration status, may have a household income that is less than or equal to 133 percent of the federal poverty guidelines for family size;

(4) not be eligible for minimum essential coverage, as defined in section 5000A(f) of the Internal Revenue Code of 1986, except that a person may be eligible for an employer-sponsored plan that is not affordable coverage, as defined in section 5000A(e)(2) of the Internal Revenue Code of 1986; and

(5) not have attained the age of 65 as of the beginning of the plan year.

(b) The commissioner shall calculate income eligibility under MinnesotaCare using modified adjusted gross income and shall apply a standard five percent income disregard, as provided under section 2012 of the Affordable Care Act.

EFFECTIVE DATE. Paragraph (a) of this section is effective January 1, 2015. Paragraph (b) of this section is effective January 1, 2014.

Sec. 23. Minnesota Statutes 2012, section 256L.05, subdivision 1, is amended to read:

Subdivision 1. **Application assistance and information availability.** (a) Applicants may submit applications online, in person, by mail, or by phone in accordance with the Affordable Care Act, and by any other means by which medical assistance applications may be submitted. Applicants may submit applications through the Minnesota Insurance Marketplace or through the MinnesotaCare program. Applications and application assistance must be made available at provider offices, local human services agencies, school districts, public and private elementary schools in which 25 percent or more of the students receive free or reduced price lunches, community health offices, Women, Infants and Children (WIC) program sites, Head Start program sites, public housing councils, crisis nurseries, child care centers, early childhood education and preschool program sites, legal aid offices, and libraries, and at any other locations at which medical assistance applications must be made available. These sites may accept applications and forward the forms to the commissioner or local county human services agencies that choose to participate as

an enrollment site. Otherwise, applicants may apply directly to the commissioner or to participating local county human services agencies.

(b) Application assistance must be available for applicants choosing to file an online application through the Minnesota Insurance Marketplace.

EFFECTIVE DATE. This section is effective January 1, 2014.

Sec. 24. Minnesota Statutes 2012, section 256L.05, is amended by adding a subdivision to read:

Subd. 1d. **Streamlined application and enrollment process.** The commissioner shall work with the board of the Minnesota Insurance Marketplace and local human services agencies to develop a single, streamlined application and automatic enrollment process that meets the requirements of the Affordable Care Act, including but not limited to being structured to maximize an applicant's ability to complete the form satisfactorily, taking into account the characteristics of individuals who qualify for MinnesotaCare and medical assistance. Each application shall give an applicant the option, to the extent feasible, of specifying their current primary care clinic or physician as their primary care provider for purposes of continuity of care.

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

Sec. 25. Minnesota Statutes 2012, section 256L.05, subdivision 2, is amended to read:

Subd. 2. **Commissioner's duties.** The commissioner or county agency shall use electronic verification through the Minnesota Insurance Marketplace as the primary method of income verification. If there is a discrepancy between reported income and electronically verified income, an individual may be required to submit additional verification to the extent permitted under the Affordable Care Act. In addition, the commissioner shall perform random audits to verify reported income and eligibility. The commissioner may execute data sharing arrangements with the Department of Revenue and any other governmental agency in order to perform income verification related to eligibility and premium payment under the MinnesotaCare program.

EFFECTIVE DATE. This section is effective January 1, 2014.

Sec. 26. Minnesota Statutes 2012, section 256L.05, subdivision 3, is amended to read:

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

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

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

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

~~(e)~~ The effective date of coverage for individuals or families who are exempt from paying premiums under section 256L.15, subdivision 1, paragraph (d), is the first day of the month following the month in which verification of American Indian status is received or eligibility is approved, whichever is later.

~~(f)~~ (c) The effective date of coverage for children eligible under section 256L.07, subdivision 8, is the first day of the month following the date of termination from foster care or release from a juvenile residential correctional facility.

EFFECTIVE DATE. This section is effective January 1, 2015.

Sec. 27. Minnesota Statutes 2012, section 256L.05, subdivision 3a, is amended to read:

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

(b) Each new period of eligibility must take into account any changes in circumstances that impact eligibility ~~and premium amount~~. An enrollee must provide all the information needed to redetermine eligibility by the first day of the month that ends the eligibility period. ~~The premium for the new period of eligibility must be received as provided in section 256L.06 in order for eligibility to continue.~~

(c) For children enrolled in MinnesotaCare under section 256L.07, subdivision 8, the first period of renewal begins the month the enrollee turns 21 years of age.

EFFECTIVE DATE. This section is effective January 1, 2015.

Sec. 28. Minnesota Statutes 2012, section 256L.05, subdivision 3c, is amended to read:

Subd. 3c. **Retroactive coverage.** Notwithstanding subdivision 3, the effective date of coverage shall be the first day of the month following termination from medical assistance for families and individuals who are eligible for MinnesotaCare and who submitted a written request for retroactive MinnesotaCare coverage with a completed application within 30 days of the mailing of notification of termination from medical assistance. The applicant must provide all required verifications within 30 days of the written request for verification. ~~For retroactive coverage, premiums must be paid in full for any retroactive month, current month, and next month within 30 days of the premium billing. General assistance medical care recipients may qualify for retroactive coverage under this subdivision at six-month renewal.~~

EFFECTIVE DATE. This section is effective January 1, 2015.

Sec. 29. Minnesota Statutes 2012, section 256L.07, subdivision 1, is amended to read:

Subdivision 1. **General requirements.** (a) ~~Children enrolled in the original children's health plan as of September 30, 1992, children who enrolled in the MinnesotaCare program after September~~

~~30, 1992, pursuant to Laws 1992, chapter 549, article 4, section 17, and children who have family gross incomes that are equal to or less than 200 percent of the federal poverty guidelines are eligible without meeting the requirements of subdivision 2 and the four-month requirement in subdivision 3, as long as they maintain continuous coverage in the MinnesotaCare program or medical assistance.~~

Parents enrolled in MinnesotaCare under section 256L.04, subdivision 1, whose income increases above 275 percent of the federal poverty guidelines, are no longer eligible for the program and shall be disenrolled by the commissioner. Beginning January 1, 2008, individuals enrolled in MinnesotaCare under section 256L.04, subdivision 7, whose income increases above 200 percent of the federal poverty guidelines or 250 percent of the federal poverty guidelines on or after July 1, 2009, are no longer eligible for the program and shall be disenrolled by the commissioner. For persons disenrolled under this subdivision, MinnesotaCare coverage terminates the last day of the calendar month following the month in which the commissioner determines that the income of a family or individual exceeds program income limits.

(b) Children may remain enrolled in MinnesotaCare if their gross family income as defined in section 256L.01, subdivision 4, is greater than 275 percent of federal poverty guidelines. The premium for children remaining eligible under this paragraph shall be the maximum premium determined under section 256L.15, subdivision 2, paragraph (b).

(c) Notwithstanding paragraph (a), parents are not eligible for MinnesotaCare if gross household income exceeds \$57,500 for the 12-month period of eligibility.

EFFECTIVE DATE. This section is effective January 1, 2014.

Sec. 30. Minnesota Statutes 2012, section 256L.09, subdivision 2, is amended to read:

Subd. 2. **Residency requirement.** ~~To be eligible for health coverage under the MinnesotaCare program, pregnant women, individuals, and families with children must meet the residency requirements~~ individuals must be a resident of the state as provided by Code of Federal Regulations, title 42, section 435.403, except that the provisions of section 256B.056, subdivision 1, shall apply upon receipt of federal approval section 1331 of the Affordable Care Act.

EFFECTIVE DATE. This section is effective January 1, 2015.

Sec. 31. Minnesota Statutes 2012, section 256L.11, subdivision 1, is amended to read:

Subdivision 1. **Medical assistance rate to be used.** ~~(a) Payment to providers under sections 256L.01 to 256L.11~~ this chapter shall be at the same rates and conditions established for medical assistance, except as provided in ~~subdivisions 2 to 6~~ this section.

~~(b) Effective for services provided on or after July 1, 2009, total payments for basic care services shall be reduced by three percent, in accordance with section 256B.766. Payments made to managed care and county-based purchasing plans shall be reduced for services provided on or after October 1, 2009, to reflect this reduction.~~

~~(c) Effective for services provided on or after July 1, 2009, payment rates for physician and professional services shall be reduced as described under section 256B.76, subdivision 1, paragraph (c). Payments made to managed care and county-based purchasing plans shall be reduced for services provided on or after October 1, 2009, to reflect this reduction.~~

EFFECTIVE DATE. This section is effective January 1, 2015.

Sec. 32. Minnesota Statutes 2012, section 256L.11, is amended by adding a subdivision to read:

Subd. 1a. **Rate increases.** Effective for services provided on or after January 1, 2015, the commissioner of human services shall increase payments for basic care services, physician and professional services, and dental services by ... percent from the rates in effect for the MinnesotaCare program on December 31, 2014. Payments to participating entities established through the competitive process under section 256L.121 must reflect this increase.

EFFECTIVE DATE. This section is effective January 1, 2015.

Sec. 33. **[256L.121] SERVICE DELIVERY.**

Subdivision 1. **Competitive process.** The commissioner of human services shall establish a competitive process for entering into contracts with participating entities for the offering of standard health plans through MinnesotaCare. Coverage through standard health plans must be available to enrollees beginning January 1, 2015. Each standard health plan must cover the health services listed in, and meet the requirements of, section 256L.03. The competitive process must meet the requirements of section 1331 of the Affordable Care Act and be designed to ensure enrollee access to high-quality health care coverage options. The commissioner, to the extent feasible, shall seek to ensure that enrollees have a choice of coverage from more than one participating entity within a geographic area.

Subd. 2. **Other requirements for participating entities.** The commissioner shall require participating entities, as a condition of contract, to document to the commissioner:

(1) the provision of culturally and linguistically appropriate services, including marketing materials, to MinnesotaCare enrollees; and

(2) the inclusion in provider networks of providers designated as essential community providers under section 62Q.19.

Subd. 3. **Coordination with state-administered health programs.** The commissioner shall coordinate the administration of the MinnesotaCare program with medical assistance to maximize efficiency and improve the continuity of care. This includes, but is not limited to:

(1) establishing geographic areas for MinnesotaCare that are consistent with the geographic areas of the medical assistance program, within which participating entities may offer health plans;

(2) requiring, as a condition of participation in MinnesotaCare, participating entities to also participate in the medical assistance program;

(3) providing MinnesotaCare enrollees, to the extent possible, with the option to remain in the same health plan and provider network, if they later become eligible for medical assistance or coverage through the Minnesota health benefit exchange; and

(4) establishing requirements and criteria for selection that ensure that covered health care services will be coordinated with local public health, social services, long-term care services, mental health services, and other local services affecting enrollees' health, access, and quality of care.

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

Sec. 34. **PLAN FOR CONSOLIDATION OF PUBLIC PROGRAMS.**

The commissioner of human services shall develop and present to the legislature by January 15, 2014, a plan for a consolidated and streamlined state health care program that combines the current medical assistance and MinnesotaCare programs, uses a standard and simplified application process through the Minnesota Insurance Marketplace, and provides seamless delivery and coordination of care between state health care programs and health coverage available through the Minnesota Insurance Marketplace.

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

Sec. 35. **REVISOR'S INSTRUCTION.**

The revisor shall remove cross-references to the sections repealed in this act wherever they appear in Minnesota Statutes and Minnesota Rules and make changes necessary to correct the punctuation, grammar, or structure of the remaining text and preserve its meaning.

Sec. 36. **REPEALER.**

(a) Minnesota Statutes 2012, sections 256L.01, subdivisions 4a and 5; 256L.031; and 256L.07, subdivisions 2 and 3, are repealed, effective July 1, 2014.

(b) Minnesota Statutes 2012, sections 256L.01, subdivisions 3 and 3a; 256L.02, subdivision 3; 256L.03, subdivisions 1a, 3, 4, and 5; 256L.04, subdivisions 1, 1b, 2a, 7, 7a, 8, 9, and 13; 256L.05, subdivisions 1b, 1c, and 5; 256L.06, subdivision 3; 256L.07, subdivisions 1, 4, 5, 8, and 9; 256L.09, subdivisions 1, 4, 5, 6, and 7; 256L.11, subdivisions 2a, 3, and 6; 256L.12; 256L.15, subdivisions 1, 1a, 1b, and 2; and 256L.17, subdivisions 1, 2, 3, 4, and 5, are repealed effective January 1, 2015."

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 Bakk from the Committee on Rules and Administration, to which was re-referred

S.F. No. 17: A joint resolution requesting that Congress propose a constitutional amendment and, if Congress does not propose an amendment, applying to Congress to call a constitutional convention to propose an amendment clarifying that the rights protected under the Constitution are the rights of natural persons and not the rights of artificial entities and that spending money to influence elections is not speech under the First Amendment.

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

Senator Marty from the Committee on Environment and Energy, to which was referred

S.F. No. 642: A bill for an act relating to energy; conservation; permitting waste heat recovered and used as thermal energy and biomass-generated thermal energy to be counted towards energy savings goals; amending Minnesota Statutes 2012, section 216B.241, subdivision 1, by adding subdivisions.

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

Page 3, delete lines 10 to 14 and insert:

"(n) "Waste heat recovered and used as thermal energy" means capturing heat energy that would otherwise be exhausted or dissipated to the environment from machinery, buildings, or

industrial processes and productively using such recovered thermal energy where it was captured or distributing it as thermal energy to other locations where it is used to reduce demand side consumption of natural gas, electric energy, or both."

Page 3, line 22, after the second "energy" insert ", including the recovered thermal energy from a cogeneration or combined heat and power facility,"

Page 3, line 23, after "goals" insert ", subject to department approval"

Page 3, delete section 3

Amend the title numbers accordingly

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

Senator Marty from the Committee on Environment and Energy, to which was referred

S.F. No. 666: A bill for an act relating to natural resources; reinstating the five-year moratorium on wolf hunting; amending Minnesota Statutes 2012, section 97B.645, subdivision 9.

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

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

S.F. No. 827: A bill for an act relating to legislative enactments; correcting erroneous, ambiguous, and omitted text and obsolete references; removing redundant, conflicting, and superseded provisions; making miscellaneous corrections to laws, statutes, and rules; amending Minnesota Statutes 2012, sections 13.08, subdivision 4; 13.3806, by adding a subdivision; 13.383, subdivision 11a; 13.461, subdivision 2; 13.7191, subdivision 14; 13.7905, by adding a subdivision; 13.7931, by adding a subdivision; 13.82, subdivision 5; 13B.06, subdivisions 4, 7; 13B.07, subdivision 7; 14.57; 14.63; 15A.0815, subdivision 1; 15B.155, subdivision 4; 16A.727; 28.04; 28A.0752, subdivision 1; 28A.085, subdivision 1; 29.21, subdivision 1; 29.22, subdivision 5; 31.02; 31.095; 31.15; 31.51, subdivision 1; 31.56, subdivision 1; 31.59, subdivision 1; 31.632; 31.671; 82.67, subdivision 1; 116.182, subdivision 5; 124D.111, subdivision 1; 126C.05, subdivision 15; 144.10; 144.125, subdivision 7; 144.56, subdivision 2; 148.65, subdivision 4; 148.741; 148B.591; 148D.061, subdivision 1; 150A.06, subdivision 2c; 169.011, by adding a subdivision; 216B.16, subdivision 6b; 216B.164, subdivision 9; 232.20; 232.21, subdivision 1; 232.24; 243.1606, subdivision 1; 245D.03, subdivision 2; 252.27, subdivision 2a; 256B.055, subdivision 1; 256B.0595, subdivision 4; 256J.21, subdivision 2; 256J.24, subdivision 3; 257.0755, subdivision 3; 257.0769, subdivision 1; 259.22, subdivision 4; 259.35, subdivision 1; 259.85, subdivision 1; 260C.007, subdivisions 6, 8; 260C.178, subdivision 1; 260C.503, subdivision 2; 272.488, subdivision 2; 275.066; 297E.021, subdivision 4; 299A.642, subdivision 4; 299A.78, subdivision 1; 299L.02, by adding a subdivision; 308A.931, subdivision 2; 336.9-313; 360.046, subdivision 1; 383A.13, subdivision 4; 390.32, subdivision 9; 463.04; 465.05; 469.169, subdivisions 12, 14, 15, 16, 17, 18; 469.1763, subdivision 2; 471.982, subdivision 3; 473J.14; 504B.285, subdivision 1c; 518B.02, subdivision 3; 524.3-803; 580.041, subdivision 2a; 609.233, subdivision 1a; 609B.445; 611A.02, subdivisions 2, 3; 611A.201, subdivisions 1, 2, 5; 611A.37, subdivisions 2, 3; 611A.373; 611A.46; 611A.77, subdivisions 1, 2, 3; 626.556, subdivision 2; 626.9517, subdivision 1; 629.341, subdivision 4; Laws 2010, chapter 375, section 11; Laws 2012, chapter 199, section 6; Laws 2012, chapter 293, section 13, subdivision 3; repealing Minnesota Statutes 2012, sections 2.031,

subdivision 2; 2.444; 2.484; 13.717, subdivisions 6, 7; 260C.301, subdivision 3; 325E.3161; 473.618; Laws 2007, chapter 85, section 3; Laws 2012, chapter 216, article 9, section 4; Minnesota Rules, part 7200.0100, subpart 3a.

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

Page 8, after line 11, insert:

"Sec. 11. Minnesota Statutes 2012, section 16A.965, subdivision 2, is amended to read:

Subd. 2. Authorization to issue appropriation bonds. (a) Subject to the limitations of this subdivision, the commissioner may sell and issue appropriation bonds of the state under this section for public purposes as provided by law, including, in particular, the financing of all or a portion of the acquisition, construction, improving, and equipping of the stadium project of the Minnesota Sports Facilities Authority as provided by chapter 473J. Proceeds of the appropriation bonds must be credited to a special appropriation stadium bond proceeds fund in the state treasury. Net income from investment of the proceeds, as estimated by the commissioner, must be credited to the special appropriation stadium bond proceeds fund.

(b) Appropriation bonds may be sold and issued in amounts that, in the opinion of the commissioner, are necessary to provide sufficient funds, not to exceed \$498,000,000 net of costs of issuance, revenue generated under section ~~16A.6455~~ 297E.021, and allocated by the commissioner of management and budget for this purpose and costs of credit enhancement for achieving the purposes authorized as provided under paragraph (a), and pay debt service including capitalized interest, pay costs of issuance, make deposits to reserve funds, pay the costs of credit enhancement, or make payments under other agreements entered into under paragraph (d); provided, however, that appropriation bonds issued and unpaid shall not exceed \$600,000,000 in principal amount, excluding refunding bonds sold and issued under subdivision 4.

(c) Appropriation bonds may be issued from time to time in one or more series on the terms and conditions the commissioner determines to be in the best interests of the state, but the term on any series of appropriation bonds may not exceed 30 years. The appropriation bonds of each issue and series thereof shall be dated and bear interest, and may be includable in or excludable from the gross income of the owners for federal income tax purposes.

(d) At the time of, or in anticipation of, issuing the appropriation bonds, and at any time thereafter, so long as the appropriation bonds are outstanding, the commissioner may enter into agreements and ancillary arrangements relating to the appropriation bonds, including but not limited to trust indentures, grant agreements, lease or use agreements, operating agreements, management agreements, liquidity facilities, remarketing or dealer agreements, letter of credit agreements, insurance policies, guaranty agreements, reimbursement agreements, indexing agreements, or interest exchange agreements. Any payments made or received according to the agreement or ancillary arrangement shall be made from or deposited as provided in the agreement or ancillary arrangement. The determination of the commissioner included in an interest exchange agreement that the agreement relates to an appropriation bond shall be conclusive.

(e) The commissioner may enter into written agreements or contracts relating to the continuing disclosure of information necessary to comply with, or facilitate the issuance of appropriation bonds in accordance with federal securities laws, rules, and regulations, including Securities and Exchange Commission rules and regulations in Code of Federal Regulations, title 17, section 240.15c 2-12. An agreement may be in the form of covenants with purchasers and holders of appropriation bonds

set forth in the order or resolution authorizing the issuance of the appropriation bonds, or a separate document authorized by the order or resolution.

(f) The appropriation bonds are not subject to chapter 16C."

Renumber the sections in sequence

Amend the title numbers accordingly

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

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

S.F. No. 1014: A bill for an act relating to human services; modifying provisions related to the Minnesota sex offender program; requiring a public education campaign; modifying the Civil Commitment Act; amending Minnesota Statutes 2012, section 253B.185, subdivision 1, by adding subdivisions.

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

Page 1, line 14, before the period, insert "or placed on provisional discharge"

Page 2, after line 13, insert:

"Sec. 4. **EFFECTIVE DATE.**

This article is effective July 1, 2013. The commissioner of human services shall implement this article as soon as practicable."

Page 2, delete article 2 and insert:

"ARTICLE 2

CIVIL COMMITMENT MODIFICATIONS

Section 1. Minnesota Statutes 2012, section 253B.18, subdivision 4b, is amended to read:

Subd. 4b. **Pass-eligible status; notification.** The following patients committed to a secure treatment facility shall not be placed on pass-eligible status unless that status has been approved by the medical director of the secure treatment facility:

(a) a patient who has been committed as a person who is mentally ill and dangerous and who:

(1) was found incompetent to proceed to trial for a felony or was found not guilty by reason of mental illness of a felony immediately prior to the filing of the commitment petition;

(2) was convicted of a felony immediately prior to or during commitment as a person who is mentally ill and dangerous; or

(3) is subject to a commitment to the commissioner of corrections; and

(b) a patient who has been committed as a psychopathic personality, a sexually psychopathic personality, or a sexually dangerous person.

At least ten days prior to a determination on the status, the medical director shall notify the committing court, the county attorney of the county of commitment, the designated agency, an interested person, the petitioner, and the petitioner's counsel of the proposed status, and their right

to request review by the special review board. If within ten days of receiving notice any notified person requests review by filing a notice of objection with the commissioner and the head of the treatment facility, a hearing shall be held before the special review board. The proposed status shall not be implemented unless it receives a favorable recommendation by a majority of the board and approval by the commissioner. The order of the commissioner is appealable as provided in section 253B.19. For a person committed as a sexual psychopathic personality or as a sexually dangerous person under section 253B.185, or committed as both mentally ill and dangerous to the public under this section and as a sexual psychopathic personality or as a sexually dangerous person, a request for review of pass-eligible status must be made directly to the judicial appeal panel under section 253B.19.

Nothing in this subdivision shall be construed to give a patient an affirmative right to seek pass-eligible status from the special review board or judicial appeal panel.

Sec. 2. Minnesota Statutes 2012, section 253B.18, subdivision 4c, is amended to read:

Subd. 4c. **Special review board.** (a) The commissioner shall establish one or more panels of a special review board. The board shall consist of three members experienced in the field of mental illness. One member of each special review board panel shall be a psychiatrist and one member shall be an attorney. No member shall be affiliated with the Department of Human Services. The special review board shall meet at least every six months and at the call of the commissioner. It shall hear and consider all petitions for a reduction in custody or to appeal a revocation of provisional discharge. A "reduction in custody" means transfer from a secure treatment facility, discharge, and provisional discharge. Patients may be transferred by the commissioner between secure treatment facilities without a special review board hearing.

Members of the special review board shall receive compensation and reimbursement for expenses as established by the commissioner.

(b) A petition filed by a person committed as mentally ill and dangerous to the public under this section must be heard as provided in subdivision 5 and, as applicable, subdivision 13. A petition filed by a person committed as a sexual psychopathic personality or as a sexually dangerous person under section 253B.185, or committed as both mentally ill and dangerous to the public under this section and as a sexual psychopathic personality or as a sexually dangerous person must be heard as provided in section ~~253B.185, subdivision 9~~ 253B.19, subdivision 2, paragraph (b); and subdivision 2a.

Sec. 3. Minnesota Statutes 2012, section 253B.185, subdivision 1, is amended to read:

Subdivision 1. **Commitment generally.** (a) Except as otherwise provided in this section, the provisions of this chapter pertaining to persons who are mentally ill and dangerous to the public apply with like force and effect to persons who are alleged or found to be sexually dangerous persons or persons with a sexual psychopathic personality. For purposes of this section, "sexual psychopathic personality" includes any individual committed as a "psychopathic personality" under Minnesota Statutes 1992, section 526.10.

(b) Before commitment proceedings are instituted, the facts shall first be submitted to the county attorney, who, if satisfied that good cause exists, will prepare the petition. The county attorney may request a prepetition screening report. The petition is to be executed by a person having knowledge of the facts and filed with the district court of the county of financial responsibility or the county where the patient is present. If the patient is in the custody of the commissioner of corrections, the

petition may be filed in the county where the conviction for which the person is incarcerated was entered.

(c) Upon the filing of a petition alleging that a proposed patient is a sexually dangerous person or is a person with a sexual psychopathic personality, the court shall hear the petition as provided in section 253B.18, except that section 253B.18, subdivisions 2 and 3, shall not apply sections 253B.07 and 253B.08.

If the court finds by clear and convincing evidence that the proposed patient is a sexually dangerous person or is a person with a sexual psychopathic personality, the court shall commit the person to the commissioner to place in a secure treatment facility for evaluation and proposed disposition.

(d) In commitments under this section, the court shall commit the patient to a secure treatment facility unless the patient establishes by clear and convincing evidence that a less restrictive treatment program is available that is consistent with the patient's treatment needs and the requirements of public safety. Within 60 days following commitment and receipt of the patient, a qualified person or persons designated by the commissioner shall evaluate the patient, consider possible dispositions, and file a written disposition report with the committing court. If the person is in the custody of the commissioner of corrections when the commitment is ordered under paragraph (c), the written disposition report must be filed no later than 60 days after the person is admitted to the secure treatment facility. The commissioner may request that the court grant an extension of the 60-day deadline, which may be granted for good cause after opportunity for objection by the patient and the county attorney. The disposition report must recommend whether the person should be placed on strict and intensive supervision and treatment or in a secure treatment facility. If the recommendation is for placement on strict and intensive supervision and treatment, the report must specifically describe the conditions that the program determines would be best suited to meet the person's treatment needs and the requirements of public safety. Within 30 days after receiving the disposition report, unless otherwise agreed by the parties, the court shall hold a hearing to make a final determination as to the appropriate disposition of the case. If the disposition report recommends placement on strict and intensive supervision and treatment, either party or the court may request the court examiners to address the sufficiency and conditions of the plan.

(e) At the time of commitment, the court shall provide the commissioner copies of the court-appointed examiners' reports and the exhibits admitted in the case. Upon request of the evaluator, the county attorney shall provide copies of records gathered by the county attorney for purposes of the case. Upon request, the evaluator is entitled to promptly obtain records and data regarding the committed person from the Department of Corrections, a probation or parole agency, and a program or provider that has provided sex offender or mental health evaluation or treatment to the committed person.

(f) After a final determination that a patient is a sexually dangerous person or sexual psychopathic personality, the court shall order commitment for an indeterminate period of time and the patient shall be transferred, provisionally discharged, or discharged, only as provided in this section.

Sec. 4. Minnesota Statutes 2012, section 253B.185, is amended by adding a subdivision to read:

Subd. 1c. **Strict and intensive supervision and treatment.** (a) If a specific plan for strict and intensive supervision and treatment is proposed, the court shall commit the person to strict and intensive supervision and treatment, unless the petitioner proves by a preponderance of the evidence

that the plan is not sufficient to meet the person's treatment needs or the requirements of public safety.

(b) If the court finds that strict and intensive supervision and treatment is appropriate, the court shall notify the Minnesota sex offender program, which must prepare a plan that identifies the treatment and services for the patient, including recommendations regarding the conditions of strict and intensive supervision and treatment. The plan must be presented to the court for its approval within 60 days after the court finds that strict and intensive supervision and treatment is appropriate, unless the program or the patient requests additional time to develop the plan and the court determines there is good cause to allow an extension for a specified period.

(c) An order for strict and intensive supervision and treatment places the patient in the custody and control of the commissioner of human services for the provision of treatment, services, and supervision under the Minnesota sex offender program and the patient is subject to the conditions set by the court and the program, which must ensure the safety of the public while meeting the treatment needs of the civilly committed patient.

(d) If the program determines that a patient under this subdivision has violated a condition under paragraph (c) or is exhibiting behavior that may be dangerous to self or others or that the interests of public safety require that strict and intensive supervision and treatment placement be revoked, the program may request the court to issue an emergency ex parte order directing a law enforcement agency to take the person into custody and transport the person to a Department of Corrections or county correctional or detention facility or a secure treatment facility. The county attorney or the program shall submit a statement showing probable cause for the detention and submit a petition to revoke the strict and intensive supervision and treatment order within 48 hours after the detention. The court shall hear the petition within 30 days, unless the hearing or deadline is waived by the patient. If the court determines that a condition of the strict and intensive supervision and treatment placement has been violated or that the safety of the patient or others requires that the strict and intensive supervision and treatment placement be revoked, the court shall revoke the strict and intensive supervision and treatment placement and order an appropriate commitment placement under this section.

(e) This subdivision does not affect or replace any applicable registration requirements under section 243.166 or notice requirements under sections 244.052 and 244.053.

Sec. 5. Minnesota Statutes 2012, section 253B.185, subdivision 9, is amended to read:

Subd. 9. **Petition for reduction in custody.** (a) This subdivision applies only to committed persons as defined in paragraph (b). The procedures in subdivision 10 for victim notification and right to submit a statement apply to petitions filed and reductions in custody recommended under this subdivision.

(b) As used in this subdivision:

(1) "committed person" means an individual committed under this section, or under this section and under section 253B.18, as mentally ill and dangerous. ~~It does not include persons committed only as mentally ill and dangerous under section 253B.18;~~ and

(2) "reduction in custody" means transfer out of a secure treatment facility, a provisional discharge, or a discharge from commitment. A reduction in custody is considered to be a commitment proceeding under section 8.01.

~~(c) A petition for a reduction in custody or an appeal of a revocation of provisional discharge may be filed by either the committed person or by the head of the treatment facility and must be filed with and considered by a panel of the special review board authorized under section 253B.18, subdivision 4c. A committed person may not petition the special review board any sooner than six months following either: executive director of the Minnesota sex offender program as provided in section 253B.19, subdivision 2a.~~

~~(1) the entry of judgment in the district court of the order for commitment issued under section 253B.18, subdivision 3, or upon the exhaustion of all related appeal rights in state court relating to that order, whichever is later; or~~

~~(2) any recommendation of the special review board or order of the judicial appeal panel, or upon the exhaustion of all appeal rights in state court, whichever is later. The head of the treatment facility may petition at any time. The special review board proceedings are not contested cases as defined in chapter 14.~~

~~(d) The special review board shall hold a hearing on each petition before issuing a recommendation under paragraph (f). Fourteen days before the hearing, the committing court, the county attorney of the county of commitment, the designated agency, an interested person, the petitioner and the petitioner's counsel, and the committed person and the committed person's counsel must be given written notice by the commissioner of the time and place of the hearing before the special review board. Only those entitled to statutory notice of the hearing or those administratively required to attend may be present at the hearing. The patient may designate interested persons to receive notice by providing the names and addresses to the commissioner at least 21 days before the hearing.~~

~~(e) A person or agency receiving notice that submits documentary evidence to the special review board before the hearing must also provide copies to the committed person, the committed person's counsel, the county attorney of the county of commitment, the case manager, and the commissioner. The special review board must consider any statements received from victims under subdivision 10.~~

~~(f) Within 30 days of the hearing, the special review board shall issue written findings of fact and shall recommend denial or approval of the petition to the judicial appeal panel established under section 253B.19. The commissioner shall forward the recommendation of the special review board to the judicial appeal panel and to every person entitled to statutory notice. No reduction in custody or reversal of a revocation of provisional discharge recommended by the special review board is effective until it has been reviewed by the judicial appeal panel and until 15 days after an order from the judicial appeal panel affirming, modifying, or denying the recommendation.~~

Sec. 6. Minnesota Statutes 2012, section 253B.185, is amended by adding a subdivision to read:

Subd. 9a. **Biennial review of placement level.** (a) The commissioner shall appoint an examiner to conduct an examination of the mental condition of a person committed under this section within 24 months after the date of the commitment order under subdivision 1, paragraph (c), and after that time at least once each 24 months to determine whether the person has made sufficient progress for the judicial appeal panel to consider whether the person's placement should be modified. At the time of an examination under this section, the person who has been committed may retain or have the commissioner appoint an additional examiner.

(b) An examiner conducting an examination under paragraph (a) shall prepare a written report of the examination no later than 30 days after the date of the examination. The report must examine and assess the patient's:

(1) progress toward treatment goals;

(2) risk to the public; and

(3) suitability for an alternative placement that balances the patient's continued treatment needs and public safety. The examiner shall provide a copy of the report to the county attorneys of the committing county and the county of financial responsibility, the commissioner, and the judicial appeal panel.

(c) Notwithstanding paragraph (a), the judicial appeal panel may order an examination of the person at any time during the period in which the person is subject to the commitment order. The examination must be conducted pursuant to this subdivision.

(d) At any examination under paragraph (a), the executive clinical director of the Minnesota sex offender program shall prepare a treatment progress report. The executive clinical director shall provide a copy of the treatment progress report to the commissioner. The treatment progress report must consider all of the following:

(1) the specific factors associated with the person's risk for committing another sexually violent offense;

(2) whether the person has made significant progress in treatment or has refused treatment;

(3) the ongoing treatment needs of the person; and

(4) any specialized needs or conditions associated with the person that must be considered in future treatment planning.

(e) Examiners under paragraph (a) and the executive clinical director under paragraph (d) must have reasonable access to the person for purposes of examination, to the person's past and present treatment and supervision records, and to the person's health care records.

(f) The commissioner shall submit a biennial report comprised of the examination report under paragraph (a) and the treatment progress report under paragraph (d) to the judicial appeal panel. A copy of the biennial report must be placed in the person's treatment records. The commissioner shall provide a copy of the biennial report to the patient and the county attorneys of the committing county and the county of financial responsibility. The panel shall provide a copy of the biennial report to the patient's attorney as soon as the attorney is retained or appointed.

(g) If a person committed under this section is incarcerated for a new criminal charge or conviction, any reporting requirement under paragraphs (a), (d), or (f) does not apply during the incarceration period. The judicial appeal panel may order an examination of the person under paragraph (c) if the panel finds an examination is necessary. The required reports are due 24 months after the person is returned to the custody and control of the commissioner of human services under the Minnesota sex offender program.

(h) Failure to complete or file any required report within the specified time period does not affect the validity of the person's continuing commitment.

Sec. 7. Minnesota Statutes 2012, section 253B.185, subdivision 10, is amended to read:

Subd. 10. **Victim notification of petition and release; right to submit statement.** (a) As used in this subdivision:

(1) "crime" has the meaning given to "violent crime" in section 609.1095, and includes criminal sexual conduct in the fifth degree and offenses within the definition of "crime against the person" in section 253B.02, subdivision 4a, and also includes offenses listed in section 253B.02, subdivision 7a, paragraph (b), regardless of whether they are sexually motivated;

(2) "victim" means a person who has incurred loss or harm as a result of a crime, the behavior for which forms the basis for a commitment under this section or section 253B.18; and

(3) "convicted" and "conviction" have the meanings given in section 609.02, subdivision 5, and also include juvenile court adjudications, findings under Minnesota Rules of Criminal Procedure, rule 20.02, that the elements of a crime have been proved, and findings in commitment cases under this section or section 253B.18, that an act or acts constituting a crime occurred.

(b) A county attorney who files a petition to commit a person under this section shall make a reasonable effort to provide prompt notice of filing the petition to any victim of a crime for which the person was convicted. In addition, the county attorney shall make a reasonable effort to promptly notify the victim of the resolution of the petition.

(c) Before provisionally discharging, discharging, granting pass-eligible status, approving a pass plan, or otherwise permanently or temporarily releasing a person committed under this section from a treatment facility, the head of the treatment facility shall make a reasonable effort to notify any victim of a crime for which the person was convicted that the person may be discharged or released and that the victim has a right to submit a written statement regarding decisions of the head of the treatment facility or designee, ~~or special review board~~, with respect to the person. To the extent possible, the notice must be provided at least 14 days before any ~~special review board~~ judicial appeal panel hearing or before a determination on a pass plan. Notwithstanding section 611A.06, subdivision 4, the commissioner shall provide the judicial appeal panel with victim information in order to comply with the provisions of this section. The judicial appeal panel shall ensure that the data on victims remains private as provided for in section 611A.06, subdivision 4.

(d) This subdivision applies only to victims who have requested notification through the Department of Corrections electronic victim notification system, or by contacting, in writing, the county attorney in the county where the conviction for the crime occurred or where the civil commitment was filed or, following commitment, the head of the treatment facility. A request for notice under this subdivision received by the commissioner of corrections through the Department of Corrections electronic victim notification system shall be promptly forwarded to the prosecutorial authority with jurisdiction over the offense to which the notice relates or, following commitment, the head of the treatment facility. A county attorney who receives a request for notification under this paragraph following commitment shall promptly forward the request to the commissioner of human services.

(e) Rights under this subdivision are in addition to rights available to a victim under chapter 611A. This provision does not give a victim all the rights of a "notified person" or a person "entitled to statutory notice" under subdivision 12 or 13 or section 253B.18, subdivision 4a, 4b, or 5.

Sec. 8. Minnesota Statutes 2012, section 253B.185, subdivision 11, is amended to read:

Subd. 11. **Transfer.** (a) A patient who is committed as a sexually dangerous person or sexual psychopathic personality shall not be transferred out of a secure treatment facility unless it appears to the satisfaction of the judicial appeal panel, ~~after a hearing and recommendation by a majority of the special review board,~~ that the transfer is appropriate. Transfer may be to other treatment programs under the commissioner's control.

(b) The following factors must be considered in determining whether a transfer is appropriate:

- (1) the person's clinical progress and present treatment needs;
- (2) the need for security to accomplish continuing treatment;
- (3) the need for continued institutionalization;
- (4) which facility can best meet the person's needs; and
- (5) whether transfer can be accomplished with a reasonable degree of safety for the public.

Sec. 9. Minnesota Statutes 2012, section 253B.185, subdivision 11a, is amended to read:

Subd. 11a. **Transfer; voluntary readmission to a secure facility.** (a) After a patient has been transferred out of a secure facility pursuant to subdivision 11 and with the consent of the executive director of the Minnesota sex offender program, a patient may voluntarily return to a secure facility operated by the Minnesota sex offender program for a period of up to 60 days.

(b) If the patient is not returned to the facility to which the patient was originally transferred pursuant to subdivision 11 within 60 days of being readmitted to a secure facility, the transfer is revoked and the patient shall remain in a secure facility. The patient shall immediately be notified in writing of the revocation.

(c) Within 15 days of receiving notice of the revocation, the patient may petition the ~~special review board~~ judicial appeal panel for a review of the revocation. The ~~special review board~~ judicial appeal panel shall review the circumstances of the revocation and shall ~~recommend to the judicial appeal panel~~ determine whether or not the revocation shall be upheld. The ~~special review board~~ judicial appeal panel may also ~~recommend~~ order a new transfer at the time of the revocation hearing.

(d) If the transfer has not been revoked and the patient is to be returned to the facility to which the patient was originally transferred pursuant to subdivision 11, with no substantive change to the conditions of the transfer ordered pursuant to subdivision 11, no action by the ~~special review board~~ or judicial appeal panel is required.

Sec. 10. Minnesota Statutes 2012, section 253B.185, subdivision 11b, is amended to read:

Subd. 11b. **Transfer; revocation.** (a) The executive director of the Minnesota sex offender program or designee may revoke a transfer made pursuant to subdivision 11 and require a patient to return to a secure treatment facility if:

(1) remaining in a nonsecure setting will not provide a reasonable degree of safety to the patient or others; or

(2) the patient has regressed in clinical progress so that the facility to which the patient was transferred is no longer sufficient to meet the patient's needs.

(b) Upon the revocation of the transfer, the patient shall be immediately returned to a secure treatment facility. A report documenting reasons for revocation shall be issued by the executive director or designee within seven days after the patient is returned to the secure treatment facility. Advance notice to the patient of the revocation is not required.

(c) The patient must be provided a copy of the revocation report and informed, orally and in writing, of the rights of a patient under this subdivision. The revocation report shall be served upon the patient and the patient's counsel. The report shall outline the specific reasons for the revocation including, but not limited to, the specific facts upon which the revocation recommendation is based.

(d) A patient whose transfer is revoked must successfully re-petition the ~~special review board~~ and judicial appeal panel prior to being transferred out of a secure facility.

(e) Any patient aggrieved by a transfer revocation decision may petition the ~~special review board~~ judicial appeal panel within seven days, exclusive of Saturdays, Sundays, and legal holidays, after receipt of the revocation report for a review of the revocation. The matter shall be scheduled within 30 days. The ~~special review board~~ judicial appeal panel shall review the circumstances leading to the revocation and, after considering the factors in subdivision 11, paragraph (b), shall ~~recommend to the judicial appeal panel~~ determine whether or not the revocation shall be upheld. The ~~special review board~~ judicial appeal panel may also ~~recommend~~ order a new transfer out of a secure facility at the time of the revocation hearing.

Sec. 11. Minnesota Statutes 2012, section 253B.185, subdivision 12, is amended to read:

Subd. 12. **Provisional discharge.** A patient who is committed as a sexual psychopathic personality or sexually dangerous person shall not be provisionally discharged unless it appears to the satisfaction of the judicial appeal panel, ~~after a hearing and a recommendation by a majority of the special review board~~, that the patient is capable of making an acceptable adjustment to open society.

The following factors are to be considered in determining whether a provisional discharge shall be ~~recommended~~ granted:

(1) whether the patient's course of treatment and present mental status indicate there is no longer a need for treatment and supervision in the patient's current treatment setting; and

(2) whether the conditions of the provisional discharge plan will provide a reasonable degree of protection to the public and will enable the patient to adjust successfully to the community.

Sec. 12. Minnesota Statutes 2012, section 253B.185, subdivision 14, is amended to read:

Subd. 14. **Provisional discharge; review.** A provisional discharge pursuant to this section shall not automatically terminate. A full discharge shall occur only as provided in subdivision 18. The commissioner shall notify the patient that the terms of a provisional discharge continue unless the patient requests and is granted a change in the conditions of provisional discharge or unless the patient petitions the ~~special review board~~ judicial appeal panel for a full discharge and the discharge is granted ~~by the judicial appeal panel~~.

Sec. 13. Minnesota Statutes 2012, section 253B.185, subdivision 14a, is amended to read:

Subd. 14a. **Provisional discharge; voluntary readmission.** (a) With the consent of the executive director of the Minnesota sex offender program, a patient may voluntarily return to the Minnesota sex offender program from provisional discharge for a period of up to 60 days.

(b) If the patient is not returned to provisional discharge status within 60 days of being readmitted to the Minnesota sex offender program, the provisional discharge is revoked. The patient shall immediately be notified of the revocation in writing. Within 15 days of receiving notice of the revocation, the patient may request a review of the matter before the ~~special review board~~ judicial appeal panel. The ~~special review board~~ judicial appeal panel shall review the circumstances of the revocation and, after applying the standards in subdivision 15, paragraph (a), shall ~~recommend to the judicial appeal panel~~ determine whether or not the revocation shall be upheld. The ~~board~~ judicial appeal panel may recommend order a return to provisional discharge status.

(c) If the provisional discharge has not been revoked and the patient is to be returned to provisional discharge, the Minnesota sex offender program is not required to petition for a further review by the ~~special review board~~ judicial appeal panel unless the patient's return to the community results in substantive change to the existing provisional discharge plan.

Sec. 14. Minnesota Statutes 2012, section 253B.185, subdivision 15, is amended to read:

Subd. 15. **Provisional discharge; revocation.** (a) The head of the treatment facility may revoke a provisional discharge if either of the following grounds exist:

- (1) the patient has departed from the conditions of the provisional discharge plan; or
- (2) the patient is exhibiting behavior which may be dangerous to self or others.

(b) The head of the treatment facility may revoke the provisional discharge and, either orally or in writing, order that the patient be immediately returned to the treatment facility. A report documenting reasons for revocation shall be issued by the head of the treatment facility within seven days after the patient is returned to the treatment facility. Advance notice to the patient of the revocation is not required.

(c) The patient must be provided a copy of the revocation report and informed, orally and in writing, of the rights of a patient under this section. The revocation report shall be served upon the patient, the patient's counsel, and the designated agency. The report shall outline the specific reasons for the revocation, including but not limited to the specific facts upon which the revocation recommendation is based.

(d) An individual who is revoked from provisional discharge must successfully re-petition the ~~special review board~~ and judicial appeal panel prior to being placed back on provisional discharge.

Sec. 15. Minnesota Statutes 2012, section 253B.185, subdivision 17, is amended to read:

Subd. 17. **Appeal.** Any patient aggrieved by a revocation decision or any interested person may petition the ~~special review board~~ judicial appeal panel within seven days, exclusive of Saturdays, Sundays, and legal holidays, after receipt of the revocation report for a review of the revocation. The matter shall be scheduled within 30 days. The ~~special review board~~ judicial appeal panel shall review the circumstances leading to the revocation and shall ~~recommend to the judicial appeal panel~~ determine whether or not the revocation shall be upheld. The ~~special review board~~ judicial appeal panel may also recommend order a new provisional discharge at the time of the revocation hearing.

Sec. 16. Minnesota Statutes 2012, section 253B.185, subdivision 18, is amended to read:

Subd. 18. **Discharge.** A patient who is committed as a sexual psychopathic personality or sexually dangerous person shall not be discharged unless it appears to the satisfaction of the judicial appeal panel, ~~after a hearing and recommendation by a majority of the special review board,~~ that the patient is capable of making an acceptable adjustment to open society, is no longer dangerous to the public, and is no longer in need of inpatient treatment and supervision.

In determining whether a discharge shall be recommended, the ~~special review board and~~ judicial appeal panel shall consider whether specific conditions exist to provide a reasonable degree of protection to the public and to assist the patient in adjusting to the community. If the desired conditions do not exist, the discharge shall not be granted.

Sec. 17. Minnesota Statutes 2012, section 253B.19, subdivision 2, is amended to read:

Subd. 2. **Petition; hearing.** (a) A person committed as mentally ill and dangerous to the public under section 253B.18, or the county attorney of the county from which the person was committed or the county of financial responsibility, may petition the judicial appeal panel for a rehearing and reconsideration of a decision by the commissioner under section 253B.18, subdivision 5. The judicial appeal panel must not consider petitions for relief other than those considered by the commissioner from which the appeal is taken. The petition must be filed with the Supreme Court within 30 days after the decision of the commissioner is signed. The hearing must be held within 45 days of the filing of the petition unless an extension is granted for good cause.

(b) A person committed as a sexual psychopathic personality or as a sexually dangerous person under section 253B.185, or committed as both mentally ill and dangerous to the public under section 253B.18 and as a sexual psychopathic personality or as a sexually dangerous person under section 253B.185; ~~the county attorney of the county from which the person was committed or the county of financial responsibility;~~ or the commissioner executive director of the Minnesota sex offender program may petition the judicial appeal panel for a ~~rehearing and reconsideration of a decision of the special review board under section 253B.185, subdivision 9.~~ The petition must be filed with the Supreme Court within 30 days after the decision is mailed by the commissioner as required in section 253B.185, subdivision 9, paragraph (f) reduction in custody as allowed under subdivision 2a. The hearing must be held within 180 days of the filing of the petition unless an extension is granted for good cause. ~~If no party petitions the judicial appeal panel for a rehearing or reconsideration within 30 days, the judicial appeal panel shall either issue an order adopting the recommendations of the special review board or set the matter on for a hearing pursuant to this paragraph.~~

(c) For an appeal under paragraph (a) or (b), the Supreme Court shall refer the petition to the chief judge of the judicial appeal panel. The chief judge shall notify the patient, the county attorney of the county of commitment, the designated agency, the commissioner, the head of the treatment facility, any interested person, and other persons the chief judge designates, of the time and place of the hearing on the petition. The notice shall be given at least 14 days prior to the date of the hearing.

(d) In an appeal under paragraph (a), any person may oppose the petition. The patient, the patient's counsel, the county attorney of the committing county or the county of financial responsibility, and the commissioner shall participate as parties to the proceeding pending before the judicial appeal panel and shall, ~~except when the patient is committed solely as mentally ill and dangerous, no later than 20 days before the hearing on the petition,~~ inform the judicial appeal

~~panel and the opposing party in writing whether they support or oppose the petition and provide a summary of facts in support of their position.~~

(e) The judicial appeal panel may appoint examiners and may adjourn the hearing from time to time. It shall hear and receive all relevant testimony and evidence and make a record of all proceedings. The patient, the patient's counsel, and the county attorney of the committing county or the county of financial responsibility have the right to be present and may present and cross-examine all witnesses and offer a factual and legal basis in support of their positions. The petitioning party seeking discharge or provisional discharge bears the burden of going forward with the evidence, which means presenting a prima facie case with competent evidence to show that the person is entitled to the requested relief. If the petitioning party has met this burden, the party opposing discharge or provisional discharge bears the burden of proof by clear and convincing evidence that the discharge or provisional discharge should be denied. A party seeking transfer under section 253B.18, subdivision 6, ~~or 253B.185, subdivision 11~~, must establish by a preponderance of the evidence that the transfer is appropriate.

(f) For a petition under paragraph (b), any person may oppose the petition. The patient, the patient's counsel, and the county attorney of the committing county or the county of financial responsibility shall participate as parties to the proceeding pending before the judicial appeal panel and shall, no later than 20 days before the hearing on the petition, inform the judicial appeal panel and the opposing party in writing whether they support or oppose the petition and provide a summary of facts in support of their position. The judicial appeal panel may appoint examiners and may adjourn the hearing from time to time. It shall hear and receive all relevant testimony and evidence and make a record of all proceedings. The patient, the patient's counsel, and the county attorney of the committing county or the county of financial responsibility have the right to be present and may present and cross-examine all witnesses and offer a factual and legal basis in support of their positions. The party opposing discharge or provisional discharge bears the burden of proof by clear and convincing evidence that the discharge or provisional discharge should be denied. A party seeking transfer under section 253B.185, subdivision 11, must establish by a preponderance of the evidence that the transfer is appropriate.

Sec. 18. Minnesota Statutes 2012, section 253B.19, is amended by adding a subdivision to read:

Subd. 2a. **Receipt of biennial report; petition for reduction in custody.** (a) When the commissioner provides a copy of the biennial report required by section 253B.185, subdivision 9a, to the patient, the commissioner shall inform the person of the person's right to file a petition for reduction in custody.

(b) Within 30 days after the commissioner submits a biennial report, the patient or the patient's attorney may file a completed petition for reduction in custody with the appeal panel. The petition may be accompanied by written argument, affidavits, and exhibits. The executive director of the Minnesota sex offender program may file a petition for reduction in custody at any time.

(c) If a petition for reduction in custody is timely filed under paragraph (b), the appeal panel shall determine whether to set the matter for a hearing. A hearing must be conducted unless the panel determines that the petition and accompanying documents fail to present a prima facie case with competent evidence that the patient is entitled to the requested relief. Every patient must have the opportunity to establish a prima facie case at an in-person hearing no less than once every four years, except when section 253B.185, subdivision 9a, paragraph (g), applies to the patient. If a petition for

reduction in custody is not filed in a timely manner under paragraph (b), the appeal panel may order a hearing.

(d) If a hearing is ordered, the hearing must be conducted pursuant to subdivision 2, paragraph (e).

Sec. 19. Minnesota Statutes 2012, section 253B.19, subdivision 3, is amended to read:

Subd. 3. **Decision.** (a) A majority of the judicial appeal panel shall rule upon the petition. The panel shall consider the petition de novo. The order of the judicial appeal panel shall supersede an order of the commissioner under section 253B.18, subdivision 5. No order of the judicial appeal panel granting a transfer, discharge or provisional discharge shall be made effective sooner than 15 days after it is issued.

~~The~~ (b) For an appeal under subdivision 2, paragraph (a), the panel may not consider petitions for relief other than those considered by the commissioner or special review board from which the appeal is taken. The judicial appeal panel may not grant a transfer or provisional discharge on terms or conditions that were not presented to the commissioner or the special review board.

Sec. 20. Minnesota Statutes 2012, section 609.485, subdivision 2, is amended to read:

Subd. 2. **Acts prohibited.** Whoever does any of the following may be sentenced as provided in subdivision 4:

(1) escapes while held pursuant to a lawful arrest, in lawful custody on a charge or conviction of a crime, or while held in lawful custody on an allegation or adjudication of a delinquent act;

(2) transfers to another, who is in lawful custody on a charge or conviction of a crime, or introduces into an institution in which the latter is confined, anything usable in making such escape, with intent that it shall be so used;

(3) having another in lawful custody on a charge or conviction of a crime, intentionally permits the other to escape;

(4) escapes while in a facility designated under section 253B.18, subdivision 1, pursuant to a court commitment order after a finding of not guilty by reason of mental illness or mental deficiency of a crime against the person, as defined in section 253B.02, subdivision 4a. Notwithstanding section 609.17, no person may be charged with or convicted of an attempt to commit a violation of this clause;

(5) escapes while in or under the supervision of a facility or authority designated under ~~section~~ sections 246B.01, subdivision 2a; 246B.02; 253B.18, subdivision 1; 253B.185, subdivision 1, paragraph (d); 253B.185, subdivision 1c; or Minnesota Statutes 1992, section 526.10;

(6) escapes while on pass status or provisional discharge according to section 253B.18 or 253B.185; or

(7) escapes while a civilly committed sex offender in the Minnesota sex offender program as defined in section 246B.01, subdivision 1a, or subject to a court hold order under section 253B.185.

For purposes of clauses (1) and (7), "escapes while held in lawful custody" or "escapes while a civilly committed sex offender in the Minnesota sex offender program" includes absconding from electronic monitoring or removing an electronic monitoring device from the person's body.

Sec. 21. **EFFECTIVE DATE; APPLICATION.**

(a) Except as otherwise provided in this section, this article is effective August 1, 2013.

(b) Petitions for a reduction in custody pending before the special review board or judicial appeal panel or the subject of appeal under Minnesota Statutes, section 253B.19, subdivision 5, will continue to proceed under the laws and procedures in effect on July 31, 2013.

(c) The biennial review required under section 6 does not apply to patients with pending petitions until 12 months after the final disposition of a petition for reduction in custody that was pending on August 1, 2013, and no earlier than would apply under the effective date that would apply if there was not a pending petition.

(d) Section 20 is effective August 1, 2013, and applies to crimes committed on or after that date."

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 Dibble from the Committee on Transportation and Public Safety, to which was referred

S.F. No. 1270: A bill for an act relating to transportation; highways; amending certain legislative routes of the trunk highway system; removing certain legislative routes from the trunk highway system; amending Minnesota Statutes 2012, section 161.115, subdivision 229, 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 2012, section 160.80, subdivision 1, is amended to read:

Subdivision 1. **Commissioner may establish program.** (a) The commissioner of transportation may establish a sign franchise program for the purpose of providing on the right-of-way of interstate and controlled-access trunk highways specific information on gas, food, camping, lodging, attractions, and 24-hour pharmacies for the benefit of the motoring public.

(b) The sign franchise program must include urban interstate highways.

Sec. 2. Minnesota Statutes 2012, section 160.80, subdivision 1a, is amended to read:

Subd. 1a. **Eligibility criteria for business panels.** (a) To be eligible for a business panel on a logo sign panel, a business establishment must:

(1) be open for business;

(2) have a sign on site that both identifies the business and is visible to motorists;

(3) be open to everyone, regardless of race, religion, color, age, sex, national origin, creed, marital status, sexual orientation, or disability; and

(4) ~~not impose a cover charge or otherwise require customers to purchase additional products or services; and~~

(5) meet the appropriate criteria in paragraphs (b) to (f) (k).

(b) Gas businesses must provide vehicle services including fuel gas or alternative fuels and oil; restroom facilities and drinking water; continuous, staffed operation at least 12 hours a day, seven days a week; and public access to a telephone.

(c) Food businesses must serve at least two meals a day during normal mealtimes of breakfast, lunch, and dinner; provide a continuous, staffed food service operation at least ~~ten hours a day, seven days a~~ six days per week except holidays as defined in section 645.44, subdivision 5, and except as provided for seasonal food service businesses; provide seating capacity for at least 20 people; provide restroom facilities; provide public access to a telephone; and possess any required state or local licensing or approval. Seasonal food service businesses must provide a continuous, staffed food service operation at least ten hours a day serving at least two meals per day six days per week, seven days a week; during their months of operation.

(d) Lodging businesses must include sleeping accommodations, provide public access to a telephone, provide restroom facilities, and possess any required state or local licensing or approval.

(e) Camping businesses must include sites for camping, include parking accommodations for each campsite, provide sanitary facilities and drinking water, and possess any required state or local licensing or approval.

(f) 24-hour pharmacy businesses must be continuously operated 24 hours per day, seven days per week, and must have a state-licensed pharmacist present and on duty at all times.

(g) Attractions businesses must have regional significance with the primary purpose of providing amusement, historical, cultural, or leisure activities to the public; provide restroom facilities and drinking water; possess any required state or local licensing approval; and provide adequate bus and vehicle parking accommodations for normal attendance.

~~(g) (h) Seasonal businesses must indicate to motorists when they are open for business by either putting the full months of operation directly on the business panel or by having a "closed" plaque applied to the business panel when the business is closed for the season.~~

~~(h) (i) The maximum distance that an eligible business in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington County an urban area can be located from the interchange is: for gas, food, lodging, attraction, and 24-hour pharmacy businesses, one mile ~~three miles~~; for food businesses, two miles; for lodging businesses and 24-hour pharmacies, three miles; and for camping businesses, ten miles.~~

~~(i) (j) The maximum distance that an eligible business in any other county a rural area can be located from the interchange shall not exceed 15 miles in either direction, except the maximum distance that an eligible 24-hour pharmacy business can be located from the interchange shall not exceed three miles in either direction.~~

~~(j) Logo sign panels must be erected so that motorists approaching an interchange view the panels in the following order: 24-hour pharmacy, camping, lodging, food, gas.~~

~~(k) If there is insufficient space on a logo sign panel to display all eligible businesses for a specific type of service, the businesses closest to the interchange have priority over businesses farther away from the interchange.~~

(k) If there is available space on a logo sign panel and no application has been received by the franchise from a fully eligible business, a substantially eligible business may be allowed the space.

Sec. 3. Minnesota Statutes 2012, section 160.80, subdivision 2, is amended to read:

Subd. 2. **Franchises.** The commissioner may, by public negotiation or bid, grant one or more franchises to qualified persons to erect and maintain, on the right-of-way of interstate and controlled-access trunk highways, signs informing the motoring public of gas, food, lodging, camping facilities, attractions, and 24-hour pharmacies. A franchisee shall furnish, install, maintain, and replace signs for the benefit of advertisers who provide gas, food, lodging, camping facilities, attractions, and 24-hour pharmacies for the general public, and lease advertising space on the signs to operators of these facilities.

Sec. 4. Minnesota Statutes 2012, section 161.04, subdivision 5, is amended to read:

Subd. 5. **Trunk highway emergency relief account.** (a) The trunk highway emergency relief account is created in the trunk highway fund. Money in the account is appropriated to the commissioner to be used to fund relief activities related to an emergency, as defined in section 161.32, subdivision 3, or under section 12A.16, subdivision 1.

(b) Reimbursements by the Federal Highway Administration for emergency relief payments made from the trunk highway emergency relief account must be credited to the account. ~~Interest accrued on the account must be credited to the account.~~ Notwithstanding section 16A.28, money in the account is available until spent. If the balance of the account at the end of a fiscal year is greater than \$10,000,000, the amount above \$10,000,000 must be canceled to the trunk highway fund.

(c) By September 1, 2012, and in every subsequent even-numbered year by September 1, the commissioner shall submit a report to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over transportation policy and finance. The report must include the balance, as well as details of payments made from and deposits made to the trunk highway emergency relief account since the last report.

Sec. 5. Minnesota Statutes 2012, section 161.115, subdivision 229, is amended to read:

Subd. 229. **Route No. 298.** Beginning at a point on Route No. 21 in the city of Faribault; thence extending in a southerly and easterly direction through the grounds of the Minnesota State Academy for the Blind, the Faribault Regional Treatment Center, and the Minnesota Correctional Facility - Faribault to a point on Route No. 323.

Sec. 6. Minnesota Statutes 2012, section 161.115, is amended by adding a subdivision to read:

Subd. 270. **Route No. 339.** Beginning at a point on Route No. 45, thence extending easterly to a point on the boundary line between the states of Minnesota and Wisconsin.

Sec. 7. Minnesota Statutes 2012, section 161.1231, subdivision 8, is amended to read:

Subd. 8. **Special account.** Fees collected by the commissioner under this section must be deposited in the state treasury and credited to a special account. Money in the account is appropriated to the commissioner to construct, operate, repair, and maintain the parking facilities and the high-occupancy vehicle, managed lanes on I-394, and related multimodal and technology improvements that serve users of the parking facilities.

Sec. 8. Minnesota Statutes 2012, section 161.44, is amended by adding a subdivision to read:

Subd. 1a. **Periodic review.** (a) The commissioner is encouraged to examine all real property owned by the state and under the custodial control of the department to decide whether any real property may be declared as surplus and suitable for sale or some other means of disposal.

(b) The commissioner shall report the findings under paragraph (a) to the house of representatives and senate committees with jurisdiction over transportation policy and finance by March 1 of each odd-numbered year. The report may be submitted electronically, and is subject to section 3.195, subdivision 1.

(c) For purposes of this subdivision, "surplus" means real property that is no longer needed for state highway purposes, and that has not been used for state highway purposes for the previous five years.

Sec. 9. Minnesota Statutes 2012, section 162.02, subdivision 3a, is amended to read:

Subd. 3a. **Variations from rules and engineering standards.** (a) The commissioner may grant variations from the rules and from the engineering standards developed pursuant to section 162.021 or 162.07, subdivision 2. A political subdivision in which a county state-aid highway is located or is proposed to be located may submit a written request to the commissioner for a variance for that highway. The commissioner shall comply with section 174.75, subdivision 5, in evaluating a variance request related to a complete streets project.

~~(b) The commissioner shall publish notice of the request in the State Register and give notice to all persons known to the commissioner to have an interest in the matter. The commissioner may grant or deny the variance within 30 days of providing notice of receiving the variance request. If a written objection to the request is received within seven days of providing notice, the variance shall be granted or denied only after a contested case hearing has been held on the request. If no timely objection is received and the variance is denied without hearing, the political subdivision may request, within 30 days of receiving notice of denial, and shall be granted a contested case hearing.~~

(c) For purposes of this subdivision, "political subdivision" includes (1) an agency of a political subdivision which has jurisdiction over parks, and (2) a regional park authority.

Sec. 10. Minnesota Statutes 2012, section 162.09, subdivision 3a, is amended to read:

Subd. 3a. **Variations from rules and engineering standards.** (a) The commissioner may grant variations from the rules and from the engineering standards developed pursuant to section 162.13, subdivision 2. A political subdivision in which a municipal state-aid street is located or is proposed to be located may submit a written request to the commissioner for a variance for that street. The commissioner shall comply with section 174.75, subdivision 5, in evaluating a variance request related to a complete streets project.

~~(b) The commissioner shall publish notice of the request in the State Register and give notice to all persons known to the commissioner to have an interest in the matter. The commissioner may grant or deny the variance within 30 days of providing notice of receiving the variance request. If a written objection to the request is received within seven days of providing notice, the variance shall be granted or denied only after a contested case hearing has been held on the request. If no timely objection is received and the variance is denied without hearing, the political subdivision may request, within 30 days of receiving notice of denial, and shall be granted a contested case hearing.~~

(c) For purposes of this subdivision, "political subdivision" includes (1) an agency of a political subdivision which has jurisdiction over parks, and (2) a regional park authority.

Sec. 11. Minnesota Statutes 2012, section 162.13, subdivision 2, is amended to read:

Subd. 2. **Money needs defined.** For the purpose of this section money needs of each city having a population of 5,000 or more are defined as the estimated cost of constructing and maintaining over a period of 25 years the municipal state-aid street system in such city. Right-of-way costs and drainage shall be included in money needs. Lighting costs and other costs incidental to construction and maintenance, or a specified portion of such costs, as set forth in the commissioner's rules, may be included in determining money needs. ~~When a county locates a county state-aid highway over a portion of a street in any such city and the remaining portion is designated as a municipal state-aid street only the construction and maintenance costs of the portion of the street other than the portions taken over by the county shall be included in the money needs of the city.~~ To avoid variances in costs due to differences in construction and maintenance policy, construction and maintenance costs shall be estimated on the basis of the engineering standards developed cooperatively by the commissioner and the engineers, or a committee thereof, of the cities.

Sec. 12. Minnesota Statutes 2012, section 168.017, subdivision 2, is amended to read:

Subd. 2. **12 uniform registration periods.** There are established 12 registration periods, each to be designated by a calendar month and to start on the first day of such month and end on the last day of the 12th month from the date of commencing. ~~The registrar shall administer the monthly series system of registration to distribute the work of registering vehicles described in subdivision 1 as uniformly as practicable through the calendar year.~~ The registrar shall register all vehicles subject to registration under the monthly series system for a minimum period of 12 consecutive calendar months.

Sec. 13. Minnesota Statutes 2012, section 168.017, subdivision 3, is amended to read:

Subd. 3. **Exceptions.** (a) The registrar shall register all vehicles subject to registration under the monthly series system for a period of 12 consecutive calendar months, unless:

(1) the application is an original ~~rather than renewal application~~ under section 168.127; or

(2) the applicant is a licensed motor vehicle lessor under section 168.27 and the vehicle is leased or rented for periods of time of not more than 28 days, in which case the applicant may apply for initial or renewed registration of a vehicle for a period of four or more months, the month of expiration to be designated by the applicant at the time of registration. To qualify for this exemption, the applicant must present the application to ~~the registrar at St. Paul,~~ or a designated deputy registrar office. Subsequent registration periods when the applicant is not a qualified motor vehicle lessor under this subdivision must be for a period of 12 months commencing from the last month for which registration was issued.

~~(b) In any instance except that of a licensed motor vehicle lessor, the registrar shall not approve registering the vehicle subject to the application for a period of less than three months, except when the registrar determines that to do otherwise will help to equalize the registration and renewal work load of the department.~~

Sec. 14. Minnesota Statutes 2012, section 168.053, subdivision 1, is amended to read:

Subdivision 1. **Application; fee; penalty.** Any person, firm, or corporation engaged in the business of transporting motor vehicles owned by another, by delivering, by drive-away or towing methods, either singly or by means of the full mount method, the saddle mount method, the tow bar method, or any other combination thereof, and under their own power, vehicles over the highways of the state from the manufacturer or any other point of origin, to any point of destination, within or without the state, shall make application to the registrar for a drive-away in-transit license. This application for annual license shall be accompanied by a registration fee of \$250 and contain such information as the registrar may require. Upon the filing of the application and the payment of the fee, the registrar shall issue to each drive-away operator a drive-away in-transit license plate, which must be carried and displayed on the power unit consistent with section 169.79 and the plate shall remain on the vehicle while being operated within the state Minnesota. The license plate issued under this subdivision is not valid for the purpose of permanent vehicle registration and is not valid outside Minnesota. Additional drive-away in-transit license plates desired by any drive-away operator may be secured from the registrar of motor vehicles upon the payment of a fee of \$5 for each set of additional license plates. Any person, firm, or corporation engaging in the business as a drive-away operator, of transporting and delivering by means of full mount method, the saddle mount method, the tow bar method, or any combination thereof, and under their own power, motor vehicles, who fails or refuses to file or cause to be filed an application, as is required by law, and to pay the fees therefor as the law requires, shall be found guilty of violating the provisions of sections 168.053 to 168.057; and, upon conviction, fined not less than \$50, and not more than \$100, and all costs of court. Each day so operating without securing the license and plates as required therein shall constitute a separate offense ~~within the meaning thereof.~~

Sec. 15. Minnesota Statutes 2012, section 168.123, subdivision 2, is amended to read:

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

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

(b) For a veteran stationed on the island of Oahu, Hawaii, or offshore, during the attack on Pearl Harbor on December 7, 1941, the special plates must bear the inscription "PEARL HARBOR SURVIVOR." ~~and the letters "P" and "H" with the first letter directly above the second letter and both letters just preceding the first numeral of the special plate number.~~

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

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

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

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

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

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

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

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

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

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

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

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

(4) the Armed Forces Expeditionary Medal, the special plates must bear an appropriate inscription that includes a facsimile of that medal.

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

Global War on Terrorism Service Medal, is eligible for the license plate described in this paragraph, irrespective of whether that person qualifies as a veteran under section 197.447.

(j) For a veteran who is the recipient of the Korean Defense Service Medal, the special plates must be inscribed with a facsimile of that medal and must bear the inscription "KOREAN DEFENSE SERVICE" directly below the special plate number.

(k) For a veteran who is a recipient of the Bronze Star medal, the plates must bear the inscription "BRONZE STAR VET" and have a facsimile or an emblem of the official Bronze Star medal.

(l) For a veteran who is a recipient of the Silver Star medal, the plates must bear the inscription "SILVER STAR VET" and have a facsimile or an emblem of the official Silver Star medal.

Sec. 16. Minnesota Statutes 2012, section 168.183, subdivision 1, is amended to read:

Subdivision 1. **Payment of taxes.** All trucks, truck-tractors, ~~trailers and semitrailers, trucks using combination, and buses~~ which comply with all of the provisions of section 168.181, subdivision 1, clause (6), but are excluded from the exemptions ~~provided therein~~ solely because of the intrastate temporary nature of their movement in this state, ~~owned by nonresidents owning or operating circuses, carnivals or similar amusement attractions or concessions~~ shall be required to comply with all laws and rules as to the payment of taxes applicable to like vehicles owned by Minnesota residents ~~but such, except that nonresidents may make application to pay such the tax for each vehicle proportionate to the number of months or fraction thereof such the vehicles are in this state. For the purposes of this subdivision, buses do not include charter buses that are considered proratable vehicles under section 168.187, subdivision 4.~~

Sec. 17. Minnesota Statutes 2012, section 168.187, subdivision 17, is amended to read:

Subd. 17. **Trip permit.** Subject to agreements or arrangements made or entered into pursuant to subdivision 7, the commissioner may issue trip permits for use of Minnesota highways by individual vehicles, on an occasional basis, for periods not to exceed 120 hours in compliance with rules promulgated pursuant to subdivision 23 and upon payment of a fee of \$15. For the purposes of this subdivision, "on an occasional basis" means no more than one permit per vehicle within a 30-day period, which begins the day a permit is effective.

Sec. 18. Minnesota Statutes 2012, section 168.27, is amended by adding a subdivision to read:

Subd. 3d. **Used vehicle parts dealer.** A used vehicle parts dealer licensee may sell, solicit, or advertise the sale of used parts and the remaining scrap metals, but is prohibited from selling any new or used motor vehicles for use at retail or for resale to a dealer.

Sec. 19. Minnesota Statutes 2012, section 168.27, subdivision 10, is amended to read:

Subd. 10. **Place of business.** (a) All licensees under this section shall have an established place of business which shall include as a minimum:

(1) For a new motor vehicle dealer, the following:

(i) a commercial building owned or under lease by the licensee. The lease must be for a minimum term of one year. The building must contain office space where the books, records, and files necessary to conduct the business are kept and maintained with personnel available during normal business hours. Dealership business hours must be conspicuously posted on the place of doing business and readily viewable by the public;

(ii) a bona fide contract or franchise (A) in effect with a manufacturer or distributor of the new motor vehicles the dealer proposes to sell, broker, wholesale, or auction, or (B) in effect with the first-stage manufacturer or distributor of new motor vehicles purchased from a van converter or modifier which the dealer proposes to sell, broker, wholesale, or auction, or (C) in effect with the final-stage manufacturer of the new type A, B, or C motor homes which the dealer proposes to sell, broker, wholesale, or auction;

(iii) a facility for the repair and servicing of motor vehicles and the storage of parts and accessories, not to exceed ten miles distance from the principal place of business. The service may be provided through contract with bona fide operators actually engaged in the services;

(iv) an area either indoors or outdoors to display motor vehicles that is owned or under lease by the licensee; and

(v) a sign readily viewable by the public that clearly identifies the dealership by name.

(2) For a used motor vehicle dealer, the following:

(i) a commercial building owned or under lease by the licensee. The lease must be for a minimum term of one year. The building must contain office space where the books, records, and files necessary to conduct the business are kept and maintained with personnel available during normal business hours or automatic telephone answering service during normal business hours. Dealership business hours must be conspicuously posted on the place of doing business and readily viewable by the public;

(ii) an area either indoors or outdoors to display motor vehicles which is owned or under lease by the licensee; and

(iii) a sign readily viewable by the public that clearly identifies the dealership by name.

(3) For a motor vehicle lessor, the following: a commercial office space where the books, records, and files necessary to conduct the business are kept and maintained with personnel available during normal business hours or an automatic telephone answering service during normal business hours. Business hours must be conspicuously posted on the place of doing business and readily viewable by the public. The office space must be owned or under lease for a minimum term of one year by the licensee.

(4) For a motor vehicle wholesaler, the following: a commercial office space where the books, records, and files necessary to conduct the business are kept and maintained with personnel available during normal business hours or an automatic telephone answering service during normal business hours. The office space must be owned or under lease for a minimum term of one year by the licensee.

(5) For a motor vehicle auctioneer, the following: a permanent enclosed commercial building, within or without the state, on a permanent foundation, owned or under lease by the licensee. The lease must be for a minimum term of one year. The building must contain office space where the books, records, and files necessary to conduct the business are kept and maintained with personnel available during normal business hours or an automatic telephone answering service during normal business hours.

(6) For a motor vehicle broker, the following: a commercial office space where books, records, and files necessary to conduct business are kept and maintained with personnel available during normal business hours, or an automatic telephone answering service available during normal

business hours. A sign, clearly identifying the motor vehicle broker by name and listing the broker's business hours, must be posted in a location and manner readily viewable by a member of the public visiting the office space. The office space must be owned or under lease for a minimum term of one year by the licensee.

(7) For a limited use vehicle license holder, the following: a commercial office space where books, records, and files necessary to conduct nonprofit charitable activities are kept and maintained with personnel available during normal business hours, or an automatic telephonic answering service available during normal business hours. The office space must be owned or under lease for a minimum term of one year by the licensee.

(b) If a new or used motor vehicle dealer maintains more than one place of doing business in a county, the separate places must be listed on the application. If additional places of business are maintained outside of one county, separate licenses must be obtained for each county.

(c) If a motor vehicle lessor, wholesaler, auctioneer, or motor vehicle broker maintains more than one permanent place of doing business, either in one or more counties, the separate places must be listed in the application, but only one license is required. If a lessor proposes to sell previously leased or rented vehicles or if a broker proposes to establish an office at a location outside the seven-county metropolitan area, as defined in section 473.121, subdivision 2, other than cities of the first class, the lessor or broker must obtain a license for each nonmetropolitan area county in which the lessor's sales are to take place or where the broker proposes to locate an office.

(d) If a motor vehicle dealer, lessor, wholesaler, or motor vehicle broker does not have direct access to a public road or street, any privately owned roadway providing access to a public road or street must be clearly identified and adequately maintained.

(e) A new or used motor vehicle dealer may establish a temporary place of business outside the county where it maintains its licensed location to sell horse trailers exclusively without obtaining an additional license.

(f) A new or used motor vehicle dealer may establish a temporary place of business outside the county where it maintains its licensed location to sell recreational vehicles exclusively without obtaining an additional license if:

(1) the dealer establishes a temporary place of business for the sale of recreational vehicles not more than four times during any calendar year;

(2) each temporary place of business other than an official county fair or the Minnesota State Fair within the seven-county metropolitan area, as defined in section 473.121, subdivision 2, is established jointly with at least four other recreational vehicle dealers;

(3) each temporary place of business other than an official county fair outside the seven-county metropolitan area, as defined in section 473.121, subdivision 2, is established jointly with at least one other recreational vehicle dealer;

(4) each establishment of a temporary place of business for the sale of recreational vehicles is for no more than 12 consecutive days; and

(5) the dealer notifies the registrar of motor vehicles of each temporary place of business for the sale of recreational vehicles.

Sec. 20. Minnesota Statutes 2012, section 168.27, subdivision 11, is amended to read:

Subd. 11. **Dealers' licenses; location change notice; fee.** (a) Application for a dealer's license or notification of a change of location of the place of business on a dealer's license must include a street address, not a post office box, and is subject to the commissioner's approval.

(b) Upon the filing of an application for a dealer's license and the proper fee, unless the application on its face appears to be invalid, the commissioner shall grant a 90-day temporary license. During the 90-day period following issuance of the temporary license, the commissioner shall inspect the place of business site and insure compliance with this section and rules adopted under this section.

(c) The commissioner may extend the temporary license 30 days to allow the temporarily licensed dealer to come into full compliance with this section and rules adopted under this section.

(d) In no more than 120 days following issuance of the temporary license, the dealer license must either be granted or denied.

(e) A license must be denied under the following conditions:

(1) The license must be denied if within the previous ten years the applicant was enjoined due to a violation of section 325F.69 or convicted of violating section 325E.14, 325E.15, 325E.16, or 325F.69, or convicted under section 609.53 of receiving or selling stolen vehicles, or convicted of violating United States Code, title 15, sections 1981 to 1991 or pleaded guilty, entered a plea of nolo contendere or no contest, or has been found guilty in a court of competent jurisdiction of any charge of failure to pay state or federal income or sales taxes or felony charge of forgery, embezzlement, obtaining money under false pretenses, theft by swindle, extortion, conspiracy to defraud, or bribery.

~~(2) The license must also be denied if within the previous year the applicant has been denied a dealer license.~~

~~(3)~~ (2) A license must also be denied if the applicant has had a dealer license revoked within the previous ten years.

(f) If the application is approved, the commissioner shall license the applicant as a dealer for one year from the date the temporary license is granted and issue a certificate of license that must include a distinguishing number of identification of the dealer. The license must be displayed in a prominent place in the dealer's licensed place of business.

(g) Each initial application for a license must be accompanied by a fee of \$100 in addition to the annual fee. The annual fee is \$150. The initial fees and annual fees must be paid into the state treasury and credited to the general fund except that \$50 of each initial and annual fee must be paid into the vehicle services operating account in the special revenue fund under section 299A.705.

Sec. 21. Minnesota Statutes 2012, section 168A.153, subdivision 1, is amended to read:

Subdivision 1. **Older model vehicle.** (a) A dealer who buys an older model vehicle to dismantle or destroy must:

(1) obtain the certificate of title or verify ownership on the department's electronic record;

(2) notify any secured parties; and

(3) retain the certificate of title or a copy of the motor vehicle record.

(b) A dealer who buys an older model vehicle to be dismantled dismantle or destroyed shall report to destroy must notify the department within 30 ten days including. The notification must be made electronically as prescribed by the registrar, and must include the vehicle's license plate number and identification number, and the seller's name and driver's license number.

(c) The records and information retained or submitted under paragraphs (a) and (b) shall be kept and maintained in a manner consistent with the requirements of section 168A.11, subdivision 3.

Sec. 22. Minnesota Statutes 2012, section 168A.153, subdivision 2, is amended to read:

Subd. 2. **Late-model or high-value vehicle.** (a) A dealer who buys a late-model or high-value vehicle to ~~be dismantled~~ dismantle or destroyed shall destroy must:

(1) obtain the certificate of title;

(2) notify the any secured party parties, if any, and the commissioner in the manner prescribed in subdivision 3. The dealer must then properly destroy the certificate of title; and

(3) retain the certificate of title or a copy of the motor vehicle record.

(b) A dealer who buys a late-model or high-value vehicle to dismantle or destroy must notify the department within ten days. The notification must be made electronically as prescribed by the registrar, must include the vehicle's license plate number and identification number, and must include the seller's name and driver's license number.

(c) The records and information retained or submitted under paragraphs (a) and (b) shall be kept and maintained in a manner consistent with the requirements of section 168A.11, subdivision 3.

Sec. 23. Minnesota Statutes 2012, section 168B.15, is amended to read:

168B.15 TOW TRUCK PERMIT.

The commissioner of transportation may issue permits to an applicant who pays a single \$300 annual fee to cover all tow trucks and towing vehicles owned by the applicant and meets any other conditions prescribed by the commissioner. The permit authorizes the tow truck or towing vehicle, when towing a disabled or damaged vehicle to a place of repair or to a place of safekeeping, to exceed the length and weight limitations of ~~this chapter~~ 169.

Sec. 24. Minnesota Statutes 2012, section 169.011, subdivision 71, is amended to read:

Subd. 71. **School bus.** (a) "School bus" means a motor vehicle used to transport pupils to or from a school defined in section 120A.22, or to or from school-related activities, by the school or a school district, or by someone under an agreement with the school or a school district. A school bus does not include a motor vehicle transporting children to or from school for which parents or guardians receive direct compensation from a school district, a motor coach operating under charter carrier authority, a transit bus providing services as defined in section 174.22, subdivision 7, or a vehicle otherwise qualifying as a type III vehicle under paragraph (h), when the vehicle is properly registered and insured and being driven by an employee or agent of a school district for nonscheduled or nonregular transportation.

(b) A school bus may be type A, type B, type C, or type D, multifunction school activity bus, or type III as provided in paragraphs (c) to (h).

(c) A "type A school bus" is a van conversion or bus constructed utilizing a cutaway front section vehicle with a left-side driver's door. This definition includes two classifications: type A-I, with a gross vehicle weight rating (GVWR) less than or equal to 14,500 pounds; and type A-II, with a GVWR greater than 14,500 pounds and less than or equal to 21,500 pounds.

(d) A "type B school bus" is constructed utilizing a stripped chassis. The entrance door is behind the front wheels. This definition includes two classifications: type B-I, with a GVWR less than or equal to 10,000 pounds; and type B-II, with a GVWR greater than 10,000 pounds.

(e) A "type C school bus" is constructed utilizing a chassis with a hood and front fender assembly. The entrance door is behind the front wheels. A "type C school bus" also includes a cutaway truck chassis or truck chassis with cab, with or without a left side door, and with a GVWR greater than 21,500 pounds.

(f) A "type D school bus" is constructed utilizing a stripped chassis. The entrance door is ahead of the front wheels.

(g) A "multifunction school activity bus" is a school bus that meets the definition of a multifunction school activity bus in Code of Federal Regulations, title 49, section 571.3. A vehicle that meets the definition of a type III vehicle is not a multifunction school activity bus.

(h) A "type III vehicle" is restricted to passenger ~~cars, station wagons, vans, vehicles~~ and buses having a maximum manufacturer's rated seating capacity of ten or fewer people, including the driver, and a gross vehicle weight rating of 10,000 pounds or less. A "type III vehicle" must not be outwardly equipped and identified as a type A, B, C, or D school bus or type A, B, C, or D Head Start bus. A van or bus converted to a seating capacity of ten or fewer and placed in service on or after August 1, 1999, must have been originally manufactured to comply with the passenger safety standards.

(i) In this subdivision, "gross vehicle weight rating" means the value specified by the manufacturer as the loaded weight of a single vehicle.

Sec. 25. Minnesota Statutes 2012, section 169.14, subdivision 2, is amended to read:

Subd. 2. **Speed limits.** (a) Where no special hazard exists the following speeds shall be lawful, but any speeds in excess of such limits shall be prima facie evidence that the speed is not reasonable or prudent and that it is unlawful; except that the speed limit within any municipality shall be a maximum limit and any speed in excess thereof shall be unlawful:

- (1) 30 miles per hour in an urban district;
- (2) 65 miles per hour on noninterstate expressways, as defined in section 160.02, subdivision 18b, and noninterstate freeways, as defined in section 160.02, subdivision 19;
- (3) 55 ~~60~~ miles per hour in locations other than those specified in this section;
- (4) 70 miles per hour on interstate highways outside the limits of any urbanized area with a population of greater than 50,000 as defined by order of the commissioner of transportation;
- (5) 65 miles per hour on interstate highways inside the limits of any urbanized area with a population of greater than 50,000 as defined by order of the commissioner of transportation;
- (6) ten miles per hour in alleys;

(7) 25 miles per hour in residential roadways if adopted by the road authority having jurisdiction over the residential roadway; and

(8) 35 miles per hour in a rural residential district if adopted by the road authority having jurisdiction over the rural residential district.

(b) A speed limit adopted under paragraph (a), clause (7), is not effective unless the road authority has erected signs designating the speed limit and indicating the beginning and end of the residential roadway on which the speed limit applies.

(c) A speed limit adopted under paragraph (a), clause (8), is not effective unless the road authority has erected signs designating the speed limit and indicating the beginning and end of the rural residential district for the roadway on which the speed limit applies.

(d) Notwithstanding section 609.0331 or 609.101 or other law to the contrary, a person who violates a speed limit established in this subdivision, or a speed limit designated on an appropriate sign under subdivision 4, 5, 5b, 5c, or 5e, by driving 20 miles per hour or more in excess of the applicable speed limit, is assessed an additional surcharge equal to the amount of the fine imposed for the speed violation, but not less than \$25.

EFFECTIVE DATE. This section is effective upon the placement of conforming signs designating the speed specified in this section by the commissioner of transportation on affected trunk highways and by local authorities on affected streets and highways under their jurisdictions. The placement of conforming signs must occur during the ordinary course of placement and replacement of signs, but must be completed before January 1, 2025.

Sec. 26. Minnesota Statutes 2012, section 169.18, subdivision 4, is amended to read:

Subd. 4. **Passing on the right.** The driver of a vehicle may overtake and pass upon the right of another vehicle only upon the following conditions:

- (1) when the vehicle overtaken is making or about to make a left turn;
- (2) upon a street or highway with unobstructed pavement not occupied by parked vehicles of sufficient width for two or more lines of moving vehicles in each direction;
- (3) upon a one-way street, or upon any roadway on which traffic is restricted to one direction of movement, where the roadway is free from obstructions and of sufficient width for two or more lines of moving vehicles;
- (4) when the driver of a vehicle may overtake and pass another vehicle upon the right only under conditions permitting such movement in safety. In no event shall such movement be made by driving in a bicycle lane or onto the shoulder, whether paved or unpaved, or off the pavement or main-traveled portion of the roadway.

Sec. 27. Minnesota Statutes 2012, section 169.18, subdivision 7, is amended to read:

Subd. 7. **Laned highway.** When any roadway has been divided into two or more clearly marked lanes for traffic, the following rules, in addition to all others consistent herewith, shall apply:

(a) A vehicle shall be driven as nearly as practicable entirely within a single lane and shall not be moved from such lane until the driver has first ascertained that such movement can be made with safety.

(b) Upon a roadway which is not a one-way roadway and which is divided into three lanes, a vehicle shall not be driven in the center lane except when overtaking and passing another vehicle where the roadway is clearly visible and such center lane is clear of traffic within a safe distance, or in preparation for a left turn or where such center lane is at the time allocated exclusively to traffic moving in the direction the vehicle is proceeding, and is signposted to give notice of such allocation. The left lane of a three-lane roadway which is not a one-way roadway shall not be used for overtaking and passing another vehicle.

(c) Official signs may be erected directing slow-moving traffic to use a designated lane or allocating specified lanes to traffic moving in the same direction, and drivers of vehicles shall obey the directions of every such sign.

(d) Whenever a bicycle lane has been established on a roadway, any person operating a motor vehicle on such roadway shall not drive in the bicycle lane except to perform parking maneuvers in order to park where parking is permitted, to enter or leave the highway, or to prepare for a turn as provided in section 169.19, subdivision 1.

Sec. 28. Minnesota Statutes 2012, section 169.19, subdivision 1, is amended to read:

Subdivision 1. **Turning at intersection.** The driver of a vehicle intending to turn at an intersection shall do so as follows:

(a) Both the approach for a right turn and a right turn shall be made as close as practicable to the right-hand curb or edge of the roadway.

(b) Approach for a left turn on other than one-way roadways shall be made in that portion of the right half of the roadway nearest the centerline thereof, and after entering the intersection the left turn shall be made so as to leave the intersection to the right of the centerline of the roadway being entered. Whenever practicable the left turn shall be made in that portion of the intersection to the left of the center of the intersection.

(c) Approach for a left turn from a two-way roadway into a one-way roadway shall be made in that portion of the right half of the roadway nearest the centerline thereof and by passing to the right of such centerline where it enters the intersection.

(d) A left turn from a one-way roadway into a two-way roadway shall be made from the left-hand lane and by passing to the right of the centerline of the roadway being entered upon leaving the intersection.

(e) Where both streets or roadways are one way, both the approach for a left turn and a left turn shall be made as close as practicable to the left-hand curb or edge of the roadway.

(f) Local authorities in their respective jurisdictions may cause markers, buttons, or signs to be placed within or adjacent to intersections and thereby require and direct that a different course from that specified in this section be traveled by vehicles turning at an intersection, and when markers, buttons, or signs are so placed no driver of a vehicle shall turn a vehicle at an intersection other than as directed and required by such markers, buttons, or signs.

(g) Whenever it is necessary for the driver of a motor vehicle to cross a bicycle lane adjacent to the driver's lane of travel to make a turn, the driver shall first signal the movement, then drive the motor vehicle into the bicycle lane prior to making the turn, and shall make the turn, but only after it is safe to do so. The driver shall then make the turn consistent with any traffic markers, buttons,

or signs, yielding the right-of-way to any vehicles or bicycles approaching so close thereto as to constitute an immediate hazard.

Sec. 29. Minnesota Statutes 2012, section 169.34, subdivision 1, is amended to read:

Subdivision 1. **Prohibitions.** (a) No person shall stop, stand, or park a vehicle, except when necessary to avoid conflict with other traffic or in compliance with the directions of a police officer or traffic-control device, in any of the following places:

- (1) on a sidewalk;
- (2) in front of a public or private driveway;
- (3) within an intersection;
- (4) within ten feet of a fire hydrant;
- (5) on a crosswalk;
- (6) within 20 feet of a crosswalk at an intersection;
- (7) within 30 feet upon the approach to any flashing beacon, stop sign, or traffic-control signal located at the side of a roadway;
- (8) between a safety zone and the adjacent curb or within 30 feet of points on the curb immediately opposite the ends of a safety zone, unless a different length is indicated by signs or markings;
- (9) within 50 feet of the nearest rail of a railroad crossing;
- (10) within 20 feet of the driveway entrance to any fire station and on the side of a street opposite the entrance to any fire station within 75 feet of said entrance when properly signposted;
- (11) alongside or opposite any street excavation or obstruction when such stopping, standing, or parking would obstruct traffic;
- (12) on the roadway side of any vehicle stopped or parked at the edge or curb of a street;
- (13) upon any bridge or other elevated structure upon a highway or within a highway tunnel, except as otherwise provided by ordinance;
- (14) within a designated bicycle lane, except when posted signs permit parking; or
- ~~(14)~~ (15) at any place where official signs prohibit stopping.

(b) No person shall move a vehicle not owned by such person into any prohibited area or away from a curb such distance as is unlawful.

(c) No person shall, for camping purposes, leave or park a travel trailer on or within the limits of any highway or on any highway right-of-way, except where signs are erected designating the place as a campsite.

(d) No person shall stop or park a vehicle on a street or highway when directed or ordered to proceed by any peace officer invested by law with authority to direct, control, or regulate traffic.

Sec. 30. Minnesota Statutes 2012, section 169.346, is amended by adding a subdivision to read:

Subd. 1a. **Disability parking when designated spaces occupied or unavailable.** In the event the designated disability parking spaces are either occupied or unavailable, a vehicle bearing a valid disability parking certificate issued under section 169.345 or license plates for physically disabled persons under section 168.021 may park at an angle and occupy two standard parking spaces.

Sec. 31. Minnesota Statutes 2012, section 169.346, subdivision 2, is amended to read:

Subd. 2. **Disability parking space signs.** (a) Parking spaces reserved for physically disabled persons must be designated and identified by the posting of signs incorporating the international symbol of access in white on blue and indicating that violators are subject to a fine of up to \$200. These parking spaces are reserved for disabled persons with motor vehicles displaying the required certificate, plates, permit valid for 30 days, or insignia.

(b) For purposes of this subdivision, a parking space that is clearly identified as reserved for physically disabled persons by a permanently posted sign that does not meet all design standards, is considered designated and reserved for physically disabled persons. A sign posted for the purpose of this section must be visible from inside a motor vehicle parked in the space, be kept clear of snow or other obstructions which block its visibility, and be nonmovable ~~or only movable by authorized persons.~~

Sec. 32. Minnesota Statutes 2012, section 169.443, subdivision 9, is amended to read:

Subd. 9. **Personal cellular phone call prohibition.** (a) As used in this subdivision, "school bus" has the meaning given in section 169.011, subdivision 71. In addition, the term includes type III vehicles as defined in section 169.011, subdivision 71, when driven by employees or agents of school districts.

(b) A school bus driver may not operate a school bus while communicating over, or otherwise operating, a cellular phone for personal reasons, whether handheld or hands free, when the vehicle is in motion or a part of traffic.

Sec. 33. Minnesota Statutes 2012, section 169.447, subdivision 2, is amended to read:

Subd. 2. **Driver seat belt.** School buses and Head Start buses must be equipped with driver seat belts and seat belt assemblies of the type described in section 169.685, subdivision 3. ~~School bus drivers and Head Start bus drivers must use these seat belts. A properly adjusted and fastened seat belt, including both the shoulder and lap belt when the vehicle is so equipped, shall be worn by the driver.~~

Sec. 34. Minnesota Statutes 2012, section 169.454, subdivision 12, is amended to read:

Subd. 12. **Option.** ~~Passenger cars and station wagons~~ Type III vehicles may carry fire extinguisher, first aid kit, and warning triangles in the trunk or trunk area of the vehicle, if a label in the driver and front passenger area clearly indicates the location of these items.

Sec. 35. Minnesota Statutes 2012, section 169.824, subdivision 2, is amended to read:

Subd. 2. **Gross vehicle weight of all axles; credit for idle reduction technology.** (a) The gross vehicle weight of all axles of a vehicle or combination of vehicles must not exceed:

(1) 80,000 pounds for any vehicle or combination of vehicles on all streets and highways, unless posted at a lower axle weight under section 169.87, subdivision 1; and

(2) 88,000 pounds for any vehicle or combination of vehicles with six or more axles while exclusively engaged in hauling livestock on all state trunk highways other than interstate highways, if the vehicle has a permit under section 169.86, subdivision 5, paragraph (j).

(b) Notwithstanding the maximum weight provisions of this section, and in order to promote the reduction of fuel use and emissions, the maximum gross vehicle weight limits and the axle weight limits for any motor vehicle subject to sections 169.80 to 169.88 and equipped with idle reduction technology or emissions-reduction technology must be increased by the amount of weight necessary to compensate for the weight of the idle reduction technology or emissions-reduction technology, not to exceed ~~400~~ 550 pounds. At the request of an authorized representative of the Department of Transportation or the Department of Public Safety, the vehicle operator shall provide proof that the vehicle is equipped with this technology through documentation or demonstration.

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

Sec. 36. Minnesota Statutes 2012, section 171.01, subdivision 49b, is amended to read:

Subd. 49b. **Valid medical examiner's certificate.** (a) "Valid medical examiner's certificate" means a record, on a form prescribed by the department:

(1) of a medical examiner's examination of a person who holds or is applying for a class A, class B, or class C commercial driver's license;

(2) upon which the medical examiner attests that the applicant or license holder is physically qualified to drive a commercial motor vehicle; and

(3) that is not expired.

(b) A valid medical examiner's certificate must be issued by a medical examiner who is certified by the Federal Motor Carrier Administration and listed on the National Registry of Certified Medical Examiners.

EFFECTIVE DATE. The section is effective May 1, 2014.

Sec. 37. **[171.017] BACKGROUND INVESTIGATIONS; DEPARTMENT EMPLOYEES.**

Subdivision 1. **Background checks authorized.** The commissioner shall investigate the criminal history background of any current or prospective employees of the department being considered for any position with the department that has or will have:

(1) the ability to create or modify records of applicants for enhanced drivers' licenses under section 171.01, subdivision 31a, or enhanced identification cards under section 171.01, subdivision 31b;

(2) the ability to issue enhanced drivers' licenses under section 171.01, subdivision 31a, or enhanced identification cards under section 171.01, subdivision 31b; or

(3) the ability to administer knowledge or skills tests under section 171.13 to an applicant for a commercial driver's license.

Subd. 2. **Procedure.** (a) The commissioner must request a criminal history background check from the superintendent of the Bureau of Criminal Apprehension on all individuals specified in subdivision 1. A request under this section must be accompanied by an executed criminal

history consent form, including fingerprints, signed by the current or prospective employee being investigated.

(b) After receiving a request under paragraph (a), the superintendent of the Bureau of Criminal Apprehension shall perform the background check required under subdivision 1. The superintendent shall retrieve criminal history data as defined in section 13.87, conduct a search of the national criminal records repository, and provide wants and warrant information from federal and state repositories. The superintendent is authorized to exchange fingerprints with the Federal Bureau of Investigation for purposes of the criminal history check. The superintendent shall return the results of the background checks to the commissioner to determine whether:

(1) the employee or applicant for employment specified in subdivision 1, clause (1) or (2), has committed a disqualifying crime under Code of Federal Regulations, title 49, section 1572.103; or

(2) the employee or applicant for employment specified in subdivision 1, clause (3), has a conviction of the type specified by Code of Federal Regulations, title 49, section 384.228(j).

(c) The superintendent shall recover the cost to the bureau of a background check through a fee charged to the commissioner.

Subd. 3. **Notification by other criminal justice agencies.** Criminal justice agencies, as defined by section 13.02, subdivision 3a, shall provide the commissioner with information they possess and that the commissioner requires for the purposes of determining the employment suitability of current or prospective employees subject to this section.

Subd. 4. **Annual background checks in certain instances.** Consistent with Code of Federal Regulations, title 49, section 384.228, the commissioner shall request and the superintendent shall conduct annual background checks for the department employees specified in subdivision 1, clause (3). Annual background checks under this subdivision shall be performed in a manner consistent with subdivisions 2 and 3.

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

Sec. 38. Minnesota Statutes 2012, section 171.07, subdivision 3a, is amended to read:

Subd. 3a. **Identification cards for seniors.** A Minnesota identification card issued to an applicant 65 years of age or over shall be of a distinguishing color and plainly marked "senior." The fee for the card issued to an applicant 65 years of age or over shall be one-half the required fee for a class D driver's license rounded down to the nearest quarter dollar. A Minnesota identification card or a Minnesota driver's license issued to a person 65 years of age or over shall be valid identification for the purpose of qualifying for reduced rates, free licenses or services provided by any board, commission, agency or institution that is wholly or partially funded by state appropriations. This subdivision does not apply to an enhanced identification card issued to an applicant age 65 or older.

Sec. 39. Minnesota Statutes 2012, section 171.07, subdivision 4, is amended to read:

Subd. 4. **Expiration.** (a) Except as otherwise provided in this subdivision, the expiration date of Minnesota identification cards of applicants under the age of 65 shall be the birthday of the applicant in the fourth year following the date of issuance of the card.

(b) ~~A Minnesota identification cards card~~ issued to ~~applicants~~ an applicant age 65 or over older shall be valid for the lifetime of the applicant, except that for the purposes of this paragraph,

"Minnesota identification card" does not include an enhanced identification card issued to an applicant age 65 or older.

(c) The expiration date for an Under-21 identification card is the cardholder's 21st birthday. The commissioner shall issue an identification card to a holder of an Under-21 identification card who applies for the card, pays the required fee, and presents proof of identity and age, unless the commissioner determines that the applicant is not qualified for the identification card.

Sec. 40. Minnesota Statutes 2012, section 174.02, is amended by adding a subdivision to read:

Subd. 2a. **Transportation ombudsperson.** (a) The commissioner shall appoint a person to the position of transportation ombudsperson. The transportation ombudsperson reports directly to the commissioner. The ombudsperson must be selected without regard to political affiliation and must be qualified to perform the duties specified in this subdivision.

(b) Powers and duties of the transportation ombudsperson include, but are not limited to:

(1) providing a neutral, independent resource for dispute and issue resolution between the department and the general public where another mechanism or forum is not available;

(2) gathering information about decisions, acts, and other matters of the department;

(3) providing information to the general public;

(4) facilitating discussions or arranging mediation when appropriate; and

(5) maintaining and monitoring performance measures for the ombudsperson program.

(c) The transportation ombudsperson may not hold another formal position within the department. The transportation ombudsperson may not impose a complaint fee.

(d) Amounts that may be spent to pay the costs of the transportation ombudsperson program must be specifically appropriated by law and may not be transferred from any other appropriation. Any excess appropriation cancels at the end of the year to the fund from which it was appropriated.

Sec. 41. Minnesota Statutes 2012, section 174.24, subdivision 5a, is amended to read:

Subd. 5a. **Method of payment, nonoperating assistance.** Payments for planning and engineering design, eligible capital assistance, operating assistance, and other eligible assistance for public transit services furthering the purposes of section 174.21, ~~excluding operating assistance,~~ shall be made in an appropriate manner as determined by the commissioner, ~~except that payments for operating assistance shall be made quarterly.~~ The first quarterly payment for operating assistance shall be made no later than the last business day of the first month of the contract.

Sec. 42. **[174.45] PUBLIC-PRIVATE PARTNERSHIPS INVOLVING PUBLIC INFRASTRUCTURE INVESTMENTS; JOINT PROGRAM OFFICE.**

The commissioner may establish a joint program office to oversee and coordinate activities to develop, evaluate, and implement public-private partnerships involving public infrastructure investments. At the request of the commissioner of transportation, the commissioner of Minnesota Management and Budget, the commissioner of employment and economic development, the executive director of the Public Facilities Authority, and other state agencies shall cooperate with and provide assistance to the commissioner of transportation for activities related to public-private partnerships involving public infrastructure investments.

Sec. 43. Minnesota Statutes 2012, section 219.17, is amended to read:

219.17 UNIFORM WARNING SIGNS.

The commissioner by rule shall require that uniform warning signs be placed at grade crossings. There ~~must be at least three~~ are four distinct types of uniform warning signs: a ~~home crossing~~ crossbuck sign, for use in the immediate vicinity of the crossing; an ~~approach crossing~~ advance warning sign, to indicate the approach to a grade crossing; a yield sign with the word "yield" plainly appearing on it; and, when deemed necessary and instead of a yield sign, a stop sign with the word "stop" plainly appearing on it, to indicate that persons on the highway approaching the crossing, whether in vehicles or otherwise, must come to a stop before proceeding over the grade crossing.

Sec. 44. Minnesota Statutes 2012, section 219.18, is amended to read:

219.18 RAILROAD TO ERECT SIGN.

At each grade crossing established after April 23, 1925 and where and when crossing signs existing as of April 24, 1925 are replaced, the railway company operating the railroad at that crossing shall erect and maintain one or more uniform ~~home crossing~~ crossbuck signs. The signs must be on each side of the railroad tracks and within ~~75~~ 50 feet from the nearest rail, or at a distance greater than 50 feet as determined by the commissioner.

Sec. 45. Minnesota Statutes 2012, section 219.20, is amended to read:

219.20 STOP SIGN; YIELD SIGN.

Subdivision 1. **When installation required; procedure.** At each grade crossing not equipped with flashing lights or flashing lights and gates where, because of the dangers attendant upon its use, the reasonable protection of life and property makes it necessary for persons approaching the crossing to stop or yield before crossing the railroad tracks, stop signs or yield signs must be installed. When the government entity responsible for a road that crosses a railroad track deems it necessary to install stop signs or yield signs at that crossing, it shall petition the commissioner to order the installation of the stop signs or yield signs. The commissioner shall respond to the petition by investigating the conditions at the crossing to determine whether stop signs or yield signs should be installed at the crossing. On determining, after an investigation following a petition from a governmental agency or subdivision or on the commissioner's own motion, that stop signs or yield signs should be installed at a crossing, the commissioner shall designate the crossing as a stop crossing or yield crossing and shall notify the railway company operating the railroad at the crossing of this designation. Within 30 days after notification, the railway company shall erect the uniform stop crossing signs or yield crossing signs in accordance with the commissioner's order.

Subd. 2. **Stopping distances.** When a stop sign or a yield sign has been erected at a railroad crossing, the driver of a vehicle approaching a railroad crossing shall stop or yield within 50 feet, but not less than ten feet, from the nearest track of the crossing and shall proceed only upon exercising due care.

Sec. 46. Minnesota Statutes 2012, section 221.0314, subdivision 2, is amended to read:

Subd. 2. **Qualification of driver.** Code of Federal Regulations, title 49, part 391 and appendixes D and E, are incorporated by reference except for sections 391.2; 391.11, paragraph (b)(1); 391.47; 391.49; 391.62; 391.64; 391.67; 391.68; and 391.69. In addition, cross-references to sections or paragraphs not incorporated in this subdivision are not incorporated by reference. For medical

examinations conducted on and after May 21, 2014, the term "medical examiner" as used in this section and in the rules promulgated under this section means an individual certified by the Federal Motor Carrier Safety Administration and listed on the National Registry of Certified Medical Examiners.

Sec. 47. Minnesota Statutes 2012, section 221.0314, subdivision 3a, is amended to read:

Subd. 3a. **Waiver for other medical condition.** (a) The commissioner may grant a waiver to a person who is not physically qualified to drive under Code of Federal Regulations, title 49, section 391.41, ~~paragraph (b)(3) to (b)(13)~~ paragraph (b)(3), (b)(10), or (b)(11). A waiver granted under this subdivision applies to intrastate transportation only.

(b) A person who wishes to obtain a waiver under this subdivision must give the commissioner the following information:

- (1) the applicant's name, address, and telephone number;
 - (2) the name, address, and telephone number of an employer coapplicant, if any;
 - (3) a description of the applicant's experience in driving the type of vehicle to be operated under the waiver;
 - (4) a description of the type of driving to be done under the waiver;
 - (5) a description of any modifications to the vehicle the applicant intends to drive under the waiver that are designed to accommodate the applicant's medical condition or disability;
 - (6) whether the applicant has been granted another waiver under this subdivision;
 - (7) a copy of the applicant's current driver's license;
 - (8) a copy of a medical examiner's report and medical examiner's certificate showing that the applicant is medically unqualified to drive unless a waiver is granted;
 - (9) a statement from the applicant's treating physician that includes:
 - (i) the extent to which the physician is familiar with the applicant's medical history;
 - (ii) a description of the applicant's medical condition for which a waiver is necessary;
 - (iii) assurance that the applicant has the ability and willingness to follow any course of treatment prescribed by the physician, including the ability to self-monitor or manage the medical condition; and
 - (iv) the physician's professional opinion that the applicant's condition will not adversely affect the applicant's ability to operate a commercial motor vehicle safely; and
 - (10) any other information considered necessary by the commissioner including requiring a physical examination or medical report from a physician who specializes in a particular field of medical practice.
- (c) In granting a waiver under this subdivision, the commissioner may impose conditions the commissioner considers necessary to ensure that an applicant is able to operate a motor vehicle safely and that the safety of the general public is protected.

(d) A person who is granted a waiver under this subdivision must:

(1) at intervals specified in the waiver, give the commissioner periodic reports from the person's treating physician, or a medical specialist if the commissioner so requires in the waiver, that contain the information described in paragraph (b), clause (9), together with a description of any episode that involved the person's loss of consciousness or loss of ability to operate a motor vehicle safely; and

(2) immediately report the person's involvement in an accident for which a report is required under section 169.09, subdivision 7.

~~(e) The commissioner shall deny an application if, during the three years preceding the application:~~

~~(1) the applicant's driver's license has been suspended under section 171.18, paragraph (a), clauses (1) to (9), (11), and (12), canceled under section 171.14, or revoked under section 171.17, 171.172, or 171.174;~~

~~(2) the applicant has been convicted of a violation under section 171.24; or~~

~~(3) the applicant has been convicted of a disqualifying offense, as defined in Code of Federal Regulations, title 49, section 383.51, paragraph (b), which is incorporated by reference.~~

~~(f)~~ (e) The commissioner may deny an application or may immediately revoke a waiver granted under this subdivision. Notice of the commissioner's reasons for denying an application or for revoking a waiver must be in writing and must be mailed to the applicant's or waiver holder's last known address by certified mail, return receipt requested. A person whose application is denied or whose waiver is revoked is entitled to a hearing under chapter 14.

~~(g)~~ (f) A waiver granted under this subdivision expires on the date of expiration shown on the medical examiner's certificate described in paragraph (b), clause (8).

Sec. 48. Laws 2002, chapter 393, section 85, is amended to read:

Sec. 85. DAN PATCH COMMUTER RAIL LINE; PROHIBITIONS.

Subdivision 1. **Definition.** For purposes of this section, "Dan Patch commuter rail line" means the commuter rail line between Northfield and Minneapolis identified in the metropolitan council's transit 2020 master plan as the Dan Patch line.

Subd. 2. **Metropolitan council; prohibitions.** The metropolitan council must not take any action or spend any money for study, ~~planning,~~ preliminary engineering, final design, or construction for the Dan Patch commuter rail line. ~~The council must remove all references, other than references for historical purposes, to the Dan Patch commuter rail line from any future revisions to the council's transportation development guide and the council's regional transit master plan.~~

Subd. 3. **Commissioner of transportation.** The commissioner of transportation must not expend any money for study, ~~planning,~~ preliminary engineering, final design, or construction for the Dan Patch commuter rail line. ~~The commissioner must remove all references, other than references for historical purposes, to the Dan Patch commuter rail line from any future revisions to the state transportation plan and the commissioner's commuter rail system plan.~~

Subd. 4. **Regional rail authorities.** No regional rail authority may expend any money for ~~study, planning,~~ preliminary engineering, final design, or construction for the Dan Patch commuter rail line.

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

Sec. 49. Laws 2009, chapter 59, article 3, section 4, subdivision 9, as amended by Laws 2010, chapter 197, section 1, and Laws 2011, chapter 87, section 1, subdivision 9, is amended to read:

Subd. 9. **Sunset.** A city or county participating in this pilot program may accept an individual for diversion into the pilot program until June 30, ~~2013~~ 2017. The third party administering the diversion program may collect and disburse fees collected pursuant to subdivision 6, paragraph (a), clause (2), through December 31, ~~2014~~ 2018, at which time the pilot program under this section expires.

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

Sec. 50. **BUS RAPID TRANSIT DEVELOPMENT AUTHORIZED.**

Washington County Regional Rail Authority may exercise the powers conferred by Minnesota Statutes, section 398A.04, to: plan, establish, acquire, develop, purchase, enlarge, extend, improve, maintain, equip, regulate, and protect; and pay costs of construction and operation of a bus rapid transit system located within Washington County on transitways included in and approved by the Metropolitan Council's 2030 Transportation Policy Plan, including the Rush Line, Highway 36, Gateway, and Red Rock transit corridors.

EFFECTIVE DATE. Pursuant to Minnesota Statutes, section 645.023, subdivision 1, paragraph (a), this section is effective without local approval the day following final enactment.

Sec. 51. **CENTRAL CORRIDOR LIGHT RAIL TRANSIT; CENTRAL STATION ACCESSIBILITY.**

(a) For purposes of this section:

(1) "city" means the city of St. Paul;

(2) "council" has the meaning given in Minnesota Statutes, section 473.121, subdivision 3; and

(3) "pedestrian skyway system" has the meaning given in Minnesota Statutes, section 469.125, subdivision 4.

(b) Notwithstanding any law to the contrary, for the Central Station on the Central Corridor light rail transit line, the council and city shall include construction or establishment of access to a pedestrian skyway system as part of the initial transit line construction project. The council and city shall ensure that public access to the pedestrian skyway system is provided by an elevator located at the site of the station.

(c) The council and city shall meet the requirements under this section at the time of initial construction of the Central Corridor light rail transit line and the Central Station.

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

Sec. 52. **CONVEYANCE OF STATE LAND; LE SUEUR COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 16B.281 to 16B.287, 92.45, 161.43, and 161.44, or any other law to the contrary, the commissioner of transportation may convey and quitclaim to a private party all right, title, and interest of the state of Minnesota, in the land described in paragraph (e). The consideration for a conveyance shall be the cost of planning, designing, acquiring, constructing, and equipping a comparable rest area facility.

(b) Proceeds from the sale of real estate or buildings under this section shall be deposited in the safety rest area account established in Minnesota Statutes, section 160.2745.

(c) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy. The conveyance may take place only upon conditions determined by the commissioner of transportation.

(d) No direct access shall be permitted between marked Trunk Highway 169 and the land conveyed under this section.

(e) The land to be conveyed is located in Le Sueur County and is described as tracts A, B, and C:

Tract A consists of that part of the West Half of the Southeast Quarter of Section 19, Township 112 North, Range 25 West, Le Sueur County, Minnesota, lying southeasterly of the southeasterly right-of-way line of marked Trunk Highway 169 as the same was located prior to January 1, 1990, and northerly of the northerly right-of-way line of old marked Trunk Highway 169 (now known as County State-Aid Highway 28); excepting therefrom that part thereof lying southwesterly of the following described line: From a point on the east line of said Section 19, distant 1273 feet north of the east quarter corner thereof, run southwesterly at an angle of 37 degrees 47 minutes 00 seconds from said east section line (measured from south to west) for 3332.5 feet; thence deflect to the right on a 01 degree 00 minute 00 second curve (delta angle 40 degrees 11 minutes 00 seconds) having a length of 4018.3 feet for 133.6 feet to the point of beginning of the line to be described; thence deflect to the left at an angle of 90 degrees 00 minutes 00 seconds to the tangent of said curve at said point for 1000 feet and there terminating.

Tract B consists of that part of the East Half of the Southeast Quarter of Section 19, Township 112 North, Range 25 West, Le Sueur County, Minnesota, lying southerly of the southeasterly right-of-way line of marked Trunk Highway 169 as located prior to January 1, 1990, northerly of the northerly right-of-way line of old marked Trunk Highway 169 (now known as County State-Aid Highway 28) and westerly of the following described line: From a point on the east line of said Section 19, distant 1273 feet north of the East Quarter corner thereof, run southwesterly at an angle of 37 degrees 47 minutes 00 seconds from said east section line (measured from south to west) for 2318 feet to the point of beginning of the line to be described; thence deflect to the left at an angle of 90 degrees 00 minutes 00 seconds for 400 feet; thence deflect to the right at an angle of 43 degrees 00 minutes 00 seconds for 1100 feet and there terminating.

Tract C consists of that part of the Southwest Quarter of the Southeast Quarter of Section 19, Township 112 North, Range 25 West, Le Sueur County, Minnesota, lying southeasterly of marked Trunk Highway 169 as located prior to January 1, 1971, and northwesterly of old marked Trunk Highway 169 (now known as County State-Aid Highway 28) and southwesterly of the following described line: From a point on the east line of said Section 19, distant 1273 feet north of the East Quarter corner thereof, run southwesterly at an angle of 37 degrees 47 minutes 00 seconds with said east section line for 3332.5 feet; thence deflect to the right on a 01 degree 00 minute 00 second curve (delta angle 40 degrees 11 minutes 00 seconds) having a length of 4018.3 feet for 133.6 feet to the

point of beginning of the line to be described; thence deflect to the left at an angle of 90 degrees 00 minutes 00 seconds with the tangent of said curve at said point for 1000 feet and there terminating.

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

Sec. 53. COMPLIANCE WITH FEDERAL TRANSPORTATION LAW.

The commissioner of public safety shall make all reasonable efforts to refrain from enforcing state laws that are in conflict with provisions enacted in Public Law 112-141, Moving Ahead for Progress in the 21st Century Act (MAP-21).

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

Sec. 54. LEGISLATIVE ROUTE NO. 235 REMOVED.

(a) Minnesota Statutes, section 161.115, subdivision 166, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of Otter Tail County to transfer jurisdiction of Legislative Route No. 235 and notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 55. LEGISLATIVE ROUTE NO. 256 REMOVED.

(a) Minnesota Statutes, section 161.115, subdivision 187, is repealed effective the day after the commissioner of transportation receives a copy of the agreement between the commissioner and the governing body of Blue Earth County to transfer jurisdiction of Legislative Route No. 256 and notifies the revisor of statutes under paragraph (b).

(b) The revisor of statutes shall delete the route identified in paragraph (a) from Minnesota Statutes when the commissioner of transportation sends notice to the revisor electronically or in writing that the conditions required to transfer the route have been satisfied.

Sec. 56. SPECIFIC SERVICE SIGN.

Notwithstanding any other law or administrative rule or order, the commissioner of transportation, after being assured of adequate funding from nonstate sources, shall erect a specific service sign on the east side of marked Trunk Highway 52, near its intersection with 37th Street NW in Olmsted County. The sign must display the name or business panel, or both, of a retail establishment on the east side of marked Trunk Highway 52 that began operation before construction of the noise wall on the east side of marked Trunk Highway 52, and the premises of which is blocked from view by the noise wall.

Sec. 57. REPEALER.

(a) Minnesota Statutes 2012, sections 168.094; and 174.24, subdivision 5, are repealed.

(b) Minnesota Rules, parts 8820.3300, subpart 2; and 8835.0330, subpart 2, are repealed."

Delete the title and insert:

"A bill for an act relating to transportation; modifying provisions governing transportation and public safety policies, including highway signs, highway jurisdictions, accounts, state-aid

definitions and variances, vehicle registration and license plates, record retention, conformance with federal law, motor vehicle dealers, type III vehicles, bicycle lanes, speed limit, disability parking, school bus safety, vehicle weights, background checks, senior identification cards, Department of Transportation offices and ombudsperson and surplus land, railroad crossing signs, bus rapid transit, transit planning, operations, and accessibility, and land conveyance; amending Minnesota Statutes 2012, sections 160.80, subdivisions 1, 1a, 2; 161.04, subdivision 5; 161.115, subdivision 229, by adding a subdivision; 161.1231, subdivision 8; 161.44, by adding a subdivision; 162.02, subdivision 3a; 162.09, subdivision 3a; 162.13, subdivision 2; 168.017, subdivisions 2, 3; 168.053, subdivision 1; 168.123, subdivision 2; 168.183, subdivision 1; 168.187, subdivision 17; 168.27, subdivisions 10, 11, by adding a subdivision; 168A.153, subdivisions 1, 2; 168B.15; 169.011, subdivision 71; 169.14, subdivision 2; 169.18, subdivisions 4, 7; 169.19, subdivision 1; 169.34, subdivision 1; 169.346, subdivision 2, by adding a subdivision; 169.443, subdivision 9; 169.447, subdivision 2; 169.454, subdivision 12; 169.824, subdivision 2; 171.01, subdivision 49b; 171.07, subdivisions 3a, 4; 174.02, by adding a subdivision; 174.24, subdivision 5a; 219.17; 219.18; 219.20; 221.0314, subdivisions 2, 3a; Laws 2002, chapter 393, section 85; Laws 2009, chapter 59, article 3, section 4, subdivision 9, as amended; proposing coding for new law in Minnesota Statutes, chapters 171; 174; repealing Minnesota Statutes 2012, sections 168.094; 174.24, subdivision 5; Minnesota Rules, parts 8820.3300, subpart 2; 8835.0330, subpart 2."

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

Senator Dibble from the Committee on Transportation and Public Safety, to which was referred

S.F. No. 947: A bill for an act relating to transportation; amending motor vehicle weight limits relating to idle reduction technology; amending Minnesota Statutes 2012, section 169.824, subdivision 2.

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

Senator Dibble from the Committee on Transportation and Public Safety, to which was referred

S.F. No. 1179: A bill for an act relating to transportation; providing for conveyance of state land to the city of Newport.

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

Page 2, line 11, delete "the day following final enactment" and insert "August 1, 2014"

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

Senator Dibble from the Committee on Transportation and Public Safety, to which was referred

S.F. No. 717: A bill for an act relating to transportation; requiring designation of an individual to monitor compliance with underage drinking laws during transportation provided by a motor carrier of passengers or limousine service; proposing coding for new law in Minnesota Statutes, chapter 169.

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

Page 1, line 12, delete the colon

Page 1, delete lines 13 and 14

Page 1, line 15, delete "(2)"

Page 1, line 23, after "concerning" insert "controlled substances and"

Page 1, line 24, after "possession" insert ", use," and after "of" insert "a controlled substance or"

Page 2, line 1, after "possessed" insert ", used," and after "consumed" insert "a controlled substance or"

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

Senator Dibble from the Committee on Transportation and Public Safety, to which was referred

S.F. No. 948: A bill for an act relating to transportation; mass transit; authorizing the Washington County Regional Rail Authority to exercise existing powers for bus rapid transit purposes.

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

Page 1, line 7, after "to" insert a colon and delete "construct,"

Page 1, line 8, delete "operate," and after "protect" insert "; and pay costs of construction and operation of"

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

Senator Dibble from the Committee on Transportation and Public Safety, to which was re-referred

S.F. No. 985: A bill for an act relating to public safety; modifying driver's license suspension and revocation provisions for certain persons who commit criminal vehicular operation offenses; expanding the ignition interlock device program to include these offenders; allowing participants in original ignition interlock device program to drive employer-owned vehicles not equipped with ignition interlock devices in certain instances; amending Minnesota Statutes 2012, sections 169A.37, subdivision 1; 169A.51, subdivision 2; 169A.55, by adding a subdivision; 171.17, by adding a subdivision; 171.30, subdivisions 1, 2a, by adding a subdivision; 171.306, subdivisions 1, 4; proposing coding for new law in Minnesota Statutes, chapters 171; 629; repealing Minnesota Rules, parts 7503.0300, subpart 1; 7503.0800, subpart 2.

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

Page 2, line 27, delete "August 1, 2013" and insert "July 1, 2014"

Page 3, line 5, delete "The commissioner"

Page 3, delete lines 6 to 8 and insert "To be eligible for reinstatement under this subdivision, a person shall utilize an ignition interlock device that meets the performance standards and certification requirements under subdivision 4, paragraph (c)."

Page 3, line 9, delete "August 1, 2013" and insert "July 1, 2014"

Page 4, line 8, delete "August 1, 2013" and insert "July 1, 2014"

Page 5, line 8, delete "August 1, 2013" and insert "July 1, 2014"

Page 7, lines 6, 19, and 27, delete "August 1, 2013" and insert "July 1, 2014"

Page 8, line 15, delete "August 1, 2013" and insert "July 1, 2014"

Page 9, line 30, delete "August 1, 2013" and insert "July 1, 2014"

Page 10, line 4, delete "August 1, 2013" and insert "July 1, 2014"

Page 10, after line 15, insert:

"EFFECTIVE DATE. This section is effective July 1, 2014."

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

Senator Dibble from the Committee on Transportation and Public Safety, to which was referred

S.F. No. 742: A bill for an act relating to transportation; contracts; establishing a public-private partnership pilot program and related regulations.

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

Delete everything after the enacting clause and insert:

"Section 1. **PUBLIC-PRIVATE PARTNERSHIP PILOT PROGRAM.**

(a) The commissioner of transportation and Metropolitan Council are authorized to consider and utilize public-private partnership procurement methods for up to three pilot projects as provided in this act. Utilization of public-private partnerships is a recognition of the importance to the state of an efficient and safe transportation system, and the necessity of developing alternative funding sources to supplement traditional sources of transportation revenues. A public-private partnership initiative must take advantage of private sector efficiencies in design and construction, along with expertise in finance and development, and provide a better long-term value for the state than could be obtained through traditional procurement methods.

(b) Notwithstanding Minnesota Statutes, section 160.845, 160.98, or any other law to the contrary, the commissioner or council 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 or council may consider include, but are not limited to, toll facilities, BOT facilities, BTO facilities, user fees, construction payments, joint development agreements, negotiated exactions, air rights development, street improvement districts, or tax increment financing districts for transit. For the purposes of sections 1 to 6, toll facilities, BOT facilities, and BTO facilities have the meanings given under section 160.84.

(c) As part of the pilot program, the commissioner and council are directed to form an independent advisory and oversight office, the Joint Program Office for Economic Development and Alternative Finance. The office shall consist of the commissioner of management and budget, the commissioner of employment and economic development, the commissioner of administration, the commissioner of transportation, the Metropolitan Council, and one representative each from the American Council of Engineering Companies - Minnesota chapter, the Central Minnesota Transportation Alliance, the Counties Transit Improvement Board, and the Minnesota County Engineers Association. In addition, the commissioner and Metropolitan Council shall invite the

Federal Highway Administration and the Federal Transit Administration to participate in the office's activities. The office's duties shall include, but are not limited to, reviewing and approving projects proposed under this section, reviewing any contractual or financial agreements to ensure program requirements are met, and ensuring that any proposed or executed agreement serves the public interest.

Sec. 2. PILOT PROGRAM RESTRICTIONS AND PROJECT SELECTION.

(a) The commissioner or council may receive or solicit and evaluate proposals to build, operate, and finance projects that are not inconsistent with the commissioner's most recent statewide transportation plan or the council's most recent transportation policy plan. If the department or council receives an unsolicited proposal, the department or council shall publish a notice in the State Register at least once a week for two weeks stating that the department or council has received the proposal and will accept, for 120 days after the initial date of publication, other proposals for the same project purpose. The private proposer must be selected on a competitive basis.

(b) When entering into a public-private partnership, the commissioner or Metropolitan Council may not enter into any noncompete agreement that inhibits the state's ability to address ongoing or future infrastructure needs.

(c) If the commissioner or council 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.

(d) The commissioner and council may only consider new projects for a public-private partnership. The commissioner and council are prohibited from considering projects involving existing infrastructure for a public-private partnership, unless the proposed project adds capacity to the existing infrastructure.

(e) Among the projects the commissioner and council may consider are the construction of: an Interstate 94/US Highway 10 River Crossing near marked Minnesota Trunk Highway 24; the Fish Lake interchange; the marked Interstate 94 expansion from the Fish Lake interchange to marked Trunk Highway 24; the St. Croix River Crossing connecting Oak Park Heights, Minnesota, and St. Joseph, Wisconsin; and high-speed, commuter, and light rail projects.

Sec. 3. EVALUATION AND SELECTION OF PRIVATE ENTITY AND PROJECT.

(a) The commissioner and council shall contract with one or more consultants to assist in proposal evaluation. The consultant must possess expertise and experience in public-private partnership project evaluation methodology, such as value for money, costs of public-private partnership compared with costs of public project delivery, and cost-benefit analysis.

(b) When soliciting, evaluating, and selecting a private entity with which to enter into a public-private partnership and before selecting a project, the commissioner or council 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) length and extent of transportation and transit service disruption;

(6) comments from local citizens and affected jurisdictions;

(7) benefits to the public;

(8) the safety record of the private entity; and

(9) any other criteria the commissioner or council deems appropriate.

(c) The independent advisory and oversight office established under section 1, paragraph (c), shall review proposals evaluated by the commissioner or council to ensure the requirements of this section are being met. The independent advisory and oversight office shall first determine whether the project, as proposed, serves the public interest. In making this determination, the office must identify and consider advantages and disadvantages for various stakeholders, including taxpayers, workers, transportation and transit providers and operators, transportation and transit users, commercial vehicle operators, and the general public, including the impact on the state's economy. If the proposed project serves the public interest, the office must evaluate the proposals according to the criteria specified in this section.

Sec. 4. PUBLIC-PRIVATE AGREEMENT.

(a) A public-private agreement between the commissioner or the council 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 or council 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 along with identification of the public agency that will determine and modify fees;

(6) compliance with applicable federal, state, and local laws;

(7) grounds for termination of the public-private agreement by the commissioner or council;

(8) adequate safeguards for the traveling public and residents of the state in event of default on the contract;

(9) financial protection for the state in the event of default; and

(10) procedures for amendment of the agreement.

(b) A public-private agreement between the commissioner or council and a private entity may provide for:

(1) review and approval by the commissioner or council of the private entity's plans for the development and operation of the project;

(2) inspection by the commissioner or council 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 or council and the private entity;

(7) apportionment of expenses between the commissioner or council 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 or council, 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 or council;

(11) assignment, subcontracting, or other delegations of responsibilities of (i) the private entity, or (ii) the commissioner or council 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 or council deems appropriate.

(c) The independent advisory and oversight office established under section 1, paragraph (c), shall review any proposed contractual agreement prior to execution in order to ensure that the contract serves the public interest and the requirements of this section are met.

Sec. 5. FUNDING FROM FEDERAL GOVERNMENT.

(a) The commissioner or council 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 or council 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 or council shall seek to maximize project funding from nonstate sources and may combine federal, state, local, and private funds to finance a public-private partnership pilot project.

Sec. 6. REPORTING.

By August 1, 2015, and annually by August 1 thereafter, the commissioner and council 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 list of all agreements executed under the pilot program authority. The list must identify each agreement, the contracting entities, contract amount and duration, any repayment requirements, and provide an update on the project's progress. The list may be submitted electronically and is subject to Minnesota Statutes, section 3.195, subdivision 1.

Sec. 7. **EFFECTIVE DATE.**

This act is effective the day after an appropriation is effective to pay administrative expenses creating and operating the Joint Program Office for Economic Development and Alternative Finance, hiring a consultant, and preparing required reports."

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

Senator Bonoff from the Committee on Higher Education and Workforce Development, to which was referred

S.F. No. 723: A bill for an act relating to higher education; providing for the treatment of unlawful immigrants with respect to financial aid and tuition at public postsecondary institutions; amending Minnesota Statutes 2012, section 136A.101, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 135A.

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

Page 1, line 10, delete ", including the University of"

Page 1, line 11, delete "Minnesota,"

Page 1, after line 21, insert:

"(c) The Board of Regents of the University of Minnesota is requested to adopt a policy implementing this section."

Page 2, after line 33, insert:

"Sec. 4. **REPEALER.**

Minnesota Rules, part 4830.0100, subpart 5, item F, is repealed.

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

Amend the title as follows:

Page 1, line 2, delete "unlawful" and insert "undocumented"

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 Bonoff from the Committee on Higher Education and Workforce Development, to which was referred

S.F. No. 997: A bill for an act relating to taxation; income and franchise; providing a refundable credit for payment of principal and interest on student loans; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 290.

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

Page 1, line 14, after "incurred" insert "after June 30, 2012,"

Page 1, line 15, after the period, insert "Qualified education loan includes indebtedness incurred at a postsecondary educational institution located in Minnesota. Qualified education loan also includes indebtedness incurred at a postsecondary educational institution located outside Minnesota by an individual who transferred to a postsecondary educational institution in Minnesota prior to graduating."

Page 1, line 18, delete everything after "Code"

Page 1, line 19, delete everything before the period

Page 2, lines 11 and 13, delete "household"

Page 2, after line 16, insert:

"(d) An eligible individual or eligible employer may only claim the credit under subdivision 2 for ten taxable years."

Page 2, line 24, before the period, insert ", for indebtedness incurred after June 30, 2012"

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

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

S.F. No. 235: A bill for an act relating to public safety; modifying the lawful possession of firearms; amending Minnesota Statutes 2012, sections 624.712, subdivision 5, by adding a subdivision; 624.713, subdivision 1, 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 2012, section 241.301, is amended to read:

241.301 FINGERPRINTS OF INMATES, PAROLEES, AND PROBATIONERS FROM OTHER STATES.

The commissioner of corrections shall establish procedures so that whenever this state receives an inmate, parolee, or probationer from another state under sections 241.28 to 241.30 or 243.1605, fingerprints and thumbprints of the inmate, parolee, or probationer are obtained and forwarded to the Bureau of Criminal Apprehension: by electronic entry into a Bureau of Criminal Apprehension-managed or federal searchable database within 24 hours of receipt. The bureau shall convert the fingerprints and thumbprints into an electronic format for entry into the appropriate searchable database within 72 hours of receipt if the data is not entered by the commissioner.

Sec. 2. Minnesota Statutes 2012, section 245.041, is amended to read:

245.041 PROVISION OF FIREARMS AND EXPLOSIVES BACKGROUND CHECK INFORMATION.

Notwithstanding section 253B.23, subdivision 9, the commissioner of human services shall provide commitment information to local law enforcement agencies on an individual request basis by means of electronic data transfer from the Department of Human Services through the Minnesota Crime Information System and the National Instant Criminal Background Check System for the sole purpose of facilitating a firearms background check under section 624.7131, 624.7132, or 624.714, or an explosives background check under section 299F.73, 299F.74, 299F.75, 299F.77, or 299F.785. The information to be provided is limited to whether the person has been committed under chapter 253B and, if so, the type of commitment. No later than August 1, 2013, the commissioner must make available in electronic data format the commitment information required by this section for commitments occurring since August 1, 1994.

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

Sec. 3. Minnesota Statutes 2012, section 253B.24, is amended to read:

253B.24 TRANSMITTAL OF DATA TO NATIONAL INSTANT CRIMINAL BACKGROUND CHECK SYSTEM.

When a court:

(1) commits a person under this chapter as being mentally ill, developmentally disabled, mentally ill and dangerous, or chemically dependent;

(2) determines in a criminal case that a person is incompetent to stand trial or not guilty by reason of mental illness; or

(3) restores a person's ability to possess a firearm under section 609.165, subdivision 1d, or 624.713, subdivision 4,

the court shall ensure that this information is electronically transmitted as soon as practicable within 24 hours to the National Instant Criminal Background Check System.

Sec. 4. **[299C.089] INFORMATION RECEIVED BY BUREAU.**

Within 72 hours of receipt of data, the bureau shall convert into an electronic format for entry into the appropriate searchable database all data received from a criminal justice agency that is not electronically entered by that agency into a bureau-managed or federal searchable database. For the purposes of this section, "criminal justice agency" has the meaning given under section 299C.46, subdivision 2.

Sec. 5. Minnesota Statutes 2012, section 299C.10, subdivision 1, is amended to read:

Subdivision 1. **Required fingerprinting.** (a) Sheriffs, peace officers, and community corrections agencies operating secure juvenile detention facilities shall take or cause to be taken immediately finger and thumb prints, photographs, distinctive physical mark identification data, information on any known aliases or street names, and other identification data requested or required by the superintendent of the bureau, of the following:

(1) persons arrested for, appearing in court on a charge of, or convicted of a felony, gross misdemeanor, or targeted misdemeanor;

(2) juveniles arrested for, appearing in court on a charge of, adjudicated delinquent for, or alleged to have committed felonies or gross misdemeanors as distinguished from those committed by adult offenders;

(3) adults and juveniles admitted to jails or detention facilities;

(4) persons reasonably believed by the arresting officer to be fugitives from justice;

(5) persons in whose possession, when arrested, are found concealed firearms or other dangerous weapons, burglar tools or outfits, high-power explosives, or articles, machines, or appliances usable for an unlawful purpose and reasonably believed by the arresting officer to be intended for such purposes;

(6) juveniles referred by a law enforcement agency to a diversion program for a felony or gross misdemeanor offense; and

(7) persons currently involved in the criminal justice process, on probation, on parole, or in custody for any offense whom the superintendent of the bureau identifies as being the subject of a court disposition record which cannot be linked to an arrest record, and whose fingerprints are necessary to reduce the number of suspense files, or to comply with the mandates of section 299C.111, relating to the reduction of the number of suspense files. This duty to obtain fingerprints for the offenses in suspense at the request of the bureau shall include the requirement that fingerprints be taken in post-arrest interviews, while making court appearances, while in custody, or while on any form of probation, diversion, or supervised release.

(b) Unless the superintendent of the bureau requires a shorter period, within 24 hours of taking the fingerprints and data, the fingerprint records and other identification data specified under paragraph (a) must be forwarded to the bureau on such forms and in such electronically entered into a bureau-managed or federal searchable database in a manner as may be prescribed by the superintendent.

(c) Prosecutors, courts, and probation officers and their agents, employees, and subordinates shall attempt to ensure that the required identification data is taken on a person described in paragraph (a). Law enforcement may take fingerprints of an individual who is presently on probation.

(d) Finger and thumb prints must be obtained no later than:

(1) release from booking; or

(2) if not booked prior to acceptance of a plea of guilty or not guilty.

Prior to acceptance of a plea of guilty or not guilty, an individual's finger and thumb prints must be submitted to the Bureau of Criminal Apprehension for the offense. If finger and thumb prints have not been successfully received by the bureau, an individual may, upon order of the court, be taken into custody for no more than eight hours so that the taking of prints can be completed. Upon notice and motion of the prosecuting attorney, this time period may be extended upon a showing that additional time in custody is essential for the successful taking of prints.

(e) For purposes of this section, a targeted misdemeanor is a misdemeanor violation of section 169A.20 (driving while impaired), 518B.01 (order for protection violation), 609.224 (fifth-degree assault), 609.2242 (domestic assault), 609.746 (interference with privacy), 609.748 (harassment or restraining order violation), 617.23 (indecent exposure), or 629.75 (domestic abuse no contact order).

Sec. 6. Minnesota Statutes 2012, section 299C.10, subdivision 3, is amended to read:

Subd. 3. **Bureau duty.** The bureau must ~~enter~~ convert into an electronic format for entry in the criminal records system ~~finger and thumb prints~~ fingerprints, thumbprints, and other identification data within ~~five working days~~ 72 hours after they are received under this section if the fingerprints, thumbprints, and other identification data were not electronically entered by a criminal justice agency.

Sec. 7. Minnesota Statutes 2012, section 299C.11, subdivision 1, is amended to read:

Subdivision 1. **Identification data other than DNA.** (a) Each sheriff and chief of police shall furnish the bureau, upon such form as the superintendent shall prescribe, with such finger and thumb prints, photographs, distinctive physical mark identification data, information on known aliases and street names, and other identification data as may be requested or required by the superintendent of the bureau, which must be taken under the provisions of section 299C.10. In addition, sheriffs and chiefs of police shall furnish this identification data to the bureau for individuals found to have been convicted of a felony, gross misdemeanor, or targeted misdemeanor, within the ten years immediately preceding their arrest. When the bureau learns that an individual who is the subject of a background check has used, or is using, identifying information, including, but not limited to, name and date of birth, other than those listed on the criminal history, ~~the bureau may add~~ shall convert into an electronic format, if necessary, and enter into a bureau-managed or federal searchable database the new identifying information to the criminal history when supported by fingerprints within 72 hours of learning the information if the information is not entered by a law enforcement agency.

(b) No petition under chapter 609A is required if the person has not been convicted of any felony or gross misdemeanor, either within or without the state, within the period of ten years immediately preceding the determination of all pending criminal actions or proceedings in favor of the arrested person, and either of the following occurred:

(1) all charges were dismissed prior to a determination of probable cause; or

(2) the prosecuting authority declined to file any charges and a grand jury did not return an indictment.

Where these conditions are met, the bureau or agency shall, upon demand, return to the arrested person finger and thumb prints, photographs, distinctive physical mark identification data, information on known aliases and street names, and other identification data, and all copies and duplicates of them.

(c) Except as otherwise provided in paragraph (b), upon the determination of all pending criminal actions or proceedings in favor of the arrested person, and the granting of the petition of the arrested person under chapter 609A, the bureau shall seal finger and thumb prints, photographs, distinctive physical mark identification data, information on known aliases and street names, and other identification data, and all copies and duplicates of them if the arrested person has not been

convicted of any felony or gross misdemeanor, either within or without the state, within the period of ten years immediately preceding such determination.

Sec. 8. Minnesota Statutes 2012, section 299C.14, is amended to read:

299C.14 INFORMATION ON RELEASED PRISONER.

It shall be the duty of the officials having charge of the penal institutions of the state or the release of prisoners therefrom to furnish to the bureau, as the superintendent may require, finger and thumb prints, photographs, distinctive physical mark identification data, other identification data, modus operandi reports, and criminal records of prisoners heretofore, now, or hereafter confined in such penal institutions, together with the period of their service and the time, terms, and conditions of their discharge. This duty to furnish information includes, but is not limited to, requests for fingerprints as the superintendent of the bureau deems necessary to maintain and ensure the accuracy of the bureau's criminal history files, to reduce the number of suspense files, or to comply with the mandates of section 299C.111 relating to the reduction of the number of suspense files where a disposition record is received that cannot be linked to an arrest record. The officials shall electronically enter the information in a bureau-managed or federal searchable database within 24 hours of a prisoner's date of release or discharge. The bureau shall convert the information into an electronic format and enter it into the appropriate searchable database within 72 hours of the date of receipt, if the information is not entered by the officials.

Sec. 9. Minnesota Statutes 2012, section 299C.17, is amended to read:

299C.17 REPORT BY COURT ADMINISTRATOR.

The superintendent shall ~~have power to~~ require the court administrator ~~of any county of every court which sentences a defendant for a felony or gross misdemeanor to file with the department, at such time as the superintendent may designate,~~ electronically transmit within 24 hours of the disposition of the case a report, upon such in a form as prescribed by the superintendent may prescribe, furnishing such providing information as the required by the superintendent may require with regard to the prosecution and disposition of criminal cases. A copy of the report shall be kept on file in the office of the court administrator."

Page 2, line 8, delete everything after the semicolon

Page 2, line 9, delete everything before "and"

Page 2, after line 10, insert:

"**EFFECTIVE DATE.** This section is effective August 1, 2013, and applies to crimes committed on or after that date."

Page 2, before line 11, insert:

"Sec. 11. Minnesota Statutes 2012, section 624.713, is amended by adding a subdivision to read:

Subd. 3a. **Prompt reporting of disqualifying mental health data.** When a court orders a commitment under chapter 253B or makes a finding or adjudication by which a person becomes subject to the provisions of section 624.713, subdivision 1, clause (3), or United States Code, title 18, sections 922(d)(4) and 922(g)(4), the court administrator shall electronically enter the nature of the court's action and only the information necessary to identify the person into the National Instant Criminal Background Check System database. The court shall also notify the person of the

prohibitions of section 624.713, subdivision 1, clause (3), and United States Code, title 18, sections 922(d)(4) and 922(g)(4).

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

Sec. 12. Minnesota Statutes 2012, section 624.713, is amended by adding a subdivision to read:

Subd. 5. Provision of firearms background check information. (a) When a court places a person, including a person under the jurisdiction of the juvenile court, who is charged with committing a crime of violence into a pretrial diversion program before disposition, the court must ensure that information regarding the person's placement in that program and the ordered expiration date of that placement is transmitted as soon as practicable to the National Instant Criminal Background Check System. When a person successfully completes or discontinues the program, the prosecuting attorney must also report that fact within 24 hours of receipt to the National Instant Criminal Background Check System.

(b) The court must report the conviction and duration of the firearms disqualification imposed as soon as practicable to the National Instant Criminal Background Check System when a person is convicted of a gross misdemeanor that disqualifies the person from possessing firearms under the following sections:

- (1) 518B.01, subdivision 14;
- (2) 609.224, subdivision 3;
- (3) 609.2242, subdivision 3;
- (4) 609.749, subdivision 8;
- (5) 624.713, subdivision 1, clause (11); or
- (6) 629.715, subdivision 2.

(c) If the court reports a firearms disqualification based on a charge of violating an offense listed in paragraph (b), the court must provide notice of the disposition of the charge to the National Instant Criminal Background Check System as soon as practicable.

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

Sec. 13. **PRIOR CIVIL COMMITMENTS AND FELONY CONVICTIONS.**

(a) By September 1, 2013, a civil commitment court shall electronically enter into the National Instant Criminal Background Check System information on all persons civilly committed during the years 2008 to 2012 that has not already been entered in the system.

(b) By September 1, 2013, a criminal justice agency shall electronically enter into a Bureau of Criminal Apprehension-managed or federal database information on all persons convicted of a felony during the years 2008 to 2012 that has not already been entered in a searchable database. The bureau shall convert into an electronic format and enter into the appropriate searchable database, within 72 hours of receipt of the data, all data received from the criminal justice agency that is not entered by that agency into a bureau-managed or federal searchable database. For the purposes of this paragraph, "criminal justice agency" has the meaning given under Minnesota Statutes, section 299C.46, subdivision 2.

(c) The governor or commissioner of public safety may extend the time for entering information of prior civil commitments and felony convictions under paragraphs (a) and (b) for a period not to exceed 60 days for good cause shown.

Sec. 14. **CRIMINAL AND JUVENILE JUSTICE INFORMATION POLICY GROUP.**

The Criminal and Juvenile Justice Information Policy Group shall report to the chairs and ranking minority members of the house of representatives and senate committees having jurisdiction over criminal justice policy and funding by January 1, 2014, on the search capabilities of the Bureau of Criminal Apprehension-managed databases and recommend how the search capabilities of the databases may be improved with, among other proposals, an increase in the number of identification data for each person included in the databases. The group shall also report on the progress made on reducing the number of bureau suspense files and recommendations to facilitate the reduction of these files. The group, in consultation with the revisor of statutes, shall review existing law relating to the timely transmittal and entry of data and propose legislation for the 2014 legislative session that clarifies, conforms, implements, and resolves any conflicts with this act."

Page 2, delete sections 2 and 3

Page 5, delete section 4

Renumber the sections in sequence

Amend the title accordingly

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

REPORT OF VOTE IN COMMITTEE

Pursuant to Rule 12.10, upon the request of three members, a roll call was taken on the motion that S.F. No. 235 be recommended to pass.

There were yeas 5 and nays 3, as follows:

Those who voted in the affirmative were:

Senators Cohen, Dziedzic, Goodwin, Latz and Sheran.

Those who voted in the negative were:

Senators Hall, Limmer and Ortman.

The bill was recommended to pass.

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

S.F. No. 458: A bill for an act relating to public safety; modifying provisions related to the transfer of pistols and semiautomatic military-style assault weapons, and to eligibility to possess a firearm; providing criminal penalties; amending Minnesota Statutes 2012, sections 624.713, subdivisions 1, 4; 624.7131, subdivisions 1, 4, 5, 7, 9, 10; 624.7132, subdivisions 1, 3, 4, 5, 6, 8, 12, 13, 15, by adding a subdivision; repealing Minnesota Statutes 2012, sections 609.66, subdivision 1f; 624.7132, subdivision 14.

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 2012, section 609.02, is amended by adding a subdivision to read:

Subd. 17. **Ammunition.** "Ammunition" means ammunition or cartridge cases, primers, bullets, or propellant powder designed for use in any firearm.

EFFECTIVE DATE. This section is effective August 1, 2013, and applies to crimes committed on or after that date.

Sec. 2. Minnesota Statutes 2012, section 609.11, subdivision 9, is amended to read:

Subd. 9. **Applicable offenses.** The crimes for which mandatory minimum sentences shall be served as provided in this section are: murder in the first, second, or third degree; assault in the first, second, or third degree; burglary; kidnapping; false imprisonment; manslaughter in the first or second degree; aggravated robbery; simple robbery; first-degree or aggravated first-degree witness tampering; criminal sexual conduct under the circumstances described in sections 609.342, subdivision 1, clauses (a) to (f); 609.343, subdivision 1, clauses (a) to (f); and 609.344, subdivision 1, clauses (a) to (e) and (h) to (j); escape from custody; arson in the first, second, or third degree; drive-by shooting under section 609.66, subdivision 1e; stalking under section 609.749, subdivision 3, clause (3); possession or other unlawful use of a firearm or ammunition in violation of section 609.165, subdivision 1b, or 624.713, subdivision 1, clause (2), a felony violation of chapter 152; or any attempt to commit any of these offenses.

EFFECTIVE DATE. This section is effective August 1, 2013, and applies to crimes committed on or after that date.

Sec. 3. Minnesota Statutes 2012, section 609.165, is amended to read:

609.165 RESTORATION OF CIVIL RIGHTS; POSSESSION OF FIREARMS AND AMMUNITION.

Subdivision 1. **Restoration.** When a person has been deprived of civil rights by reason of conviction of a crime and is thereafter discharged, such discharge shall restore the person to all civil rights and to full citizenship, with full right to vote and hold office, the same as if such conviction had not taken place, and the order of discharge shall so provide.

Subd. 1a. **Certain convicted felons ineligible to possess firearms or ammunition.** The order of discharge must provide that a person who has been convicted of a crime of violence, as defined in section 624.712, subdivision 5, is not entitled to ship, transport, possess, or receive a firearm or ammunition for the remainder of the person's lifetime. Any person who has received such a discharge and who thereafter has received a relief of disability under United States Code, title 18, section 925, or whose ability to possess firearms and ammunition has been restored under subdivision 1d, shall not be subject to the restrictions of this subdivision.

Subd. 1b. **Violation and penalty.** (a) Any person who has been convicted of a crime of violence, as defined in section 624.712, subdivision 5, and who ships, transports, possesses, or receives a firearm or ammunition, commits a felony and may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than \$30,000, or both.

(b) A conviction and sentencing under this section shall be construed to bar a conviction and sentencing for a violation of section 624.713, subdivision 2.

(c) The criminal penalty in paragraph (a) does not apply to any person who has received a relief of disability under United States Code, title 18, section 925, or whose ability to possess firearms and ammunition has been restored under subdivision 1d.

Subd. 1d. **Judicial restoration of ability to possess firearm firearms and ammunition by felon.** (a) A person prohibited by state law from shipping, transporting, possessing, or receiving a firearm or ammunition because of a conviction or a delinquency adjudication for committing a crime of violence may petition a court to restore the person's ability to possess, receive, ship, or transport firearms and otherwise deal with firearms and ammunition.

(b) A person petitioning the court under paragraph (a) shall serve a copy of the petition by mail on the prosecutorial office that had jurisdiction over the crime of violence and the corrections department, if any, who supervised the person in the community before the person's sentence or disposition was discharged.

(c) The court may grant the relief sought if the person shows good cause to do so and the person has been released from physical confinement establishes by clear and convincing evidence that: (1) the person is not likely to act in a manner that is dangerous to public safety; and (2) the granting of relief is not contrary to the public interest.

(d) If a petition is denied, the person may not file another petition until three years have elapsed without the permission of the court.

(e) A petition under this subdivision must be filed in the county in which the petitioner was convicted or adjudicated delinquent for the underlying crime of violence.

(f) A petition under this subdivision may be brought only after the discharge of the petitioner's sentence or disposition for the underlying crime of violence.

(g) A person bringing a petition under this subdivision may be required to disclose any relevant information and, upon request, must agree to release any relevant mental health information to facilitate the court's decision on the petition.

(h) A judge who grants or denies a petition under this subdivision must report this action along with its underlying justification to the state court administrator.

(i) By January 15 of each year, the state court administrator shall report to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over firearms summary data on the number of petitions brought under this subdivision and the number granted.

Subd. 2. **Discharge.** The discharge may be:

- (1) by order of the court following stay of sentence or stay of execution of sentence; or
- (2) upon expiration of sentence.

Subd. 3. **Applicability.** This section does not apply to a forfeiture of and disqualification for public office as provided in section 609.42, subdivision 2.

EFFECTIVE DATE. This section is effective August 1, 2013, and applies to crimes committed on or after that date.

Sec. 4. Minnesota Statutes 2012, section 609.505, is amended by adding a subdivision to read:

Subd. 3. Lost or stolen firearms; false reporting. (a) As used in this section, "crime of violence" has the meaning given in section 624.712, subdivision 5.

(b) Whoever informs a law enforcement officer that a firearm has been lost or stolen, knowing that the report is false, is guilty of a gross misdemeanor.

(c) A person is guilty of a felony and may be sentenced to imprisonment for not more than five years, or to payment of a fine of not more than \$10,000, or both, if the person:

(1) is convicted a second or subsequent time of violating this subdivision; or

(2) violates paragraph (b) while knowing, or having reason to know, that the firearm has been transferred to someone who intends to use it in furtherance of a felony crime of violence.

EFFECTIVE DATE. This section is effective August 1, 2013, and applies to crimes committed on or after that date.

Sec. 5. Minnesota Statutes 2012, section 624.712, subdivision 5, is amended to read:

Subd. 5. Crime of violence. "Crime of violence" means: felony convictions of the following offenses: sections 609.185 (murder in the first degree); 609.19 (murder in the second degree); 609.195 (murder in the third degree); 609.20 (manslaughter in the first degree); 609.205 (manslaughter in the second degree); 609.215 (aiding suicide and aiding attempted suicide); 609.221 (assault in the first degree); 609.222 (assault in the second degree); 609.223 (assault in the third degree); 609.2231 (assault in the fourth degree); 609.229 (crimes committed for the benefit of a gang); 609.235 (use of drugs to injure or facilitate crime); 609.24 (simple robbery); 609.245 (aggravated robbery); 609.25 (kidnapping); 609.255 (false imprisonment); 609.322 (solicitation, inducement, and promotion of prostitution; sex trafficking); 609.342 (criminal sexual conduct in the first degree); 609.343 (criminal sexual conduct in the second degree); 609.344 (criminal sexual conduct in the third degree); 609.345 (criminal sexual conduct in the fourth degree); 609.377 (malicious punishment of a child); 609.378 (neglect or endangerment of a child); 609.486 (commission of crime while wearing or possessing a bullet-resistant vest); 609.52 (involving theft of a firearm, theft involving the intentional taking or driving of a motor vehicle without the consent of the owner or authorized agent of the owner, theft involving the taking of property from a burning, abandoned, or vacant building, or from an area of destruction caused by civil disaster, riot, bombing, or the proximity of battle, and theft involving the theft of a controlled substance, an explosive, or an incendiary device); 609.561 (arson in the first degree); 609.562 (arson in the second degree); 609.582, subdivision 1, 2, or 3 (burglary in the first through third degrees); 609.66, subdivision 1e (drive-by shooting); 609.67 (unlawfully owning, possessing, operating a machine gun or short-barreled shotgun); 609.71 (riot); 609.713 (terroristic threats); 609.749 (stalking); 609.855, subdivision 5 (shooting at a public transit vehicle or facility); and chapter 152 (drugs, controlled substances); and an attempt to commit any of these offenses. The term also includes a second or subsequent conviction or delinquency adjudication for a violation of section 624.713, subdivision 2, paragraph (a) (certain juveniles not to possess firearms).

EFFECTIVE DATE. This section is effective August 1, 2013, and applies to crimes committed on or after that date.

Sec. 6. Minnesota Statutes 2012, section 624.712, is amended by adding a subdivision to read:

Subd. 12. **Ammunition.** "Ammunition" means ammunition or cartridge cases, primers, bullets, or propellant powder designed for use in any firearm.

EFFECTIVE DATE. This section is effective August 1, 2013, and applies to crimes committed on or after that date.

Sec. 7. Minnesota Statutes 2012, section 624.713, subdivision 1, is amended to read:

Subdivision 1. **Ineligible persons.** The following persons shall not be entitled to possess ammunition or a pistol or semiautomatic military-style assault weapon or, except for clause (1), any other firearm:

(1) a person under the age of 18 years except that a person under 18 may possess ammunition designed for use in a firearm that the person may lawfully possess and may carry or possess a pistol or semiautomatic military-style assault weapon (i) in the actual presence or under the direct supervision of the person's parent or guardian, (ii) for the purpose of military drill under the auspices of a legally recognized military organization and under competent supervision, (iii) for the purpose of instruction, competition, or target practice on a firing range approved by the chief of police or county sheriff in whose jurisdiction the range is located and under direct supervision; or (iv) if the person has successfully completed a course designed to teach marksmanship and safety with a pistol or semiautomatic military-style assault weapon and approved by the commissioner of natural resources;

(2) except as otherwise provided in clause (9), a person who has been convicted of, or adjudicated delinquent or convicted as an extended jurisdiction juvenile for committing, in this state or elsewhere, a crime of violence. For purposes of this section, crime of violence includes crimes in other states or jurisdictions which would have been crimes of violence as herein defined if they had been committed in this state;

(3) a person who is involuntarily confined or has ever been ordered committed in Minnesota or elsewhere ~~by a judicial determination that the person is as being~~ mentally ill, developmentally disabled, or mentally ill and dangerous to the public, as defined in section 253B.02, to a treatment facility, ~~whether or not the order was stayed,~~ or who has ever been found incompetent to stand trial or not guilty by reason of mental illness, unless the person's ability to possess a firearm and ammunition has been restored under subdivision 4;

(4) a person who has been convicted in Minnesota or elsewhere of a misdemeanor or gross misdemeanor violation of chapter 152, unless three years have elapsed since the date of conviction and, during that time, the person has not been convicted of any other such violation of chapter 152 or a similar law of another state; or a person who is or has ever been involuntarily hospitalized or committed by a judicial determination for treatment for the habitual use of a controlled substance or marijuana, as defined in sections 152.01 and 152.02, unless the person's ability to possess a firearm and ammunition has been restored under subdivision 4;

(5) a person who is or has ever been involuntarily confined or committed to a treatment facility in Minnesota or elsewhere ~~by a judicial determination that the person is as~~ chemically dependent

as defined in section 253B.02, unless the person has completed treatment or the person's ability to possess a firearm and ammunition has been restored under subdivision 4. Property rights may not be abated but access may be restricted by the courts;

(6) a peace officer who is informally admitted to a treatment facility pursuant to section 253B.04 for chemical dependency, unless the officer possesses a certificate from the head of the treatment facility discharging or provisionally discharging the officer from the treatment facility. Property rights may not be abated but access may be restricted by the courts;

(7) a person, including a person under the jurisdiction of the juvenile court, who has been charged with committing a crime of violence and has been placed in a pretrial diversion program by the court before disposition, until the person has completed the diversion program and the charge of committing the crime of violence has been dismissed;

(8) except as otherwise provided in clause (9), a person who has been convicted in another state of committing an offense similar to the offense described in section 609.224, subdivision 3, against a family or household member or section 609.2242, subdivision 3, unless three years have elapsed since the date of conviction and, during that time, the person has not been convicted of any other violation of section 609.224, subdivision 3, or 609.2242, subdivision 3, or a similar law of another state;

(9) a person who has been convicted in this state or elsewhere of assaulting a family or household member and who was found by the court to have used a firearm in any way during commission of the assault is prohibited from possessing any type of firearm or ammunition for the period determined by the sentencing court;

(10) a person who:

(i) has been convicted in any court of a crime punishable by imprisonment for a term exceeding one year;

(ii) is a fugitive from justice as a result of having fled from any state to avoid prosecution for a crime or to avoid giving testimony in any criminal proceeding;

(iii) is an unlawful user of any controlled substance as defined in chapter 152;

(iv) has been judicially committed to a treatment facility in Minnesota or elsewhere as a person who is mentally ill, developmentally disabled, or mentally ill and dangerous to the public, as defined in section 253B.02;

(v) is an alien who is illegally or unlawfully in the United States;

(vi) has been discharged from the armed forces of the United States under dishonorable conditions; or

(vii) has renounced the person's citizenship having been a citizen of the United States; ~~or~~

(11) a person who has been convicted of the following offenses at the gross misdemeanor level, unless three years have elapsed since the date of conviction and, during that time, the person has not been convicted of any other violation of these sections: section 609.229 (crimes committed for the benefit of a gang); 609.2231, subdivision 4 (assaults motivated by bias); 609.255 (false imprisonment); 609.378 (neglect or endangerment of a child); section 609.505, subdivision 3, paragraph (b) (lost or stolen firearms; false reporting); 609.582, subdivision 4 (burglary in the

fourth degree); 609.665 (setting a spring gun); 609.71 (riot); ~~or~~ 609.749 (stalking); or 624.7141, subdivision 1 (transfer of firearm to an ineligible person). For purposes of this paragraph, the specified gross misdemeanor convictions include crimes committed in other states or jurisdictions which would have been gross misdemeanors if conviction occurred in this state; or

(12) a person who is disqualified from possessing a firearm under United States Code, title 18, section 922(g)(8) or (9), as amended through March 1, 2013.

A person who issues a certificate pursuant to this section in good faith is not liable for damages resulting or arising from the actions or misconduct with a firearm or ammunition committed by the individual who is the subject of the certificate.

The prohibition in this subdivision relating to the possession of firearms other than pistols and semiautomatic military-style assault weapons does not apply retroactively to persons who are prohibited from possessing a pistol or semiautomatic military-style assault weapon under this subdivision before August 1, 1994.

The lifetime prohibition on possessing, receiving, shipping, or transporting firearms and ammunition for persons convicted or adjudicated delinquent of a crime of violence in clause (2), applies only to offenders who are discharged from sentence or court supervision for a crime of violence on or after August 1, 1993.

~~For purposes of this section, "judicial determination" means a court proceeding pursuant to sections 253B.07 to 253B.09 or a comparable law from another state.~~

EFFECTIVE DATE. This section is effective August 1, 2013, and applies to crimes committed on or after that date.

Sec. 8. Minnesota Statutes 2012, section 624.713, subdivision 1a, is amended to read:

Subd. 1a. **Ineligible to receive, ship, transport.** A person presently charged with a crime punishable by imprisonment for a term exceeding one year shall not be entitled to receive, ship, or transport any ammunition or pistol or semiautomatic military-style assault weapon. A violation of this subdivision is a gross misdemeanor.

EFFECTIVE DATE. This section is effective August 1, 2013, and applies to crimes committed on or after that date.

Sec. 9. Minnesota Statutes 2012, section 624.713, subdivision 2, is amended to read:

Subd. 2. **Penalties.** (a) A person named in subdivision 1, clause (1), who possesses ammunition or a pistol or semiautomatic military-style assault weapon in violation of that clause is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

(b) A person named in subdivision 1, clause (2), who possesses any type of firearm or ammunition is guilty of a felony and may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than \$30,000, or both. This paragraph does not apply to any person who has received a relief of disability under United States Code, title 18, section 925, or whose ability to possess firearms and ammunition has been restored under section 609.165, subdivision 1d.

(c) A person named in any other clause of subdivision 1 who possesses any type of firearm or ammunition is guilty of a gross misdemeanor.

(d) A person is criminally liable for a crime committed by another under this section if the person intentionally aids, advises, hires, counsels, or conspires with or otherwise procures the other to commit the crime.

EFFECTIVE DATE. This section is effective August 1, 2013, and applies to crimes committed on or after that date.

Sec. 10. Minnesota Statutes 2012, section 624.713, subdivision 3, is amended to read:

Subd. 3. **Notice.** (a) When a person is convicted of, or adjudicated delinquent or convicted as an extended jurisdiction juvenile for committing, a crime of violence as defined in section 624.712, subdivision 5, the court shall inform the defendant that the defendant is prohibited from possessing ammunition or a pistol or semiautomatic military-style assault weapon for the remainder of the person's lifetime, and that it is a felony offense to violate this prohibition. The failure of the court to provide this information to a defendant does not affect the applicability of the ammunition or pistol or semiautomatic military-style assault weapon possession prohibition or the felony penalty to that defendant.

(b) When a person, including a person under the jurisdiction of the juvenile court, is charged with committing a crime of violence and is placed in a pretrial diversion program by the court before disposition, the court shall inform the defendant that: (1) the defendant is prohibited from possessing ammunition or a pistol or semiautomatic military-style assault weapon until the person has completed the diversion program and the charge of committing a crime of violence has been dismissed; (2) it is a gross misdemeanor offense to violate this prohibition; and (3) if the defendant violates this condition of participation in the diversion program, the charge of committing a crime of violence may be prosecuted. The failure of the court to provide this information to a defendant does not affect the applicability of the ammunition or pistol or semiautomatic military-style assault weapon possession prohibition or the gross misdemeanor penalty to that defendant.

EFFECTIVE DATE. This section is effective August 1, 2013, and applies to crimes committed on or after that date.

Sec. 11. Minnesota Statutes 2012, section 624.713, subdivision 4, is amended to read:

Subd. 4. **Restoration of firearms and ammunition eligibility to civilly committed person; petition authorized.** (a) A person who is prohibited from possessing a firearm or ammunition under subdivision 1, due to commitment resulting from a judicial determination that the person is, hospitalization, or confinement based on the person being mentally ill, developmentally disabled, mentally ill and dangerous, or chemically dependent, may petition a court to restore the person's ability to possess a firearm or ammunition.

(b) A person petitioning the court under paragraph (a) shall serve a copy of the petition by mail on the prosecutorial office responsible for the commitment.

~~(b)~~ (c) The court may grant the relief sought in paragraph (a) in accordance with the principles of due process if the person establishes by clear and convincing evidence that the circumstances regarding the person's disqualifying condition and the person's record and reputation are determined to be such that:

- (1) the person is not likely to act in a manner that is dangerous to public safety; and
- (2) the granting of relief would not be contrary to the public interest.

~~(e)~~ (d) When determining whether a person has met the requirement of paragraph ~~(b)~~ (c), clause (1), the court may consider evidence from a licensed medical doctor or clinical psychologist that the person is no longer suffering from the disease or condition that caused the disability or that the disease or condition has been successfully treated for a period of three consecutive years.

~~(d)~~ (e) Review on appeal shall be de novo.

EFFECTIVE DATE. This section is effective August 1, 2013, and applies to crimes committed on or after that date.

Sec. 12. Minnesota Statutes 2012, section 624.7131, subdivision 1, is amended to read:

Subdivision 1. **Information.** (a) Any person may apply for a transferee permit by providing the following information in writing to the chief of police of an organized full time police department of the municipality in which the person resides or to the county sheriff if there is no such local chief of police:

(1) the name, residence, telephone number, and driver's license number or nonqualification certificate number, if any, of the proposed transferee;

(2) the sex, date of birth, height, weight, and color of eyes, and distinguishing physical characteristics, if any, of the proposed transferee;

(3) a statement that the proposed transferee authorizes the release to the local police authority of commitment information about the proposed transferee maintained by the commissioner of human services, to the extent that the information relates to the proposed transferee's eligibility to possess a pistol or semiautomatic military-style assault weapon under section 624.713, subdivision 1; and

(4) a statement by the proposed transferee that the proposed transferee is not prohibited by section 624.713 state or federal law from possessing a pistol or semiautomatic military-style assault weapon and has not been denied a permit under subdivision 4, paragraph (b), or section 624.7132, subdivision 5, paragraph (b), within the past six months.

(b) In addition to the requirements described in paragraph (a), the proposed transferee shall submit an accurate photocopy of the person's current driver's license, state identification card, or the photo page of the person's passport.

(c) The statements shall be signed and dated by the person applying for a permit. At the time of application, the local police authority shall provide the applicant with a dated receipt for the application. The statement under paragraph (a), clause (3), must comply with any applicable requirements of Code of Federal Regulations, title 42, sections 2.31 to 2.35, with respect to consent to disclosure of alcohol or drug abuse patient records.

Sec. 13. Minnesota Statutes 2012, section 624.7131, subdivision 4, is amended to read:

Subd. 4. **Grounds for disqualification.** ~~A determination by (a) The chief of police or sheriff that shall refuse to grant a transferee permit if the applicant is prohibited by section 624.713 state or federal law from possessing a pistol or semiautomatic military-style assault weapon shall be the~~

only basis for refusal to grant a transferee permit or is determined to be a danger to self or others under paragraph (b).

(b) A chief or sheriff shall refuse to grant a permit to a person who is a danger to self or others. The decision of the chief or sheriff must be based on documented past contact with law enforcement. A notice of disqualification issued pursuant to this paragraph must describe and document the specific police contact or contacts relied upon to deny the permit.

(c) A person is not eligible to submit a permit application under this section if the person has had an application denied pursuant to paragraph (b) and less than six months have elapsed since the denial was issued or the person's appeal under subdivision 8 was denied, whichever is later.

(d) A chief of police or sheriff who denies a permit application pursuant to paragraph (b) must provide a copy of the notice of disqualification to the chief of police or sheriff with joint-jurisdiction over the proposed transferee's residence.

Sec. 14. Minnesota Statutes 2012, section 624.7131, subdivision 5, is amended to read:

Subd. 5. **Granting of permits.** (a) Except as provided in paragraph (b), the chief of police or sheriff shall issue a transferee permit or deny the application within seven business days of application for the permit. The chief of police or sheriff shall provide an applicant with written notification of a denial and the specific reason for the denial. The permits and their renewal shall be granted free of charge.

(b) If a chief of police or sheriff is unable to verify a proposed transferee's identity or criminal record within the seven-business-day requirement described in paragraph (a), the chief of police or sheriff may require the transferee to appear in person to present a current driver's license, state identification card, or passport, and, if deemed necessary, to be fingerprinted. If this occurs, the chief of police or sheriff shall notify the transferor of this in writing, and the seven-business-day requirement is extended to 30 days.

Sec. 15. Minnesota Statutes 2012, section 624.7131, is amended by adding a subdivision to read:

Subd. 5a. **Emergency permit.** The chief of police or sheriff may limit or expedite the investigation required in subdivision 2 if the chief or sheriff finds that the transferee requires access to a pistol or semiautomatic military-style assault weapon because of a threat to the life of the transferee or any member of the transferee's household. Under these circumstances, the chief or sheriff may issue a transferee permit that expires no more than 48 hours after issuance and that is valid for the transfer of a single pistol or semiautomatic military-style assault weapon. An emergency transferee permit is not renewable.

Sec. 16. Minnesota Statutes 2012, section 624.7131, subdivision 7, is amended to read:

Subd. 7. **Permit voided.** The transferee permit shall be void at the time that the holder becomes prohibited from possessing a pistol under ~~section 624.713~~ state or federal law, in which event the holder shall return the permit within five days to the issuing authority. Failure of the holder to return the permit within the five days is a misdemeanor unless the court finds that the circumstances or the physical or mental condition of the permit holder prevented the holder from complying with the return requirement.

Sec. 17. Minnesota Statutes 2012, section 624.7132, subdivision 1, is amended to read:

Subdivision 1. **Required information.** (a) Except as provided in this section and section 624.7131, every person who agrees to transfer a pistol or semiautomatic military-style assault weapon shall report the following information in writing to the chief of police of the organized full-time police department of the municipality where the proposed transferee resides or to the appropriate county sheriff if there is no such local chief of police:

(1) the name, residence, telephone number, and driver's license number or nonqualification certificate number, if any, of the proposed transferee;

(2) the sex, date of birth, height, weight, and color of eyes, and distinguishing physical characteristics, if any, of the proposed transferee;

(3) a statement that the proposed transferee authorizes the release to the local police authority of commitment information about the proposed transferee maintained by the commissioner of human services, to the extent that the information relates to the proposed transferee's eligibility to possess a pistol or semiautomatic military-style assault weapon under section 624.713, subdivision 1;

(4) a statement by the proposed transferee that the transferee is not prohibited by ~~section 624.713~~ state or federal law from possessing a pistol or semiautomatic military-style assault weapon and that the person has not been denied a permit under subdivision 5, paragraph (b), or section 624.7131, subdivision 4, paragraph (b), within the past six months; and

(5) the address of the place of business of the transferor.

(b) In addition to the requirements described in paragraph (a), the proposed transferee shall submit an accurate photocopy of the person's current driver's license, state identification card, or the photo page of the person's passport.

(c) The report shall be signed and dated by the transferor and the proposed transferee. The report shall be delivered by the transferor to the chief of police or sheriff no later than three days after the date of the agreement to transfer, excluding weekends and legal holidays. The statement under paragraph (a), clause (3), must comply with any applicable requirements of Code of Federal Regulations, title 42, sections 2.31 to 2.35, with respect to consent to disclosure of alcohol or drug abuse patient records.

Sec. 18. Minnesota Statutes 2012, section 624.7132, subdivision 3, is amended to read:

Subd. 3. **Notification.** The chief of police or sheriff shall notify the transferor and proposed transferee in writing as soon as possible if the chief or sheriff determines that the proposed transferee is prohibited by ~~section 624.713~~ state or federal law from possessing a pistol or semiautomatic military-style assault weapon or is determined to be a danger to self or others under subdivision 5, paragraph (b). The notification to the transferee shall specify the grounds for the disqualification of the proposed transferee and shall set forth in detail the transferee's right of appeal under subdivision 13.

Sec. 19. Minnesota Statutes 2012, section 624.7132, subdivision 4, is amended to read:

Subd. 4. **Delivery.** (a) Except as otherwise provided in this subdivision 7 or subdivision 8, no person shall deliver a pistol or semiautomatic military-style assault weapon to a proposed transferee until ~~five seven~~ seven business days after the date the agreement to transfer is delivered to a chief of police or sheriff in accordance with subdivision 1 unless the chief of police or sheriff waives all or a portion of the ~~seven-day~~ seven-business-day waiting period. The chief of police or sheriff may waive all or

a portion of the ~~five-business-day~~ seven-business-day waiting period in writing if the chief of police or sheriff finds that the transferee requires access to a pistol or semiautomatic military-style assault weapon because of a threat to the life of the transferee or of any member of the household of the transferee.

(b) If a chief of police or sheriff is unable to verify a proposed transferee's identity or criminal record within the seven-business-day requirement described in paragraph (a), the chief of police or sheriff may require the transferee to appear in person to present a current driver's license, state identification card, or passport, and, if deemed necessary, to be fingerprinted. If this occurs, the chief of police or sheriff shall notify the transferor of this in writing, and the seven-business-day requirement is extended to 30 days.

(c) No person shall deliver a pistol or semiautomatic military-style assault weapon to a proposed transferee after receiving a written notification that the chief of police or sheriff has determined that the proposed transferee is prohibited by ~~section 624.713~~ state or federal law from possessing a pistol or semiautomatic military-style assault weapon.

(d) If the transferor makes a report of transfer and receives no written notification of disqualification of the proposed transferee and no written notification as described in paragraph (b) within ~~five~~ seven business days after delivery of the agreement to transfer, the pistol or semiautomatic military-style assault weapon may be delivered to the transferee. If the transferor receives the written notification described in paragraph (b), the seven-business-day period is extended to 30 days.

Sec. 20. Minnesota Statutes 2012, section 624.7132, subdivision 5, is amended to read:

Subd. 5. **Grounds for disqualification.** ~~A determination by (a) The chief of police or sheriff that shall deny an application if the proposed transferee is prohibited by ~~section 624.713~~ state or federal law from possessing a pistol or semiautomatic military-style assault weapon shall be the sole basis for a notification of disqualification under this section or is determined to be a danger to self or others under paragraph (b).~~

(b) A chief or sheriff shall deny a permit to a person who is a danger to self or others. The decision of the chief or sheriff must be based on documented past contact with law enforcement. A notice of disqualification issued pursuant to this paragraph must describe and document the specific police contact or contacts relied upon to deny the permit.

(c) A person is not eligible to submit a permit application under this section if the person has had an application denied pursuant to paragraph (b) and less than six months have elapsed since the denial was issued or the person's appeal under subdivision 13 was denied, whichever is later.

(d) A chief of police or sheriff who denies a permit application pursuant to paragraph (b) must provide a copy of the notice of disqualification to the chief of police or sheriff with joint-jurisdiction over the applicant's residence.

Sec. 21. Minnesota Statutes 2012, section 624.7132, subdivision 6, is amended to read:

Subd. 6. **Transferee permit.** If a chief of police or sheriff determines that a transferee is not a person prohibited by ~~section 624.713~~ state or federal law from possessing a pistol or semiautomatic military-style assault weapon and is not a danger to self or others, the transferee may, within 30 days

after the determination, apply to that chief of police or sheriff for a transferee permit, and the permit shall be issued.

Sec. 22. Minnesota Statutes 2012, section 624.7132, is amended by adding a subdivision to read:

Subd. 7a. **Transfer by or to licensed dealers only.** (a) No person shall transfer a pistol or semiautomatic military-style assault weapon unless the transferor or the transferee is a federally licensed firearms dealer. Where neither party to a prospective pistol or semiautomatic military-style assault weapon transfer is a federally licensed firearms dealer, the parties shall complete the transfer through a federally licensed firearms dealer as follows:

(1) the transferor shall deliver the pistol or semiautomatic military-style assault weapon and a valid transferee permit or report of transfer to a federally licensed firearms dealer, who shall retain possession of that pistol or semiautomatic military-style assault weapon until the transaction is completed or as provided in clause (3);

(2) the federally licensed dealer shall comply with this section and federal law as if the dealer had agreed to directly transfer the pistol or semiautomatic military-style assault weapon to the proposed transferee;

(3) if the dealer cannot legally deliver the pistol or semiautomatic military-style assault weapon to the proposed transferee or otherwise chooses not to complete the transaction, the dealer shall conduct a background check in accordance with federal law and file a report of transfer to transfer the pistol or semiautomatic military-style assault weapon back to the original transferor. If the original transferor is prohibited by state or federal law from possessing a pistol or semiautomatic military-style assault weapon, the dealer shall transfer the firearm to the chief of police or sheriff within 24 hours;

(4) a dealer who denies transfer of a pistol or semiautomatic military-style assault weapon shall immediately report the identity of the proposed transferee, and the date, time, and place of the attempted transfer to the local law enforcement agency where the dealer is located; and

(5) the dealer may require the proposed transferee to pay a fee of no more than \$25 when assisting with a transfer under this subdivision.

(b) For purposes of this section and section 624.7131, an auctioneer who is licensed and bonded in accordance with section 330.01 who, while acting in the person's role as an auctioneer, facilitates the sale of a pistol or a semiautomatic military-style assault weapon, is neither the transferor nor transferee in the sale of the firearm, provided that the auctioneer does not transfer physical possession of the firearm to the buyer or buyer's agent or assignee at any time preceding, during, or following the auction other than temporarily prior to the auctioning of the firearm for the purpose of enabling the prospective buyer to inspect the characteristics and quality of the firearm. Upon completion of the auctioning of the firearm, the auctioneer or the auctioneer's agent must physically return the firearm to the possession of the person who owns the firearm and who is the prospective transferor of the firearm, or to that person's agent in the auction. The owner who is the prospective transferor, and the prospective transferee who has agreed in the auction to purchase the firearm, must then comply in full with the terms of paragraph (a), if applicable, and with the provisions of this chapter, chapter 609, and any other state or federal law, to complete the transfer of the firearm.

Sec. 23. Minnesota Statutes 2012, section 624.7132, subdivision 12, is amended to read:

Subd. 12. **Exclusions.** (a) For purposes of this subdivision, "relative" means a spouse, parent, stepparent, child, stepchild, brother, sister, aunt, uncle, grandparent, or grandchild by blood or marriage.

~~Except as otherwise provided in section 609.66, subdivision 1f,~~ (b) This section shall not apply to transfers of antique firearms as curiosities or for their historical significance or value, transfers to or between federally licensed firearms dealers, transfers by order of court, involuntary transfers, transfers at death or the following transfers:

(1) a transfer by a person ~~other than a federally licensed firearms dealer~~ to a relative who is not ineligible to possess a firearm under state or federal law;

(2) a loan to a prospective transferee if the loan is intended for a period of no more than one day;

(3) the delivery of a pistol or semiautomatic military-style assault weapon to a person for the purpose of repair, reconditioning or remodeling;

(4) a loan by a teacher to a student in a course designed to teach marksmanship or safety with a pistol and approved by the commissioner of natural resources;

(5) a loan between persons at a firearms collectors exhibition;

(6) a loan between persons lawfully engaged in hunting or target shooting if the loan is intended for a period of no more than ~~12~~ 72 hours and the person receiving the pistol or semiautomatic military-style assault weapon is not ineligible to possess a firearm under state or federal law;

(7) a loan between law enforcement officers who have the power to make arrests other than citizen arrests; and

(8) a loan between employees or between the employer and an employee in a business if the employee is required to carry a pistol or semiautomatic military-style assault weapon by reason of employment and is the holder of a valid permit to carry a pistol.

Sec. 24. Minnesota Statutes 2012, section 624.7132, subdivision 13, is amended to read:

Subd. 13. **Appeal.** A person aggrieved by the determination of a chief of police or sheriff ~~that the person is prohibited by section 624.713 from possessing a pistol or semiautomatic military-style assault weapon under subdivision 5~~ may appeal the determination as provided in this subdivision. The district court shall have jurisdiction of proceedings under this subdivision.

~~On review pursuant to this subdivision, the court shall be limited to a determination of whether the proposed transferee is a person prohibited from possessing a pistol or semiautomatic military-style assault weapon by section 624.713.~~

Sec. 25. Minnesota Statutes 2012, section 624.7132, subdivision 15, is amended to read:

Subd. 15. **Penalties.** (a) Except as otherwise provided in paragraph (b), a person who does any of the following is guilty of a gross misdemeanor:

(1) transfers a pistol or semiautomatic military-style assault weapon in violation of subdivisions 1 to 13;

(2) transfers a pistol or semiautomatic military-style assault weapon to a person who has made a false statement in order to become a transferee, if the transferor knows or has reason to know the transferee has made the false statement;

(3) knowingly becomes a transferee in violation of subdivisions 1 to 13; or

(4) makes a false statement in order to become a transferee of a pistol or semiautomatic military-style assault weapon knowing or having reason to know the statement is false.

(b) A person who does ~~either~~ any of the following is guilty of a felony:

(1) transfers a pistol or semiautomatic military-style assault weapon to a person under the age of 18 in violation of subdivisions 1 to 13; ~~or~~

(2) transfers a pistol or semiautomatic military-style assault weapon to a person under the age of 18 who has made a false statement in order to become a transferee, if the transferor knows or has reason to know the transferee has made the false statement;

(3) transfers a pistol or a semiautomatic military-style assault weapon to another in violation of this section if: (i) the person knows or has reason to know that the transferee is prohibited under state or federal law from possessing a firearm; and (ii) the transferee uses the weapon within one year after the transfer in furtherance of a felony crime of violence; or

(4) violates paragraph (a), clause (1) or (3), after having been previously convicted or adjudicated delinquent for a violation of this section or section 624.7131.

EFFECTIVE DATE. This section is effective August 1, 2013, and applies to crimes committed on or after that date.

Sec. 26. Minnesota Statutes 2012, section 624.714, subdivision 6, is amended to read:

Subd. 6. **Granting and denial of permits.** (a) The sheriff must, within 30 days after the date of receipt of the application packet described in subdivision 3:

(1) issue the permit to carry;

(2) deny the application for a permit to carry solely on the grounds that the applicant failed to qualify under the criteria described in subdivision 2, paragraph (b); or

(3) deny the application on the grounds that there exists a ~~substantial~~ likelihood that the applicant is a danger to self or the public if authorized to carry a pistol under a permit.

(b) Failure of the sheriff to notify the applicant of the denial of the application within 30 days after the date of receipt of the application packet constitutes issuance of the permit to carry and the sheriff must promptly fulfill the requirements under paragraph (c). To deny the application, the sheriff must provide the applicant with written notification and the specific factual basis justifying the denial under paragraph (a), clause (2) or (3), including the source of the factual basis. The sheriff must inform the applicant of the applicant's right to submit, within 20 business days, any additional documentation relating to the propriety of the denial. Upon receiving any additional documentation, the sheriff must reconsider the denial and inform the applicant within 15 business days of the result of the reconsideration. Any denial after reconsideration must be in the same form and substance as the original denial and must specifically address any continued deficiencies in light of the additional

documentation submitted by the applicant. The applicant must be informed of the right to seek de novo review of the denial as provided in subdivision 12.

(c) Upon issuing a permit to carry, the sheriff must provide a laminated permit card to the applicant by first class mail unless personal delivery has been made. Within five business days, the sheriff must submit the information specified in subdivision 7, paragraph (a), to the commissioner for inclusion solely in the database required under subdivision 15, paragraph (a). The sheriff must transmit the information in a manner and format prescribed by the commissioner.

(d) Within five business days of learning that a permit to carry has been suspended or revoked, the sheriff must submit information to the commissioner regarding the suspension or revocation for inclusion solely in the databases required or permitted under subdivision 15.

(e) Notwithstanding paragraphs (a) and (b), the sheriff may suspend the application process if a charge is pending against the applicant that, if resulting in conviction, will prohibit the applicant from possessing a firearm.

Sec. 27. Minnesota Statutes 2012, section 624.714, subdivision 8, is amended to read:

Subd. 8. **Permit to carry voided.** (a) The permit to carry is void at the time that the holder becomes prohibited by law from possessing a firearm, in which event the holder must return the permit card to the issuing sheriff within five business days after the holder knows or should know that the holder is a prohibited person. If the sheriff has knowledge that a permit is void under this paragraph, the sheriff must give notice to the permit holder in writing in the same manner as a denial. Failure of the holder to return the permit within the five days is a gross misdemeanor unless the court finds that the circumstances or the physical or mental condition of the permit holder prevented the holder from complying with the return requirement.

(b) When a permit holder is convicted of an offense that prohibits the permit holder from possessing a firearm, the court must take possession of the permit, if it is available, and send it to the issuing sheriff.

(c) The sheriff of the county where the application was submitted, or of the county of the permit holder's current residence, may file a petition with the district court therein, for an order revoking a permit to carry on the grounds set forth in subdivision 6, paragraph (a), clause (3). An order shall be issued only if the sheriff meets the burden of proof and criteria set forth in subdivision 12. ~~If the court denies the petition, the court must award the permit holder reasonable costs and expenses, including attorney fees.~~

(d) A permit revocation must be promptly reported to the issuing sheriff.

Sec. 28. Minnesota Statutes 2012, section 624.714, subdivision 12, is amended to read:

Subd. 12. **Hearing upon denial or revocation.** (a) Any person aggrieved by denial or revocation of a permit to carry may appeal by petition to the district court having jurisdiction over the county or municipality where the application was submitted. The petition must list the sheriff as the respondent. The district court must hold a hearing at the earliest practicable date and in any event no later than 60 days following the filing of the petition for review. The court may not grant or deny any relief before the completion of the hearing. The record of the hearing must be sealed. The matter must be heard de novo without a jury.

(b) The court must issue written findings of fact and conclusions of law regarding the issues submitted by the parties. The court must issue its writ of mandamus directing that the permit be issued and order other appropriate relief unless the sheriff establishes by clear and convincing a preponderance of the evidence:

(1) that the applicant is disqualified under the criteria described in subdivision 2, paragraph (b); or

(2) that there exists a ~~substantial~~ likelihood that the applicant is a danger to self or the public if authorized to carry a pistol under a permit. Incidents of alleged criminal misconduct that are not ~~investigated and~~ documented may not be considered.

(c) If an applicant is denied a permit on the grounds that the applicant is listed in the criminal gang investigative data system under section 299C.091, the person may challenge the denial, after disclosure under court supervision of the reason for that listing, based on grounds that the person:

(1) was erroneously identified as a person in the data system;

(2) was improperly included in the data system according to the criteria outlined in section 299C.091, subdivision 2, paragraph (b); or

(3) has demonstrably withdrawn from the activities and associations that led to inclusion in the data system.

~~(d) If the court grants a petition brought under paragraph (a), the court must award the applicant or permit holder reasonable costs and expenses including attorney fees.~~

Sec. 29. Minnesota Statutes 2012, section 624.714, subdivision 16, is amended to read:

Subd. 16. Recognition of permits from other states. (a) The commissioner must annually establish and publish a list of other states that have laws governing the issuance of permits to carry weapons that are not substantially similar to this section. The list must be available on the Internet. A person holding a carry permit from a state not on the list may use the license or permit in this state subject to the rights, privileges, and requirements of this section.

(b) Notwithstanding paragraph (a), no license or permit from another state is valid in this state if the holder is or becomes prohibited by law from possessing a firearm.

(c) Any sheriff or police chief may file a petition under subdivision 12 seeking an order suspending or revoking an out-of-state permit holder's authority to carry a pistol in this state on the grounds set forth in subdivision 6, paragraph (a), clause (3). An order shall only be issued if the petitioner meets the burden of proof and criteria set forth in subdivision 12. ~~If the court denies the petition, the court must award the permit holder reasonable costs and expenses including attorney fees.~~ The petition may be filed in any county in the state where a person holding a license or permit from another state can be found.

(d) The commissioner must, when necessary, execute reciprocity agreements regarding carry permits with jurisdictions whose carry permits are recognized under paragraph (a).

Sec. 30. Minnesota Statutes 2012, section 624.714, subdivision 21, is amended to read:

Subd. 21. Use of fees. Fees collected by sheriffs under this section and not forwarded to the commissioner must be used only to pay the direct costs of administering this section. Fee money may

be used to pay the costs of appeals of ~~prevailing applicants or permit holders under subdivision 8, paragraph (c); subdivision 12, paragraph (c); and subdivision 16, paragraph (c).~~ ~~Fee money may also be used to pay~~ and the reasonable costs of the county attorney to represent the sheriff in proceedings under this section. The revenues must be maintained in a segregated fund. Fund balances must be carried over from year to year and do not revert to any other fund. As part of the information supplied under subdivision 20, paragraph (b), by January 31 of each year, a sheriff must report to the commissioner on the sheriff's segregated fund for the preceding calendar year, including information regarding:

- (1) nature and amount of revenues;
- (2) nature and amount of expenditures; and
- (3) nature and amount of balances.

Sec. 31. Minnesota Statutes 2012, section 624.7141, subdivision 1, is amended to read:

Subdivision 1. **Transfer prohibited.** A person is guilty of a gross misdemeanor who intentionally transfers a pistol or semiautomatic military-style assault weapon to another if the person knows, or has reason to know, that the transferee:

(1) has been denied a permit to carry under section 624.714 because the transferee is not eligible under section 624.713 to possess a pistol or semiautomatic military-style assault weapon;

(2) has been found ineligible to possess a pistol or semiautomatic military-style assault weapon by a chief of police or sheriff as a result of an application for a transferee permit or a transfer report; or

(3) is disqualified under ~~section 624.713~~ state or federal law from possessing a pistol or semiautomatic military-style assault weapon.

EFFECTIVE DATE. This section is effective August 1, 2013, and applies to crimes committed on or after that date.

Sec. 32. Minnesota Statutes 2012, section 624.7141, subdivision 2, is amended to read:

Subd. 2. **Felony.** A violation of this section is a felony:

(1) if the transferee possesses or uses the weapon within one year after the transfer in furtherance of a felony crime of violence; or

(2) if the transferor knows, or has reason to know, the transferee intends to use the weapon in the furtherance of a felony crime of violence.

EFFECTIVE DATE. This section is effective August 1, 2013, and applies to crimes committed on or after that date.

Sec. 33. Minnesota Statutes 2012, section 624.7141, subdivision 3, is amended to read:

Subd. 3. **Subsequent eligibility.** ~~This section~~ Subdivision 2, clause (1), is not applicable to a transfer to a person who became eligible to possess a pistol or semiautomatic military-style assault weapon ~~under section 624.713~~ after the transfer occurred but before the transferee used or possessed the weapon in furtherance of any crime.

EFFECTIVE DATE. This section is effective August 1, 2013, and applies to crimes committed on or after that date.

Sec. 34. **REPEALER.**

Minnesota Statutes 2012, sections 609.66, subdivision 1f; and 624.7132, subdivision 14, are repealed."

Delete the title and insert:

"A bill for an act relating to public safety; modifying provisions related to the transfer of pistols and semiautomatic military-style assault weapons, to eligibility to carry a handgun in public, and to eligibility to possess a firearm; modifying the judicial process for restoring firearms eligibility to certain persons who have become ineligible; modifying the judicial challenge process for persons who have been denied a permit to carry a handgun; regulating the possession of ammunition by certain persons; making it a crime to falsely report the loss or theft of a firearm; expanding the crime of transferring certain firearms to an ineligible person; clarifying the law on aiding and abetting an ineligible person to possess a firearm; amending Minnesota Statutes 2012, sections 609.02, by adding a subdivision; 609.11, subdivision 9; 609.165; 609.505, by adding a subdivision; 624.712, subdivision 5, by adding a subdivision; 624.713, subdivisions 1, 1a, 2, 3, 4; 624.7131, subdivisions 1, 4, 5, 7, by adding a subdivision; 624.7132, subdivisions 1, 3, 4, 5, 6, 12, 13, 15, by adding a subdivision; 624.714, subdivisions 6, 8, 12, 16, 21; 624.7141, subdivisions 1, 2, 3; repealing Minnesota Statutes 2012, sections 609.66, subdivision 1f; 624.7132, subdivision 14."

And when so amended the bill do pass. Senator Ingebriksen questioned the reference thereon and, under Rule 21, the bill was referred to the Committee on Rules and Administration.

REPORT OF VOTES IN COMMITTEE

Pursuant to Rule 12.10, upon the request of three members, a roll call was taken on the Latz amendment to S.F. No. 458.

There were yeas 5 and nays 3, as follows:

Those who voted in the affirmative were:

Senators Cohen, Dziedzic, Goodwin, Latz and Sheran.

Those who voted in the negative were:

Senators Hall, Limmer and Ortman.

The amendment was adopted.

Pursuant to Rule 12.10, upon the request of three members, a roll call was taken on the motion that S.F. No. 458 be recommended to pass.

There were yeas 5 and nays 3, as follows:

Those who voted in the affirmative were:

Senators Cohen, Dziedzic, Goodwin, Latz and Sheran.

Those who voted in the negative were:

Senators Hall, Limmer and Ortman.

The bill was recommended to pass.

Senator Pappas from the Committee on State and Local Government, to which was referred

S.F. No. 600: A bill for an act relating to counties; providing a process for making the county auditor-treasurer and recorder appointive in Clay County.

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

Senator Pappas from the Committee on State and Local Government, to which was referred

S.F. No. 672: A bill for an act relating to counties; providing a process for making the offices of county auditor-treasurer and recorder appointive in Kandiyohi County.

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

Senator Pappas from the Committee on State and Local Government, to which was referred

S.F. No. 629: A bill for an act relating to counties; providing a process for making the county auditor-treasurer and recorder appointive in Lake County.

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

Senator Pappas from the Committee on State and Local Government, to which was referred

S.F. No. 915: A bill for an act relating to counties; providing a process for making the office of county auditor-treasurer appointive in Jackson County; providing a process for making the county auditor-treasurer and the recorder appointive in Lyon County.

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

Page 2, after line 20, insert:

"Subd. 5. **Reverting to elected offices.** (a) The county board may adopt a resolution to provide for the election of an office made an appointed position under this section, but not until at least three years after the office was made an appointed position. The county board must publish a proposed resolution notifying the public of its intent to consider the issue once each week for two consecutive weeks in the official publication of the county. Following publication and before formally adopting the resolution, the county board must provide an opportunity at its next regular meeting for public comment relating to the issue. After the public comment hearing, the county board may adopt the resolution. The resolution must be approved by at least 60 percent of the members of the county board and is effective August 1 following adoption of the resolution.

(b) The question of whether an office made an appointed position under this section must be made an elected office must be placed on the ballot at the next general election if:

(1) the position has been an appointed position for at least three years;

(2) a petition signed by at least ten percent of the registered voters of the county is filed with the office of the county auditor-treasurer by August 1 of the year in which the general election is held; and

(3) the petition meets the requirements of the secretary of state, as provided in Minnesota Statutes, section 204B.071, and any rules adopted to implement that section. If a majority of the voters of the county voting on the question vote in favor of making the office an elected position, the election for the office must be held at the next regular or special election."

Page 3, after line 28, insert:

"Subd. 5. **Reverting to elected offices.** (a) The county board may adopt a resolution to provide for the election of an office made an appointed position under this section, but not until at least three years after the office was made an appointed position. The county board must publish a proposed resolution notifying the public of its intent to consider the issue once each week for two consecutive weeks in the official publication of the county. Following publication and before formally adopting the resolution, the county board must provide an opportunity at its next regular meeting for public comment relating to the issue. After the public comment hearing, the county board may adopt the resolution. The resolution must be approved by at least 60 percent of the members of the county board and is effective August 1 following adoption of the resolution.

(b) The question of whether an office made an appointed position under this section must be made an elected office must be placed on the ballot at the next general election if:

(1) the position has been an appointed position for at least three years;

(2) a petition signed by at least ten percent of the registered voters of the county is filed with the office of the county auditor-treasurer by August 1 of the year in which the general election is held; and

(3) the petition meets the requirements of the secretary of state, as provided in Minnesota Statutes, section 204B.071, and any rules adopted to implement that section. If a majority of the voters of the county voting on the question vote in favor of making the office an elected position, the election for the office must be held at the next regular or special election."

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

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

S.F. No. 1158: A bill for an act relating to human services; modifying provisions related to continuing care; redesigning home and community-based services; modifying provisions related to nursing facility admission and maltreatment; establishing community first services and supports; requiring a study; amending Minnesota Statutes 2012, sections 144.0724, subdivision 4; 144A.351; 148E.065, subdivision 4a; 256.01, subdivisions 2, 24; 256.975, subdivision 7, by adding subdivisions; 256.9754, subdivision 5, by adding subdivisions; 256B.021, by adding subdivisions; 256B.0911, subdivisions 1, 1a, 3a, 4d, 7, by adding a subdivision; 256B.0913, subdivision 4, by adding a subdivision; 256B.0915, subdivisions 3a, 5, by adding a subdivision; 256B.0917, subdivisions 6, 13, by adding subdivisions; 256B.092, by adding a subdivision; 256B.439, subdivisions 1, 2, 3, 4, by adding a subdivision; 256B.49, subdivisions 12, 14, by adding a subdivision; 256I.05, by adding a subdivision; 626.557, subdivisions 4, 9, 9e; proposing coding

for new law in Minnesota Statutes, chapter 256B; repealing Minnesota Statutes 2012, sections 245A.655; 256B.0911, subdivisions 4a, 4b, 4c; 256B.0917, subdivisions 1, 2, 3, 4, 5, 7, 8, 9, 10, 11, 12, 14.

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

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

S.F. No. 123: A bill for an act relating to human services; modifying critical access dental provider requirements; amending Minnesota Statutes 2012, section 256B.76, subdivision 4.

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

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

S.F. No. 831: A bill for an act relating to human services; modifying criteria for designation as a critical access dental provider; amending Minnesota Statutes 2012, section 256B.76, subdivision 4.

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

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

S.F. No. 762: A bill for an act relating to human services; modifying the medical assistance income standard for seniors and persons with disabilities; requiring the commissioner to request authority to continue current home and community-based services waiver policy on treatment of a nonassisted spouse's income and assets; amending Minnesota Statutes 2012, section 256B.056, subdivisions 4, as amended, 5c.

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

Page 3, line 8, delete "choose between a" and insert "continue to use the" and delete "or" and insert "instead of"

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

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

S.F. No. 1159: A bill for an act relating to human services; modifying provisions to promote the safe and healthy development of children; modifying provisions related to child care programs, human services licensing, background studies, foster care, and the Minnesota family investment program; establishing Northstar Care for Children; amending Minnesota Statutes 2012, sections 119B.011, by adding a subdivision; 119B.02, by adding a subdivision; 119B.025, subdivision 1; 119B.03, subdivision 4; 119B.05, subdivision 1; 119B.13, subdivisions 1, 1a, 6, by adding subdivisions; 245A.07, subdivision 2a; 245A.1435; 245A.144; 245A.1444; 245A.40, subdivision 5; 245A.50; 245C.08, subdivision 1; 245C.33, subdivision 1; 256.0112, by adding a subdivision;

256.82, subdivisions 2, 3; 256.98, subdivision 8; 256J.08, subdivision 24; 256J.21, subdivisions 2, 3; 256J.24, subdivisions 3, 7; 256J.621; 256J.626, subdivision 7; 257.85, subdivisions 2, 5, 6; 260C.446; proposing coding for new law in Minnesota Statutes, chapters 245A; 256J; 259A; 260C; proposing coding for new law as Minnesota Statutes, chapter 256N; repealing Minnesota Statutes 2012, sections 256.82, subdivision 4; 256J.24, subdivision 10; 260C.441; Minnesota Rules, parts 3400.0130, subpart 8; 9502.0355, subpart 4; 9560.0650, subparts 1, 3, 6; 9560.0651; 9560.0655.

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

Page 9, line 18, strike "up to and including"

Page 9, line 19, strike "12 months of age" and insert "younger than the age of one year"

Page 10, after line 34, insert:

"Sec. 15. **[245A.1446] FAMILY CHILD CARE DIAPERING AREA DISINFECTION.**

Notwithstanding Minnesota Rules, part 9502.0435, a family child care provider may disinfect the diaper changing surface with either a solution of at least two teaspoons of chlorine bleach to one quart of water, or with a surface disinfectant that meets the following criteria:

(1) the manufacturer's label or instructions state that the product is registered with the United States Environmental Protection Agency;

(2) the manufacturer's label or instructions state that the disinfectant is effective against Staphylococcus aureus, Salmonella choleroesuis, and Pseudomonas aeruginosa;

(3) the manufacturer's label or instructions state that the disinfectant is effective with a ten-minute or less contact time;

(4) the disinfectant is clearly labeled by the manufacturer with directions for mixing and use; and

(5) the disinfectant is used only in accordance with the manufacturer's directions."

Page 11, line 4, delete "must" and insert "are encouraged to"

Page 11, lines 7 and 9, delete "must" and insert "is encouraged to"

Page 11, lines 10 and 14, delete "care" and insert "sleep"

Page 17, after line 22, insert:

"Subd. 10. **Approved training.** County licensing staff must accept training approved by the Minnesota Center for Professional Development, including:

(1) face-to-face or classroom training;

(2) online training; and

(3) relationship-based professional development, such as mentoring, coaching, and consulting.

Subd. 11. **Commissioner duties.** (a) The commissioner of human services must train county licensing staff on the interpretation and intention of new requirements under this section prior to implementation.

(b) New and increased training requirements under this section must not be imposed on providers until the commissioner establishes statewide accessibility to the required training."

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 Sheran from the Committee on Health, Human Services and Housing, to which was referred

S.F. No. 1297: A bill for an act relating to human services; modifying provisions related to chemical and mental health and state-operated services; allowing for data sharing; repealing a task force; updating terminology and repealing obsolete provisions; making technical changes; amending Minnesota Statutes 2012, sections 13.461, by adding a subdivision; 245.036; 246.014; 246.0141; 246.0251; 246.12; 246.128; 246.33, subdivision 4; 246.51, subdivision 3; 246.54, subdivision 2; 246.64, subdivision 1; 252.41, subdivision 7; 253.015, subdivision 1; 253B.045, subdivision 2; 253B.18, subdivision 4c; 254.05; 256.976, subdivision 3; 256B.0943, subdivisions 1, 3, 6, 9; 256B.0944, subdivision 5; 272.02, subdivision 94; 281.04; 295.50, subdivision 10b; 322.24; 357.28, subdivision 1; 387.20, subdivision 1; 462A.03, subdivision 13; 481.12; 508.79; 508A.79; 518.04; 525.092, subdivision 2; 555.04; 558.31; 580.20; 609.06, subdivision 1; 609.36, subdivision 2; 611.026; 628.54; repealing Minnesota Statutes 2012, sections 246.04; 246.05; 246.125; 246.21; 246.57, subdivision 5; 246.58; 246.59; 251.011, subdivisions 3, 6; 253.015, subdivision 4; 253.018; 253.28.

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

Page 18, delete section 17

Page 20, line 10, strike "developmentally disabled" and insert "with a developmental disability"

Page 22, line 21, delete "with a mental illness" and insert "who lacks the mental capacity to make decisions"

Page 22, line 31, delete "with a mental illness" and insert "who lacks the mental capacity to make decisions"

Page 23, line 8, delete "with a mental illness" and insert "who lacks the mental capacity to make decisions"

Page 23, line 29, delete "with a mental illness" and insert "who lacks the mental capacity to make decisions"

Page 24, line 12, delete "with"

Page 24, line 13, delete "a mental illness" and insert "who lack the mental capacity to make decisions" and strike "developmentally disabled" and insert "with a developmental disability"

Page 25, line 10, strike "who is mentally ill" and insert "with a mental illness"

Page 25, line 19, strike "is" and delete "a"

Page 25, line 20, delete "person with a mental illness" and insert "lacks the mental capacity"

Page 26, line 14, delete everything after "administered"

Page 26, line 15, delete "services" and before the period, insert "and any change in language does not expand or contract eligibility"

Page 26, line 28, delete "illness" and insert "illnesses"

Page 26, line 31, delete "nervous and" and insert "a"

Page 26, line 35, after "with" insert "a"

Page 26, line 38, before "mental" insert "a"

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 Judiciary. Amendments adopted. Report adopted.

Senator Marty from the Committee on Environment and Energy, to which was referred

S.F. No. 92: A bill for an act relating to public utilities; revising process and standard for approval of interim rates; amending Minnesota Statutes 2012, section 216B.16, subdivision 3.

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 2012, section 216B.16, subdivision 3, is amended to read:

Subd. 3. **Interim rate.** (a) Notwithstanding any order of suspension of a proposed increase in rates, the commission shall order an interim rate schedule into effect not later than 60 days after the initial filing date. The commission shall order the interim rate schedule ex parte without a public hearing. Notwithstanding the provisions of sections 216.25, 216B.27, and 216B.52, no interim rate schedule ordered by the commission pursuant to this subdivision shall be subject to an application for a rehearing or an appeal to a court until the commission has rendered its final determination.

(b) Unless the commission finds that exigent circumstances exist, the interim rate schedule shall be calculated using the proposed test year cost of capital, rate base, and expenses, except that it shall include: (1) a rate of return on common equity for the utility equal to that authorized by the commission in the utility's most recent rate proceeding; (2) rate base or expense items the same in nature and kind as those allowed by a currently effective order of the commission in the utility's most recent rate proceeding; and (3) no change in the existing rate design. In the case of a utility which has not been subject to a prior commission determination, the commission shall base the interim rate schedule on its most recent determination concerning a similar utility.

(c) If, at the time of its final determination, the commission finds that the interim rates are in excess of the rates in the final determination, the commission shall order the utility to refund the excess amount collected under the interim rate schedule, including interest on it which shall be at the ~~rate of interest determined by the commission~~ average prime interest rate plus two percent, unless the commission determines a different rate is in the public interest. The utility shall commence distribution of the refund to its customers within 120 days of the final order, not subject to rehearing or appeal. If, at the time of its final determination, the commission finds that the interim rates are

less than the rates in the final determination, the commission shall prescribe a method by which the utility will recover the difference in revenues between the date of the final determination and the date the new rate schedules are put into effect. In addition, when an extension is granted for settlement discussions under subdivision 1a, the commission shall allow the utility to also recover the difference in revenues for a length of time equal to the length of the extension.

(d) If the public utility fails to make refunds within the period of time prescribed by the commission, the commission shall sue therefor and may recover on behalf of all persons entitled to a refund. In addition to the amount of the refund and interest due, the commission shall be entitled to recover reasonable attorney's fees, court costs and estimated cost of administering the distribution of the refund to persons entitled to it. No suit under this subdivision shall be maintained unless instituted within two years after the end of the period of time prescribed by the commission for repayment of refunds.

(e) The commission shall not order an interim rate schedule in a general rate case into effect as provided by this subdivision until at least four months after it has made a final determination concerning any previously filed change of the rate schedule or the change has otherwise become effective under subdivision 2, unless:

(1) the commission finds that a four-month delay would unreasonably burden the utility, its customers, or its shareholders and that an earlier imposition of interim rates is therefore necessary; or

(2) the utility files a second general rate case at least 12 months after it has filed a previous general rate case for which the commission has extended the suspension period under subdivision 2."

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

Senator Marty from the Committee on Environment and Energy, to which was referred

S.F. No. 1192: A bill for an act relating to water; modifying the Clean Water Legacy Act to improve accountability; amending Minnesota Statutes 2012, sections 114D.15, subdivision 11; 114D.25, by adding subdivisions; 114D.50, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 114D.

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

Delete everything after the enacting clause and insert:

"Section 1. [114D.26] WATERSHED RESTORATION AND PROTECTION STRATEGIES.

Subdivision 1. **Contents.** The Pollution Control Agency shall develop strategies to address restoration and protection needs on a watershed scale. To ensure effectiveness and accountability in meeting the goals of this chapter, each watershed restoration and protection strategy must:

(1) analyze and identify point sources of pollution for which a national pollutant discharge elimination system permit is required under section 115.03;

(2) analyze and identify nonpoint sources of pollution for which a national pollutant discharge elimination system permit is not required under section 115.03, with sufficient specificity to allow

the watershed restoration and protection strategy to prioritize and geographically locate specific watershed restoration and protection practices;

(3) describe the current pollution loading and load reduction needed for each source or source category to meet water quality standards;

(4) contain a monitoring plan with interim water quality goals based on available data until needed load reductions are achieved;

(5) describe actions shown by modeling to be capable of achieving any needed pollution load reductions for point and nonpoint sources;

(6) identify local water plans already in place and determine whether they contain the actions designed to achieve needed pollution load reductions;

(7) identify additional enforcement actions under existing law that would provide pollution reductions, provide estimates of those pollution reductions, and estimate the cost to state or local governments to achieve the pollution reductions;

(8) identify potential responsible parties to design, implement, monitor, and report on watershed restoration or protection actions;

(9) provide an estimated range of costs for at least one modeled scenario that is anticipated to accomplish the required load reductions;

(10) provide a list and an estimate of the funding sources and amounts that are anticipated to be available for the needed implementation actions; and

(11) contain a timeline for achievement of watershed restoration or protection implementation actions within ten years of strategy adoption, including milestones at least every two years.

Subd. 2. **Reporting.** Beginning July 1, 2016 and every other year thereafter, the Pollution Control Agency must report on its Web site the progress toward implementation milestones and water quality goals for all adopted TMDLs and, where available, watershed restoration and protection strategies.

Subd. 3. **Timeliness.** Watershed restoration and protection strategies must be completed within one year of the Environmental Protection Agency's approval of TMDLs within the applicable watershed.

Sec. 2. Minnesota Statutes 2012, section 114D.50, is amended by adding a subdivision to read:

Subd. 3a. **Nonpoint priority funding plan.** (a) Beginning July 1, 2014, and every other year thereafter, the Board of Water and Soil Resources shall prepare and post on its Web site a priority funding plan to prioritize potential nonpoint restoration and protection actions based on available watershed restoration and protection strategies and TMDLs. The plan must take into account the following factors: water quality outcomes; cost-effectiveness; landowner financial need; and leverage of nonstate funding sources.

(b) Consistent with the priorities listed in section 114D.20, state agencies allocating funds from the clean water fund for restoration and protection strategies shall target the funds according to the priorities identified on the nonpoint priority funding plan. The allocation of the clean water fund

to projects eligible for financial assistance under section 116.182 is not governed by the nonpoint priority funding plan.

Sec. 3. Minnesota Statutes 2012, section 114D.50, is amended by adding a subdivision to read:

Subd. 4a. **Riparian buffer payments; reporting.** When clean water funds are used to purchase riparian buffer easements, payments for the first 50 feet of riparian buffer required by Minnesota Rules, part 6120.3300, cannot exceed 25 percent of the assessed land value. The Board of Water and Soil Resources must include in its biennial report on clean water fund appropriations the funding spent on easements for riparian buffers already required by Minnesota Rules, part 6120.3300, to be in perennial vegetation."

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

S.F. No. 563: A bill for an act relating to natural resources; providing for exchange of road easements; modifying forest management investment account; providing for school forests; modifying state tree nursery program; providing for certain timber permit cancellations; modifying State Timber Act; appropriating money; amending Minnesota Statutes 2012, sections 89.0385; 89.41; 90.01, subdivisions 4, 5, 6, 8, 11; 90.031, subdivision 4; 90.041, subdivisions 2, 5, 6, 9, by adding subdivisions; 90.045; 90.061, subdivision 8; 90.101, subdivision 1; 90.121; 90.145; 90.151, subdivisions 1, 2, 3, 4, 6, 7, 8, 9; 90.161; 90.162; 90.171; 90.181, subdivision 2; 90.191, subdivision 1; 90.193; 90.195; 90.201, subdivision 2a; 90.211; 90.221; 90.252, subdivision 1; 90.301, subdivisions 2, 4; 90.41, subdivision 1; 282.01, subdivisions 1a, 1d; Laws 2011, First Special Session chapter 2, article 4, section 30; proposing coding for new law in Minnesota Statutes, chapters 84; 90; repealing Minnesota Statutes 2012, sections 90.163; 90.173; 90.41, subdivision 2.

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

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

S.F. No. 873: A bill for an act relating to forfeiture; shifting the burden of proof to the prosecutor in an innocent owner case involving off-highway vehicles, DWI, designated offenses, controlled substance offenses, fleeing offenses, and prostitution offenses; codifying and expanding the homestead exemption; allowing innocent owners to reclaim vehicle if equipped with ignition interlock device; creating criminal penalties; amending Minnesota Statutes 2012, sections 84.7741, subdivision 7; 169A.63, subdivisions 4, 7, 9; 609.531, subdivision 1, by adding subdivisions; 609.5311, subdivision 3; 609.5312, subdivisions 2, 3, 4; 609.5318, subdivision 5.

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

Page 6, lines 32 and 35, delete "blind" and insert "ignorant"

Page 7, line 26, delete "blind" and insert "ignorant"

Page 8, line 29, delete "blind" and insert "ignorant"

Page 9, line 10, delete "may" and insert "shall"

Page 9, line 12, after the period, insert "Once the vehicle is equipped with the device, it shall be returned to the owner."

Page 14, after line 15, insert:

"Sec. 15. **CONSTRUCTION OF TERM.**

A court construing the term "willfully ignorant" as used in this act shall consider the term as being synonymous with the term "willfully blind" as that term is used in federal forfeiture law."

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

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

S.F. No. 976: A bill for an act relating to public safety; reenacting an expired program authorizing the release from prison of certain nonviolent controlled substance offenders; proposing coding for new law in Minnesota Statutes, chapter 244.

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

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

S.F. No. 874: A bill for an act relating to forfeiture; requiring a conviction for judicial forfeiture of property associated with controlled substance offenses and vehicles used in drive-by shootings; eliminating presumption for administrative forfeiture; amending Minnesota Statutes 2012, sections 609.531, subdivision 6a; 609.5313; 609.5314, subdivisions 2, 3; 609.5316, subdivision 3; 609.5318, subdivision 1; repealing Minnesota Statutes 2012, section 609.5314, subdivision 1.

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

Page 1, lines 15 and 17, before the period, insert "or an admission of guilt incident to a criminal judicial proceeding pursuant to Rules of Criminal Procedure, rule 14"

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

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

S.F. No. 967: A bill for an act relating to housing; landlord and tenant; changing motion requirements related to eviction expungements; changing penalty and filing requirements for wrongful entry by a landlord; changing notice requirements after conveyance of real property; creating new emergency tenant remedies actions; repealing requirements for section 8 eviction actions in foreclosed residential properties; amending Minnesota Statutes 2012, sections 484.014, by adding a subdivision; 504B.161, by adding a subdivision; 504B.177; 504B.181, subdivision 1, by adding a subdivision; 504B.211, subdivisions 2, 6; 504B.215, subdivision 1; 504B.285, subdivisions 1a, 1b; 504B.291, subdivision 1; 504B.371, subdivision 2; 504B.381, subdivision 1; 504B.385, subdivisions 1, 5; repealing Minnesota Statutes 2012, section 504B.285, subdivision 1c.

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 2012, section 504B.151, subdivision 1, is amended to read:

Subdivision 1. **Limitation on lease and notice to tenant.** (a) Once a landlord has received notice of a contract for deed cancellation under section 559.21 or notice of a mortgage foreclosure sale under chapter 580 or 582, or summons and complaint under chapter 581, the landlord may only enter into (i) a periodic residential lease agreement with a term of not more than two months or the time remaining in the contract cancellation period or the mortgagor's redemption period, whichever is less or (ii) a fixed term residential tenancy not extending beyond the cancellation period or the landlord's period of redemption until:

- (1) the contract for deed has been reinstated or paid in full;
- (2) the mortgage default has been cured and the mortgage reinstated;
- (3) the mortgage has been satisfied;
- (4) the property has been redeemed from a foreclosure sale; or
- (5) a receiver has been appointed.

(b) Before entering into a lease under this section and accepting any rent or security deposit from a tenant, the landlord must notify the prospective tenant in writing that the landlord has received notice of a contract for deed cancellation or notice of a mortgage foreclosure sale as appropriate, and the date on which the contract cancellation period or the mortgagor's redemption period ends.

(c) This section does not apply to a manufactured home park as defined in section 327C.01, subdivision 5.

(d) A landlord who violates the requirements in this subdivision is liable to the lessee for a civil penalty of \$500. The remedy provided under this paragraph is in addition to and does not limit other rights or remedies available to landlords and tenants.

Sec. 2. Minnesota Statutes 2012, section 504B.285, subdivision 1a, is amended to read:

Subd. 1a. **Grounds when the person holding over is a tenant in a foreclosed residential property.** (a) ~~For any eviction action commenced on or before December 31, 2014,~~ With respect to residential real property or a dwelling where the person holding the residential real property or dwelling after the expiration of the time for redemption on foreclosure of a mortgage was a tenant during the redemption period under a lease of any duration, and the lease began after the date the mortgage was executed, but prior to the expiration of the time for redemption, the immediate successor in interest must provide at least 90 days' written notice to vacate, given no sooner than the date of the expiration of the time for redemption, and effective no sooner than 90 days after the date of the expiration of the time for redemption, provided that the tenant pays the rent and abides by all terms of the lease.

(b) ~~For any eviction action commenced on or before December 31, 2014,~~ With respect to residential real property or a dwelling where the term of a bona fide lease extends more than 90 days beyond the date of the expiration of the time for redemption, the immediate successor in interest must allow the tenant to occupy the premises until the end of the remaining term of the lease, and provide at least 90 days' written notice to vacate, effective no sooner than the date the lease expires, provided that the tenant pays the rent and abides by all terms of the lease, except if the immediate successor in interest or an immediate subsequent bona fide purchaser will occupy the unit as the primary residence, the immediate successor in interest must provide at least 90 days' written notice to vacate, given no sooner than the date of the expiration of the time for redemption,

effective no sooner than 90 days after the date of the expiration of the time for redemption, provided that the tenant pays the rent and abides by all terms of the lease.

For purposes of this section, a "bona fide lease" means:

- (1) the mortgagor or the child, spouse, or parent of the mortgagor is not the tenant;
- (2) the lease or tenancy was the result of an arm's-length transaction; and
- (3) the lease or tenancy requires the receipt of rent that is not substantially less than fair market rent for the property or the unit's rent is reduced or subsidized by a federal, state, or local subsidy.

(c) ~~For any eviction action commenced on or before December 31, 2014,~~ With respect to residential real property or a dwelling involving a tenancy subject to section 8 of the United States Housing Act of 1937, as amended, where the term of the lease extends more than 90 days beyond the date of the expiration of the time for redemption, the immediate successor in interest must allow the tenant to occupy the premises until the end of the remaining term of the lease and provide at least 90 days' written notice to vacate, effective no sooner than the date the lease expires, provided that the tenant pays the rent and abides by all terms of the lease, except if the immediate successor in interest will occupy the unit as the primary residence, the immediate successor in interest must provide at least 90 days' written notice to vacate, given no sooner than the date of the expiration of the time for redemption, effective no sooner than 90 days after the date of the expiration of the time for redemption, provided that the tenant pays the rent and abides by all terms of the lease.

Sec. 3. Minnesota Statutes 2012, section 504B.285, subdivision 1b, is amended to read:

Subd. 1b. **Grounds when the person holding over is a tenant in a property subject to a contract for deed.** ~~For any eviction action commenced on or before December 31, 2014,~~ The person entitled to the premises may recover possession by eviction when any person holds over real property after termination of contract to convey the property, provided that if the person holding the real property after the expiration of the time for termination was a tenant during the termination period under a lease of any duration and the lease began after the date the contract for deed was executed but prior to the expiration of the time for termination, and the person has received:

(1) at least two months' written notice to vacate no sooner than one month after the expiration of the time for termination, provided that the tenant pays the rent and abides by all terms of the lease; or

(2) at least two months' written notice to vacate no later than the date of the expiration of the time for termination, which notice shall also state that the sender will hold the tenant harmless for breaching the lease by vacating the premises if the contract is reinstated.

Sec. 4. Minnesota Statutes 2012, section 504B.371, subdivision 2, is amended to read:

Subd. 2. **Time for appeal.** A party who feels aggrieved by the judgment may appeal within ten 15 days as provided for civil actions in district court.

Sec. 5. Minnesota Statutes 2012, section 504B.385, subdivision 5, is amended to read:

Subd. 5. **Notice of hearing.** (a) A hearing must be held within ten to 14 days from the day a residential tenant:

(1) deposits rent with the court administrator; or

(2) files the notice required under subdivision 1, paragraph (b) or (c), if the tenant is not required to deposit rent with the court administrator under subdivision 1, paragraph (d).

Nothing in this subdivision relieves the tenant of the obligation to deposit rent with the court administrator that becomes due to the landlord after the filing but before the hearing.

(b) If the cost of remedying the violation, as estimated by the residential tenant, is within the jurisdictional limit for conciliation court, the court administrator shall notify the landlord and the residential tenant of the time and place of the hearing by first class mail.

(c) The residential tenant must provide the court administrator with the landlord's name and address. If the landlord has disclosed a post office box as the landlord's address under section 504B.181, notice of the hearing may be mailed to the post office box.

(d) If the cost of remedying the violation, as estimated by the tenant, is above the jurisdictional limit for conciliation court, the tenant must serve the notice of hearing according to the Minnesota Rules of Civil Procedure.

(e) The notice of hearing must specify the amount the residential tenant has deposited with the court administrator and must inform the landlord that possession of the premises will not be in issue at the hearing unless the landlord files a counterclaim for possession or an eviction action.

Sec. 6. **REPEALER.**

Minnesota Statutes 2012, section 504B.285, subdivision 1c, is repealed.

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

Amend the title accordingly

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

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

S.F. No. 160: A bill for an act relating to education; increasing the compulsory attendance age; amending Minnesota Statutes 2012, sections 120A.22, subdivisions 5, 11; 120A.24, subdivision 1; 124D.03, subdivision 12; 260C.007, subdivision 19; repealing Minnesota Statutes 2012, section 120A.22, subdivision 8.

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

Page 1, line 8, delete "18" and insert "17"

Page 1, after line 16, insert:

"(c) A pupil 16 years of age or older who meets the criteria of section 124D.68, subdivision 2, may be assigned to an area learning center. Such assignment may be made only after consultation with the principal, area learning center director, and parent or guardian."

Page 1, after line 18, insert:

"Sec. 2. Minnesota Statutes 2012, section 120A.22, subdivision 8, is amended to read:

Subd. 8. **Withdrawal from school.** Any student ~~between 16 and 18~~ who is 17 years old who seeks to withdraw from school, and the student's parent or guardian must:

(1) attend a meeting with school personnel to discuss the educational opportunities available to the student, including alternative educational opportunities; and

(2) sign a written election to withdraw from school."

Page 1, line 21, delete "18" and insert "17"

Page 2, line 33, delete "18" and insert "17"

Page 3, line 14, strike "16" and insert "17"

Page 3, line 15, reinstate the stricken language

Page 3, line 16, reinstate the stricken language

Page 3, line 21, delete "18" and insert "17"

Page 3, line 24, reinstate "or a child who is" and reinstate "17 years of age who is absent from attendance at"

Page 3, line 25, reinstate the stricken language and after "days" insert "per school year"

Page 3, line 26, reinstate the stricken language

Page 3, delete section 6

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 Latz from the Committee on Judiciary, to which was referred

S.F. No. 1294: A bill for an act relating to sexually exploited youth; expanding safe harbor provisions to include 16 and 17 year olds involved in prostitution; amending Minnesota Statutes 2012, sections 260B.007, subdivisions 6, 16; 260C.007, subdivisions 6, 31; repealing Minnesota Statutes 2012, section 609.093.

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

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

S.F. No. 685: A bill for an act relating to civil commitment; requiring simultaneous competency, mental illness or defect, and civil commitment examinations for defendants; facilitating civil commitment hearings for defendants; amending Minnesota Statutes 2012, section 253B.07, subdivision 2a.

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

Page 1, line 13, delete "and" and insert a comma

Page 1, line 14, before the period, insert ", and the examiner recommends combining the examinations"

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

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

S.F. No. 556: A bill for an act relating to snowmobiles; prohibiting tampering of off-road recreational vehicle odometers; amending Minnesota Statutes 2012, sections 325E.13, by adding a subdivision; 325E.14, subdivisions 1, 3, 4, 6.

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

Page 2, line 17, delete everything after "effective" and insert "July 1, 2013, and applies to crimes committed on or after that date."

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

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

S.F. No. 382: A bill for an act relating to commerce; regulating bullion coin dealers; requiring registration; prohibiting certain conduct; providing enforcement authority and criminal penalties; proposing coding for new law as Minnesota Statutes, chapter 80G.

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

Page 2, line 9, delete "one" and insert "ten" and before the period, insert "and who is actively engaged in the direction, management, oversight, or operation of the bullion coin dealer or its business affairs"

Page 2, line 25, delete "calender" and insert "calendar"

Page 2, line 33, delete "If a bullion coin dealer must register itself and"

Page 2, delete lines 34 and 35

Page 3, delete line 1

Page 3, line 2, delete everything before "Registrations"

Page 3, line 27, delete everything after "judgments" and insert "in favor of a government entity or government entity orders entered, filed, or issued"

Page 3, line 28, delete everything before "against"

Page 3, line 29, after "representatives" insert "within the last ten years"

Page 3, line 30, delete "customer" and insert "consumer"

Page 3, line 32, delete "any person or"

Page 3, line 33, before "resolving" insert "within the last ten years" and delete "allegations by the person or government entity" and insert "concerns"

Page 4, line 30, delete the second ", or"

Page 4, line 31, delete "having been the subject of a fine or any other discipline in" and insert "by"

Page 5, delete lines 3 and 4

Page 5, line 5, delete "(6)" and insert "(5)"

Page 5, line 8, delete "(7)" and insert "(6)"

Page 5, line 23, delete "AND FALSE CERTIFICATIONS"

Page 5, delete subdivision 1 and insert:

"Subdivision 1. **Bullion coin dealer registration precluded.** The commissioner must deny an application for registration or renewal of a bullion coin dealer, or revoke such registration, if the bullion coin dealer or its owners or officers have within the last ten years been convicted in any court of any financial crime or other crime involving fraud, theft, or dishonesty.

Subd. 2. **Coin dealer representative registration precluded.** The commissioner must deny an application for registration or renewal of a coin dealer representative, or revoke such registration, if the coin dealer representative has within the last ten years been convicted in any court of any financial crime or other crime involving fraud, theft, or dishonesty."

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

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

S.F. No. 647: A bill for an act relating to civil commitment; limiting the time period that a person may be held in jail or state correctional facility pending or after civil commitment; amending Minnesota Statutes 2012, section 253B.045, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 253B; repealing Minnesota Statutes 2012, section 253B.045, subdivision 1a.

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

Delete everything after the enacting clause and insert:

"Section 1. [253B.046] LIMITED TIME PERIOD.

(a) Notwithstanding any law to the contrary, a person being held under a judicial hold in jail pending a court order for civil commitment must be transferred to a treatment facility or community-based treatment program with an appropriate level of security within 48 hours of the first date of confinement under the hold. This paragraph does not apply to a person who has elected to be confined in a Department of Corrections or county correction or detention facility under section 253B.045.

(b) Notwithstanding any law to the contrary, a person confined in a correctional facility or jail who is civilly committed to a treatment facility with an appropriate level of security by court order must be placed in that facility within 48 hours of the date of commitment.

EFFECTIVE DATE. This section is effective August 1, 2013, and applies to civil commitment proceedings beginning on or after that date.

Sec. 2. PERSONS PRESENTLY CONFINED.

A person confined in a correctional facility or jail for more than 48 hours pending transfer to a treatment facility with an appropriate level of security on July 31, 2013, must be transferred to the secure treatment facility within 48 hours of that date, unless the person has elected to be confined in a Department of Corrections or county correction or detention facility under Minnesota Statutes, section 253B.045.

EFFECTIVE DATE. This section is effective August 1, 2013."

Amend the title numbers accordingly

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

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

S.F. No. 510: A bill for an act relating to solid waste; amending process for cities to implement organized collection of solid waste; amending Minnesota Statutes 2012, section 115A.94, subdivisions 2, 5, by adding subdivisions; repealing Minnesota Statutes 2012, section 115A.94, subdivision 4.

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

Page 1, line 10, after the period, insert "A city or town that has organized collection as of May 1, 2013, is exempt from subdivisions 4a to 4d."

Page 1, line 18, delete everything after the period

Page 1, delete lines 19 and 20

Page 2, line 7, delete "impacts" and insert "criteria"

Page 2, delete line 24

Page 2, line 29, after "must" insert "provide public notice and" and after "deciding" insert "whether"

Page 2, delete line 33

Page 3, line 6, delete "serving" and insert "in" and delete the first "and" and insert ". The city or town must"

Page 3, line 12, after "business" insert "as determined by each hauler's average customer count during the six months prior to the commencement of the 60-day negotiation period"

Page 3, line 15, before "agreement" insert "organized collection" and delete "at least" and after "three" insert "to seven"

Page 3, line 16, delete "If agreement is reached" and insert "Upon execution of an agreement"

Page 3, line 17, delete "may adopt an ordinance establishing" and insert "shall establish" and delete "consistent with" and insert "through appropriate local controls"

Page 3, line 18, delete "the proposal developed" and delete "are" and insert "is"

Page 3, line 19, delete "hold" and insert "provide" and after "public" insert "notification and"

Page 3, line 20, delete everything after "4c" and insert a period

Page 3, delete line 21

Page 4, delete line 1

Page 4, delete line 4 and insert:

"Sec. 8. EFFECTIVE DATE.

This act is effective the day following final enactment."

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

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

S.F. No. 872: A bill for an act relating to human services; modifying provisions related to fair hearings and internal audits; creating the Cultural and Ethnic Leadership Communities Council; removing obsolete language; making technical changes; amending Minnesota Statutes 2012, sections 245.4661, subdivisions 2, 6; 245.482, subdivision 5; 256.01, subdivision 2; 256.017, subdivision 1; 256.045, subdivisions 1, 3, 4, 5; 256.0451, subdivisions 5, 13, 22, 24; 256B.055, subdivision 12; 256B.056, subdivision 11; 256B.057, subdivision 3b; 256B.0595, subdivisions 1, 2, 4, 9; 256D.02, subdivision 12a; 256J.30, subdivisions 8, 9; 256J.37, subdivision 3a; 256J.395, subdivision 1; 256J.575, subdivision 3; 256J.626, subdivisions 6, 7; 256J.72, subdivisions 1, 3; proposing coding for new law in Minnesota Statutes, chapter 256; repealing Minnesota Statutes 2012, sections 245.461, subdivision 3; 245.463, subdivisions 1, 3, 4; 256.01, subdivisions 2a, 13, 23a; 256B.0185; 256D.02, subdivision 4a; 256J.575, subdivision 4; 256J.74, subdivision 4; 256L.04, subdivision 9.

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

Page 11, delete subdivision 2 and insert:

"Subd. 2. **Members.** The council must consist of: (1) the chairs of the committees in the house of representatives and the senate with jurisdiction over human services; and (2) no fewer than 15 and no more than 25 members appointed by the commissioner of human services, in consultation with county, tribal, cultural, and ethnic communities; diverse program participants; and parent representatives from these communities.

Subd. 3. **Guidelines.** (a) The commissioner shall direct the development of guidelines defining the membership of the council; setting out definitions; and developing duties of the commissioner, the council, and council members regarding racial and ethnic disparities reduction. The guidelines must be developed in consultation with:

- (1) the chairs of relevant committees; and
- (2) county, tribal, and cultural communities and program participants from these communities.
- (b) Members must be appointed to allow for representation of the following groups:
 - (1) racial and ethnic minority groups;
 - (2) tribal service providers;
 - (3) culturally and linguistically specific advocacy groups and service providers;
 - (4) human services program participants;
 - (5) public and private institutions;
 - (6) parents of human services program participants;

(7) members of the faith community;

(8) Department of Human Services employees; and

(9) any other group the commissioner deems appropriate to facilitate the goals and duties of the council.

Subd. 4. **First appointments and first meeting.** The commissioner shall appoint at least 15 members by September 15, 2013, and shall convene the first meeting of the council by November 15, 2013.

Subd. 5. **Chair.** The commissioner shall appoint a chair.

Subd. 6. **Terms for first appointees.** Seven of the first members shall serve until January 15, 2015. The remainder of the first members shall serve until January 15, 2016.

Subd. 7. **Terms.** Except for the first appointees, a term shall be for one year and appointees can be appointed to serve two terms. The commissioner shall make appointments to replace vacating members by January 15 every year.

Subd. 8. **Compensation.** Members of the council shall receive no compensation for their services."

Renumber the subdivisions in sequence

Page 13, line 11, delete "and"

Page 13, line 12, delete the period, and insert "; and"

Page 13, after line 12, insert:

"(11) beginning November 15, 2014, and annually thereafter, prepare and submit a report to the chairs and ranking minority members of the committees in the house of representatives and senate with jurisdiction over human services that summarizes the activities of the council since the last report, identifies the major problems and issues confronting racial and ethnic groups in accessing human services, makes recommendations to address issues, and list the specific objectives that the council seeks to attain during the next biennium."

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

Senator Pappas from the Committee on State and Local Government, to which was referred

S.F. No. 1245: A bill for an act relating to state government; adding the Office of Enterprise Technology (OET) to certain provisions and changing certain OET provisions; amending Minnesota Statutes 2012, sections 3D.14; 15.06, subdivision 1; 16E.04, subdivision 2; 16E.18, subdivision 8; 43A.08, subdivision 1a; repealing Minnesota Statutes 2012, section 15.06, subdivision 1a.

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

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 2012, section 3.30, subdivision 2, is amended to read:

Subd. 2. **Members; duties.** The majority leader of the senate or a designee, the chair of the senate Committee on Finance, and the chair of the senate Division of Finance responsible for overseeing the items being considered by the commission, the speaker of the house or a designee, the chair of the house of representatives Committee on Ways and Means, and the chair of the appropriate finance committee, or division of the house of representatives committee responsible for overseeing the items being considered by the commissioner, constitute the Legislative Advisory Commission. The division chair of the Finance Committee in the senate and the division chair of the appropriate finance committee or division in the house of representatives shall rotate according to the items being considered by the commission. If any of the members elect not to serve on the commission, the house of which they are members, if in session, shall select some other member for the vacancy. If the legislature is not in session, vacancies in the house of representatives membership of the commission shall be filled by the last speaker of the house or, if the speaker is not available, by the last chair of the house of representatives Rules Committee, and by the last senate Committee on Committees or other appointing authority designated by the senate rules in case of a senate vacancy. The commissioner of management and budget shall be secretary of the commission and keep a permanent record and minutes of its proceedings, which are public records. ~~The commissioner of management and budget shall transmit, under section 3.195, a report to the next legislature of all actions of the commission.~~ Members shall receive traveling and subsistence expenses incurred attending meetings of the commission. The commission shall meet from time to time upon the call of the governor or upon the call of the secretary at the request of two or more of its members. A recommendation of the commission must be made at a meeting of the commission unless a written recommendation is signed by all the members entitled to vote on the item.

Sec. 2. Minnesota Statutes 2012, section 3.3005, subdivision 4, is amended to read:

Subd. 4. **Interim procedures; urgencies.** If federal money becomes available to the state for expenditure after the deadline in subdivision 2 or while the legislature is not in session, and the availability of money from that source or for that purpose or in that ~~fiscal year~~ biennium could not reasonably have been anticipated and included in the governor's budget request, and an urgency requires that all or part of the money be allotted before the legislature reconvenes or prior to the end of the 20-day period specified in subdivision 2, it may be allotted to a state agency after the requirements of subdivision 5 are met.

Sec. 3. Minnesota Statutes 2012, section 3.3005, is amended by adding a subdivision to read:

Subd. 7. **Approvals for both years of the biennium.** Approval of federal money by any of the methods in this section is for the full term of availability of federal funds, up to the end of the biennium during which the approval is made.

Sec. 4. Minnesota Statutes 2012, section 3.736, subdivision 7, is amended to read:

Subd. 7. **Payment.** A state agency, including an entity defined as part of the state in section 3.732, subdivision 1, clause (1), incurring a tort claim judgment or settlement obligation or whose employees acting within the scope of their employment incur the obligation shall seek approval to make payment ~~by submitting a written request to the commissioner of management and budget from the commissioner or director of that agency.~~ The request shall contain a description of the tort claim that causes the request, specify the amount of the obligation and be accompanied by copies of judgments, settlement agreements or other documentation relevant to the obligation for which the agency seeks payment. Upon receipt of the request and review of the claim, the commissioner of ~~management and budget~~ or director shall determine the proper appropriation from which to make

payment. If there is enough money in an appropriation or combination of appropriations to the agency for its general operations and management to pay the claim without unduly hindering the operation of the agency, the commissioner or director shall direct that payment be made from that source. Claims relating to activities paid for by appropriations of dedicated receipts shall be paid from those appropriations if practicable. On determining that an agency has sufficient money in these appropriations to pay only part of a claim, the commissioner of management and budget shall pay the remainder of the claim from the money appropriated to the commissioner for the purpose. On determining that the agency does not have enough money to pay any part of the claim, the commissioner shall pay all of the claim from money appropriated to the commissioner for the purpose. Payment shall be made only upon receipt of a written release by the claimant in a form approved by the attorney general, or the person designated as the university attorney, as the case may be.

No attachment or execution shall issue against the state."

Page 1, after line 24, insert:

"Sec. 6. Minnesota Statutes 2012, section 4.07, subdivision 2, is amended to read:

Subd. 2. **State agency named to act instead.** The governor may designate a state agency or agencies to act for the governor in applying for, receiving, and accepting federal funds under the provisions of subdivision 1. ~~Such designation of a state department or agency shall be filed in the Office of the Secretary of State.~~

Sec. 7. Minnesota Statutes 2012, section 4A.01, subdivision 3, is amended to read:

Subd. 3. **Report.** The commissioner must submit a report to the governor and chairs and ranking minority members of the senate and house of representatives committees with jurisdiction on state government finance by January 15 of each year that provides economic, social, and environmental demographic information to assist public and elected officials with long-term management decisions. The report must identify and assess the information important to understanding the state's two-, ten-, and 50-year outlook, ~~including the budget implications for those time periods.~~ The report must include the demographic forecast required by section 4A.02, paragraph (e), and information to assist with the preparation of the milestones report required by section 4A.11, and may include policy recommendations based upon the information and assessment provided.

Sec. 8. Minnesota Statutes 2012, section 4A.02, is amended to read:

4A.02 STATE DEMOGRAPHER.

(a) The commissioner shall appoint a state demographer. The demographer must be professionally competent in demography and must possess demonstrated ability based upon past performance.

(b) The demographer shall:

(1) continuously gather and develop demographic data relevant to the state;

(2) design and test methods of research and data collection;

(3) periodically prepare population projections for the state and designated regions and periodically prepare projections for each county or other political subdivision of the state as necessary to carry out the purposes of this section;

(4) review, comment on, and prepare analysis of population estimates and projections made by state agencies, political subdivisions, other states, federal agencies, or nongovernmental persons, institutions, or commissions;

(5) serve as the state liaison with the United States Bureau of the Census, coordinate state and federal demographic activities to the fullest extent possible, and aid the legislature in preparing a census data plan and form for each decennial census;

(6) compile an annual study of population estimates on the basis of county, regional, or other political or geographical subdivisions as necessary to carry out the purposes of this section and section 4A.03;

(7) by January 1 of each year, issue a report to the legislature containing an analysis of the demographic implications of the annual population study and population projections;

(8) prepare maps for all counties in the state, all municipalities with a population of 10,000 or more, and other municipalities as needed for census purposes, according to scale and detail recommended by the United States Bureau of the Census, with the maps of cities showing precinct boundaries;

(9) prepare an estimate of population and of the number of households for each governmental subdivision for which the Metropolitan Council does not prepare an annual estimate, and convey the estimates to the governing body of each political subdivision by June 1 of each year;

(10) direct, under section 414.01, subdivision 14, and certify population and household estimates of annexed or detached areas of municipalities or towns after being notified of the order or letter of approval by the chief administrative law judge of the State Office of Administrative Hearings;

(11) prepare, for any purpose for which a population estimate is required by law or needed to implement a law, a population estimate of a municipality or town whose population is affected by action under section 379.02 or 414.01, subdivision 14; and

(12) prepare an estimate of average household size for each statutory or home rule charter city with a population of 2,500 or more by June 1 of each year.

(c) A governing body may challenge an estimate made under paragraph (b) by filing their specific objections in writing with the state demographer by June 24. If the challenge does not result in an acceptable estimate, the governing body may have a special census conducted by the United States Bureau of the Census. The political subdivision must notify the state demographer by July 1 of its intent to have the special census conducted. The political subdivision must bear all costs of the special census. Results of the special census must be received by the state demographer by the next April 15 to be used in that year's June 1 estimate to the political subdivision under paragraph (b).

(d) The state demographer shall certify the estimates of population and household size to the commissioner of revenue by July 15 each year, including any estimates still under objection.

~~(e) The state demographer shall release a demographic forecast in conjunction with the commissioner of management and budget and the November state economic forecast.~~

(f) The state demographer may contract for the development of data and research required under this chapter, including, but not limited to, population estimates and projections, the preparation of maps, and other estimates."

Page 2, line 8, delete "Enterprise Technology" and insert "MN.IT Services"

Page 2, after line 10, insert:

"Sec. 10. Minnesota Statutes 2012, section 15.76, subdivision 1, is amended to read:

Subdivision 1. **Program established.** The state agency value initiative (SAVI) program is established to encourage state agencies to identify cost-effective and efficiency measures in agency programs and operations that result in cost savings for the state. All state agencies, ~~including Minnesota State Colleges and Universities,~~ not separately authorized to carry forward operating funds may participate in this program.

Sec. 11. Minnesota Statutes 2012, section 15.76, subdivision 2, is amended to read:

Subd. 2. **Retained savings.** (a) In order to encourage innovation and creative cost savings by state employees, upon approval of the commissioner of management and budget, 50 percent of any appropriations for agency operations that remain unspent at the end of a biennium because of unanticipated innovation, efficiencies, or creative cost-savings may be carried forward and retained by the agency to fund specific agency proposals or projects. Agencies choosing to spend retained savings funds must ensure that project expenditures do not create future obligations beyond the amounts available from the retained savings. The retained savings must be used only to fund projects that directly support the performance of the agency's mission. This section does not restrict authority granted by other law to carry forward money for a different period or for different purposes.

(b) This section supersedes any contrary provision of section 16A.28.

Sec. 12. Minnesota Statutes 2012, section 15.76, subdivision 3, is amended to read:

Subd. 3. ~~**Special peer review panel; Review process.**~~ (a) ~~Each participating agency must organize a peer review panel that will determine which proposal or project receives funding from the SAVI program. The peer review panel must be comprised of department employees who are credited with cost-savings initiatives and department managers. The ratio between managers and department employees must be balanced.~~

(b) ~~An agency may spend money for a project recommended for funding by the peer review panel after:~~

(1) ~~the agency has posted notice of spending for the proposed project on the agency Web site for at least 30 days; and~~

(2) ~~the commissioner of management and budget has approved spending money from the SAVI account for the project; and~~

(c) ~~Before approving a project, (3) the commissioner of management and budget must submit the request to has notified the Legislative Advisory Commission for its review and recommendation comment. Upon receiving a request from the commissioner, the Legislative Advisory Commission shall post notice of the request on a legislative Web site for at least 30 days. Failure of the commission to make a recommendation within this 30-day period is considered a negative recommendation. A recommendation of the commission must be made at a meeting of the commission unless a written recommendation is signed by all the members entitled to vote on the item.~~

Sec. 13. Minnesota Statutes 2012, section 16A.056, subdivision 7, is amended to read:

Subd. 7. **Retention of data.** The database required under this section must include ~~information beginning with fiscal year 2010 appropriations and must retain~~ data for at least ten years.

Sec. 14. Minnesota Statutes 2012, section 16A.095, is amended to read:

16A.095 STATE BUDGET SYSTEM.

Subdivision 1. **Rules and instructions.** The commissioner shall make rules and instructions for budget preparation. They must deal with classifying expenditures and with the content and submission of budget requests and appropriation performance measures for each budget activity.

Subd. 2. **Budget improvements.** The commissioner may choose executive agencies to test improvements in the budget system. The commissioner shall recommend required legislation to install improvements in the budget system for all executive agencies that submit budget information in the system. The budget system must classify expenditures by programs and budget activities and, to the greatest extent practicable, emphasize alternative approaches in program development and criteria to evaluate and measure performance.

Subd. 2a. **Mutual cooperation; due regard.** Executive agencies must cooperate with the commissioner in ~~making a~~ preparing the budget. The budget must meet the commissioner's requirements while giving due regard to the executive agencies' requirements.

Sec. 15. Minnesota Statutes 2012, section 16A.10, subdivision 1, is amended to read:

Subdivision 1. **Budget format.** In each even-numbered calendar year the commissioner shall prepare budget forms and instructions for all agencies, including guidelines for reporting agency performance measures, subject to the approval of the governor. The commissioner shall request and receive advisory recommendations from the chairs of the senate Finance Committee and house of representatives Ways and Means Committee before adopting a format for the biennial budget document. By June 15, the commissioner shall send the proposed budget forms to the appropriations and finance committees. The committees have until July 15 to give the commissioner their advisory recommendations on possible improvements. To facilitate this consultation, the commissioner shall establish a working group consisting of executive branch staff and designees of the chairs of the senate Finance and house of representatives Ways and Means Committees. The commissioner must involve this group in all stages of development of budget forms and instructions. The budget format must show actual expenditures and receipts for the most recent fiscal year, estimated expenditures and receipts for the current fiscal year, and estimates for each fiscal year of the next biennium. Estimated expenditures must be classified by funds and character of expenditures and ~~may be~~ subclassified by programs and activities. Agency revenue estimates must have supporting documentation to show how the estimates were made and what factors were used. Receipts must be classified by funds, programs, and activities. Expenditure and revenue estimates must be based on the law in existence at the time the estimates are prepared.

Sec. 16. Minnesota Statutes 2012, section 16A.10, subdivision 1c, is amended to read:

Subd. 1c. **Performance measures for change items.** For each change item in the budget proposal requesting new or increased funding, the budget document must present proposed performance measures that can be used to determine if the new or increased funding is accomplishing its goals. To the extent possible, each budget change item must identify relevant ~~Minnesota Milestones and other~~ statewide goals and indicators related to the proposed initiative. ~~The commissioner must report to the Subcommittee on Government Accountability established~~

~~under section 3.885, subdivision 10, regarding the format to be used for the presentation and selection of Minnesota Milestones and other statewide goals and indicators.~~

Sec. 17. Minnesota Statutes 2012, section 16A.127, subdivision 4, is amended to read:

Subd. 4. **Federal proposals.** Agency applications for federal money shall include necessary submissions to recover both statewide and agency indirect costs. ~~A copy of the indirect cost submission must be submitted to the commissioner for review.~~ An agency indirect cost plan is unnecessary if the commissioner determines that the costs incurred in preparing and maintaining it exceed the benefit received by the state. If less than the entire agency proposal is federally approved, the commissioner may accept reimbursement of less than all of the federal receipts. If no federal funds are approved for indirect costs, the agency must document that fact to the commissioner.

Sec. 18. Minnesota Statutes 2012, section 16A.96, subdivision 2, is amended to read:

Subd. 2. **Authority.** (a) Subject to the limitations of this subdivision, the commissioner of management and budget may sell and issue appropriation bonds of the state under this section for the purposes of the Minnesota pay-for-performance program established in sections 16A.93 to 16A.96. Proceeds of the bonds must be credited to a special appropriation bond proceeds account in the state treasury. Net income from investment of the proceeds, as estimated by the commissioner, must be credited to the special appropriation bond proceeds account.

(b) Appropriation bonds may be sold and issued in amounts that, in the opinion of the commissioner, are necessary to provide sufficient funds for achieving the purposes authorized as provided under paragraph (a), and pay debt service, pay costs of issuance, make deposits to reserve funds, pay the costs of credit enhancement, or make payments under other agreements entered into under paragraph (d); provided, however, that bonds issued and unpaid shall not exceed \$10,000,000 in principal amount, excluding refunding bonds sold and issued under subdivision 4. ~~During the biennium ending June 30, 2013,~~ The commissioner may sell and issue bonds only in an amount that the commissioner determines will result in principal and interest payments less than the amount of savings to be generated through pay-for-performance contracts under section 16A.94. For programs achieving savings under a pay-for-performance contract, the commissioner must reduce general fund appropriations by at least the amount of principal and interest payments on bonds issued under this section.

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

(d) At the time of, or in anticipation of, issuing the appropriation bonds, and at any time thereafter, so long as the appropriation bonds are outstanding, the commissioner may enter into agreements and ancillary arrangements relating to the appropriation bonds, including but not limited to trust indentures, liquidity facilities, remarketing or dealer agreements, letter of credit agreements, insurance policies, guaranty agreements, reimbursement agreements, indexing agreements, or interest exchange agreements. Any payments made or received according to the agreement or ancillary arrangement shall be made from or deposited as provided in the agreement or ancillary arrangement. The determination of the commissioner included in an interest exchange agreement that the agreement relates to an appropriation bond shall be conclusive.

Sec. 19. Minnesota Statutes 2012, section 16E.01, subdivision 1, is amended to read:

Subdivision 1. **Creation; chief information officer.** The Office of ~~Enterprise Technology~~ MN.IT Services, referred to in this chapter as the "office," is an agency in the executive branch headed by a commissioner, who also is the state chief information officer. The appointment of the ~~chief information officer~~ commissioner is subject to the advice and consent of the senate under section 15.066."

Page 3, line 27, delete the new language

Page 3, line 28, after the period, insert "The system is exempt from section 16C.03, subdivision 17."

Page 4, line 3, delete "Enterprise Technology" and insert "MN.IT Services"

Page 4, after line 24, insert:

"Sec. 23. Minnesota Statutes 2012, section 299C.65, subdivision 1, is amended to read:

Subdivision 1. **Membership, duties.** (a) The Criminal and Juvenile Justice Information Policy Group consists of the commissioner of corrections, the commissioner of public safety, the state chief information officer, ~~the commissioner of management and budget~~, four members of the judicial branch appointed by the chief justice of the Supreme Court, and the chair and first vice-chair of the Criminal and Juvenile Justice Information Task Force. The policy group may appoint additional, nonvoting members as necessary from time to time.

(b) The commissioner of public safety is designated as the chair of the policy group. The commissioner and the policy group have overall responsibility for the integration of statewide criminal justice information systems. This integration effort shall be known as CriMNet. The policy group may hire an executive director to manage the CriMNet projects and to be responsible for the day-to-day operations of CriMNet. The executive director shall serve at the pleasure of the policy group in unclassified service. The policy group must ensure that generally accepted project management techniques are utilized for each CriMNet project, including:

- (1) clear sponsorship;
- (2) scope management;
- (3) project planning, control, and execution;
- (4) continuous risk assessment and mitigation;
- (5) cost management;
- (6) quality management reviews;
- (7) communications management;
- (8) proven methodology; and
- (9) education and training.

(c) Products and services for CriMNet project management, system design, implementation, and application hosting must be acquired using an appropriate procurement process, which includes:

- (1) a determination of required products and services;

- (2) a request for proposal development and identification of potential sources;
- (3) competitive bid solicitation, evaluation, and selection; and
- (4) contract administration and close-out.

(d) The policy group shall study and make recommendations to the governor, the Supreme Court, and the legislature on:

(1) a framework for integrated criminal justice information systems, including the development and maintenance of a community data model for state, county, and local criminal justice information;

(2) the responsibilities of each entity within the criminal and juvenile justice systems concerning the collection, maintenance, dissemination, and sharing of criminal justice information with one another;

(3) actions necessary to ensure that information maintained in the criminal justice information systems is accurate and up-to-date;

(4) the development of an information system containing criminal justice information on gross misdemeanor-level and felony-level juvenile offenders that is part of the integrated criminal justice information system framework;

(5) the development of an information system containing criminal justice information on misdemeanor arrests, prosecutions, and convictions that is part of the integrated criminal justice information system framework;

(6) comprehensive training programs and requirements for all individuals in criminal justice agencies to ensure the quality and accuracy of information in those systems;

(7) continuing education requirements for individuals in criminal justice agencies who are responsible for the collection, maintenance, dissemination, and sharing of criminal justice data;

(8) a periodic audit process to ensure the quality and accuracy of information contained in the criminal justice information systems;

(9) the equipment, training, and funding needs of the state and local agencies that participate in the criminal justice information systems;

(10) the impact of integrated criminal justice information systems on individual privacy rights;

(11) the impact of proposed legislation on the criminal justice system, including any fiscal impact, need for training, changes in information systems, and changes in processes;

(12) the collection of data on race and ethnicity in criminal justice information systems;

(13) the development of a tracking system for domestic abuse orders for protection;

(14) processes for expungement, correction of inaccurate records, destruction of records, and other matters relating to the privacy interests of individuals; and

(15) the development of a database for extended jurisdiction juvenile records and whether the records should be public or private and how long they should be retained.

Sec. 24. Minnesota Statutes 2012, section 403.36, subdivision 1, is amended to read:

Subdivision 1. **Membership.** (a) The commissioner of public safety shall convene and chair the Statewide Radio Board to develop a project plan for a statewide, shared, trunked public safety radio communication system. The system may be referred to as "Allied Radio Matrix for Emergency Response," or "ARMER."

(b) The board consists of the following members or their designees:

(1) the commissioner of public safety;

(2) the commissioner of transportation;

(3) the state chief information officer;

(4) the commissioner of natural resources;

(5) the chief of the Minnesota State Patrol;

~~(6) the commissioner of management and budget;~~

~~(7) the chair of the Metropolitan Council;~~

~~(8)~~ (7) two elected city officials, one from the nine-county metropolitan area and one from Greater Minnesota, appointed by the governing body of the League of Minnesota Cities;

~~(9)~~ (8) two elected county officials, one from the nine-county metropolitan area and one from Greater Minnesota, appointed by the governing body of the Association of Minnesota Counties;

~~(10)~~ (9) two sheriffs, one from the nine-county metropolitan area and one from Greater Minnesota, appointed by the governing body of the Minnesota Sheriffs' Association;

~~(11)~~ (10) two chiefs of police, one from the nine-county metropolitan area and one from Greater Minnesota, appointed by the governor after considering recommendations made by the Minnesota Chiefs' of Police Association;

~~(12)~~ (11) two fire chiefs, one from the nine-county metropolitan area and one from Greater Minnesota, appointed by the governor after considering recommendations made by the Minnesota Fire Chiefs' Association;

~~(13)~~ (12) two representatives of emergency medical service providers, one from the nine-county metropolitan area and one from Greater Minnesota, appointed by the governor after considering recommendations made by the Minnesota Ambulance Association;

~~(14)~~ (13) the chair of the regional radio board for the metropolitan area; and

~~(15)~~ (14) a representative of Greater Minnesota elected by those units of government in phase three and any subsequent phase of development as defined in the statewide, shared radio and communication plan, who have submitted a plan to the Statewide Radio Board and where development has been initiated.

(c) The Statewide Radio Board shall coordinate the appointment of board members representing Greater Minnesota with the appointing authorities and may designate the geographic region or regions from which an appointed board member is selected where necessary to provide representation from throughout the state.

Sec. 25. Minnesota Statutes 2012, section 477A.03, subdivision 2b, is amended to read:

Subd. 2b. **Counties.** (a) For aids payable in 2013 and thereafter, the total aid payable under section 477A.0124, subdivision 3, is \$80,795,000. Each calendar year, \$500,000 shall be retained by the commissioner of revenue to make reimbursements to the commissioner of management and budget for payments made under section 611.27. ~~For calendar year 2004, the amount shall be in addition to the payments authorized under section 477A.0124, subdivision 1. For calendar year 2005 and subsequent years,~~ The amount shall be deducted from the appropriation under this paragraph. The reimbursements shall be to defray the additional costs associated with court-ordered counsel under section 611.27. Any retained amounts not used for reimbursement in a year shall be included in the next distribution of county need aid that is certified to the county auditors for the purpose of property tax reduction for the next taxes payable year.

(b) For aids payable in 2013 and thereafter, the total aid under section 477A.0124, subdivision 4, is \$84,909,575. ~~The commissioner of management and budget shall bill the commissioner of revenue shall transfer to the commissioner of management and budget \$207,000 annually for the cost of preparation of local impact notes as required by section 3.987, not to exceed \$207,000 in fiscal year 2004 and thereafter and other local government activities. The commissioner of education shall bill the commissioner of revenue for the cost of preparation of local impact notes for school districts as required by section 3.987, not to exceed~~ shall transfer to the commissioner of education \$7,000 in fiscal year 2004 and thereafter annually for the cost of preparation of local impact notes for school districts as required by section 3.987. The commissioner of revenue shall deduct the amounts ~~billed~~ transferred under this paragraph from the appropriation under this paragraph. The amounts ~~deducted~~ transferred are appropriated to the commissioner of management and budget and the commissioner of education ~~for the preparation of local impact notes~~ respectively.

Sec. 26. Laws 2011, First Special Session chapter 10, article 4, section 7, is amended to read:

Sec. 7. STUDY.

The chief information officer in the Office of ~~Enterprise Technology~~ MN.IT Services shall report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over state government finance by January 15, 2014, on the feasibility and desirability of the office entering into service-level agreements with ~~the senate~~, the State Lottery, the Statewide Radio Board, Minnesota State Retirement System, the Public Employees Retirement Association, the Teachers Retirement Association, the State Board of Investment, and the Campaign Finance and Public Disclosure Board regarding provision of information technology systems and services to those entities.

Sec. 27. REVISOR'S INSTRUCTION.

In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall:

(1) substitute the term "Office of MN.IT Services" for "Office of Enterprise Technology" in each place where the latter term appears; and

(2) substitute the term "MN.IT services revolving fund" for "enterprise technology revolving fund" in each place where the latter term appears."

Page 4, delete section 6 and insert:

"Sec. 28. REPEALER.

(a) Minnesota Statutes 2012, sections 3.989, subdivision 2; 15.06, subdivision 1a; 16A.06,

subdivision 9; 16A.103, subdivision 4; 16A.106; 43A.31, subdivision 2; 127A.095, subdivision 3; and 325G.415, are repealed.

(b) Laws 2000, chapter 479, article 2, section 1, as amended by Laws 2000, chapter 499, section 41, Laws 2001, First Special Session chapter 5, article 20, section 20, is repealed."

Delete the title and insert:

"A bill for an act relating to state government; changing certain finance and budget provisions; adding the Office of MN.IT Services to certain provisions and changing certain MN.IT provisions; amending Minnesota Statutes 2012, sections 3.30, subdivision 2; 3.3005, subdivision 4, by adding a subdivision; 3.736, subdivision 7; 3D.14; 4.07, subdivision 2; 4A.01, subdivision 3; 4A.02; 15.06, subdivision 1; 15.76, subdivisions 1, 2, 3; 16A.056, subdivision 7; 16A.095; 16A.10, subdivisions 1, 1c; 16A.127, subdivision 4; 16A.96, subdivision 2; 16E.01, subdivision 1; 16E.04, subdivision 2; 16E.18, subdivision 8; 43A.08, subdivision 1a; 299C.65, subdivision 1; 403.36, subdivision 1; 477A.03, subdivision 2b; Laws 2011, First Special Session chapter 10, article 4, section 7; repealing Minnesota Statutes 2012, sections 3.989, subdivision 2; 15.06, subdivision 1a; 16A.06, subdivision 9; 16A.103, subdivision 4; 16A.106; 43A.31, subdivision 2; 127A.095, subdivision 3; 325G.415; Laws 2000, chapter 479, article 2, section 1, as amended."

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

Senator Pappas from the Committee on State and Local Government, to which was referred

S.F. No. 966: A bill for an act relating to counties; providing for appointment of certain county offices; amending Minnesota Statutes 2012, sections 375.08; 375A.10, subdivision 5; 375A.12, subdivision 2; 382.01; 382.02; proposing coding for new law in Minnesota Statutes, chapter 375A.

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

Page 1, line 9, after "the" insert "elected" and delete "an elected"

Page 3, lines 23 and 25, delete "30" and insert "60"

Page 3, line 29, delete "appointing the county" and insert "making the office an appointed position"

Page 3, line 30 delete "recorder"

Page 4, line 11, delete "auditor-treasurer" and insert "auditor"

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

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

S.F. No. 769: A bill for an act relating to public safety; clarifying certain statutory provisions relating to crime victim rights and programs; providing for a restitution working group; amending Minnesota Statutes 2012, sections 13.871, subdivision 5; 611A.0315; 611A.036, subdivision 7; 629.72, subdivisions 1, 1a, 2, 6, 7; 629.73; proposing coding for new law in Minnesota Statutes, chapter 13.

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

Page 8, after line 35, insert:

"Subd. 4. **Sunset.** The working group shall sunset the day after the commissioner submits the report under subdivision 3."

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

Senator Pappas from the Committee on State and Local Government, to which was referred

S.F. No. 1055: A bill for an act relating to barbers; changing licenses and fees; creating penalties; appropriating money; amending Minnesota Statutes 2012, 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 8, lines 20 and 26, after the period, insert "Violation of this section is a petty misdemeanor."

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

Senator Pappas from the Committee on State and Local Government, to which was referred

S.F. No. 1389: A bill for an act relating to state government; providing for rulemaking by the commissioner of education.

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

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

S.F. No. 1169: A bill for an act relating to education; establishing a special education case loads task force; requiring a report.

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

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

S.F. No. 1131: A bill for an act relating to commerce; prohibiting restriction on sale of motor fuel; proposing coding for new law in Minnesota Statutes, chapter 325E.

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

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

S.F. No. 1128: A bill for an act relating to telecommunications; broadband; establishing the Office of Broadband Development and assigning it duties; requiring reports; appropriating money;

amending Minnesota Statutes 2012, section 237.012, subdivision 3; 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 2, line 11, delete everything after "with" and insert "appropriate state agencies,"

Page 2, line 12, delete everything before "local"

Page 2, after line 33, insert:

"(11) coordinate with the Governor's Broadband Task Force;"

Page 2, line 34, delete "(11)" and insert "(12)"

Page 2, line 35, delete "(12)" and insert "(13)"

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. 357, 379, 953, 17, 642, 827, 1270, 947, 717, 948, 985, 742, 600, 672, 629, 915, 92, 967, 1294, 685, 556, 647, 510, 1245, 966, 769 and 1131 were read the second time.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time.

Senators Eken and Rosen introduced—

S.F. No. 1425: A bill for an act relating to human services; providing nursing facility rate adjustments for sprinkler system costs and elevator costs.

Referred to the Committee on Finance.

Senator Hawj introduced—

S.F. No. 1426: A bill for an act relating to workforce development; appropriating money for grants to Lifetrack Resources.

Referred to the Committee on Finance.

Senators Reinert, Lourey and Bakk introduced—

S.F. No. 1427: A bill for an act relating to housing; directing the Minnesota Housing Finance Agency to assist in the repair of flood-damaged properties; requiring a report.

Referred to the Committee on Health, Human Services and Housing.

Senator Hawj introduced—

S.F. No. 1428: A bill for an act relating to economic development; appropriating money for a grant to the East Side Area Business Association.

Referred to the Committee on Finance.

Senator Westrom introduced—

S.F. No. 1429: A bill for an act relating to natural resources; appropriating money for a grant from the parks and trails fund to Grant County for trail purposes.

Referred to the Committee on Finance.

Senators Rest, Pappas and Pederson, J. introduced—

S.F. No. 1430: A bill for an act relating to local government; providing publishing alternatives to legal newspapers; amending Minnesota Statutes 2012, sections 10.60, subdivisions 1, 2, 4; 331A.03, subdivision 1, by adding subdivisions; 645.11; 645.12, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 331A; repealing Minnesota Statutes 2012, section 331A.03, subdivisions 2, 3.

Referred to the Committee on State and Local Government.

Senator Tomassoni introduced—

S.F. No. 1431: A bill for an act relating to education; modifying academic standards requirements; amending Minnesota Statutes 2012, section 120B.021, subdivision 1.

Referred to the Committee on Education.

Senators Ruud, Saxhaug, Scalze and Gazelka introduced—

S.F. No. 1432: A bill for an act relating to capital investment; appropriating money for the Cuyuna Lakes State Trail; authorizing the sale and issuance of state bonds.

Referred to the Committee on Finance.

Senators Rest and Ortman introduced—

S.F. No. 1433: A bill for an act relating to taxation; sales and use; providing for a multiple points of use certificate; amending Minnesota Statutes 2012, section 297A.668, by adding a subdivision.

Referred to the Committee on Taxes.

Senator Cohen introduced—

S.F. No. 1434: A bill for an act relating to taxation; individual income, corporate franchise, sales; providing a credit for a qualified film production investment; providing an exemption for qualifying film production purchases; amending Minnesota Statutes 2012, section 297A.67, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 290.

Referred to the Committee on Taxes.

Senator Torres Ray introduced—

S.F. No. 1435: A resolution memorializing the United States Secretary of Interior to designate the Coldwater Springs area as a traditional cultural property.

Referred to the Committee on State and Local Government.

Senator Ruud introduced—

S.F. No. 1436: A bill for an act relating to taxation; property tax; exempting certain properties from referendum market value; modifying the requirements for class 1c property; modifying leased seasonal-recreation land; amending Minnesota Statutes 2012, sections 126C.01, subdivision 3; 272.0213; 273.13, subdivision 22.

Referred to the Committee on Taxes.

Senator Goodwin introduced—

S.F. No. 1437: A bill for an act relating to data practices; classifying law enforcement data from other jurisdictions; proposing coding for new law in Minnesota Statutes, chapter 13.

Referred to the Committee on Judiciary.

Senator Hoffman introduced—

S.F. No. 1438: A bill for an act relating to education finance; creating a state general fund budget priority for funding unreimbursed special education costs; appropriating money; amending Minnesota Statutes 2012, sections 16A.152, subdivision 2; 127A.065.

Referred to the Committee on Finance.

Senators Rest, Bonoff and Franzen introduced—

S.F. No. 1439: A bill for an act relating to transportation; highways; amending MnPASS authority and revenue allocation; amending Minnesota Statutes 2012, sections 160.845; 160.93, subdivisions 1, 2.

Referred to the Committee on Transportation and Public Safety.

Senators Champion and Dibble introduced—

S.F. No. 1440: A bill for an act relating to tax increment financing; authorizing transit improvement districts; amending Minnesota Statutes 2012, sections 469.174, subdivision 14, by adding a subdivision; 469.175, subdivision 3; 469.176, subdivision 1b, by adding a subdivision.

Referred to the Committee on Taxes.

Senator Champion introduced—

S.F. No. 1441: A bill for an act relating to public safety; extending the time period and renewals allowed for a continuance without adjudication in a juvenile delinquency case; amending Minnesota Statutes 2012, section 260B.198, subdivision 7.

Referred to the Committee on Judiciary.

Senators Hoffman, Schmit and Dziedzic introduced—

S.F. No. 1442: A bill for an act relating to natural resources; establishing aquatic invasive species decal requirements and fees; establishing civil penalties; eliminating aquatic invasive species trailer decal requirements; amending Minnesota Statutes 2012, section 84D.15, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 86B; repealing Minnesota Statutes 2012, section 86B.13.

Referred to the Committee on Environment and Energy.

Senator Gazelka introduced—

S.F. No. 1443: A bill for an act relating to education; allowing an otherwise eligible person to teach under a temporary license without having passed the basic skills test; amending Minnesota Statutes 2012, sections 122A.09, subdivision 4; 122A.18, subdivision 2.

Referred to the Committee on Education.

Senators Fischbach and Pederson, J. introduced—

S.F. No. 1444: A bill for an act relating to employment; modifying payment of wages and payroll and payroll deductions; amending Minnesota Statutes 2012, sections 181.06, subdivision 2; 181.101.

Referred to the Committee on Jobs, Agriculture and Rural Development.

Senator Goodwin introduced—

S.F. No. 1445: A bill for an act relating to employment; prohibiting conditions precedent to employment related to unemployed persons; proposing coding for new law in Minnesota Statutes, chapter 181.

Referred to the Committee on Jobs, Agriculture and Rural Development.

Senators Bakk, Saxhaug and Tomassoni introduced—

S.F. No. 1446: A bill for an act relating to capital improvements; appropriating money for development of Lake Vermilion State Park and the Soudan Underground Mine State Park; authorizing the sale and issuance of state bonds.

Referred to the Committee on Finance.

Senators Dahms and Weber introduced—

S.F. No. 1447: A bill for an act relating to employment; modifying the minimum wage for certain employees receiving gratuities; amending Minnesota Statutes 2012, section 177.24, subdivision 1.

Referred to the Committee on Jobs, Agriculture and Rural Development.

Senator Goodwin introduced—

S.F. No. 1448: A bill for an act relating to real estate; foreclosure forbearance for unemployed long-term homeowners; proposing coding for new law in Minnesota Statutes, chapter 580.

Referred to the Committee on Judiciary.

Senator Koenen introduced—

S.F. No. 1449: A bill for an act relating to natural resources; appropriating money for a public access site at Lac Qui Parle Lake in Chippewa County.

Referred to the Committee on Finance.

Senator Marty introduced—

S.F. No. 1450: A bill for an act relating to family law; child support; allowing a public authority to discontinue child support services in certain situations; amending Minnesota Statutes 2012, section 518A.60.

Referred to the Committee on Judiciary.

Senators Jensen, Schmit, Koenen and Pederson, J. introduced—

S.F. No. 1451: A bill for an act relating to taxation; providing sales and property tax incentives for certain businesses; closing JOBZ to new businesses; appropriating money; amending Minnesota Statutes 2012, sections 272.02, by adding a subdivision; 297A.68, by adding a subdivision; 469.310, subdivision 11; proposing coding for new law in Minnesota Statutes, chapters 116J; 290.

Referred to the Committee on Taxes.

Senator Hoffman introduced—

S.F. No. 1452: A bill for an act relating to education finance; extending the suspension of reserved revenue for staff development for two more years; amending Laws 2011, First Special Session chapter 11, article 1, section 35.

Referred to the Committee on Finance.

Senator Koenen introduced—

S.F. No. 1453: A bill for an act relating to taxation; sales and use; exempting certain payments to utility cooperatives; amending Minnesota Statutes 2012, section 297A.67, by adding a subdivision.

Referred to the Committee on Taxes.

Senators Schmit, Marty, Brown, Dibble and Westrom introduced—

S.F. No. 1454: A bill for an act relating to energy; extending funding for research on renewable energy to the University of Minnesota; amending Minnesota Statutes 2012, section 116C.779, subdivision 3.

Referred to the Committee on Environment and Energy.

Senator Sieben introduced—

S.F. No. 1455: A bill for an act relating to public safety; providing access to court services, detention, and corrections data for domestic fatality review teams; amending Minnesota Statutes 2012, section 611A.203, subdivision 4.

Referred to the Committee on Judiciary.

Senators Tomassoni and Saxhaug introduced—

S.F. No. 1456: A bill for an act relating to capital investment; appropriating money for watermain improvements in Eveleth; authorizing the sale and issuance of state bonds.

Referred to the Committee on Finance.

Senator Rosen introduced—

S.F. No. 1457: A bill for an act relating to human services; modifying nursing facility external fixed costs; amending Minnesota Statutes 2012, section 256B.441, subdivisions 13, 53.

Referred to the Committee on Finance.

Senator Hayden introduced—

S.F. No. 1458: A bill for an act relating to human rights; establishing Criminal Background Check Act; proposing coding for new law in Minnesota Statutes, chapter 363A.

Referred to the Committee on Judiciary.

Senator Hayden introduced—

S.F. No. 1459: A bill for an act relating to housing; providing grants to promote the safety and welfare of East African women in Minnesota; appropriating money.

Referred to the Committee on Finance.

Senator Miller introduced—

S.F. No. 1460: A bill for an act relating to capital investment; appropriating money for a National Trout Center; authorizing the sale and issuance of state bonds.

Referred to the Committee on Finance.

Senators Tomassoni and Saxhaug introduced—

S.F. No. 1461: A bill for an act relating to unemployment insurance; changing shared work provisions; modifying benefits; creating CLIMB; amending Minnesota Statutes 2012, sections 116L.17, by adding a subdivision; 268.136, subdivisions 1, 2, 3, 4, 5, by adding a subdivision; 268.23; proposing coding for new law in Minnesota Statutes, chapter 268.

Referred to the Committee on Jobs, Agriculture and Rural Development.

Senators Tomassoni, Hayden, Saxhaug and Goodwin introduced—

S.F. No. 1462: A bill for an act relating to retirement; Minnesota State Retirement System, permitting legislators to transfer to general state employees retirement plan coverage rather than retain unclassified state employees retirement program coverage; amending Minnesota Statutes 2012, sections 352.01, subdivision 2a; 352D.02, subdivisions 1, 3.

Referred to the Committee on State and Local Government.

Senator Carlson introduced—

S.F. No. 1463: A bill for an act relating to tax increment financing; extending temporary authority of the city of Eagan to spend certain tax increments.

Referred to the Committee on Taxes.

MOTIONS AND RESOLUTIONS

Senator Nelson moved that the name of Senator Gazelka be added as a co-author to S.F. No. 285. The motion prevailed.

Senator Eaton moved that the name of Senator Limmer be added as a co-author to S.F. No. 445. The motion prevailed.

Senator Pappas moved that the name of Senator Franzen be added as a co-author to S.F. No. 860. The motion prevailed.

Senator Lourey moved that the name of Senator Eaton be added as a co-author to S.F. No. 930. The motion prevailed.

Senator Bakk moved that the name of Senator Saxhaug be added as a co-author to S.F. No. 961. The motion prevailed.

Senator Hoffman moved that the name of Senator Reinert be added as a co-author to S.F. No. 1205. The motion prevailed.

Senator Westrom moved that the name of Senator Tomassoni be added as a co-author to S.F. No. 1210. The motion prevailed.

Senator Bonoff moved that the name of Senator Reinert be added as a co-author to S.F. No. 1232. The motion prevailed.

Senator Hayden moved that the name of Senator Hawj be added as a co-author to S.F. No. 1311. The motion prevailed.

Senator Sparks moved that the name of Senator Skoe be added as a co-author to S.F. No. 1350. The motion prevailed.

Senator Chamberlain moved that the name of Senator Nelson be added as a co-author to S.F. No. 1378. The motion prevailed.

Senator Brown moved that the name of Senator Anderson be added as a co-author to Senate Resolution No. 28. The motion prevailed.

Senator Cohen moved that S.F. No. 720 be withdrawn from the Committee on Education and re-referred to the Committee on Finance. The motion prevailed.

Senator Hayden moved that S.F. No. 1311 be withdrawn from the Committee on Jobs, Agriculture and Rural Development and returned to its author. The motion prevailed.

Senator Bakk moved that S.F. No. 1320 be withdrawn from the Committee on State and Local Government and returned to its author. The motion prevailed.

Senator Benson introduced –

Senate Resolution No. 47: A Senate resolution congratulating Alexander E. Wisner on receiving the Eagle Scout Award.

Referred to the Committee on Rules and Administration.

Senator Brown introduced –

Senate Resolution No. 48: A Senate resolution recognizing the Pronto Pup as an important staple of the Minnesota State Fair.

Referred to the Committee on Rules and Administration.

Pursuant to Rule 26, Senator Bakk, Chair of the Committee on Rules and Administration, designated S.F. No. 359 a Special Order to be heard immediately.

SPECIAL ORDER

S.F. No. 359: A bill for an act relating to state government; designating the month of April as Genocide Awareness and Prevention Month; proposing coding for new law in Minnesota Statutes, chapter 10.

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 66 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Bonoff	Champion	Dahle	Dziedzic
Bakk	Carlson	Clausen	Dahms	Eaton
Benson	Chamberlain	Cohen	Dibble	Eken

Fischbach	Jensen	Nelson	Rosen	Thompson
Franzen	Johnson	Newman	Ruud	Tomassoni
Gazelka	Kent	Nienow	Saxhaug	Torres Ray
Goodwin	Kiffmeyer	Ortman	Scalze	Weber
Hall	Koenen	Osmek	Schmit	Westrom
Hann	Latz	Pappas	Senjem	Wiger
Hawj	Limmer	Pederson, J.	Sheran	Wiklund
Hayden	Lourey	Petersen, B.	Sieben	
Hoffman	Marty	Pratt	Skoe	
Housley	Metzen	Reinert	Sparks	
Ingebrigtsen	Miller	Rest	Stumpf	

Those who voted in the negative were:

Brown

So the bill passed and its title was agreed to.

MEMBERS EXCUSED

Senator Goodwin was excused from the Session of today from 10:00 to 11:50 a.m. Senator Sparks was excused from the Session of today from 10:00 to 11:55 a.m.

ADJOURNMENT

Senator Bakk moved that the Senate do now adjourn until 11:00 a.m., Wednesday, March 20, 2013. The motion prevailed.

JoAnne M. Zoff, Secretary of the Senate

