

## NINETY-FIRST DAY

St. Paul, Minnesota, Friday, April 25, 2014

The Senate met at 11:00 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. Don Plantinga.

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

The President declared a quorum present.

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

## MESSAGES FROM THE HOUSE

Madam President:

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

**S.F. No. 2310:** A bill for an act relating to state government; eliminating or modernizing antiquated, unnecessary, and obsolete language; amending Minnesota Statutes 2012, sections 16E.01, as amended; 16E.03, subdivision 2; 16E.035; 16E.05, subdivision 1; Minnesota Statutes

2013 Supplement, sections 16E.04, subdivision 2; 16E.18, subdivision 8; repealing Minnesota Statutes 2012, sections 16E.02, subdivisions 2, 3; 16E.03, subdivision 8; 16E.0475.

Senate File No. 2310 is herewith returned to the Senate.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Returned April 24, 2014

Senator Johnson moved that S.F. No. 2310 be laid on the table. The motion prevailed.

Madam President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 1425, 2236, 2785, 2695, 3073, 2853 and 2293.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted April 24, 2014

### FIRST READING OF HOUSE BILLS

The following bills were read the first time.

**H.F. No. 1425:** A bill for an act relating to local government; providing for municipal annexation by ordinance; changing or adding certain definitions for purposes of boundary adjustments; amending Minnesota Statutes 2012, sections 414.011, subdivision 5, by adding a subdivision; 414.033, subdivision 2.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 1353, now on General Orders.

**H.F. No. 2236:** A bill for an act relating to state government; making changes to the open meeting law; amending Minnesota Statutes 2012, section 13D.04, subdivision 6.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2472, now on General Orders.

**H.F. No. 2785:** A bill for an act relating to state government; requiring a feasibility study on creating a central fund to pay for costs of providing accommodations to state employees with disabilities.

Referred to the Committee on Finance.

**H.F. No. 2695:** A bill for an act relating to commerce; modifying requirements for Department of Commerce licensee education; amending Minnesota Statutes 2012, section 45.25, subdivisions 2a, 5a.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2178, now on General Orders.

**H.F. No. 3073:** A bill for an act relating to insurance; modifying certain regulations to reduce the incidence of insurance fraud; regulating no-fault auto benefits; regulating certain property and casualty coverages; limiting reimbursement for certain prescription drugs; regulating batch billing;

modifying certain economic benefits under chapter 65B; establishing a task force on motor vehicle insurance coverage verification; amending Minnesota Statutes 2012, sections 13.7191, subdivision 16; 60A.952, subdivision 3; 65B.44, subdivisions 2, 3, 4, 6, by adding a subdivision; 65B.525, by adding a subdivision; 65B.54, subdivision 2; 72A.502, subdivision 2; 604.18, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 60A; 65B; repealing Minnesota Statutes 2012, section 72A.327.

Referred to the Committee on Finance.

**H.F. No. 2853:** A bill for an act relating to commerce; regulating certain licensees; modifying education requirements; making technical changes; modifying enforcement provisions and other actions; prohibiting certain homeowners policy surcharges; regulating insurance holding company systems by enacting changes proposed by the National Association of Insurance Commissioners; amending Minnesota Statutes 2012, sections 45.027, subdivision 7; 45.32, by adding subdivisions; 58.12, subdivision 1; 60A.0789, subdivision 3; 60A.10, subdivision 1; 60D.09; 60D.15, by adding a subdivision; 60D.17, subdivisions 1, 2, 4, 6, 7; 60D.18, subdivisions 2, 6; 60D.19, subdivisions 1, 2, 3, 11, 12, by adding a subdivision; 60D.20, subdivisions 1, 3; 60D.21, subdivision 1, by adding subdivisions; 60D.22; 60K.54, subdivision 2; 61A.282, subdivision 1; 66A.01; 68A.01, subdivision 2; 68A.02, subdivision 1; 68A.04, subdivision 1; 82.55, subdivision 4; 82.641, subdivision 6; 82.81, subdivision 8; 82B.135, subdivision 1; 82B.19, subdivisions 1, 3, by adding a subdivision; 115C.02, subdivision 16; 115C.09, subdivisions 2a, 3; 239.785, subdivision 6; 297I.01, subdivision 9; 327C.095, subdivision 11; 386.66; 507.401, subdivisions 1, 2, 3, 4, 5; 507.45, subdivision 4; 515B.4-109; Minnesota Statutes 2013 Supplement, sections 82B.094; 82B.13, subdivision 1; 239.761, subdivision 8; 332A.02, subdivision 8; 559.202, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 60D; 65A; 82B; repealing Minnesota Statutes 2012, section 82B.10, subdivision 7.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2347, now on General Orders.

**H.F. No. 2293:** A bill for an act relating to commerce; regulating payday lending; amending Minnesota Statutes 2012, sections 47.59, subdivision 2; 47.601, subdivisions 1, 2, 3; 53.05.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 2368, now on General Orders.

## REPORTS OF COMMITTEES

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

### **Senator Bakk, from the Committee on Rules and Administration, to which was referred**

**H.F. No. 892** for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
892	347				

and that the above Senate File be indefinitely postponed.

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

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

**H.F. No. 2605** for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2605	2595				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 2605 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2605, the second engrossment; and insert the language after the enacting clause of S.F. No. 2595, the first engrossment; further, delete the title of H.F. No. 2605, the second engrossment; and insert the title of S.F. No. 2595, the first engrossment.

And when so amended H.F. No. 2605 will be identical to S.F. No. 2595, and further recommends that H.F. No. 2605 be given its second reading and substituted for S.F. No. 2595, and that the Senate File be indefinitely postponed.

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

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

**H.F. No. 2694** for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2694	2340				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 2694 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2694, the first engrossment; and insert the language after the enacting clause of S.F. No. 2340, the first engrossment; further, delete the title of H.F. No. 2694, the first engrossment; and insert the title of S.F. No. 2340, the first engrossment.

And when so amended H.F. No. 2694 will be identical to S.F. No. 2340, and further recommends that H.F. No. 2694 be given its second reading and substituted for S.F. No. 2340, and that the Senate File be indefinitely postponed.

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

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

**H.F. No. 2668** for comparison with companion Senate File, reports the following House File was found identical and recommends the House File be given its second reading and substituted for its companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2668	2195				

and that the above Senate File be indefinitely postponed.

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

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

**H.F. No. 2854** for comparison with companion Senate File, reports the following House File was found not identical with companion Senate File as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
2854	2446				

Pursuant to Rule 45, the Committee on Rules and Administration recommends that H.F. No. 2854 be amended as follows:

Delete all the language after the enacting clause of H.F. No. 2854, the second engrossment; and insert the language after the enacting clause of S.F. No. 2446, the first engrossment; further, delete the title of H.F. No. 2854, the second engrossment; and insert the title of S.F. No. 2446, the first engrossment.

And when so amended H.F. No. 2854 will be identical to S.F. No. 2446, and further recommends that H.F. No. 2854 be given its second reading and substituted for S.F. No. 2446, and that the Senate File be indefinitely postponed.

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

**SECOND READING OF HOUSE BILLS**

H.F. Nos. 892, 2605, 2694, 2668 and 2854 were read the second time.

**MOTIONS AND RESOLUTIONS**

Senator Champion moved that the name of Senator Eaton be added as a co-author to S.F. No. 2214. The motion prevailed.

**Senator Jensen introduced –**

**Senate Resolution No. 234:** A Senate resolution honoring Zhuoqian Li for receiving the Girl Scout Gold Award.

Referred to the Committee on Rules and Administration.

**Senator Jensen introduced –**

**Senate Resolution No. 235:** A Senate resolution congratulating Martin Alan Gleason for receiving the Eagle Award.

Referred to the Committee on Rules and Administration.

**Senator Hann introduced –**

**Senate Resolution No. 236:** A Senate resolution honoring Laura Anderson for receiving the Girl Scout Gold Award.

Referred to the Committee on Rules and Administration.

**Senator Hann introduced –**

**Senate Resolution No. 237:** A Senate resolution honoring Morgan Grimm for receiving the Girl Scout Gold Award.

Referred to the Committee on Rules and Administration.

**Senator Hann introduced –**

**Senate Resolution No. 238:** A Senate resolution honoring Grace Huff for receiving the Girl Scout Gold Award.

Referred to the Committee on Rules and Administration.

**RECESS**

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

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

**CALL OF THE SENATE**

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

**MOTIONS AND RESOLUTIONS - CONTINUED**

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

**MESSAGES FROM THE HOUSE**

Madam President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 2948:

**H.F. No. 2948:** A bill for an act relating to economic development; repealing obsolete, redundant, and unnecessary laws administered by the Department of Employment and Economic Development; making conforming changes; amending Minnesota Statutes 2012, sections 15.991, subdivision 1; 116C.34, subdivision 3; 116D.04, subdivision 2a; 116L.02; 116L.05, subdivision 5; 116L.20, subdivision 2; 256J.49, subdivision 4; 256J.51, subdivision 2; 268.105, subdivision 7; 268.186; repealing Minnesota Statutes 2012, sections 116C.22; 116C.23; 116C.24; 116C.25; 116C.26; 116C.261; 116C.27; 116C.28; 116C.29; 116C.30; 116C.31; 116C.32; 116C.33; 116J.037; 116J.422; 116J.658; 116J.68, subdivision 5; 116J.74, subdivision 7a; 116J.874, subdivisions 1, 2, 3, 4, 5; 116J.885; 116J.987; 116J.988; 116J.989; 116J.990, subdivisions 1, 2, 3, 4, 5, 6; 116L.06; 116L.10; 116L.11; 116L.12, subdivisions 1, 3, 4, 5, 6; 116L.13; 116L.14; 116L.15; 116L.361, subdivision 2; 116L.363; 116L.871; 116L.872; 469.109; 469.124; Minnesota Statutes 2013 Supplement, sections 116J.6581; 116J.70, subdivision 2a.

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

Mahoney, Persell and Gunther have been appointed as such committee on the part of the House.

House File No. 2948 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Albin A. Mathiowetz, Chief Clerk, House of Representatives

Transmitted April 25, 2014

Senator Sparks moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 2948, and that a Conference Committee of 3 members be appointed by the Subcommittee on Conference Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

**RECESS**

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

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

**APPOINTMENTS**

Senator Bakk from the Subcommittee on Conference Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 2948: Senators Sparks, Bonoff and Dahms.

Senator Bakk moved that the foregoing appointments be approved. The motion prevailed.

**MOTIONS AND RESOLUTIONS - CONTINUED****SPECIAL ORDERS**

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

H.F. No. 2658, S.F. Nos. 2887, 2336, 2642, 2718, 2398, H.F. Nos. 2141 and 2656.

**SPECIAL ORDER**

**H.F. No. 2658:** A bill for an act relating to workers' compensation; adopting the recommendations of the Workers' Compensation Advisory Council; amending Minnesota Statutes 2012, sections 176.129, subdivisions 2a, 7; 176.135, subdivision 7; 176.136, subdivision 1a; 176.231, subdivision 2; 176.305, subdivision 1a; Minnesota Statutes 2013 Supplement, section 176.011, subdivision 15; repealing Minnesota Statutes 2012, sections 175.006, subdivision 1; 175.08; 175.14; 175.26; 176.1311; 176.136, subdivision 3; 176.2615; 176.641.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

**SPECIAL ORDER**

**S.F. No. 2887:** A bill for an act relating to transportation; motor vehicles; eliminating barriers to the purchase of electric and plug-in hybrid electric vehicles by state agencies; amending Minnesota Statutes 2012, sections 16C.138, subdivision 2; 160.02, by adding a subdivision.

Senator Hoffman moved to amend S.F. No. 2887 as follows:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 2012, section 16C.135, subdivision 3, is amended to read:

Subd. 3. **Vehicle purchases.** Consistent with section 16C.137, subdivision 1, when purchasing a motor vehicle for the central motor pool or for use by an agency, the commissioner or the agency shall purchase a motor vehicle that is capable of being powered by cleaner fuels, or a motor vehicle powered by electricity or by a combination of electricity and liquid fuel, ~~if such a motor vehicle is~~



~~reasonably available at similar costs to other vehicles and if the total life-cycle cost of ownership is less than or comparable to that of other vehicles, and if the vehicle is capable of carrying out the purpose for which it is purchased.~~

Sec. 2. Minnesota Statutes 2012, section 16C.137, subdivision 1, is amended to read:

Subdivision 1. **Goals and actions.** ~~(a) Using 2005 as a baseline, the state of Minnesota shall reduce the use of gasoline by on-road vehicles owned by state departments by 25 percent by 2010 and by 50 percent by 2015, and the use of petroleum-based diesel fuel in diesel-fueled vehicles by ten percent by 2010 and 25 percent by 2015:~~

~~(b) To meet the goals established in paragraph (a),~~ Each state department must, whenever legally, technically, and economically feasible, subject to the specific needs of the department and responsible management of agency finances:

(1) ensure that all new on-road vehicles purchased, excluding emergency and law enforcement vehicles:

(i) use "cleaner fuels" as that term is defined in section 16C.135, subdivision 1, ~~clauses (1), (3), and (4);~~

(ii) have fuel efficiency ratings that exceed 30 miles per gallon for city usage or 35 miles per gallon for highway usage, including but not limited to hybrid electric cars and hydrogen-powered vehicles; or

(iii) are powered solely by electricity;

(2) increase its use of renewable transportation fuels, including ethanol, biodiesel, and hydrogen from agricultural products; and

(3) increase its use of Web-based Internet applications and other electronic information technologies to enhance the access to and delivery of government information and services to the public, and reduce the reliance on the department's fleet for the delivery of such information and services.

Sec. 3. Minnesota Statutes 2012, section 16C.137, subdivision 2, is amended to read:

Subd. 2. **SmartFleet Committee Report.** ~~(a) The commissioner of administration, or the commissioner's designee, shall chair a SmartFleet Committee consisting of representatives designated by the commissioners of the Pollution Control Agency, the Departments of Agriculture and Commerce, and other state departments that wish to participate. To ensure effective and efficient state participation, the SmartFleet Committee must assist state departments in implementing the requirements of this section, including providing information, guidance, sample policies and procedures, and technical and planning assistance.~~

~~(b) The SmartFleet Committee commissioner of administration, in collaboration with the commissioners of the Pollution Control Agency, the Departments of Agriculture, Commerce, Natural Resources, and Transportation, and other state departments must evaluate the goals and directives established in this section, and report their findings to the governor and the appropriate committees of the legislature by December 2006 and periodically thereafter February 1 of each odd-numbered year. In the report, the committee may must make recommendations to the governor and appropriate committees of the legislature for new or adjusted goals and, directives,~~

or legislative initiatives, in light of the progress the state has made implementing this section; and of the availability of new or improved technologies.

(c) ~~For the systematic and efficient monitoring of progress in implementing this section by the SmartFleet Committee;~~ (b) The Department of Administration shall implement a fleet reporting and information management system. Each department will use this management system to demonstrate its progress in complying with this section."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 2887 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

### SPECIAL ORDER

**S.F. No. 2336:** A bill for an act relating to lawful gambling; providing for lawful gambling fraud; amending Minnesota Statutes 2012, section 609.763.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

### SPECIAL ORDER

**S.F. No. 2642:** A bill for an act relating to gambling; making clarifying, conforming, and technical changes relating to lawful gambling; modifying games, prizes, and regulatory provisions; amending Minnesota Statutes 2012, sections 349.12, subdivision 18, by adding subdivisions; 349.16, by adding a subdivision; 349.163, by adding subdivisions; 349.1635, subdivision 4; 349.17, subdivisions 5, 6, 9; 349.1711, subdivisions 1, 2; 349.1721, subdivision 4; 349.173; 349.181, subdivision 3; 349.19, subdivision 11; 349.211, subdivisions 1, 1a, 2, by adding a subdivision; 349.2127, subdivision 7, by adding a subdivision; Minnesota Statutes 2013 Supplement, section 349.19, subdivisions 2, 10; repealing Minnesota Statutes 2012, sections 349.169; 349.19, subdivision 9.

Senator Pappas moved to amend S.F. No. 2642 as follows:

Page 8, delete section 17 and insert:

"Sec. 17. Minnesota Statutes 2012, section 349.181, subdivision 3, is amended to read:

Subd. 3. **Organization and lessor employees and volunteers.** (a) For purposes of this section, "volunteer" means a person who is not compensated by an organization but who performs activities in the conduct of lawful gambling for that organization.

(b) For purposes of this section, "conduct of pull-tabs, tipboards, and paddlewheels" includes selling tickets, redeeming tickets, auditing games, making deposits, spinning the paddlewheel, and conducting inventory.

(c) For purposes of this section, "conduct of bingo" includes selling bingo hard cards, bingo paper sheets, or facsimiles of bingo paper sheets; completing bingo occasion records; selecting or announcing bingo numbers; making deposits; and conducting inventory.

(d) An organization or a lessor employee or volunteer who is involved in the conduct of pull-tabs, tipboards, or paddlewheels at a permitted premises may not participate directly or indirectly as a player in a pull-tab, tipboard, or paddlewheel game at that same premises. This restriction is in effect until six weeks after the employee or volunteer is no longer involved in the conduct of pull-tab, tipboard, or paddlewheel games at that same premises. A volunteer involved in the conduct of a tipboard or paddlewheel game that has no more than 32 chances per game may participate as a player in pull-tab, tipboard, or paddlewheel games at the same premises, except on the same business day that the volunteer was involved in the conduct of the games.

(e) An employee or volunteer who is involved in the conduct of any lawful gambling during a bingo occasion may not participate directly or indirectly as a player in any lawful gambling during that bingo occasion."

The motion prevailed. So the amendment was adopted.

Senator Hall moved to amend S.F. No. 2642 as follows:

Page 12, delete section 25

Page 13, delete section 26

Page 13, line 13, delete "27" and insert "25"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

Senator Chamberlain moved to amend S.F. No. 2642 as follows:

Page 13, after line 9, insert:

"Section 1. Minnesota Statutes 2012, section 349A.13, is amended to read:

**349A.13 RESTRICTIONS.**

Nothing in this chapter:

(1) authorizes the director to conduct a lottery game or contest the winner or winners of which are determined by the result of a sporting event other than a horse race conducted under chapter 240;

(2) authorizes the director to install or operate a lottery device operated by coin or currency which when operated determines the winner of a game; ~~and~~

(3) authorizes the director to sell pull-tabs as defined under section 349.12, subdivision 32.; and

(4) authorizes the director to sell or contract to sell lottery tickets through a Web site or through a self-service device that is part of, shares a display with, or is adjacent to a retail petroleum dispenser under section 239.751."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed. So the amendment was adopted.

S.F. No. 2642 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 55 and nays 2, as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Latz

Tomassoni

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

### SPECIAL ORDER

**S.F. No. 2718:** A bill for an act relating to judiciary; modifying the review process of district judge disposition for compliance with 90-day disposition requirement; amending Minnesota Statutes 2012, section 546.27, subdivision 2, by adding a subdivision.

Senator Dzierdzic moved to amend S.F. No. 2718 as follows:

Page 1, line 12, before "The" insert "(a)"

Page 2, line 8, delete everything after the period

Page 2, delete line 9

Page 2, line 10, delete "plan."

Page 2, line 12, delete ", assistant chief"

Page 2, line 13, delete "judge, or appointment"

Page 2, line 15, delete ", assistant chief judge, or appointment"

Page 2, after line 19, insert:

"(b) If an infraction under paragraph (a) involves the chief judge, the notification must be made to the assistant chief judge who shall take on the responsibilities that would otherwise be the responsibility of the chief judge under paragraph (a)."

The motion prevailed. So the amendment was adopted.

S.F. No. 2718 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

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

**SPECIAL ORDER**

**S.F. No. 2398:** A bill for an act relating to commerce; updating the laws regulating liens on personal property in self-storage; amending Minnesota Statutes 2012, sections 514.971, subdivisions 2, 7, 8, by adding a subdivision; 514.972, subdivisions 4, 5; 514.973; 514.974; 514.975.

Senator Jensen moved to amend S.F. No. 2398 as follows:

Page 3, line 6, delete "\$75" and insert "\$100"

Page 3, line 9, delete everything after "exceeding" and insert "\$100"

Page 3, line 10, delete "subdivision 6"

Page 3, line 14, delete "\$250" and insert "\$300"

Page 3, line 31, after the period, insert "If the property is a registered motor vehicle or watercraft, the notice also must be given to any lienholder or secured party appearing on the document of title or to any lienholder or secured party known to claim an interest in the motor vehicle or watercraft."

Page 4, line 29, delete everything after the second "property"

Page 4, delete lines 30 and 31 and insert "may take place no sooner than 45 days after default or, if the personal property is a motor vehicle or watercraft, no sooner than 60 days after default."

Page 5, line 26, delete everything after "(a)"

Page 5, line 27, delete "the contrary,"

Page 5, line 28, delete everything after "watercraft"

Page 5, line 29, delete "consecutive days"

Page 6, line 8, after "occupant" insert "or other person entitled to notice under subdivision 2, paragraph (a), who is"

Page 7, line 8, after the second period, insert "The rental agreement may provide that the occupant may increase the limit on the value of property with the written permission of the owner."

The motion prevailed. So the amendment was adopted.

S.F. No. 2398 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Dahms	Hawj	Metzen	Rest
Bakk	Dibble	Hoffman	Miller	Rosen
Benson	Dziedzic	Housley	Nelson	Ruud
Bonoff	Eaton	Jensen	Newman	Saxhaug
Brown	Eken	Johnson	Ortman	Scalze
Carlson	Fischbach	Kent	Osmek	Schmit
Chamberlain	Franzen	Kiffmeyer	Pappas	Sheran
Clausen	Gazelka	Koenen	Pederson, J.	Sieben
Cohen	Goodwin	Latz	Petersen, B.	Skoe
Dahle	Hall	Lourey	Pratt	Sparks

Stumpf  
Thompson

Tomassoni  
Torres Ray

Westrom  
Wiger

Wiklund

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

### SPECIAL ORDER

**H.F. No. 2141:** A bill for an act relating to public safety; clarifying probable cause arrests for violations of protection, restraining, and no contact orders; modifying time limit for probable cause arrests for domestic abuse; amending Minnesota Statutes 2012, sections 629.34, subdivision 1; 629.341, subdivision 1.

Senator Jensen moved that the amendment made to H.F. No. 2141 by the Committee on Rules and Administration in the report adopted April 22, 2014, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 2141 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 58 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

### SPECIAL ORDER

**H.F. No. 2656:** A bill for an act relating to health; modifying the use of the all-payer claims data; convening a work group to make recommendations on expanded uses of the all-payer claims database; amending Minnesota Statutes 2012, section 62U.04, subdivision 4, by adding subdivisions.

Senator Lourey moved that the amendment made to H.F. No. 2656 by the Committee on Rules and Administration in the report adopted April 22, 2014, pursuant to Rule 45, be stricken. The motion prevailed. So the amendment was stricken.

Senator Limmer moved to amend H.F. No. 2656 as follows:

Page 3, after line 12, insert:

"(e) Any data submitted under subdivision 4 or 5 may not be used for any of the purposes permitted under this subdivision if the data includes information from an individual's medical record without first obtaining the individual's written consent."

**CALL OF THE SENATE**

Senator Latz imposed a call of the Senate for the balance of the proceedings on H.F. No. 2656. The Sergeant at Arms was instructed to bring in the absent members.

The question was taken on the adoption of the Limmer amendment.

The roll was called, and there were yeas 18 and nays 42, as follows:

Those who voted in the affirmative were:

Anderson	Fischbach	Kiffmeyer	Osmek	Thompson
Benson	Gazelka	Limmer	Petersen, B.	Westrom
Brown	Hall	Newman	Pratt	
Chamberlain	Hann	Ortman	Ruud	

Those who voted in the negative were:

Bakk	Eaton	Kent	Rest	Sparks
Bonoff	Eken	Koenen	Rosen	Stumpf
Carlson	Franzen	Latz	Saxhaug	Tomassoni
Clausen	Goodwin	Lourey	Scalze	Torres Ray
Cohen	Hawj	Metzen	Schmit	Wiger
Dahle	Hoffman	Miller	Senjem	Wiklund
Dahms	Housley	Nelson	Sheran	
Dibble	Jensen	Pappas	Sieben	
Dziedzic	Johnson	Pederson, J.	Skoe	

The motion did not prevail. So the amendment was not adopted.

Senator Limmer moved to amend H.F. No. 2656 as follows:

Page 3, after line 12, insert:

"(e) The commissioner must not collect biological specimens or data that describe individual biological specimens under this subdivision or subdivision 5, regardless of whether the data may identify an individual."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 18 and nays 41, as follows:

Those who voted in the affirmative were:

Anderson	Fischbach	Kiffmeyer	Osmek	Thompson
Benson	Gazelka	Limmer	Petersen, B.	Westrom
Brown	Hall	Newman	Pratt	
Chamberlain	Hann	Ortman	Ruud	

Those who voted in the negative were:

Bakk	Eaton	Kent	Rest	Sparks
Bonoff	Eken	Koenen	Rosen	Stumpf
Carlson	Franzen	Latz	Saxhaug	Tomassoni
Clausen	Goodwin	Lourey	Scalze	Torres Ray
Cohen	Hawj	Metzen	Schmit	Wiger
Dahle	Hoffman	Miller	Senjem	
Dahms	Housley	Nelson	Sheran	
Dibble	Jensen	Pappas	Sieben	
Dziedzic	Johnson	Pederson, J.	Skoe	

The motion did not prevail. So the amendment was not adopted.

H.F. No. 2656 was read the third time and placed on its final passage.



The question was taken on the passage of the bill.

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

Those who voted in the affirmative were:

Bakk	Eaton	Johnson	Pratt	Sparks
Benson	Eken	Kent	Rest	Stumpf
Bonoff	Fischbach	Koenen	Rosen	Tomassoni
Carlson	Franzen	Latz	Saxhaug	Torres Ray
Clausen	Goodwin	Lourey	Scalze	Westrom
Cohen	Hann	Metzen	Schmit	Wiger
Dahle	Hawj	Miller	Senjem	
Dahms	Hoffman	Nelson	Sheran	
Dibble	Housley	Pappas	Sieben	
Dziedzic	Jensen	Pederson, J.	Skoe	

Those who voted in the negative were:

Anderson	Gazelka	Limmer	Osmek	Thompson
Brown	Hall	Newman	Petersen, B.	
Chamberlain	Kiffmeyer	Ortman	Ruud	

So the bill passed and its title was agreed to.

### MOTIONS AND RESOLUTIONS - CONTINUED

Without objection, remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Reports of Committees.

### REPORTS OF COMMITTEES

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

**S.F. No. 1641:** A bill for an act relating to health; permitting the medical use of marijuana; setting fees; authorizing rulemaking; providing criminal and civil penalties; appropriating money; amending Minnesota Statutes 2012, section 13.3806, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 152.

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 13.3806, is amended by adding a subdivision to read:

Subd. 22. **Medical use of cannabis data.** Data collected by the commissioner of health relating to registrations for the medical use of cannabis are classified in section 152.33.

Sec. 2. **[152.22] DEFINITIONS.**

Subdivision 1. **Applicability.** For purposes of sections 152.22 to 152.40, the terms defined in this section have the meanings given them.

Subd. 2. **Allowable amount of cannabis.** "Allowable amount of cannabis" means:

(1) with respect to a qualifying patient, 2.5 ounces of usable cannabis; and

(2) with respect to a designated caregiver, for each patient assisted by the designated caregiver, 2.5 ounces of usable cannabis.

Subd. 3. **Alternative treatment center.** "Alternative treatment center" means an entity registered under section 152.25 that cultivates, acquires, manufactures, possesses, prepares, packs, stores, delivers, transfers, transports, sells, supplies, or dispenses cannabis, paraphernalia, or related supplies and educational materials to registered qualifying patients or registered designated caregivers.

Subd. 4. **Cannabis.** "Cannabis" means all parts of the plant of any species of the genus Cannabis, including all agronomical varieties, whether growing or not; the seeds thereof; the resin extracted from any part of such plant; and every compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds or resin, but shall not include the mature stalks of such plant; fiber from such stalks; oil or cake made from the seeds of such plant; any other compound, manufacture, salt, derivative, mixture, or preparation of such mature stalks (except the resin extracted therefrom); fiber, oil, or cake; or the sterilized seed of such plant which is incapable of germination.

Subd. 5. **Cardholder.** "Cardholder" means a qualifying patient or a designated caregiver who has been issued and possesses a valid registry identification card.

Subd. 6. **Commissioner.** "Commissioner" means the commissioner of health.

Subd. 7. **Debilitating medical condition.** "Debilitating medical condition" means:

(1) cancer, glaucoma, acquired immune deficiency syndrome, hepatitis C, Tourette's syndrome, amyotrophic lateral sclerosis, post-traumatic stress disorder, or the treatment of those conditions;

(2) a chronic or debilitating disease or medical condition or its treatment that produces cachexia or wasting syndrome; severe, intractable pain, as defined in section 152.125, subdivision 1; severe nausea; seizures, including those characteristic of epilepsy; severe and persistent muscle spasms, including those characteristic of multiple sclerosis; and Crohn's disease;

(3) the condition of an HIV-positive patient when the patient's physician believes the patient could benefit from consumption of cannabis; or

(4) any other medical condition or its treatment approved by the commissioner.

Subd. 8. **Designated caregiver.** "Designated caregiver" means a person who is at least 21 years old, has not been convicted of a disqualifying felony offense, and has agreed to assist no more than five qualifying patients with the medical use of cannabis.

Subd. 8a. **Disqualifying felony offense.** "Disqualifying felony offense" means a violation of a state or federal controlled substance law that is classified as a felony under Minnesota law, or would be classified as a felony under Minnesota law if committed in Minnesota, regardless of the sentence imposed, unless the commissioner determines that the person's conviction was for the medical use of cannabis or assisting with the medical use of cannabis.

Subd. 9. **Enclosed, locked facility.** "Enclosed, locked facility" means a room, building, or other enclosed area equipped with locks or other security devices that permit access only by an agent of a medical cannabis organization.

Subd. 10. **Medical cannabis organization.** "Medical cannabis organization" means an alternative treatment center or a safety compliance facility.

Subd. 11. **Medical use of cannabis.** "Medical use of cannabis" means the acquisition, possession, use, administration, preparation, processing, testing, compounding, converting, delivery, transfer, or transportation of cannabis or drug paraphernalia, as defined in section 152.01, subdivision 18, relating to the consumption of cannabis to alleviate a registered qualifying patient's debilitating condition or symptoms associated with the medical condition.

Subd. 12. **Practitioner.** "Practitioner" means a Minnesota licensed doctor of medicine or a Minnesota licensed doctor of osteopathy licensed to practice medicine, except that if the qualifying patient's debilitating medical condition is post-traumatic stress disorder, the practitioner must be a Minnesota licensed psychiatrist.

Subd. 13. **Qualifying patient.** "Qualifying patient" means a person who has been diagnosed by a practitioner as having a debilitating medical condition.

Subd. 14. **Registration certificate.** "Registration certificate" means a document issued by the commissioner that identifies an entity as an alternative treatment center or a safety compliance facility.

Subd. 15. **Registry identification card.** "Registry identification card" means a document issued by the commissioner that identifies a person as a registered qualifying patient or registered designated caregiver.

Subd. 16. **Safety compliance facility.** "Safety compliance facility" means an entity registered under section 152.25 to provide consumer protection services to the public by means of laboratory sampling and testing for potency and contaminants or public information and training services regarding:

- (1) the safe and efficient packaging, labeling, and distribution of cannabis;
- (2) security and inventory accountability procedures; or
- (3) scientific and medical research findings related to cannabis.

Subd. 17. **Usable cannabis.** "Usable cannabis" means any cannabis that is not growing and does not include the weight of any non-cannabis ingredients combined with cannabis, including ingredients added to prepare a topical administration, food, drink, or pill.

Subd. 18. **Visiting qualifying patient.** "Visiting qualifying patient" means a person who was diagnosed with a debilitating medical condition by a person who is licensed with authority to prescribe drugs to humans in the state of the person's residence; who possesses a registry identification card, or its equivalent, that was issued pursuant to the laws of another state, district, territory, commonwealth, insular possession of the United States, or country recognized by the United States; and who is not a resident of Minnesota or has been a resident of Minnesota fewer than 30 days.

Subd. 19. **Written certification.** "Written certification" means a document signed and dated by a licensed practitioner stating, that in the practitioner's professional opinion, the patient is likely to receive therapeutic or palliative benefit from the use of cannabis to treat or alleviate the patient's debilitating medical condition. The practitioner must: (1) specify the qualifying patient's debilitating

medical condition in the written certification; and (2) sign and date the written certification only in the course of a practitioner-patient relationship after the practitioner has completed a full physical examination of the qualifying patient and a full assessment of the qualifying patient's medical history and current medical condition.

Sec. 3. **[152.23] LIMITATIONS.**

(a) Sections 152.22 to 152.38 do not permit any person to engage in and do not prevent the imposition of any civil, criminal, or other penalties for:

(1) undertaking any task under the influence of cannabis that would constitute negligence or professional malpractice;

(2) possessing or engaging in the use of cannabis:

(i) on a school bus;

(ii) on the grounds of any preschool or primary or secondary school; or

(iii) in any correctional facility;

(3) smoking cannabis:

(i) on any form of public transportation;

(ii) where the smoke would be inhaled by a minor child; or

(iii) in a public place as defined under Minnesota Statutes, section 144.413, subdivision 2; and

(4) operating, navigating, or being in actual physical control of any motor vehicle, aircraft, train, or motorboat, or working on transportation property, equipment, or facilities while under the influence of cannabis.

(b) Nothing in sections 152.22 to 152.38 requires the medical assistance and MinnesotaCare programs to reimburse an enrollee or a provider for costs associated with the medical use of cannabis.

(c) Nothing in sections 152.22 to 152.38 requires any person or establishment in lawful possession of property to allow a guest, client, customer, or other visitor to smoke cannabis on or in that property.

Sec. 4. **[152.24] RULEMAKING.**

The commissioner shall adopt rules that set forth the procedures and methods for implementing sections 152.22 to 152.38, including:

(1) receiving petitions from the public and requesting guidance from the advisory council to add debilitating medical conditions or treatments to the list of debilitating medical conditions in section 152.22, subdivision 5, and requiring public notice of a public hearing, and the opportunity to comment upon any petition;

(2) establishing the form and content of registration and renewal applications and forms submitted under sections 152.22 to 152.38;

(3) establishing a system to numerically score competing alternative treatment center applicants that must include analysis of:

- (i) the suitability of the proposed location and its accessibility for patients;
- (ii) the character, veracity, background, and relevant experience of principal officers and board members; and
- (iii) the business plan proposed by the applicant, including its ability to maintain an adequate supply of cannabis, plans to ensure safety and security of patrons and the community, procedures to be used to prevent diversion, and any plan for making cannabis available to low-income registered qualifying patients;
- (4) establishing a system to consider applications for and renewals of registry identification cards;
- (5) establishing standards, in consultation with law enforcement personnel, for cannabis organizations to prevent diversion and theft without imposing an undue burden or compromising the confidentiality of cardholders, including:
  - (i) receiving applications for and renewals of registration certificates;
  - (ii) oversight requirements;
  - (iii) record-keeping requirements;
  - (iv) security requirements, including requirements for protection of each location by a fully operational security alarm system, facility access controls, perimeter intrusion detection systems, personnel identification system, and a 24-hour surveillance system that is accessible by law enforcement and to the commissioner;
  - (v) safety requirements;
  - (vi) requirements and procedures for the safe and accurate packaging and labeling of cannabis, in compliance with the United States Poison Prevention Packing Act regarding child resistant packaging and exemptions for packaging for elderly patients; and
  - (vii) requirements for the safe production of cannabis;
- (6) requirements for the testing and labeling of cannabis sold by alternative treatment centers, including a numerical indication of potency based on the ratio of THC and CBD to the weight of a cannabis product intended for oral consumption;
- (7) establishing procedures and criteria for suspending or revoking the registration certificates or registry identification cards of medical cannabis organizations or cardholders who violate the provisions of sections 152.22 to 152.38 or the rules adopted under this section;
- (8) establishing reasonable restrictions relating to signage, marketing, display, and advertising of cannabis;
- (9) accepting and investigating complaints;
- (10) conducting criminal background checks on principal officers and board members of alternative treatment centers and safety compliance facilities; and
- (11) establishing a cannabis inventory tracking system.

**Sec. 5. [152.25] REGISTRATION AND CERTIFICATION OF MEDICAL CANNABIS ORGANIZATIONS.**

Subdivision 1. **Registration.** Not later than 90 days after receiving an application for a medical cannabis organization, the commissioner shall register the prospective medical cannabis organization and issue a registration certificate and a random 20-digit alphanumeric identification number if all of the following conditions are satisfied:

(1) the prospective medical cannabis organization has submitted all of the following:

(i) the application fee for an alternative treatment center of \$15,000; if the application is not approved, \$14,000 will be refunded;

(ii) the application fee for a safety compliance facility of \$5,000; if the application is not approved, \$4,000 will be refunded;

(iii) an application, including:

(A) the legal name of the prospective medical cannabis organization;

(B) the physical address of the prospective medical cannabis organization that indicates that it is not within 1,000 feet of a public or private school existing before the date of the medical cannabis organization's application;

(C) the name, date of birth, and address of each principal officer and board member of the proposed medical cannabis organization; and

(D) any additional information requested by the commissioner;

(iv) operating procedures consistent with rules for oversight of the proposed medical cannabis organization, including procedures to ensure accurate record keeping and adequate security measures; and

(v) if the city or county where the proposed medical cannabis organization is located has enacted zoning restrictions, a sworn statement certifying that the proposed medical cannabis organization is in compliance with the restrictions;

(2) none of the principal officers or board members of the medical cannabis organization has been convicted of a disqualifying felony offense or has served as a principal officer or board member for a medical cannabis organization that has had its registration certificate revoked;

(3) none of the principal officers or board members of the medical cannabis organization is under 21 years of age; and

(4) if the proposed medical cannabis organization is an alternative treatment center applicant, it is located in a county with more than 20,000 permanent residents and:

(i) the county does not already contain one alternative treatment center if it has a population of 300,000 or fewer;

(ii) the county does not already contain two alternative treatment centers if the county has a population of at least 300,000 and fewer than 1,000,000; and

(iii) the county does not already contain three alternative treatment centers if the county has a population of at least 1,000,000.

Subd. 2. **Additional alternative treatment centers.** A county that is greater than 5,000 square miles may have two alternative treatment centers, regardless of population.

Subd. 3. **Commissioner discretion.** The commissioner may register alternative treatment centers at the commissioner's discretion.

Subd. 4. **Competing applications.** When competing applications are submitted for a proposed alternative treatment center within a single county, the commissioner shall use the impartial and numerically scored competitive bidding process to determine which application or applications among those competing will be approved. The commissioner may conduct a background check of the principal officers and board members of the prospective alternative treatment centers to carry out this provision.

Subd. 5. **Expiration.** All registration certificates expire one year after the date of issue.

Subd. 6. **Renewal.** The commissioner shall issue a renewal registration certificate within ten days of receipt of the prescribed renewal application and renewal fee from a medical cannabis organization if its registration certificate is not under suspension or has not been revoked.

#### Sec. 6. **[152.26] REGISTRY IDENTIFICATION CARDS.**

Subdivision 1. **Registration of qualifying patients and designated caregivers.** A qualifying patient may apply to the commissioner for a registry identification card or for the renewal of a registry identification card by submitting all of the following:

(1) written certification issued by a licensed practitioner within the 90 days immediately preceding the date of application;

(2) the application fee of \$100, unless the patient receives Social Security disability or Supplemental Security Insurance payments, or is enrolled in medical assistance and then the fee is \$25; and

(3) an application, including:

(i) name, mailing address, and date of birth of the qualifying patient;

(ii) name, mailing address, and telephone number of the qualifying patient's practitioner;

(iii) name, mailing address, and date of birth of the qualifying patient's designated caregiver, if any;

(iv) a signed statement from the designated caregiver, if applicable, agreeing to be the patient's designated caregiver and certifying that if the application is approved the designated caregiver is not a registered designated caregiver for more than five registered qualifying patients; and

(v) name of the qualifying patient's designated alternative treatment center.

Subd. 2. **Issuance.** (a) Except as provided in clause (2) and subdivision 4, the commissioner shall:

(1) verify the information contained in an application or renewal submitted according to sections 152.22 to 152.38 and approve or deny an application or renewal within ten days of receiving a completed application or renewal; and

(2) issue a registry identification card to a qualifying patient and the patient's designated caregiver, if applicable, within five days of approving the application or renewal. A designated caregiver must have a registry identification card for each of the caregiver's qualifying patients.

(b) The commissioner may not issue a registry identification card to a qualifying patient who is under the age of 18 unless:

(1) the qualifying patient's practitioner has explained the potential risks and benefits of the medical use of cannabis to the qualifying patient and to the parent, guardian, or person having legal custody of the qualifying patient;

(2) at least two practitioners have issued a written certification within the 90 days immediately preceding the date of application;

(3) the parent, guardian, or person having legal custody consents in writing to allow the qualifying patient's medical use of cannabis; and

(4) a parent, guardian, or person having legal custody of the qualifying patient consents in writing to:

(i) serve as the qualifying patient's designated caregiver; and

(ii) control the acquisition of cannabis, the dosage, and the frequency of the medical use of the cannabis by the qualifying patient.

(c) The commissioner must maintain a public list of all registered alternative treatment centers.

Subd. 3. **Contents of registry identification cards.** Registry identification cards for qualifying patients and designated caregivers must contain all of the following:

(1) name and date of birth of the cardholder;

(2) a statement of whether the cardholder is a qualifying patient or a designated caregiver;

(3) the date of issuance and expiration date of the registry identification card;

(4) a random 20-digit alphanumeric identification number that is unique to the cardholder and contains at least four numbers and at least four letters;

(5) if the cardholder is a designated caregiver, the random identification number of the registered qualifying patient the designated caregiver is assisting;

(6) a photograph taken in full-face view directly facing the camera of the cardholder; and

(7) the name of the qualifying patient's designated alternative treatment center.

Subd. 4. **Denial of registry identification cards.** (a) The commissioner may deny an application or renewal of a qualifying patient's registry identification card only if the applicant:

(1) does not meet the requirements of section 152.22, subdivision 13;

(2) does not provide the information required;

(3) previously had a registry identification card revoked for violating sections 152.22 to 152.38;

or



(4) provides false information.

(b) The commissioner may deny an application or renewal of a designated caregiver's registry identification card only if the applicant:

(1) does not meet the requirements of section 152.22, subdivision 8;

(2) does not provide the information required;

(3) previously had a registry identification card revoked for violating sections 152.22 to 152.38;  
or

(4) provides false information.

(c) The commissioner shall give written notice to the qualifying patient of the reason for denying a registry identification card to the qualifying patient or to the qualifying patient's designated caregiver.

(d) Denial of an application or renewal is considered a final decision of the commissioner and is subject to judicial review.

Subd. 5. **Expiration.** All registry identification cards expire one year after the date of issue.

Subd. 6. **Lost registry identification cards.** If a registry identification card is lost, the cardholder shall promptly notify the commissioner. Within five days of the notification, and upon payment of a \$25 fee, the commissioner shall issue a new registry identification card with a new random identification number to the cardholder and, if the cardholder is a registered qualifying patient, to the registered qualifying patient's registered designated caregiver, if applicable.

#### Sec. 7. **[152.27] NOTIFICATIONS.**

(a) A registered qualifying patient shall notify the commissioner within ten days of any change in the registered qualifying patient's name, mailing address, designated caregiver, or if the registered qualifying patient ceases to have a debilitating medical condition.

(b) A registered designated caregiver shall notify the commissioner within ten days of any name change or change in mailing address.

(c) A qualifying patient must notify the commissioner of any change in the qualifying patient's preferred designated alternative treatment center.

(d) If a cardholder notifies the commissioner of any changes listed in this section, but remains eligible under sections 152.22 to 152.38, the commissioner shall issue the cardholder a new registry identification card with new random 20-digit alphanumeric identification numbers within ten days of receiving the updated information and a \$10 fee. If the person notifying the commissioner is a registered qualifying patient, the commissioner shall also issue the patient's registered designated caregiver, if any, a new registry identification card within ten days of receiving the updated information.

(e) When the registered qualifying patient's certifying practitioner notifies the commissioner that either the registered qualifying patient has ceased to suffer from a debilitating medical condition or that the practitioner no longer believes the patient would receive therapeutic or palliative benefit from the medical use of cannabis, the card is void upon notification to the qualifying patient, and the registered qualifying patient has 15 days to dispose of any cannabis.

(f) When a registered qualifying patient ceases to be a registered qualifying patient or changes the registered designated caregiver, the commissioner shall promptly notify the designated caregiver that the caregiver's duties and rights under sections 152.22 to 152.38 for the qualifying patient expire three days after the commissioner sends notification.

(g) A medical cannabis organization shall notify the commissioner within one business day of any theft or significant loss of cannabis.

(h) The commissioner shall notify all alternative treatment centers when a registry identification card has been lost by either a qualifying patient or a designated caregiver. The notification must be given within five business days of the registry identification card being reported to the commissioner as lost.

(i) A practitioner shall notify the commissioner when the practitioner no longer believes that a registered qualifying patient for whom the practitioner has issued a written certification:

(1) suffers from a debilitating medical condition; or

(2) will receive therapeutic or palliative benefit from the medical use of cannabis.

**Sec. 8. [152.28] MEDICAL CANNABIS ORGANIZATION REQUIREMENTS.**

(a) The operating documents of a medical cannabis organization must include procedures for the oversight of the medical cannabis organization and procedures to ensure accurate record keeping.

(b) A medical cannabis organization shall implement appropriate security measures to deter and prevent the theft of cannabis and unauthorized entrance into areas containing cannabis.

(c) All cultivation, harvesting, manufacturing, and packing of cannabis must take place in an enclosed, locked facility at a physical address provided to the commissioner during the registration process.

(d) A medical cannabis organization shall not share office space with or refer patients to a practitioner.

(e) A medical cannabis organization may not permit any person to consume cannabis on the property of a medical cannabis organization.

(f) Medical cannabis organizations are subject to reasonable inspection by the commissioner.

(g) A medical cannabis organization may not employ or otherwise allow any person who is under 21 years of age or who has been convicted of a disqualifying felony offense to be an agent of the medical cannabis organization. A medical cannabis organization shall request a criminal history background check on each agent before the agent may begin working with the medical cannabis organization.

(h) Before cannabis may be dispensed to a registered qualifying patient or a registered designated caregiver, a registered alternative treatment center agent must:

(1) make a diligent effort to verify that the registry identification card presented to the alternative treatment center is valid;

(2) make a diligent effort to verify that the person presenting the card is the person identified on the registry identification card presented to the alternative treatment center agent; and

(3) verify that the alternative treatment center where the card is being presented is the alternative treatment center designated by the qualifying patient.

**Sec. 9. [152.29] MEDICAL CANNABIS ORGANIZATION LOCATIONS.**

A city may enact reasonable zoning rules that limit the use of land for alternative treatment centers or safety compliance facilities to specified areas.

**Sec. 10. [152.30] NURSING FACILITIES.**

Nursing facilities licensed under chapter 144A, or boarding care homes licensed under section 144.50, may adopt reasonable restrictions on the medical use of cannabis by persons receiving services at the facility. The restrictions may include a provision that the facility will not store or maintain the patient's supply of cannabis, that the facility is not responsible for providing the cannabis for qualifying patients, and that cannabis be consumed only in a place specified by the facility. Nothing contained in this section shall require the facilities to adopt such restrictions, and no facility shall unreasonably limit a qualifying patient's access to or medical use of cannabis.

**Sec. 11. [152.31] VERIFICATION SYSTEM.**

The commissioner shall establish a secure telephone or Web-based verification system. The verification system must allow law enforcement personnel and registered medical cannabis organizations to enter a registry identification number and determine whether the number corresponds with a current, valid registry identification card. The system may disclose only whether the identification card is valid, the name of the cardholder, whether the cardholder is a qualifying patient or a designated caregiver, the name of the qualifying patient's designated alternative treatment center, and the registry identification number of any affiliated registered qualifying patient.

**Sec. 12. [152.32] ANNUAL REPORT.**

The commissioner shall report annually to the legislature on the number of applications for registry identification cards, the number of qualifying patients and designated caregivers approved, the nature of the debilitating medical conditions of the qualifying patients, the number of registry identification cards revoked, and the number of practitioners providing written certification for qualifying patients. The commissioner must not include identifying information on qualifying patients, designated caregivers, or practitioners in the report.

**Sec. 13. [152.33] CONFIDENTIALITY.**

(a) Data in registration applications and supporting data submitted by qualifying patients, designated caregivers, and medical cannabis organizations, including data on designated caregivers and practitioners, are private data on individuals or nonpublic data as defined in section 13.02.

(b) Data kept or maintained by the commissioner may not be used for any purpose not provided for in sections 152.22 to 152.38 and may not be combined or linked in any manner with any other list or database.

(c) Data kept or maintained by the commissioner may be disclosed as necessary for:

(1) the verification of registration certificates and registry identification cards pursuant to section 152.31;

- (2) submission of the annual report required by section 152.32;
  - (3) notification to state or local law enforcement of apparent criminal violations of sections 152.22 to 152.36;
  - (4) notification to state and local law enforcement about falsified or fraudulent information submitted for purposes of obtaining or renewing a registry identification card; and
  - (5) notification to the Board of Medical Practice or the Board of Nursing if there is reason to believe that a practitioner provided a written certification without completing a full assessment of the qualifying patient's medical history and current medical condition or if the commissioner has reason to believe the practitioner otherwise violated the standard of care for evaluating medical conditions.
- (d) Any information kept or maintained by medical cannabis organizations must identify cardholders by their registry identification numbers and not contain names or other personally identifying information.
- (e) At the cardholder's request, the commissioner may confirm the cardholder's status as a registered qualifying patient or a registered designated caregiver to a third party, such as a landlord, school, medical professional, or court.

Sec. 14. **[152.34] PROTECTIONS FOR THE MEDICAL USE OF CANNABIS.**

Subdivision 1. **Presumption.** (a) There is a presumption that a qualifying patient or designated caregiver is engaged in the authorized medical use of cannabis pursuant to sections 152.22 to 152.38. The presumption exists if the qualifying patient or designated caregiver:

- (1) is in possession of a registry identification card; and
- (2) is in possession of an amount of cannabis that does not exceed the allowable amount of cannabis.

(b) The presumption may be rebutted by evidence that conduct related to the medical use of cannabis was not for the purpose of treating or alleviating the qualifying patient's debilitating medical condition or symptoms associated with the qualifying patient's debilitating medical condition pursuant to sections 152.22 to 152.38.

Subd. 2. **Qualifying patient and designated caregiver.** A registered qualifying patient or registered designated caregiver who possesses a valid registry identification card is not subject to arrest, prosecution, or penalty in any manner, including any civil penalty, or denial of any right or privilege, or disciplinary action by a court or occupational or professional licensing board or bureau for:

(1) the registered qualifying patient's medical use of cannabis pursuant to sections 152.22 to 152.38, if the registered qualifying patient does not possess more than the allowable amount of cannabis;

(2) the registered designated caregiver assisting a registered qualifying patient to whom the caregiver is connected through the commissioner's registration process with the registered qualifying patient's medical use of cannabis pursuant to sections 152.22 to 152.34, if the registered qualifying patient does not possess more than the allowable amount of cannabis;

(3) reimbursement by a registered qualifying patient to the patient's registered designated caregiver for direct costs incurred by the registered designated caregiver for assisting with the registered qualifying patient's medical use of cannabis;

(4) transferring cannabis to a safety compliance facility for testing;

(5) compensating an alternative treatment center or a safety compliance facility for goods or services provided; or

(6) offering or providing cannabis to a registered qualifying patient, to a registered designated caregiver for a registered qualifying patient's medical use, or to a visiting qualifying patient.

Subd. 3. **Visiting qualifying patient.** A person who demonstrates that the person is a visiting qualifying patient shall not be subject to arrest, prosecution, or penalty in any manner, or denied any right or privilege including, but not limited to, civil penalty or disciplinary action by a business, occupational, or professional licensing board or entity, for the medical use of cannabis pursuant to sections 152.22 to 152.38, provided that: (1) the visiting qualifying patient does not possess more than 2.5 ounces of usable cannabis; and (2) the visiting qualifying patient produces a statement from a person who is licensed with the authority to prescribe drugs to humans in the state of the person's residence stating that the visiting qualifying patient has a debilitating medical condition as defined in section 152.22.

Subd. 4. **Dismissal of charges.** If a qualifying patient or a designated caregiver who is not in possession of a registry identification card is arrested for possession of an amount of cannabis that does not exceed the allowable amount or is charged with this, the patient or caregiver shall be released from custody and the charges dismissed upon production of a valid registry identification card issued in the person's name.

Subd. 5. **Practitioner.** A practitioner may not be subject to arrest, prosecution, or penalty in any manner, or denied any right or privilege, including civil penalty or disciplinary action by the Board of Medical Practice or the Board of Nursing or by another business, occupational, or professional licensing board or entity, based solely on providing written certifications or for otherwise stating that, in the practitioner's professional opinion, a patient is likely to receive therapeutic or palliative benefit from the medical use of cannabis to treat or alleviate the patient's debilitating medical condition or symptoms associated with the debilitating medical condition. Nothing in sections 152.22 to 152.38 prevents a professional licensing board from sanctioning a practitioner for failing to properly evaluate a patient's medical condition or otherwise violating the standard of care for evaluating medical conditions.

Subd. 6. **Legal counsel.** An attorney may not be subject to disciplinary action by the Minnesota State Bar Association or other professional licensing association for providing legal assistance to prospective or registered alternative treatment centers, prospective or registered safety compliance facilities, or others related to activity that is no longer subject to criminal penalties under state law pursuant to sections 152.22 to 152.38.

Subd. 7. **Arrest and prosecution prohibited.** No person may be subject to arrest, prosecution, or penalty in any manner, or denied any right or privilege, including any civil penalty or disciplinary action by a court or occupational or professional licensing board or bureau, for:

(1) providing or selling cannabis paraphernalia to a cardholder or to a medical cannabis organization upon presentation of a valid registry identification card or registration certificate; or

(2) being in the presence or vicinity of the medical use of cannabis authorized under sections 152.22 to 152.38.

Subd. 8. **Alternative treatment center.** An alternative treatment center or an alternative treatment center's agent is not subject to prosecution, search, or inspection, except by the commissioner pursuant to section 152.28, paragraph (f); seizure; or penalty in any manner; and may not be denied any right or privilege, including civil penalty or disciplinary action by a court or business licensing board or entity, for acting pursuant to sections 152.22 to 152.38, and rules authorized by sections 152.22 to 152.38 to:

(1) possess, plant, propagate, cultivate, grow, harvest, produce, process, manufacture, compound, convert, prepare, pack, repack, or store cannabis;

(2) possess, produce, store, or transport cannabis paraphernalia;

(3) purchase or obtain cannabis seeds from a cardholder, a visiting qualifying patient, or an entity that is registered to distribute cannabis under the laws of another state;

(4) deliver, transfer, or transport cannabis, cannabis paraphernalia, or related supplies and educational materials to or from other medical cannabis organizations;

(5) compensate a safety compliance facility for services or goods provided;

(6) purchase or otherwise acquire cannabis from another registered alternative treatment center;

or

(7) dispense, supply, or sell, or deliver cannabis, cannabis paraphernalia, or related supplies and educational materials to registered qualifying patients, to registered designated caregivers on behalf of registered qualifying patients, or to other alternative treatment centers.

Subd. 9. **Safety compliance facility.** A safety compliance facility or a safety compliance facility agent is not subject to prosecution, search, or inspection, except by the commissioner pursuant to section 152.28, paragraph (g); seizure; or penalty in any manner; and may not be denied any right or privilege, including civil penalty or disciplinary action by a court or business licensing board or entity, for acting pursuant to sections 152.22 to 152.38 and rules authorized by sections 152.22 to 152.38, to provide the following services:

(1) acquiring, possessing, or transporting cannabis obtained from registry identification cardholders or medical cannabis organizations;

(2) returning the cannabis to the registry identification cardholder or medical cannabis organization from whom it was obtained;

(3) producing or selling educational materials related to cannabis;

(4) producing, possessing, selling, or transporting cannabis paraphernalia and equipment or materials other than cannabis to medical cannabis organizations or to cardholders, including lab equipment and packaging materials;

(5) testing cannabis, including for potency, pesticides, mold, or contaminants;

(6) providing training to cardholders; or

(7) receiving compensation for services or goods other than cannabis provided under sections 152.22 to 152.38.

Subd. 10. **Property rights.** Any interest in or right to property that is lawfully possessed, owned, or used in connection with the medical use of cannabis as authorized in sections 152.22 to 152.38, or acts incidental to such use, is not forfeited under sections 609.531 to 609.5318.

Subd. 11. **Discrimination prohibited.** (a) No school or landlord may refuse to enroll or lease to and may not otherwise penalize a person solely for the person's status as a cardholder, unless failing to do so would violate federal law or regulations or cause the school or landlord to lose a monetary or licensing-related benefit under federal law or regulations. This paragraph does not prevent a landlord from prohibiting the smoking of cannabis on the premises.

(b) For the purposes of medical care, including organ transplants, a registered qualifying patient's medical use of cannabis according to sections 152.22 to 152.38 is considered the equivalent of the authorized use of any other medication used at the discretion of a physician and does not constitute the use of an illicit substance or otherwise disqualify a qualifying patient from needed medical care.

(c) Unless a failure to do so would violate federal law or regulations or cause an employer to lose a monetary or licensing-related benefit under federal law or regulations, an employer may not discriminate against a person in hiring, termination, or any term or condition of employment, or otherwise penalize a person, if the discrimination is based upon either of the following:

(1) the person's status as a registered qualifying patient or a registered designated caregiver; or

(2) a registered qualifying patient's positive drug test for cannabis components or metabolites, unless the patient used, possessed, or was impaired by cannabis on the premises of the place of employment or during the hours of employment.

(d) A person shall not be denied custody of or visitation rights or parenting time with a minor solely for the person's status as a registered qualifying patient or a registered designated caregiver, and there shall be no presumption of neglect or child endangerment for conduct allowed under sections 152.22 to 152.38, unless the person's behavior is such that it creates an unreasonable danger to the safety of the minor as established by clear and convincing evidence.

Subd. 12. **Card as probable cause.** Possession of or application for a registry identification card does not constitute probable cause or reasonable suspicion, nor shall it be used to support a search of the person or property of the person possessing or applying for the registry identification card, or otherwise subject the person or property of the person to inspection by any governmental agency.

#### Sec. 15. **[152.35] AFFIRMATIVE DEFENSE.**

(a) Except as provided in section 152.23, a person may assert the medical purpose for using cannabis as a defense to any prosecution involving cannabis, and the defense shall be presumed valid if the evidence shows that:

(1) a practitioner has stated that, in the practitioner's professional opinion, after having completed a full assessment of the person's medical history and current medical condition made in the course of a bona fide practitioner-patient relationship, the patient has a debilitating medical condition and the potential benefits of using cannabis for medical purposes would likely outweigh the health risks for the person; and

(2) the person was in possession of no more than 2.5 ounces of usable cannabis; and

(3) the person was engaged in the acquisition, possession, use, or transportation of cannabis, paraphernalia, or both, relating to the administration of cannabis to treat or alleviate the individual's debilitating medical condition or symptoms associated with the individual's debilitating medical condition.

(b) The defense and motion to dismiss shall not prevail if the prosecution proves that:

(1) the individual had a registry identification card revoked for misconduct; or

(2) the purpose of the possession of cannabis was not for palliative or therapeutic use by the individual with a debilitating medical condition who raised the defense.

(c) An individual is not required to possess a registry identification card to raise the affirmative defense set forth in this section.

(d) A person may assert the medical purpose for using cannabis in a motion to dismiss, and the charges shall be dismissed following an evidentiary hearing where the defendant shows the elements listed in paragraph (a).

(e) Any interest in or right to property that was possessed, owned, or used in connection with a person's use of cannabis for medical purposes shall not be forfeited if the person or the person's designated caregiver demonstrates the person's medical purpose for using cannabis under this section.

(f) This section shall only apply if:

(1) the person's arrest, citation, or prosecution occurred after the effective date of sections 152.22 to 152.38, but before registration for qualified patients is available; or

(2) the person's arrest or citation occurred after a valid application for a qualifying patient had been submitted but before the registry identification card was received.

(g) This section expires July 1, 2016.

#### Sec. 16. [152.36] SUSPENSION AND REVOCATION.

Subdivision 1. **Suspension or revocation of registration certificate.** The commissioner may by motion or on complaint, after investigation and opportunity for a public hearing at which the medical cannabis organization has been afforded an opportunity to be heard, suspend or revoke a registration certificate for multiple negligent violations or for a serious and knowing violation by the registrant or any of its agents of sections 152.22 to 152.38, or any rules adopted pursuant to section 152.24.

Subd. 2. **Notice.** The commissioner shall provide notice of suspension, revocation, fine, or other sanction, as well as the required notice of the hearing, by mailing the same in writing to the registered organization at the address on the registration certificate. A suspension shall not be longer than six months.

Subd. 3. **Suspensions.** An alternative medical center may continue to cultivate and possess cannabis during a suspension, but it may not dispense, transfer, or sell cannabis.



Subd. 4. **Diversión by medical cannabis organization.** The commissioner shall immediately revoke the registration certificate of a medical cannabis organization that violates section 152.37, subdivision 2, and its board members and principal officers may not serve as board members or principal officers for any other medical cannabis organization.

Subd. 5. **Diversión by cardholder.** The commissioner shall immediately revoke the registry identification card of any cardholder who transfers cannabis to a person who is not allowed to possess cannabis for medical purposes under sections 152.22 to 152.38, and the cardholder is disqualified from further participation under sections 152.22 to 152.38.

Subd. 6. **Revocation of registry identification card.** The commissioner may revoke the registry identification card of any registered qualifying patient or registered designated caregiver who knowingly commits a serious violation of this chapter.

Subd. 7. **Judicial review.** Revocation is a final decision of the commissioner, subject to judicial review.

#### Sec. 17. [152.37] VIOLATIONS.

Subdivision 1. **Failure to provide required notice; civil penalty.** A registered qualifying patient, designated caregiver, or registered organization that willfully fails to provide a notice required by section 152.27 is guilty of a petty misdemeanor, punishable by a fine of no more than \$150.

Subd. 2. **Intentional diversion; criminal penalty.** In addition to any other applicable penalty in law, a medical cannabis organization or an agent of a medical cannabis organization who intentionally transfers cannabis to a person other than a qualifying patient, a designated caregiver, or a medical cannabis organization or its agent is guilty of a felony punishable by imprisonment for not more than two years or by payment of a fine of not more than \$3,000, or both. A person convicted under this subdivision may not continue to be affiliated with the medical cannabis organization and is disqualified from further participation under sections 152.22 to 152.38.

Subd. 3. **Diversión by cardholder; criminal penalty.** In addition to any other applicable penalty in law, a registered qualifying patient or registered designated caregiver who intentionally sells or otherwise transfers cannabis in exchange for anything of value to a person other than a qualifying patient, a designated caregiver, or a visiting qualifying patient is guilty of a felony punishable by imprisonment for not more than two years or by payment of a fine of not more than \$3,000, or both.

Subd. 4. **Transfer of registry identification card; criminal penalty.** In addition to any other applicable penalty in law, a qualifying patient or designated caregiver who sells, transfers, loans, or otherwise gives another person the qualifying patient's or designated caregiver's registry identification card is guilty of a felony and may be sentenced to imprisonment for not more than two years, or payment of a fine of not more than \$3,000, or both.

Subd. 5. **False statement; criminal penalty.** A person who intentionally makes a false statement to a law enforcement official about any fact or circumstance relating to the medical use of cannabis to avoid arrest or prosecution is guilty of a misdemeanor punishable by imprisonment for not more than 90 days or by payment of a fine of not more than \$1,000, or both. The penalty is in addition to any other penalties that may apply for making a false statement or for the possession, cultivation, or sale of cannabis not protected by sections 152.22 to 152.38. If a person convicted of violating

this section is a qualifying patient or a designated caregiver, the person is disqualified from further participation under sections 152.22 to 152.38.

Subd. 6. **Submission of false records; criminal penalty.** A person who knowingly submits false records or documentation required by the commissioner to certify a medical cannabis organization under sections 152.22 to 152.38 is guilty of a felony and may be sentenced to imprisonment for not more than two years, or payment of a fine of not more than \$3,000, or both.

Subd. 7. **Violation by practitioner; criminal penalty.** A practitioner who knowingly refers patients to a medical cannabis organization or to a designated caregiver, who advertises in a medical cannabis organization, or who issues written certifications while holding a financial interest in a medical cannabis organization is guilty of a misdemeanor and may be sentenced to imprisonment for not more than 90 days, or payment of a fine of not more than \$1,000, or both.

Subd. 8. **Breach of confidentiality; criminal penalty.** It is a misdemeanor for any person, including the commissioner or another state agency or local government, to breach the confidentiality of information obtained pursuant to sections 152.22 to 152.38.

Subd. 9. **Other violations; civil penalty.** A medical cannabis organization shall be fined up to \$1,000 for any violation of sections 152.22 to 152.38, or the regulations issued pursuant to them, where no penalty has been specified. This penalty is in addition to any other applicable penalties in law.

**Sec. 18. [152.38] IMPLEMENTATION.**

The commissioner must begin issuing registry identification cards and registration certificates under sections 152.22 to 152.37 by July 1, 2015.

**Sec. 19. [152.39] FEES.**

(a) The fees in sections 152.22 to 152.37 are annually appropriated and deposited in the state government special revenue fund for use by the commissioner to administer sections 152.22 to 152.38.

(b) The total fees collected must generate revenues sufficient to implement and administer sections 152.22 to 152.38, except fee revenue may be offset or supplemented by private donations.

(c) The total amount of revenue from registration certificate application and renewal fees must be sufficient to implement and administer the provisions of sections 152.22 to 152.38 relating to medical cannabis organizations, including the verification system, except fee revenue may be offset or supplemented by private donations.

(d) The commissioner may establish a sliding scale of patient application and renewal fees based upon a qualifying patient's household income.

(e) The commissioner may accept private donations to reduce application and renewal fees.

**Sec. 20. [152.40] ADVISORY COUNCIL.**

Subdivision 1. **Establishment; governance.** The commissioner of health shall establish an advisory council to make recommendations to the commissioner and the legislature related to implementing sections 152.22 to 152.39. The advisory council shall be governed by section 15.059, except that members shall not receive per diems.

Subd. 2. **Membership.** The council consists of the following members, appointed by the commissioner of health:

(1) four health care practitioners with experience in treating patients with debilitating medical conditions;

(2) a representative of patients with debilitating medical conditions;

(3) the commissioner of public safety or a designee;

(4) the commissioner of health or a designee; and

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

Subd. 3. **Duties.** The advisory council shall:

(1) assist the commissioner in reviewing petitions to add medical conditions, symptoms, or treatments to the list of debilitating medical conditions;

(2) provide recommendations on rules to be adopted;

(3) investigate and make recommendations related to the effectiveness of alternative treatment centers, individually and collectively, in serving the needs of qualifying patients;

(4) investigate and make recommendations related to the sufficiency of the regulatory and security safeguards adopted; and

(5) investigate and make recommendations related to best practices in other states that allow for the medical use of cannabis.

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

Sec. 21. Minnesota Statutes 2012, section 256B.0625, subdivision 13d, is amended to read:

Subd. 13d. **Drug formulary.** (a) The commissioner shall establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the Administrative Procedure Act, but the Formulary Committee shall review and comment on the formulary contents.

(b) The formulary shall not include:

(1) drugs, active pharmaceutical ingredients, or products for which there is no federal funding;

(2) over-the-counter drugs, except as provided in subdivision 13;

(3) drugs or active pharmaceutical ingredients used for weight loss, except that medically necessary lipase inhibitors may be covered for a recipient with type II diabetes;

(4) drugs or active pharmaceutical ingredients when used for the treatment of impotence or erectile dysfunction;

(5) drugs or active pharmaceutical ingredients for which medical value has not been established; and

(6) drugs from manufacturers who have not signed a rebate agreement with the Department of Health and Human Services pursuant to section 1927 of title XIX of the Social Security Act; and

(7) cannabis as defined in sections 152.22 to 152.39.

(c) If a single-source drug used by at least two percent of the fee-for-service medical assistance recipients is removed from the formulary due to the failure of the manufacturer to sign a rebate agreement with the Department of Health and Human Services, the commissioner shall notify prescribing practitioners within 30 days of receiving notification from the Centers for Medicare and Medicaid Services (CMS) that a rebate agreement was not signed.

Sec. 22. **HEALTH IMPACT ASSESSMENT OF THE MEDICINAL USE OF CANNABIS.**

(a) The commissioner of health, in consultation with the commissioners of public safety and human services shall submit a report to the legislature on the health impacts of the use of cannabis for medical purposes in Minnesota. That report must address issues and concerns identified by community representatives and the experience of other states with current medical cannabis programs with particular emphasis on:

(1) program design and implementation, including verification procedures and provisions to prevent diversion;

(2) patient experiences;

(3) impact on the health care provider community;

(4) impact on substance abuse;

(5) access to and quality of product, including the necessary amounts of product and the effectiveness of different delivery systems;

(6) law enforcement activities and concerns;

(7) public awareness and perception; and

(8) any unintended consequences.

(b) The commissioner shall submit the report on the assessment to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over health and human services, judiciary, and civil law by February 1, 2015.

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

Sec. 23. **APPROPRIATIONS.**

\$256,000 in fiscal year 2014 and \$48,000 in fiscal year 2015 are appropriated from the state government special revenue fund to the commissioner of health to implement Minnesota Statutes, sections 152.22 to 152.38.

Sec. 24. **EFFECTIVE DATE.**

Sections 1 to 19 and 21 are effective July 1, 2014."

Amend the title as follows:

Page 1, line 2, delete "marijuana" and insert "cannabis"

Amend the title numbers accordingly

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

Pursuant to Joint Rule 2.03, the bill was referred to the Committee on Rules and Administration.

#### **MEMBERS EXCUSED**

Senators Champion, Ingebrigtsen, Marty, Nienow, Reinert and Weber were excused from the Session of today. Senator Hayden was excused from the Session of today at 12:30 p.m. Senators Cohen and Pratt were excused from the Session of today from 12:30 to 12:40 p.m. Senator Senjem was excused from the Session of today from 12:30 to 12:40 and from 12:50 to 1:35 p.m. Senators Fischbach and Pederson, J. were excused from the Session of today from 12:35 to 12:45 p.m. Senator Hann was excused from the Session of today from 12:50 to 1:35 p.m. Senator Limmer was excused from the Session of today from 1:10 to 1:20 p.m. Senator Wiklund was excused from the Session of today at 1:40 p.m.

#### **ADJOURNMENT**

Senator Bakk moved that the Senate do now adjourn until 12:00 noon, Monday, April 28, 2014. The motion prevailed.

JoAnne M. Zoff, Secretary of the Senate

