

STATE OF MINNESOTA

EIGHTY-FOURTH SESSION — 2006

 NINETY-SEVENTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, APRIL 27, 2006

The House of Representatives convened at 12:00 noon and was called to order by Gregory M. Davids, Speaker pro tempore.

Prayer was offered by Dr. Pamela Jolicoeur, President, Concordia College, Moorhead, Minnesota.

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

The roll was called and the following members were present:

Abeler	Dempsey	Haws	Krinkie	Otremba	Simon
Abrams	Dill	Heidgerken	Lanning	Ozment	Simpson
Anderson, B.	Dittrich	Hilstrom	Larson	Paulsen	Slawik
Anderson, I.	Dorman	Hilty	Latz	Paymar	Smith
Atkins	Dorn	Holberg	Lenczewski	Pelowski	Soderstrom
Beard	Eastlund	Hoppe	Lesch	Penas	Solberg
Bernardy	Eken	Hornstein	Liebling	Peppin	Sykora
Blaine	Emmer	Hortman	Lieder	Peterson, A.	Thao
Bradley	Entenza	Hosch	Lillie	Peterson, N.	Thissen
Brod	Erhardt	Howes	Loeffler	Peterson, S.	Tingelstad
Buesgens	Erickson	Huntley	Magnus	Poppe	Urdahl
Carlson	Finstad	Jaros	Mahoney	Powell	Vandever
Charron	Fritz	Johnson, J.	Marquart	Rukavina	Wagenius
Clark	Garofalo	Johnson, R.	McNamara	Ruth	Walker
Cornish	Gazelka	Johnson, S.	Meslow	Ruud	Wardlow
Cox	Goodwin	Juhnke	Moe	Sailer	Welti
Cybart	Greiling	Kahn	Mullery	Samuelson	Westerberg
Davids	Gunther	Kelliher	Murphy	Scalze	Westrom
Davnie	Hackbarth	Klinzing	Nelson, M.	Seifert	Wilkin
Dean	Hamilton	Knoblach	Nelson, P.	Sertich	Zellers
DeLaForest	Hansen	Koenen	Newman	Severson	Spk. Sviggum
Demmer	Hausman	Kohls	Nornes	Sieben	

A quorum was present.

Mariani was excused.

Olson was excused until 1:00 p.m. Ellison was excused until 2:55 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Hilstrom moved that further reading of the Journal be suspended and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

S. F. No. 2953 and H. F. No. 3194, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Westerberg moved that the rules be so far suspended that S. F. No. 2953 be substituted for H. F. No. 3194 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3199 and H. F. No. 3585, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Smith moved that the rules be so far suspended that S. F. No. 3199 be substituted for H. F. No. 3585 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Paulsen from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 2688, A bill for an act relating to veterans; authorizing the placement of a plaque on the Capitol grounds honoring the nation's war dogs and their handlers.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Sykora from the Committee on Education Finance to which was referred:

H. F. No. 3179, A bill for an act relating to education; providing for general education revenue, education excellence, special programs, accounting, self-sufficiency and lifelong learning, and state agencies; authorizing rulemaking; amending Minnesota Statutes 2004, sections 119A.50, subdivision 1; 119A.52; 119A.53; 119A.545; 120A.20, subdivision 1; 120A.22, subdivision 3; 120B.023; 120B.024; 123A.06, subdivision 2; 123B.10, subdivision 1; 124D.02, subdivisions 2, 4; 124D.10, subdivision 16; 124D.518, subdivision 4; 124D.52, subdivision 1; 124D.61; 124D.68, subdivision 3; 125A.02, subdivision 1; 125A.27, subdivision 11; 125A.29; 125A.30; 125A.32; 125A.33; 125A.48; 125A.515, subdivisions 1, 3, 5, 6, 7, 9, 10; 125A.63, subdivision 4; 125A.69, subdivision 3; 125A.75, subdivision 1; 126C.05, subdivision 1; 126C.10, subdivision 6; 126C.44; Minnesota Statutes 2005 Supplement, sections 121A.53, subdivision 1; 122A.415, subdivisions 1, 3; 123B.76, subdivision 3; 124D.095, subdivision 4; 124D.68, subdivision 2; 125A.11, subdivision 1; 126C.43, subdivision 2; 127A.45, subdivision 10; Laws 2005, First Special Session chapter 5, article 2, sections 81; 84, subdivision 13; article 7, section 20, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 119A; repealing Minnesota Statutes 2004, sections 119A.51; 120A.20, subdivision 3; 125A.10; 125A.515, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

GENERAL EDUCATION REVENUE

Section 1. Minnesota Statutes 2004, section 120A.20, subdivision 1, is amended to read:

Subdivision 1. **Age limitations; pupils.** (a) All schools supported in whole or in part by state funds are public schools. Admission to a public school is free to any person who: (1) resides within the district that operates the school, who; (2) is under 21 years of age; or who meet the requirements of paragraph (c); and who (3) satisfies the minimum age requirements imposed by this section. Notwithstanding the provisions of any law to the contrary, the conduct of all students under 21 years of age attending a public secondary school is governed by a single set of reasonable rules and regulations promulgated by the school board.

~~No~~ (b) A person shall not be admitted to ~~any~~ a public school (1) as a kindergarten pupil, unless the pupil is at least five years of age on September 1 of the calendar year in which the school year for which the pupil seeks admission commences; or (2) as a 1st grade student, unless the pupil is at least six years of age on September 1 of the calendar year in which the school year for which the pupil seeks admission commences or has completed kindergarten; except that any school board may establish a policy for admission of selected pupils at an earlier age.

(c) A pupil who becomes age 21 after enrollment is eligible for continued free public school enrollment until at least one of the following occurs: (1) the first September 1 after the pupil's 21st birthday; (2) the pupil's completion of the graduation requirements; (3) the pupil's withdrawal with no subsequent enrollment within 21 calendar days; or (4) the end of the school year.

Sec. 2. Minnesota Statutes 2005 Supplement, section 122A.415, subdivision 1, is amended to read:

Subdivision 1. **Revenue amount.** (a) A school district, intermediate school district, school site, or charter school that meets the conditions of section 122A.414 and submits an application approved by the commissioner is eligible for alternative teacher compensation revenue.

(b) For school district and intermediate school district applications, the commissioner must consider only those applications to participate that are submitted jointly by a district and the exclusive representative of the teachers. The application must contain an alternative teacher professional pay system agreement that:

(1) implements an alternative teacher professional pay system consistent with section 122A.414; and

(2) is negotiated and adopted according to the Public Employment Labor Relations Act under chapter 179A, except that notwithstanding section 179A.20, subdivision 3, a district may enter into a contract for a term of two or four years.

Alternative teacher compensation revenue for a qualifying school district or site in which the school board and the exclusive representative of the teachers agree to place teachers in the district or at the site on the alternative teacher professional pay system equals \$260 times the ratio of the formula allowance for the current fiscal year to the formula allowance for fiscal year 2007 times the number of pupils enrolled at the district or site on October 1 of the previous fiscal year. Alternative teacher compensation revenue for a qualifying intermediate school district must be calculated under section 126C.10, subdivision 34, paragraphs (a) and (b).

(c) For a newly combined or consolidated district, the revenue shall be computed using the sum of pupils enrolled on October 1 of the previous year in the districts entering into the combination or consolidation. The commissioner may adjust the revenue computed for a site using prior year data to reflect changes attributable to school closings, school openings, or grade level reconfigurations between the prior year and the current year.

(d) The revenue is available only to school districts, intermediate school districts, school sites, and charter schools that fully implement an alternative teacher professional pay system by October 1 of the current school year.

(e) The revenue must be maintained in a reserve account within the general fund.

Sec. 3. Minnesota Statutes 2005 Supplement, section 122A.415, subdivision 3, is amended to read:

Subd. 3. **Revenue timing.** (a) Districts, intermediate school districts, school sites, or charter schools with approved applications must receive alternative compensation revenue for each school year that the district, intermediate school district, school site, or charter school implements an alternative teacher professional pay system under this subdivision and section 122A.414. For fiscal year 2007 and later, a qualifying district, intermediate school district, school site, or charter school that received alternative teacher compensation aid for the previous fiscal year must receive at least an amount of alternative teacher compensation revenue equal to the lesser of the amount it received for the previous fiscal year or the amount it qualifies for under subdivision 1 for the current fiscal year if the district, intermediate school district, school site, or charter school submits a timely application and the commissioner determines that the district, intermediate school district, school site, or charter school continues to implement an alternative teacher professional pay system, consistent with its application under this section.

(b) The commissioner shall approve applications that comply with subdivision 1, and section 122A.414, subdivisions 2, paragraph (b), and 2a, if the applicant is a charter school, in the order in which they are received, select applicants that qualify for this program, notify school districts, intermediate school districts, school sites, and charter schools about the program, develop and disseminate application materials, and carry out other activities needed to implement this section.

(c) For applications approved under this section before August 1 of the fiscal year for which the aid is paid, the portion of the state total basic alternative teacher compensation aid entitlement allocated to charter schools must not exceed \$522,000 for fiscal year 2006 and \$3,374,000 for fiscal year 2007. For fiscal year 2008 and later, the portion of the state total basic alternative teacher compensation aid entitlement allocated to charter schools must not exceed the product of \$3,374,000 times the ratio of the state total charter school enrollment for the previous fiscal year to the state total charter school enrollment for ~~the second previous year~~ fiscal year 2006 times the ratio of the formula allowance for the current fiscal year to the formula allowance for fiscal year 2007. Additional basic alternative teacher compensation aid may be approved for charter schools after August 1, not to exceed the charter school limit for the following fiscal year, if the basic alternative teacher compensation aid entitlement for school districts and intermediate school districts based on applications approved by August 1 does not expend the remaining amount under the limit.

Sec. 4. Minnesota Statutes 2004, section 123A.06, subdivision 2, is amended to read:

Subd. 2. **People to be served.** A center shall provide programs for secondary pupils and adults. A center may also provide programs and services for elementary and secondary pupils who are not attending the center to assist them in being successful in school. A center shall use research-based best practices for serving limited English proficient students and their parents. An individual education plan team may identify a center as an appropriate placement to the extent a center can provide the student with the appropriate special education services described in the student's plan. Pupils eligible to be served are those ~~age five to adults 22 and older~~ who qualify under the graduation incentives program in section 124D.68, subdivision 2, those enrolled under section 124D.02, subdivision 2, or those pupils who are eligible to receive special education services under sections 125A.03 to 125A.24, and 125A.65.

Sec. 5. Minnesota Statutes 2005 Supplement, section 123B.76, subdivision 3, is amended to read:

Subd. 3. **Expenditures by building.** (a) For the purposes of this section, "building" means education site as defined in section 123B.04, subdivision 1.

(b) Each district shall maintain separate accounts to identify general fund expenditures for each building. All expenditures for regular instruction, secondary vocational instruction, and school administration must be reported to the department separately for each building. All expenditures for special education instruction, instructional support services, and pupil support services provided within a specific building must be reported to the department separately for each building. Salary expenditures reported by building must reflect actual salaries for staff at the building and must not be based on districtwide averages. All other general fund expenditures may be reported by building or on a districtwide basis.

(c) The department must annually report information showing school district general fund expenditures per pupil by program category for each building and estimated school district general fund revenue generated by pupils attending each building on its Web site. For purposes of this report:

- (1) expenditures not reported by building shall be allocated among buildings on a uniform per pupil basis;
- (2) basic skills revenue shall be allocated according to section 126C.10, subdivision 4;
- (3) secondary sparsity revenue and elementary sparsity revenue shall be allocated according to section 126C.10, subdivisions 7 and 8;
- (4) alternative teacher compensation revenue shall be allocated according to section 122A.415, subdivision 1;
- (5) other general education revenue shall be allocated on a uniform per pupil unit basis;
- ~~(5)~~ (6) first grade preparedness aid shall be allocated according to section 124D.081;
- ~~(6)~~ (7) state and federal special education aid and Title I aid shall be allocated in proportion to district expenditures for these programs by building; and
- ~~(7)~~ (8) other general fund revenues shall be allocated on a uniform per pupil basis, except that the department may allocate other revenues attributable to specific buildings directly to those buildings.

Sec. 6. Minnesota Statutes 2004, section 124D.02, subdivision 2, is amended to read:

Subd. 2. **Secondary school programs.** The board may permit a person who is over the age of 21 or who has graduated from high school to enroll ~~as a part-time student~~ in a class or program at a secondary school if there is space available. In determining if there is space available, ~~full-time~~ public school students, eligible for free enrollment under section 120A.20, subdivision 1, and shared-time students shall be given priority over students seeking enrollment pursuant to this subdivision, and students returning to complete a regular course of study shall be given priority over ~~part-time~~ other students seeking enrollment pursuant to this subdivision. The following are not prerequisites for enrollment:

- (1) residency in the school district;
- (2) United States citizenship; or

(3) for a person over the age of 21, a high school diploma or equivalency certificate. A person may enroll in a class or program even if that person attends evening school, an adult or continuing education, or a postsecondary educational program or institution.

Sec. 7. Minnesota Statutes 2004, section 124D.02, subdivision 4, is amended to read:

Subd. 4. **Part-time student fee.** Notwithstanding the provisions of sections 120A.20 and 123B.37, a board may charge a ~~part-time~~ student enrolled pursuant to subdivision 2 a reasonable fee for a class or program.

Sec. 8. Minnesota Statutes 2005 Supplement, section 124D.68, subdivision 2, is amended to read:

Subd. 2. **Eligible pupils.** ~~The following pupils are~~ A pupil under the age of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph (c), is eligible to participate in the graduation incentives program:

~~(a) any pupil under the age of 21 who, if the pupil:~~

(1) performs substantially below the performance level for pupils of the same age in a locally determined achievement test;

(2) is at least one year behind in satisfactorily completing coursework or obtaining credits for graduation;

(3) is pregnant or is a parent;

(4) has been assessed as chemically dependent;

(5) has been excluded or expelled according to sections 121A.40 to 121A.56;

(6) has been referred by a school district for enrollment in an eligible program or a program pursuant to section 124D.69;

(7) is a victim of physical or sexual abuse;

(8) has experienced mental health problems;

(9) has experienced homelessness sometime within six months before requesting a transfer to an eligible program;

(10) speaks English as a second language or has limited English proficiency; or

(11) has withdrawn from school or has been chronically truant; ~~or,~~

~~(b) any person who is at least 21 years of age and who:~~

~~(1) has received fewer than 14 years of public or nonpublic education, beginning at age 5;~~

~~(2) has not completed the requirements for a high school diploma; and~~

~~(3) at the time of application, (i) is eligible for unemployment benefits or has exhausted the benefits, (ii) is eligible for, or is receiving income maintenance and support services, as defined in section 116L.19, subdivision 5, or (iii) is eligible for services under the displaced homemaker program or any programs under the federal Jobs Training Partnership Act or its successor.~~

Sec. 9. Minnesota Statutes 2004, section 124D.68, subdivision 3, is amended to read:

Subd. 3. **Eligible programs.** (a) A pupil who is eligible according to subdivision 2 may enroll in area learning centers under sections 123A.05 to 123A.08.

(b) A pupil who is eligible according to subdivision 2 and who is between the ages of 16 and 21 may enroll in postsecondary courses under section 124D.09.

(c) A pupil who is eligible under subdivision 2, may enroll in any public elementary or secondary education program. ~~However, a person who is eligible according to subdivision 2, clause (b), may enroll only if the school board has adopted a resolution approving the enrollment.~~

(d) A pupil who is eligible under subdivision 2, may enroll in any nonpublic, nonsectarian school that has contracted with the serving school district to provide educational services.

(e) A pupil who is between the ages of 16 and 21 may enroll in any adult basic education programs approved under section 124D.52 and operated under the community education program contained in section 124D.19.

Sec. 10. Minnesota Statutes 2004, section 125A.65, subdivision 3, is amended to read:

Subd. 3. **Educational program; tuition.** (a) When it is determined pursuant to section 125A.69, subdivision 1 or 2, that the child is entitled to attend either school, the board of the Minnesota State Academies must provide the appropriate educational program for the child.

(b) For fiscal year 2006, the board of the Minnesota State Academies must make a tuition charge to the child's district of residence for the cost of providing the program. The amount of tuition charged must not exceed the sum of (1) the general education revenue formula allowance times the pupil unit weighting factor pursuant to section 126C.05 for that child, for the amount of time the child is in the program, plus (2) if the child was enrolled at the Minnesota State Academies on October 1 of the previous fiscal year, the compensatory education revenue attributable to that child under section 126C.10, subdivision 3. The district of the child's residence must pay the tuition and may claim general education aid for the child. Tuition received by the board of the Minnesota State Academies, except for tuition for compensatory education revenue under this paragraph and tuition received under subdivision 4, must be deposited in the state treasury as provided in subdivision 8.

(c) For fiscal year 2007 and later, the district of the child's residence shall claim general education revenue for the child, except as provided in this paragraph. Notwithstanding section 127A.47, subdivision 1, an amount equal to the general education revenue formula allowance times the pupil unit weighting factor pursuant to section 126C.05 for that child for the amount of time the child is in the program, as adjusted according to subdivision 8, paragraph (d), must be paid to the Minnesota State Academies. Notwithstanding section 126C.15, subdivision 2, paragraph (d), the compensatory education revenue under section 126C.10, subdivision 3, attributable to children enrolled at the Minnesota State Academies on October 1 of the previous fiscal year must be paid to the Minnesota State Academies. General education aid paid to the Minnesota State Academies under this paragraph must be credited to their general operation account. Other general education aid attributable to the child must be paid to the district of the child's residence.

Sec. 11. Minnesota Statutes 2004, section 125A.65, subdivision 4, is amended to read:

Subd. 4. **Unreimbursed costs.** (a) For fiscal year 2006, in addition to the tuition charge allowed in subdivision 3, the academies may charge the child's district of residence for the academy's unreimbursed cost of providing an instructional aide assigned to that child, after deducting the special education aid under section 125A.76, attributable to the child, if that aide is required by the child's individual education plan. Tuition received under this paragraph must be used by the academies to provide the required service.

(b) For fiscal year 2007 and later, the special education aid paid to the academies shall be increased by the academy's unreimbursed cost of providing an instructional aide assigned to a child, after deducting the special education aid under section 125A.76 attributable to the child, if that aide is required by the child's individual education plan. Aid received under this paragraph must be used by the academies to provide the required service.

(c) For fiscal year 2007 and later, the special education aid paid to the district of the child's residence shall be reduced by the amount paid to the academies for district residents under paragraph (b).

(d) Notwithstanding section 127A.45, subdivision 3, beginning in fiscal year 2008, the commissioner shall make an estimated final adjustment payment to the Minnesota State Academies for general education aid and special education aid for the prior fiscal year by August 15.

Sec. 12. Minnesota Statutes 2004, section 125A.65, subdivision 6, is amended to read:

Subd. 6. **Tuition reduction.** Notwithstanding the provisions of subdivisions 3 and 5, the board of the Minnesota State Academies may agree to make a tuition charge, or receive an aid adjustment, as applicable, for less than the amount specified in subdivision 3 for pupils attending the applicable school who are residents of the district where the institution is located and who do not board at the institution, if that district agrees to make a tuition charge to the board of the Minnesota State Academies for less than the amount specified in subdivision 5 for providing appropriate educational programs to pupils attending the applicable school.

Sec. 13. Minnesota Statutes 2004, section 125A.65, subdivision 8, is amended to read:

Subd. 8. **Student count; tuition.** (a) On May 1, 1996, and each year thereafter, the board of the Minnesota State Academies shall count the actual number of Minnesota resident special education eligible students enrolled and receiving education services at the Minnesota State Academy for the Deaf and the Minnesota State Academy for the Blind.

(b) For fiscal year 2006, the board of the Minnesota State Academies shall deposit in the state treasury an amount equal to all tuition received for the basic revenue according to subdivision 3, less the amount calculated in paragraph ~~(b)~~ (c).

~~(b)~~ (c) For fiscal year 2006, the Minnesota State Academies shall credit to their general operation account an amount equal to the tuition received which represents tuition earned for the total number of students over 175 based on:

- (1) the total number of enrolled students on May 1 less 175; times
- (2) the ratio of the number of students in that grade category to the total number of students on May 1; times
- (3) the general education revenue formula allowance; times
- (4) the pupil unit weighting factor pursuant to section 126C.05.

(d) For fiscal year 2007 and later, the Minnesota State Academies shall report to the department the number of students by grade level counted according to paragraph (a). The amount paid to the Minnesota State Academies under subdivision 3, paragraph (c), must be reduced by an amount equal to:

- (1) the ratio of 175 to the total number of students on May 1; times
- (2) the total basic revenue determined according to subdivision 3, paragraph (c).

Sec. 14. Minnesota Statutes 2004, section 125A.65, subdivision 10, is amended to read:

Subd. 10. **Annual appropriation.** There is annually appropriated to the department for the Minnesota State Academies the tuition or aid payment amounts received and credited to the general operation account of the academies under this section. A balance in an appropriation under this paragraph does not cancel but is available in successive fiscal years.

Sec. 15. Minnesota Statutes 2004, section 125A.69, subdivision 3, is amended to read:

Subd. 3. **Out-of-state admissions.** An applicant from another state who can benefit from attending either academy may be admitted to the academy if the admission does not prevent an eligible Minnesota resident from being admitted. The board of the Minnesota State Academies must obtain reimbursement from the other state for the costs of the out-of-state admission. The state board may enter into an agreement with the appropriate authority in the other state for the reimbursement. Money received from another state must be deposited in the general special revenue fund and credited to the general operating account of the academies. The money is appropriated to the academies.

EFFECTIVE DATE. This section is effective retroactively from fiscal year 2001.

Sec. 16. Minnesota Statutes 2004, section 126C.05, subdivision 1, is amended to read:

Subdivision 1. **Pupil unit.** Pupil units for each Minnesota resident pupil under the age of 21 or who meets the requirements of section 120A.20, subdivision 1, paragraph (c), in average daily membership enrolled in the district of residence, in another district under sections 123A.05 to 123A.08, 124D.03, 124D.06, 124D.07, 124D.08, or 124D.68; in a charter school under section 124D.10; or for whom the resident district pays tuition under section 123A.18, 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04, 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65, shall be counted according to this subdivision.

(a) A prekindergarten pupil with a disability who is enrolled in a program approved by the commissioner and has an individual education plan is counted as the ratio of the number of hours of assessment and education service to 825 times 1.25 with a minimum average daily membership of 0.28, but not more than 1.25 pupil units.

(b) A prekindergarten pupil who is assessed but determined not to be handicapped is counted as the ratio of the number of hours of assessment service to 825 times 1.25.

(c) A kindergarten pupil with a disability who is enrolled in a program approved by the commissioner is counted as the ratio of the number of hours of assessment and education services required in the fiscal year by the pupil's individual education program plan to 875, but not more than one.

(d) A kindergarten pupil who is not included in paragraph (c) is counted as .557 of a pupil unit for fiscal year 2000 and thereafter.

(e) A pupil who is in any of grades 1 to 3 is counted as 1.115 pupil units for fiscal year 2000 and thereafter.

(f) A pupil who is any of grades 4 to 6 is counted as 1.06 pupil units for fiscal year 1995 and thereafter.

(g) A pupil who is in any of grades 7 to 12 is counted as 1.3 pupil units.

(h) A pupil who is in the postsecondary enrollment options program is counted as 1.3 pupil units.

Sec. 17. Minnesota Statutes 2004, section 126C.10, subdivision 6, is amended to read:

Subd. 6. **Definitions.** The definitions in this subdivision apply only to subdivisions 7 and 8.

(a) "High school" means a public secondary school, except a charter school under section 124D.10, that has pupils enrolled in at least the 10th, 11th, and 12th grades. If there is no secondary high school in the district ~~that has pupils enrolled in at least the 10th, 11th, and 12th grades~~, and the school is at least 19 miles from the next nearest school, the commissioner must designate one school in the district as a high school for the purposes of this section.

(b) "Secondary average daily membership" means, for a district that has only one high school, the average daily membership of pupils served in grades 7 through 12. For a district that has more than one high school, "secondary average daily membership" for each high school means the product of the average daily membership of pupils served in grades 7 through 12 in the high school, times the ratio of six to the number of grades in the high school.

(c) "Attendance area" means the total surface area of the district, in square miles, divided by the number of high schools in the district. For a district that does not operate a high school and is less than 19 miles from the nearest operating high school, the attendance area equals zero.

(d) "Isolation index" for a high school means the square root of 55 percent of the attendance area plus the distance in miles, according to the usually traveled routes, between the high school and the nearest high school. For a district in which there is located land defined in section 84A.01, 84A.20, or 84A.31, the distance in miles is the sum of:

(1) the square root of one-half of the attendance area; and

(2) the distance from the border of the district to the nearest high school.

(e) "Qualifying high school" means a high school that has an isolation index greater than 23 and that has secondary average daily membership of less than 400.

(f) "Qualifying elementary school" means ~~an~~ a public elementary school, except a charter school under section 124D.10, that is located 19 miles or more from the nearest elementary school or from the nearest elementary school within the district and, in either case, has an elementary average daily membership of an average of 20 or fewer per grade.

(g) "Elementary average daily membership" means, for a district that has only one elementary school, the average daily membership of pupils served in kindergarten through grade 6. For a district that has more than one elementary school, "average daily membership" for each school means the average daily membership of pupils served in kindergarten through grade 6 multiplied by the ratio of seven to the number of grades in the elementary school.

Sec. 18. Minnesota Statutes 2005 Supplement, section 126C.10, subdivision 34, is amended to read:

Subd. 34. **Basic alternative teacher compensation aid.** (a) For fiscal year 2006, the basic alternative teacher compensation aid for a school district or an intermediate school district with a plan approved under section 122A.414, subdivision 2b, equals the alternative teacher compensation revenue under section 122A.415, subdivision 1. The basic alternative teacher compensation aid for a charter school with an approved plan under section 122A.414, subdivision 2b, equals \$260 times the number of pupils enrolled in the school on October 1 of the previous school year, or on October 1 of the current fiscal year for a charter school in the first year of operation.

(b) For fiscal year 2007 ~~and later~~, the basic alternative teacher compensation aid for a school district with a plan approved under section 122A.414, subdivision 2b, equals 73.1 percent of the alternative teacher compensation revenue under section 122A.415, subdivision 1. The basic alternative teacher compensation aid for an intermediate school district or charter school with a plan approved under section 122A.414, subdivisions 2a and 2b, if the recipient is a charter school, equals \$260 times the number of pupils enrolled in the school on October 1 of the previous fiscal year, or on October 1 of the current fiscal year for a charter school in the first year of operation, times the ratio of the sum of the alternative teacher compensation aid and alternative teacher compensation levy for all participating school districts to the maximum alternative teacher compensation revenue for those districts under section 122A.415, subdivision 1.

(c) For fiscal year 2008 and later, the basic alternative teacher compensation aid for a school district with a plan approved under section 122A.414, subdivision 2b, equals the alternative teacher compensation revenue under section 122A.415, subdivision 1, minus \$70 times the number of pupils enrolled at participating sites on October 1 of the previous fiscal year. The basic alternative teacher compensation aid for an intermediate school district or charter school with a plan approved under section 122A.414, subdivisions 2a and 2b, if the recipient is a charter school, equals \$260 times the ratio of the formula allowance for the current fiscal year to the formula allowance for fiscal year 2007 times the number of pupils enrolled in the school on October 1 of the previous fiscal year, or on October 1 of the current fiscal year for a charter school in the first year of operation, times the ratio of the sum of the alternative teacher compensation aid and alternative teacher compensation levy for all participating school districts to the maximum alternative teacher compensation revenue for those districts under section 122A.415, subdivision 1.

(d) Notwithstanding paragraphs (a) ~~and~~ (b), and (c) and section 122A.415, subdivision 1, the state total basic alternative teacher compensation aid entitlement must not exceed \$19,329,000 for fiscal year 2006 ~~and~~ \$75,636,000 for fiscal year 2007 ~~and later~~, and for fiscal year 2008 and later, \$75,636,000 times the ratio of the formula allowance for the current fiscal year to the formula allowance for fiscal year 2007. The commissioner must limit the amount of alternative teacher compensation aid approved under ~~section~~ sections 122A.415 and 122A.416 so as not to exceed these limits.

Sec. 19. Minnesota Statutes 2005 Supplement, section 126C.43, subdivision 2, is amended to read:

Subd. 2. **Payment to unemployment insurance program trust fund by state and political subdivisions.** (a) A district may levy the amount necessary ~~(+)~~ (1) to pay the district's obligations under section 268.052, subdivision 1, and ~~(+)~~ (2) to pay for job placement services offered to employees who may become eligible for benefits pursuant to section 268.085 for the fiscal year the levy is certified.

(b) Districts with a balance remaining in their reserve for reemployment as of June 30, 2003, may not expend the reserved funds for future reemployment expenditures. Each year a levy reduction must be made to return these funds to taxpayers. The amount of the levy reduction must be equal to the lesser of: (1) the remaining reserved balance for reemployment, or (2) the amount of the district's current levy under paragraph (a).

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

Sec. 20. Minnesota Statutes 2004, section 126C.44, is amended to read:

126C.44 SAFE SCHOOLS LEVY.

Each district may make a levy on all taxable property located within the district for the purposes specified in this section. The maximum amount which may be levied for all costs under this section shall be equal to \$27 multiplied by the district's adjusted marginal cost pupil units for the school year. The proceeds of the levy must be reserved and used for directly funding the following purposes or for reimbursing the cities and counties who contract with the district for the following purposes: (1) to pay the costs incurred for the salaries, benefits, and transportation costs of

peace officers and sheriffs for liaison in services in the district's schools; (2) to pay the costs for a drug abuse prevention program as defined in section 609.101, subdivision 3, paragraph (e), in the elementary schools; (3) to pay the costs for a gang resistance education training curriculum in the district's schools; (4) to pay the costs for security in the district's schools and on school property; or (5) to pay the costs for other crime prevention, drug abuse, student and staff safety, and violence prevention measures taken by the school district. For expenditures under clause (1), the district must initially attempt to contract for services to be provided by peace officers or sheriffs with the police department of each city or the sheriff's department of the county within the district containing the school receiving the services. If a local police department or a county sheriff's department does not wish to provide the necessary services, the district may contract for these services with any other police or sheriff's department located entirely or partially within the school district's boundaries. ~~The levy authorized under this section is not included in determining the school district's levy limitations.~~

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2006.

Sec. 21. Minnesota Statutes 2005 Supplement, section 127A.45, subdivision 10, is amended to read:

Subd. 10. **Payments to school nonoperating funds.** Each fiscal year state general fund payments for a district nonoperating fund must be made at the current year aid payment percentage of the estimated entitlement during the fiscal year of the entitlement. This amount shall be paid in 12 equal monthly installments. The amount of the actual entitlement, after adjustment for actual data, minus the payments made during the fiscal year of the entitlement must be paid prior to October 31 of the following school year. The commissioner may make advance payments of debt service equalization aid and state-paid tax credits for a district's debt service fund earlier than would occur under the preceding schedule if the district submits evidence showing a serious cash flow problem in the fund. The commissioner may make earlier payments during the year and, if necessary, increase the percent of the entitlement paid to reduce the cash flow problem.

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

Sec. 22. **REPEALER.**

Minnesota Statutes 2004, section 120A.20, subdivision 3, is repealed.

ARTICLE 2

EDUCATION EXCELLENCE

Section 1. Minnesota Statutes 2004, section 120A.22, subdivision 3, is amended to read:

Subd. 3. **Parent defined; residency determined.** (a) In this section and sections 120A.24 and 120A.26, "parent" means a parent, guardian, or other person having legal custody of a child.

(b) In sections 125A.03 to 125A.24 and 125A.65, "parent" means a parent, guardian, or other person having legal custody of a child under age 18. For an unmarried pupil age 18 or over, "parent" means the pupil unless a guardian or conservator has been appointed, in which case it means the guardian or conservator.

(c) For purposes of sections 125A.03 to 125A.24 and 125A.65, the school district of residence for an unmarried pupil age 18 or over who is a parent under paragraph (b) and who is placed in a center for care and treatment, shall be the school district in which the pupil's biological or adoptive parent or designated guardian resides.

(d) For a married pupil age 18 or over, the school district of residence is the school district in which the married pupil resides.

(e) If a district suspects that a student does not meet the residency requirements of the school district in which the student is attending school, the student may be removed from the school only after the district sends the student's parents written notice of the district's suspicion, including the facts upon which the suspicion is based, and an opportunity to provide documentary evidence of residency in person to the superintendent or designee, or, at the option of the parents, by sending the documentary evidence to the superintendent or a designee, who will then make a determination as to the residency status of the student.

Sec. 2. Minnesota Statutes 2004, section 120B.023, is amended to read:

120B.023 BENCHMARKS.

Subdivision 1. **Benchmarks implement, supplement statewide academic standards.** (a) The commissioner must supplement required state academic standards with grade-level benchmarks. High school benchmarks may cover more than one grade. The benchmarks must implement statewide academic standards by specifying the academic knowledge and skills that schools must offer and students must achieve to satisfactorily complete a state standard. The commissioner must publish benchmarks ~~are published~~ to inform and guide parents, teachers, school districts, and other interested persons and ~~for~~ to use in developing tests consistent with the benchmarks.

(b) The commissioner shall publish benchmarks in the State Register and transmit the benchmarks in any other manner that makes them accessible to the general public. The commissioner may charge a reasonable fee for publications.

(c) Once established, the commissioner may change the benchmarks only with specific legislative authorization and after completing a review under ~~paragraph (d)~~ subdivision 2.

(d) The commissioner must develop and implement a system for reviewing ~~on a four-year cycle~~ each of the required academic standards and related benchmarks and elective standards ~~beginning in the 2006-2007 school year~~ on a periodic cycle, consistent with subdivision 2.

(e) The benchmarks are not subject to chapter 14 and section 14.386 does not apply.

Subd. 2. **Revisions and reviews required.** (a) The commissioner of education must revise and appropriately embed technology design and information literacy standards into the state's academic standards and graduation requirements and implement a six-year review cycle for state academic standards and related benchmarks, consistent with this subdivision. During each review cycle, the commissioner also must examine the alignment of each required academic standard and related benchmark with the knowledge and skills students need for college readiness and advanced work in the particular subject area.

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

(1) students must satisfactorily complete an algebra I credit by the end of eighth grade; and

(2) students scheduled to graduate in the 2014-2015 school year or later must satisfactorily complete an algebra II credit or its equivalent.

The commissioner also must ensure that the statewide mathematics assessments administered to students in grades 3 through 8 and 11 beginning in the 2010-2011 school year are aligned with the state academic standards in mathematics. The statewide 11th grade math test administered to students under clause (2) beginning in the 2013-2014 school year must include algebra II test items that are aligned with corresponding state academic standards in mathematics. The commissioner must implement a six-year review cycle for the academic standards and related benchmarks in mathematics beginning in the 2015-2016 school year.

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

(d) The commissioner in the 2008-2009 school year must revise and align the state's academic standards and high school graduation requirements in science to require that students satisfactorily complete the revised science standards, beginning in the 2011-2012 school year. Under the revised standards, students scheduled to graduate in the 2014-2015 school year or later must satisfactorily complete a chemistry or physics credit. The commissioner must implement a six-year review cycle for the academic standards and related benchmarks in science beginning in the 2017-2018 school year.

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

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

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

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

Sec. 3. Minnesota Statutes 2004, section 120B.024, is amended to read:

120B.024 GRADUATION REQUIREMENTS; COURSE CREDITS; STUDENT TRANSFERS.

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

(1) four credits of language arts;

(2) three credits of mathematics, encompassing at least algebra, geometry, statistics, and probability sufficient to satisfy the academic standard and beginning in the 2010-2011 school year for students scheduled to graduate in the 2014-2015 school year or later, one algebra II credit or its equivalent;

(3) three credits of science, including at least one credit in biology and for the 2011-2012 school year and later, one credit in chemistry or physics;

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

(5) one credit in the arts; and

(6) a minimum of seven elective course credits.

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

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

(c) A district, area learning center, and charter school must establish processes by which to transfer as completed:

(1) those course credit requirements that other school sites within the district or other public schools verify on transcripts as completed; and

(2) the work that educational institutions outside the state accept for completing the equivalent of course credit requirements and verify on transcripts as completed.

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

Sec. 4. Minnesota Statutes 2005 Supplement, section 120B.131, subdivision 2, is amended to read:

Subd. 2. **Reimbursement for examination fees.** The state may reimburse college-level examination program (CLEP) fees for a Minnesota public high school student who has successfully completed one or more college-level courses in high school ~~and earned a satisfactory score on one or more CLEP examinations~~ in the following subjects: composition and literature, mathematics and science, social sciences and history, foreign languages, and business and humanities. The state may reimburse each ~~successful~~ student for up to six examination fees. The commissioner shall establish application procedures and a process and schedule for fee reimbursements. The commissioner must give priority to reimburse the CLEP examination fees of students of low-income families.

Sec. 5. Minnesota Statutes 2004, section 120B.36, subdivision 1, is amended to read:

Subdivision 1. **School performance report cards.** (a) The commissioner shall use objective criteria based on levels of student performance to identify four to six designations applicable to high and low performing public schools. The objective criteria shall include at least student academic performance, school safety, and staff characteristics, with a value-added growth component added by the 2006-2007 school year.

(b) The commissioner shall develop, annually update, and post on the department Web site school performance report cards. A school's designation must be clearly stated on each school performance report card. The performance report cards must indicate both the cut scores and the corresponding percentages of items students must answer correctly at each set performance level adopted for the statewide tests the commissioner uses to determine school designations under this section.

(c) The commissioner must make available the first school designations and school performance report cards by November 2003, and during the beginning of each school year thereafter.

(d) A school or district may appeal in writing a designation under this section to the commissioner within 30 days of receiving the designation. The commissioner's decision to uphold or deny an appeal is final.

(e) School performance report cards are nonpublic data under section 13.02, subdivision 9, until not later than ten days after the appeal procedure described in paragraph (d) concludes. The department shall annually post school performance report cards to its public Web site no later than September 1.

EFFECTIVE DATE. This section is effective for the 2006-2007 school year.

Sec. 6. Minnesota Statutes 2004, section 121A.035, is amended to read:

121A.035 CRISIS MANAGEMENT POLICY.

Subdivision 1. **Model policy.** ~~By December 1, 1999,~~ The commissioner shall maintain and make available to school boards and charter schools a model crisis management policy that includes, among other items, school lock-down and tornado drills, consistent with subdivision 2, and school fire drills under section 299F.30.

Subd. 2. **School district and charter school policy.** ~~By July 1, 2000,~~ A school board and a charter school must adopt a district crisis management policy to address potential violent crisis situations in the district or charter school. The policy must be developed in consultation cooperatively with administrators, teachers, employees, students, parents, community members, law enforcement agencies, other emergency management officials, county attorney offices, social service agencies, emergency medical responders, and any other appropriate individuals or organizations. The policy must include at least five school lock-down drills, five school fire drills consistent with section 299F.30, and one tornado drill.

EFFECTIVE DATE. This section is effective for the 2006-2007 school year and later.

Sec. 7. **[121A.037] SCHOOL SAFETY DRILLS.**

Private schools and educational institutions not subject to section 121A.035 must have at least five school lock-down drills, five school fire drills consistent with section 299F.30, and one tornado drill.

EFFECTIVE DATE. This section is effective for the 2006-2007 school year.

Sec. 8. Minnesota Statutes 2005 Supplement, section 124D.095, subdivision 4, is amended to read:

Subd. 4. **Online learning parameters.** (a) An online learning student must receive academic credit for completing the requirements of an online learning course or program. Secondary credits granted to an online learning student must be counted toward the graduation and credit requirements of the enrolling district. The enrolling district must apply the same graduation requirements to all students, including online learning students, and must continue to provide nonacademic services to online learning students. If a student completes an online learning course or program that meets or exceeds a graduation standard or grade progression requirement at the enrolling district, that standard or requirement is met. The enrolling district must use the same criteria for accepting online learning credits or courses as it does for accepting credits or courses for transfer students under section 124D.03, subdivision 9. The enrolling district may reduce the teacher contact time of an online learning student in proportion to the number of online learning courses the student takes from an online learning provider that is not the enrolling district.

(b) An online learning student may:

(1) enroll during a single school year in a maximum of 12 semester-long courses or their equivalent delivered by an online learning provider or the enrolling district;

(2) complete course work at a grade level that is different from the student's current grade level; and

(3) enroll in additional courses with the online learning provider under a separate agreement that includes terms for payment of any tuition or course fees.

~~(c) A student with a disability may enroll in an online learning course or program if the student's IEP team determines that online learning is appropriate education for the student.~~

~~(d)~~ (c) An online learning student has the same access to the computer hardware and education software available in a school as all other students in the enrolling district. An online learning provider must assist an online learning student whose family qualifies for the education tax credit under section 290.0674 to acquire computer hardware and educational software for online learning purposes.

~~(e)~~ (d) An enrolling district may offer online learning to its enrolled students. Such online learning does not generate online learning funds under this section. An enrolling district that offers online learning only to its enrolled students is not subject to the reporting requirements or review criteria under subdivision 7. A teacher with a Minnesota license must assemble and deliver instruction to enrolled students receiving online learning from an enrolling district. The delivery of instruction occurs when the student interacts with the computer or the teacher and receives ongoing assistance and assessment of learning. The instruction may include curriculum developed by persons other than a teacher with a Minnesota license.

~~(f)~~ (e) An online learning provider that is not the enrolling district is subject to the reporting requirements and review criteria under subdivision 7. A teacher with a Minnesota license must assemble and deliver instruction to online learning students. The delivery of instruction occurs when the student interacts with the computer or the teacher and receives ongoing assistance and assessment of learning. The instruction may include curriculum developed by persons other than a teacher with a Minnesota license. Unless the commissioner grants a waiver, a teacher providing online learning instruction must not instruct more than 40 students in any one online learning course or program.

Sec. 9. Minnesota Statutes 2004, section 124D.10, subdivision 16, is amended to read:

Subd. 16. **Transportation.** (a) ~~By July 1 of each year, a charter school~~ A charter school by March 1 of each fiscal year after its first fiscal year of operation and a charter school by July 1 of its first fiscal year of operation must notify the district in which the school is located and the Department of Education if it will provide ~~transportation for pupils enrolled in the school~~ its own transportation or use the transportation services of the district in which it is located for the fiscal year.

(b) If a charter school elects to provide transportation for pupils, the transportation must be provided by the charter school within the district in which the charter school is located. The state must pay transportation aid to the charter school according to section 124D.11, subdivision 2.

For pupils who reside outside the district in which the charter school is located, the charter school is not required to provide or pay for transportation between the pupil's residence and the border of the district in which the charter school is located. A parent may be reimbursed by the charter school for costs of transportation from the pupil's residence to the border of the district in which the charter school is located if the pupil is from a family whose income is at or below the poverty level, as determined by the federal government. The reimbursement may not exceed the pupil's actual cost of transportation or 15 cents per mile traveled, whichever is less. Reimbursement may not be paid for more than 250 miles per week.

At the time a pupil enrolls in a charter school, the charter school must provide the parent or guardian with information regarding the transportation.

(c) If a charter school does not elect to provide transportation, transportation for pupils enrolled at the school must be provided by the district in which the school is located, according to sections 123B.88, subdivision 6, and 124D.03, subdivision 8, for a pupil residing in the same district in which the charter school is located. Transportation may be provided by the district in which the school is located, according to sections 123B.88, subdivision 6, and 124D.03, subdivision 8, for a pupil residing in a different district. If the district provides the transportation, the scheduling of routes, manner and method of transportation, control and discipline of the pupils, and any other matter relating to the transportation of pupils under this paragraph shall be within the sole discretion, control, and management of the district.

Sec. 10. Minnesota Statutes 2004, section 124D.61, is amended to read:

124D.61 GENERAL REQUIREMENTS FOR PROGRAMS.

A district ~~which receives aid pursuant to section 124D.65 must comply with~~ that enrolls one or more children of limited English proficiency must implement an educational program that includes at a minimum the following program requirements:

(1) identification and reclassification criteria for children of limited English proficiency and program entrance and exit criteria for children with limited English proficiency must be documented by the district, applied uniformly to children of limited English proficiency, and made available to parents and other stakeholders upon request;

(2) a written plan of services that describes programming by English proficiency level made available to parents upon request. The plan must articulate the amount and scope of service offered to children of limited English proficiency through an educational program for children of limited English proficiency;

(3) professional development opportunities for ESL, bilingual education, mainstream, and all staff working with children of limited English proficiency which are: (i) coordinated with the district's professional development activities; (ii) related to the needs of children of limited English proficiency; and (iii) ongoing;

(4) to the extent possible, the district must avoid isolating children of limited English proficiency for a substantial part of the school day; and

~~(2)~~ (5) in predominantly nonverbal subjects, such as art, music, and physical education, permit pupils of limited English proficiency to participate fully and on an equal basis with their contemporaries in public school classes provided for these subjects. To the extent possible, the district must assure to pupils enrolled in a program for limited English proficient students an equal and meaningful opportunity to participate fully with other pupils in all extracurricular activities.

Sec. 11. Minnesota Statutes 2004, section 299F.30, is amended to read:

299F.30 FIRE DRILL IN SCHOOL; DOORS AND EXITS.

Subdivision 1. **Duties of fire marshal.** Consistent with sections 121A.035, 121A.037, and this section, it shall be the duty of the state fire marshal, deputies and assistants, to require public and private schools and educational institutions to have at least ~~nine~~ five fire drills each school year and to keep all doors and exits unlocked from the inside of the building during school hours.

Subd. 2. **Fire drill.** Each superintendent, principal or other person in charge of a public or private school, educational institution, children's home or orphanage housing 20 or more students or other persons, shall instruct and train such students or other persons to quickly and expeditiously quit the premises in case of fire or other emergency by means of drills or rapid dismissals ~~at least once each month~~ while such school, institution, home or orphanage is in operation. Records of such drills shall be posted so that such records are available for review by the state fire marshal at all times and shall include the drill date and the time required to evacuate the building.

Subd. 3. **School doors and exits.** Consistent with section 121A.035 and this section, each superintendent, principal or other person in charge of a public or private school, educational institution, children's home or orphanage shall keep all doors and exits of such school, institution, home or orphanage unlocked so that persons can leave by such doors or exits at any time during the hours of normal operation.

EFFECTIVE DATE. This section is effective for the 2006-2007 school year.

Sec. 12. Laws 2005, First Special Session chapter 5, article 1, section 47, is amended to read:

Sec. 47. **ALTERNATIVE TEACHER COMPENSATION REVENUE GUARANTEE.**

Notwithstanding Minnesota Statutes, sections 122A.415, subdivision 1, and 126C.10, subdivision 34, paragraphs (a) and (b), a school district that received alternative teacher compensation aid for fiscal year 2005, but does not qualify for alternative teacher compensation revenue for all sites in the district for fiscal year 2006 ~~or~~ 2007, 2008, or 2009, shall receive additional basic alternative teacher compensation aid for that fiscal year equal to the lesser of the amount of alternative teacher compensation aid it received for fiscal year 2005 or the amount it would have received for that fiscal year under Minnesota Statutes 2004, section 122A.415, subdivision 1, for teachers at sites not qualifying for alternative teacher compensation revenue for that fiscal year, if the district submits a timely application and the commissioner determines that the district continues to implement an alternative teacher compensation system, consistent with its application under Minnesota Statutes 2004, section 122A.415, for fiscal year 2005. The additional basic alternative teacher compensation aid under this section must not be used in calculating the alternative teacher compensation levy under Minnesota Statutes, section 126C.10, subdivision 35. This section applies only to fiscal years 2006 ~~and 2007~~ through 2009 and does not apply to later fiscal years.

Sec. 13. Laws 2005, First Special Session chapter 5, article 2, section 84, subdivision 13, is amended to read:

Subd. 13. **Examination fees; teacher training and support programs.** (a) For students' advanced placement and international baccalaureate examination fees under Minnesota Statutes, section 120B.13, subdivision 3, and the training and related costs for teachers and other interested educators under Minnesota Statutes, section 120B.13, subdivision 1:

\$4,500,000	2006
\$4,500,000	2007

(b) The advanced placement program shall receive 75 percent of the appropriation each year and the international baccalaureate program shall receive 25 percent of the appropriation each year. The department, in consultation with representatives of the advanced placement and international baccalaureate programs selected by the Advanced Placement Advisory Council and IBMN, respectively, shall determine the amounts of the expenditures each year for examination fees and training and support programs for each program.

(c) ~~Notwithstanding Minnesota Statutes, section 120B.13, subdivision 1, at least \$500,000 each year is for teachers to attend subject matter summer training programs and follow up support workshops approved by the advanced placement or international baccalaureate programs. The amount of the subsidy for each teacher attending an advanced placement or international baccalaureate summer training program or workshop shall be the same. The commissioner shall determine the payment process and the amount of the subsidy. Teachers shall apply for teacher training scholarships to prepare for teaching in the advanced placement or international baccalaureate program. Any reserved funding not expended for teacher training may be used for exam fees and other support programs for each program.~~

(d) The commissioner shall pay all examination fees for all students of low-income families under Minnesota Statutes, section 120B.13, subdivision 3, and to the extent of available appropriations shall also pay examination fees for students sitting for an advanced placement examination, international baccalaureate examination, or both.

Any balance in the first year does not cancel but is available in the second year.

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

Sec. 14. **ADVISORY TASK FORCE ON SCHOOL AND STAFF EMERGENCY/ALL HAZARD PREPAREDNESS.**

(a) An advisory task force on school and staff emergency/all hazard preparedness is established to consider and recommend to the legislature proposals for strengthening kindergarten through grade 12 crisis management and school safety efforts including, at least, whether or not to:

(1) develop specific K-12 teacher and school administrator competencies related to emergency/all hazard preparedness;

(2) provide emergency/all hazard preparedness training to currently licensed K-12 teachers and school administrators;

(3) incorporate emergency/all hazard preparedness competencies into existing teacher and school administrator preparation curriculum;

(4) identify key emergency/all hazard preparedness competencies appropriate to teacher and school administrator preparation curriculum and ongoing teacher and school administrator training; and

(5) expect federal funds to supplement state emergency/all hazard preparedness initiatives.

(b) The commissioner of education shall appoint an advisory task force on school and staff emergency/all hazard preparedness that is composed of a representative from each of the following entities: the state Board of Teaching; the state Board of School Administrators; the state fire marshal; law enforcement agencies; emergency responders; school principals; school counselors; nonlicensed school employees; the Minnesota School Boards Association; Education Minnesota; the Minnesota Department of Education; the Minnesota Department of Health; the Minnesota Department of Public Safety; Minnesota State Colleges and Universities; Minnesota Association of School Administrators; and others recommended by task force members. Task force members' terms and other task force matters are subject to Minnesota Statutes, section 15.059. The commissioner may not compensate or reimburse task force members for task force activities. The task force must submit by February 15, 2007, to the education policy and finance committees of the legislature a written report that includes recommendations on strengthening K-12 crisis management and school safety efforts.

(c) The task force expires February 16, 2007.

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

Sec. 15. **2006 SCHOOL ACCOUNTABILITY REPORT.**

Notwithstanding Minnesota Statutes, section 120B.36, for 2006 reporting only, the Department of Education may delay the release to the public and the posting of the 2006 school performance report cards and adequate yearly progress data on its public Web site to no later than November 30, 2006.

Sec. 16. ADVISORY TASK FORCE ON OPTIONS FOR ACCELERATED K-12 TECHNOLOGY, SCIENCE, AND MATHEMATICS PROGRAMS THROUGHOUT MINNESOTA.

(a) An advisory task force on options for accelerated kindergarten through grade 12 technology, science, and mathematics programs throughout Minnesota is established to consider and recommend to the legislature alternatives for delivering accelerated technology, science, and mathematics programs to eligible students throughout Minnesota that include creating an academic center. Recommended programs must provide accelerated technology, science, and mathematics instruction to eligible students in grades 6 through 12 and be cost effective and efficiently implemented and operated. Other recommended programs may offer accelerated technology, science, and mathematics instruction to other eligible elementary grade students, provide out-of-school and summer school K-12 technology, science, and mathematics instruction throughout the state, provide professional development for K-12 teachers in technology, science and mathematics curriculum and instruction, and develop technology, science and mathematics curriculum.

(b) The advisory task force at least must:

(1) evaluate and compare at least five alternatives for delivering accelerated technology, science, and mathematics programs to Minnesota students that include creating an academic center that may be patterned after the Perpich Center for Arts Education under Minnesota Statutes, chapter 129C, and may include online learning, satellite technology, science, and mathematics centers, and a consortium of available accelerated technology, science, and mathematics or accelerated education programs, among other alternatives, and evaluate how such programs may be integrated into the academic center;

(2) identify and evaluate possible members for a science, mathematics, engineering, and technology leadership consortium composed of representatives of corporations, organizations, educational institutions, and research facilities to help implement accelerated K-12 technology, science, and mathematics programs in Minnesota that include creating an academic center;

(3) evaluate and compare at least three alternatives for preparing and assisting educational leaders who are literate in technology, science, and mathematics to help implement accelerated K-12 technology, science, and mathematics programs in Minnesota that include creating an academic center and may include gifted education and accelerated technology, science, and mathematics teacher training programs, and evaluate how such programs may be integrated into the academic center; and

(4) identify and evaluate postsecondary career and technical education programs offering or requiring accelerated technology, science, and mathematics instruction.

(c) The commissioner of education shall appoint a 17-member advisory task force on options for accelerated K-12 technology, science, and mathematics programs throughout Minnesota that represents the following representatives: a gifted education coordinator, an educator holding a gifted education certificate or an instructor in a graduate level gifted education program; a currently licensed or retired high school physical science teacher; a currently licensed or retired high school mathematics teacher; a faculty member providing instruction under the Minnesota postsecondary enrollment options program or an educator providing instruction under the college in the schools program; a faculty member or educator providing instruction in the Minnesota talented youth mathematics program; a University of Minnesota mathematics or engineering professor; a University of Minnesota physical science professor; a manager or director in a high technology field, corporation, organization, or facility; a manager or director in a medical field or profession; a manager or director in a research-based field, corporation, organization, or facility; one or more parents of high school students gifted in technology, mathematics, or science; a physical science teacher and a biology teacher, one of whom is licensed to teach middle level students and one of whom is licensed to teach high school level students; a high school career and technical instructor; a faculty member in a postsecondary institution offering technical two-year degrees who provides career and technical instruction; a

manager or director in a technology, mathematics, or science industry who employs persons with associate degrees in a technical field; a manager or director in the biosciences industry; and two at-large members. In appointing members, the commissioner must attempt to ensure geographic balance. Task force members must actively seek the participation of gifted and talented students to advise the task force throughout its existence on any recommendations the task force proposes to submit to the legislature and on any other recommendations related to this section. Task force members may not receive compensation and may not be reimbursed for expenses related to serving on the task force. The task force may receive, for the benefit of the task force, bequests, donations, or gifts for any proper purpose and apply the bequests, donations, or gifts to the purpose designated. Notwithstanding any other law to the contrary, the task force may conduct meetings of its members by telephone or other electronic means where all members can hear one another and all the discussion, at least one member is physically present at the regular meeting location, and interested members of the public can hear all the discussion. Task force members' terms and other task force matters are subject to Minnesota Statutes, section 15.059. The task force must submit by January 30, 2007, a written report and presentation to the Education Policy and Finance committees of the legislature that include recommendations on alternatives for delivering accelerated technology, science, and mathematics programs to eligible students throughout Minnesota.

(d) Upon request, the commissioner of education must provide the task force with technical and other support services. The commissioner must use funds from the current operating budget of the Department of Education to cover any costs the commissioner incurs in providing services to the task force.

(e) The task force expires June 30, 2007.

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

ARTICLE 3

SPECIAL PROGRAMS

Section 1. Minnesota Statutes 2004, section 125A.02, subdivision 1, is amended to read:

Subdivision 1. **Child with a disability.** Every child who has a hearing impairment, blindness, visual disability, speech or language impairment, physical handicap, other health impairment, mental handicap, emotional/behavioral disorder, specific learning disability, autism, traumatic brain injury, multiple disabilities, or deaf/blind disability and needs special instruction and services, as determined by the standards of the commissioner, is a child with a disability. In addition, every child under age three, and at local district discretion from age three to age seven, who needs special instruction and services, as determined by the standards of the commissioner, because the child has a substantial delay or has an identifiable physical or mental condition known to hinder normal development is a child with a disability.

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

Sec. 2. Minnesota Statutes 2005 Supplement, section 125A.11, subdivision 1, is amended to read:

Subdivision 1. **Nonresident tuition rate; other costs.** (a) For fiscal year 2006, when a school district provides instruction and services outside the district of residence, board and lodging, and any tuition to be paid, shall be paid by the district of residence. The tuition rate to be charged for any child with a disability, excluding a pupil for whom tuition is calculated according to section 127A.47, subdivision 7, paragraph (d), must be the sum of (1) the actual cost of providing special instruction and services to the child including a proportionate amount for special transportation and unreimbursed building lease and debt service costs for facilities used primarily for special education, plus (2) the amount of general education revenue and referendum aid attributable to the pupil, minus (3) the amount of special education aid for children with a disability received on behalf of that child, minus (4) if the

pupil receives special instruction and services outside the regular classroom for more than 60 percent of the school day, the amount of general education revenue and referendum aid, excluding portions attributable to district and school administration, district support services, operations and maintenance, capital expenditures, and pupil transportation, attributable to that pupil for the portion of time the pupil receives special instruction ~~in~~ and services outside the regular classroom. If the boards involved do not agree upon the tuition rate, either board may apply to the commissioner to fix the rate. Notwithstanding chapter 14, the commissioner must then set a date for a hearing or request a written statement from each board, giving each board at least ten days' notice, and after the hearing or review of the written statements the commissioner must make an order fixing the tuition rate, which is binding on both school districts. General education revenue and referendum aid attributable to a pupil must be calculated using the resident district's average general education and referendum revenue per adjusted pupil unit.

(b) For fiscal year 2007 and later, when a school district provides special instruction and services for a pupil with a disability as defined in section 125A.02 outside the district of residence, excluding a pupil for whom an adjustment to special education aid is calculated according to section 127A.47, subdivision 7, paragraph (e), special education aid paid to the resident district must be reduced by an amount equal to (1) the actual cost of providing special instruction and services to the pupil, including a proportionate amount for special transportation and unreimbursed building lease and debt service costs for facilities used primarily for special education, plus (2) the amount of general education revenue and referendum aid attributable to that pupil, minus (3) the amount of special education aid for children with a disability received on behalf of that child, minus (4) if the pupil receives special instruction and services outside the regular classroom for more than 60 percent of the school day, the amount of general education revenue and referendum aid, excluding portions attributable to district and school administration, district support services, operations and maintenance, capital expenditures, and pupil transportation, attributable to that pupil for the portion of time the pupil receives special instruction ~~in~~ and services outside the regular classroom. General education revenue and referendum aid attributable to a pupil must be calculated using the resident district's average general education revenue and referendum aid per adjusted pupil unit. Special education aid paid to the district or cooperative providing special instruction and services for the pupil must be increased by the amount of the reduction in the aid paid to the resident district. Amounts paid to cooperatives under this subdivision and section 127A.47, subdivision 7, shall be recognized and reported as revenues and expenditures on the resident school district's books of account under sections 123B.75 and 123B.76. If the resident district's special education aid is insufficient to make the full adjustment, the remaining adjustment shall be made to other state aid due to the district.

(c) Notwithstanding paragraphs (a) and (b) and section 127A.47, subdivision 7, paragraphs (d) and (e), a charter school where more than 30 percent of enrolled students receive special education and related services, an intermediate district, or a special education cooperative may apply to the commissioner for authority to charge the resident district an additional amount to recover any remaining unreimbursed costs of serving pupils with a disability. The application must include a description of the costs and the calculations used to determine the unreimbursed portion to be charged to the resident district. Amounts approved by the commissioner under this paragraph must be included in the tuition billings or aid adjustments under paragraph (a) or (b), or section 127A.47, subdivision 7, paragraph (d) or (e), as applicable.

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

Sec. 3. Minnesota Statutes 2004, section 125A.27, subdivision 11, is amended to read:

Subd. 11. **Interagency child find systems.** "Interagency child find systems" means activities developed on an interagency basis with the involvement of interagency early intervention committees and other relevant community groups using rigorous standards to actively seek out, identify, and refer infants and young children, with, or at risk of, disabilities, and their families, including a child under the age of three who: (1) is involved in a substantiated case of abuse or neglect, or (2) is identified as affected by illegal substance abuse or withdrawal symptoms resulting from prenatal drug exposure, to reduce children's need for future services.

Sec. 4. Minnesota Statutes 2004, section 125A.29, is amended to read:

125A.29 RESPONSIBILITIES OF COUNTY BOARDS AND SCHOOL BOARDS.

(a) It is the joint responsibility of county boards and school boards to coordinate, provide, and pay for appropriate services, and to facilitate payment for services from public and private sources. Appropriate services for children eligible under section 125A.02 must be determined in consultation with parents, physicians, and other educational, medical, health, and human services providers. The services provided must be in conformity with:

(1) an IFSP for each eligible infant and toddler from birth through age two and ~~its~~ the infant's or toddler's family; including:

(i) American Indian infants and toddlers with disabilities and their families residing on a reservation geographically located in the state;

(ii) infants and toddlers with disabilities who are homeless children and their families; and

(iii) infants and toddlers with disabilities who are wards of the state; or

(2) an individual education plan (IEP) or individual service plan (ISP) for each eligible child ages three through four.

(b) Appropriate services include family education and counseling, home visits, occupational and physical therapy, speech pathology, audiology, psychological services, special instruction, nursing, respite, nutrition, assistive technology, transportation and related costs, social work, vision services, case management including service coordination under section 125A.33, medical services for diagnostic and evaluation purposes, early identification, and screening, assessment, and health services necessary to enable children with disabilities to benefit from early intervention services.

(c) School and county boards shall coordinate early intervention services. In the absence of agreements established according to section 125A.39, service responsibilities for children birth through age two are as follows:

(1) school boards must provide, pay for, and facilitate payment for special education and related services required under sections 125A.05 and 125A.06;

(2) county boards must provide, pay for, and facilitate payment for noneducational services of social work, psychology, transportation and related costs, nursing, respite, and nutrition services not required under clause (1).

(d) School and county boards may develop an interagency agreement according to section 125A.39 to establish agency responsibility that assures early intervention services are coordinated, provided, paid for, and that payment is facilitated from public and private sources.

(e) County and school boards must jointly determine the primary agency in this cooperative effort and must notify the commissioner of the state lead agency of their decision.

Sec. 5. Minnesota Statutes 2004, section 125A.30, is amended to read:

125A.30 INTERAGENCY EARLY INTERVENTION COMMITTEES.

(a) A school district, group of districts, or special education cooperative, in cooperation with the health and human service agencies located in the county or counties in which the district or cooperative is located, must establish an Interagency Early Intervention Committee for children with disabilities under age five and their families under this section, and for children with disabilities ages three to 22 consistent with the requirements under sections

125A.023 and 125A.027. Committees must include representatives of local health, education, and county human service agencies, county boards, school boards, early childhood family education programs, Head Start, parents of young children with disabilities under age 12, child care resource and referral agencies, school readiness programs, current service providers, and may also include representatives from other private or public agencies and school nurses. The committee must elect a chair from among its members and must meet at least quarterly.

(b) The committee must develop and implement interagency policies and procedures concerning the following ongoing duties:

(1) develop public awareness systems designed to inform potential recipient families, especially parents with premature infants, or infants with other physical risk factors associated with learning or development complications, of available programs and services;

(2) to reduce families' need for future services, and especially parents with premature infants, or infants with other physical risk factors associated with learning or development complications, implement interagency child find systems designed to actively seek out, identify, and refer infants and young children with, or at risk of, disabilities and their families, including a child under the age of three who: (i) is involved in a substantiated case of abuse or (ii) is identified as affected by illegal substance abuse or with withdrawal symptoms resulting from prenatal drug exposure;

(3) establish and evaluate the identification, referral, child and family assessment systems, procedural safeguard process, and community learning systems to recommend, where necessary, alterations and improvements;

(4) assure the development of individualized family service plans for all eligible infants and toddlers with disabilities from birth through age two, and their families, and individual education plans and individual service plans when necessary to appropriately serve children with disabilities, age three and older, and their families and recommend assignment of financial responsibilities to the appropriate agencies;

~~(5) encourage agencies to develop individual family service plans for children with disabilities, age three and older;~~

~~(6)~~ implement a process for assuring that services involve cooperating agencies at all steps leading to individualized programs;

~~(7)~~ (6) facilitate the development of a transitional plan if a service provider is not recommended to continue to provide services;

~~(8)~~ (7) identify the current services and funding being provided within the community for children with disabilities under age five and their families;

~~(9)~~ (8) develop a plan for the allocation and expenditure of additional state and federal early intervention funds under United States Code, title 20, section 1471 et seq. (Part C, Public Law ~~102-119~~ 108-446) and United States Code, title 20, section 631, et seq. (Chapter I, Public Law 89-313); and

~~(10)~~ (9) develop a policy that is consistent with section 13.05, subdivision 9, and federal law to enable a member of an interagency early intervention committee to allow another member access to data classified as not public.

(c) The local committee shall also:

(1) participate in needs assessments and program planning activities conducted by local social service, health and education agencies for young children with disabilities and their families; and

(2) review and comment on the early intervention section of the total special education system for the district, the county social service plan, the section or sections of the community health services plan that address needs of and service activities targeted to children with special health care needs, the section on children with special needs in the county child care fund plan, sections in Head Start plans on coordinated planning and services for children with special needs, any relevant portions of early childhood education plans, such as early childhood family education or school readiness, or other applicable coordinated school and community plans for early childhood programs and services, and the section of the maternal and child health special project grants that address needs of and service activities targeted to children with chronic illness and disabilities.

Sec. 6. Minnesota Statutes 2004, section 125A.32, is amended to read:

125A.32 INDIVIDUALIZED FAMILY SERVICE PLAN.

(a) A team must participate in IFSP meetings to develop the IFSP. The team shall include:

- (1) a parent or parents of the child;
- (2) other family members, as requested by the parent, if feasible to do so;
- (3) an advocate or person outside of the family, if the parent requests that the person participate;

(4) the service coordinator who has been working with the family since the initial referral, or who has been designated by the public agency to be responsible for implementation of the IFSP and coordination with other agencies including transition services; and

(5) a person or persons involved in conducting evaluations and assessments.

(b) The IFSP must include:

- (1) information about the child's developmental status;
- (2) family information, with the consent of the family;

(3) measurable results or major outcomes expected to be achieved by the child and the family, with the family's assistance, that include the developmentally appropriate preliteracy and language skills, and criteria, procedures, and timelines related to the results or outcomes;

(4) specific early intervention services based on peer-reviewed research, to the extent practicable, necessary to meet the unique needs of the child and the family to achieve the outcomes;

(5) payment arrangements, if any;

(6) medical and other services that the child needs, but that are not required under the Individual with Disabilities Education Act, United States Code, title 20, section 1471 et seq. (Part C, Public Law ~~402-449~~ 108-446) including funding sources to be used in paying for those services and the steps that will be taken to secure those services through public or private sources;

(7) dates and duration of early intervention services;

(8) name of the service coordinator;

(9) steps to be taken to support a child's transition from early intervention services to other appropriate services, including convening a transition conference at least 90 days, or at the discretion of all parties, not more than nine months before the child is eligible for preschool services; and

(10) signature of the parent and authorized signatures of the agencies responsible for providing, paying for, or facilitating payment, or any combination of these, for early intervention services.

Sec. 7. Minnesota Statutes 2004, section 125A.33, is amended to read:

125A.33 SERVICE COORDINATION.

(a) The team developing the IFSP under section 125A.32 must select a service coordinator to carry out service coordination activities on an interagency basis. Service coordination must actively promote a family's capacity and competency to identify, obtain, coordinate, monitor, and evaluate resources and services to meet the family's needs. Service coordination activities include:

- (1) coordinating the performance of evaluations and assessments;
- (2) facilitating and participating in the development, review, and evaluation of individualized family service plans;
- (3) assisting families in identifying available service providers;
- (4) coordinating and monitoring the delivery of available services;
- (5) informing families of the availability of advocacy services;
- (6) coordinating with medical, health, and other service providers;
- (7) facilitating the development of a transition plan at least 90 days before the time the child is no longer eligible for early intervention services, or at the discretion of all parties, not more than nine months before the child is eligible for preschool services, if appropriate;
- (8) managing the early intervention record and submitting additional information to the local primary agency at the time of periodic review and annual evaluations; and
- (9) notifying a local primary agency when disputes between agencies impact service delivery required by an IFSP.

(b) A service coordinator must be knowledgeable about children and families receiving services under this section, requirements of state and federal law, and services available in the interagency early childhood intervention system.

Sec. 8. Minnesota Statutes 2004, section 125A.48, is amended to read:

125A.48 STATE INTERAGENCY AGREEMENT.

(a) The commissioners of the Departments of Education, Health, and Human Services must enter into an agreement to implement this section and Part ~~H C~~, Public Law ~~402-449~~ 108-446, and as required by Code of Federal Regulations, title 34, section 303.523, to promote the development and implementation of interagency, coordinated, multidisciplinary state and local early childhood intervention service systems for serving eligible young children

with disabilities, birth through age two, and their families and to ensure the meaningful involvement of underserved groups, including children with disabilities from minority, low-income, homeless, and rural families, and children with disabilities who are wards of the state. The agreement must be reviewed annually.

(b) The state interagency agreement must outline at a minimum the conditions, procedures, purposes, and responsibilities of the participating state and local agencies for the following:

(1) membership, roles, and responsibilities of a state interagency committee for the oversight of priorities and budget allocations under Part ~~H.C.~~, Public Law ~~402-119~~ 108-446, and other state allocations for this program;

(2) child find;

(3) establishment of local interagency agreements;

(4) review by a state interagency committee of the allocation of additional state and federal early intervention funds by local agencies;

(5) fiscal responsibilities of the state and local agencies;

(6) intraagency and interagency dispute resolution;

(7) payor of last resort;

(8) maintenance of effort;

(9) procedural safeguards, including mediation;

(10) complaint resolution;

(11) quality assurance;

(12) data collection;

(13) an annual summary to the state Interagency Coordinating Council regarding conflict resolution activities including disputes, due process hearings, and complaints; and

(14) other components of the state and local early intervention system consistent with Public Law ~~402-119~~ 108-446.

Written materials must be developed for parents, IEIC's, and local service providers that describe procedures developed under this section as required by Code of Federal Regulations, title 34, section 303.

Sec. 9. Minnesota Statutes 2004, section 125A.515, subdivision 1, is amended to read:

Subdivision 1. **Approval of education programs.** The commissioner shall approve education programs for placement of children and youth in ~~care and treatment~~ residential facilities including detention centers, before being licensed by the Department of Human Services ~~under Minnesota Rules, parts 9545.0905 to 9545.1125 and 9545.1400 to 9545.1480,~~ or the Department of Corrections ~~under Minnesota Rules, chapters 2925, 2930, 2935, and 2950.~~ Education programs in these facilities shall conform to state and federal education laws including the Individuals with Disabilities Education Act (IDEA). This section applies only to placements in residential facilities licensed by the Department of Human Services or the Department of Corrections.

Sec. 10. Minnesota Statutes 2004, section 125A.515, subdivision 3, is amended to read:

Subd. 3. **Responsibilities for providing education.** (a) The district in which the residential facility is located must provide education services, including special education if eligible, to all students placed in a facility ~~for care and treatment~~.

(b) For education programs operated by the Department of Corrections, the providing district shall be the Department of Corrections. For students remanded to the commissioner of corrections, the providing and resident district shall be the Department of Corrections.

~~(c) Placement for care and treatment does not automatically make a student eligible for special education. A student placed in a care and treatment facility is eligible for special education under state and federal law including the Individuals with Disabilities Education Act under United States Code, title 20, chapter 33.~~

Sec. 11. Minnesota Statutes 2004, section 125A.515, subdivision 5, is amended to read:

Subd. 5. **Education programs for students placed in residential facilities~~for care and treatment~~.** (a) When a student is placed in a ~~care and treatment~~ facility approved under this section that has an on-site education program, the providing district, upon notice from the care and treatment facility, must contact the resident district within one business day to determine if a student has been identified as having a disability, and to request at least the student's transcript, and for students with disabilities, the most recent individualized education plan (IEP) and evaluation report, and to determine if the student has been identified as a student with a disability. The resident district must send a facsimile copy to the providing district within two business days of receiving the request.

(b) If a student placed ~~for care and treatment~~ under this section has been identified as having a disability and has an individual education plan in the resident district:

(1) the providing agency must conduct an individualized education plan meeting to reach an agreement about continuing or modifying special education services in accordance with the current individualized education plan goals and objectives and to determine if additional evaluations are necessary; and

(2) at least the following people shall receive written notice or documented phone call to be followed with written notice to attend the individualized education plan meeting:

- (i) the person or agency placing the student;
- (ii) the resident district;
- (iii) the appropriate teachers and related services staff from the providing district;
- (iv) appropriate staff from the ~~care and treatment~~ residential facility;
- (v) the parents or legal guardians of the student; and
- (vi) when appropriate, the student.

(c) For a student who has not been identified as a student with a disability, a screening must be conducted by the providing districts as soon as possible to determine the student's educational and behavioral needs and must include a review of the student's educational records.

Sec. 12. Minnesota Statutes 2004, section 125A.515, subdivision 6, is amended to read:

Subd. 6. **Exit report summarizing educational progress.** If a student has been placed in a ~~care and treatment facility~~ under this section for 15 or more business days, the providing district must prepare an exit report summarizing the regular education, special education, evaluation, educational progress, and service information and must send the report to the resident district and the next providing district if different, the parent or legal guardian, and any appropriate social service agency. For students with disabilities, this report must include the student's IEP.

Sec. 13. Minnesota Statutes 2004, section 125A.515, subdivision 7, is amended to read:

Subd. 7. **Minimum educational services required.** When a student is placed in a facility approved under this section, at a minimum, the providing district is responsible for:

(1) the education necessary, including summer school services, for a student who is not performing at grade level as indicated in the education record or IEP; and

(2) a school day, of the same length as the school day of the providing district, unless the unique needs of the student, as documented through the IEP or education record in consultation with treatment providers, requires an alteration in the length of the school day.

Sec. 14. Minnesota Statutes 2004, section 125A.515, subdivision 9, is amended to read:

Subd. 9. **Reimbursement for education services.** (a) Education services provided to students who have been placed ~~for care and treatment~~ under this section are reimbursable in accordance with special education and general education statutes.

(b) Indirect or consultative services provided in conjunction with regular education prereferral interventions and assessment provided to regular education students suspected of being disabled and who have demonstrated learning or behavioral problems in a screening are reimbursable with special education categorical aids.

(c) Regular education, including screening, provided to students with or without disabilities is not reimbursable with special education categorical aids.

Sec. 15. Minnesota Statutes 2004, section 125A.515, subdivision 10, is amended to read:

Subd. 10. **Students unable to attend school but not placed in care and treatment facilities covered under this section.** Students who are absent from, or predicted to be absent from, school for 15 consecutive or intermittent days, and placed at home or in facilities not licensed by the ~~Departments~~ Department of Corrections or Human Services are ~~not students placed for care and treatment entitled to regular and special education services, consistent with applicable law and rule.~~ These students include students with and without disabilities who are home due to accident or illness, in a hospital or other medical facility, or in a day treatment center. ~~These students are entitled to education services through their district of residence.~~

Sec. 16. Minnesota Statutes 2004, section 125A.63, subdivision 4, is amended to read:

Subd. 4. **Advisory committees.** The ~~Special Education Advisory Council~~ commissioner shall establish an advisory committee for each resource center. The advisory committees shall develop recommendations regarding the resource centers and submit an annual report to the commissioner on the form and in the manner prescribed by the commissioner.

Sec. 17. Minnesota Statutes 2004, section 125A.75, subdivision 1, is amended to read:

Subdivision 1. **Travel aid.** The state must pay each district one-half of the sum actually expended by a district, based on mileage, for necessary travel of essential personnel providing home-based services to children with a disability under age five and their families.

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

Sec. 18. Minnesota Statutes 2004, section 125A.76, is amended by adding a subdivision to read:

Subd. 4a. **Special education maintenance of effort.** If, on the basis of a forecast of general fund revenues and expenditures, expenditures for special education aid under section 125A.76; transition for disabled students under section 124D.454; travel for home-based services under section 124A.75, subdivision 1; aid for students with disabilities under section 125A.75, subdivision 3; court-placed special education under section 125A.79, subdivision 4; or out-of-state tuition under section 125A.79, subdivision 8; are projected to be less than the amount previously forecast, the excess from these programs, up to an amount sufficient to meet federal special education maintenance of effort, is added to the state total special education aid in section 125A.76, subdivision 4.

If, on the basis of a forecast of general fund revenues and expenditures, expenditures in the programs in this subdivision are projected to be greater than previously forecast, and an addition to state total special education aid has been made under this subdivision, the state total special education aid must be reduced by the lesser of the amount of the expenditure increase or the amount previously added to state total special education aid, and this amount must be allocated back to the programs which were forecast to have an excess.

For the purposes of this subdivision, "previously forecast" means the allocation of funding for these programs in either the most recent forecast of general fund revenues and expenditures or the act appropriating money for these programs, whichever occurred most recently.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2006.

Sec. 19. Minnesota Statutes 2005 Supplement, section 125A.79, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For the purposes of this section, the definitions in this subdivision apply.

(a) "Unreimbursed special education cost" means the sum of the following:

(1) expenditures for teachers' salaries, contracted services, supplies, equipment, and transportation services eligible for revenue under section 125A.76; plus

(2) expenditures for tuition bills received under sections 125A.03 to 125A.24 and 125A.65 for services eligible for revenue under section 125A.76, subdivision 2; minus

(3) revenue for teachers' salaries, contracted services, supplies, and equipment under section 125A.76; minus

(4) tuition receipts under sections 125A.03 to 125A.24 and 125A.65 for services eligible for revenue under section 125A.76, subdivision 2.

(b) "General revenue" means the sum of the general education revenue according to section 126C.10, subdivision 1, ~~as adjusted according to section 127A.47, subdivisions 7 and 8~~ excluding alternative teacher compensation revenue, plus the total qualifying referendum revenue specified in paragraph (e) minus transportation sparsity revenue minus total operating capital revenue.

(c) "Average daily membership" has the meaning given it in section 126C.05.

(d) "Program growth factor" means 1.02 for fiscal year 2003, and 1.0 for fiscal year 2004 and later.

(e) "Total qualifying referendum revenue" means two-thirds of the district's total referendum revenue as adjusted according to section 127A.47, subdivision 7, paragraphs (a), (b), and (c), for fiscal year 2006, one-third of the district's total referendum revenue for fiscal year 2007, and none of the district's total referendum revenue for fiscal year 2008 and later.

EFFECTIVE DATE. This section is effective for revenue for fiscal year 2006.

Sec. 20. **RULE ON VISUALLY IMPAIRED TO INCLUDE REFERENCES TO "BLIND" AND "BLINDNESS."**

The commissioner of education, where appropriate, must incorporate references to "blind" and "blindness" into the definition of visually impaired under Minnesota Rules, part 3525.1345, and amend the rule title to include the word "blind."

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

Sec. 21. **DEPARTMENT OF EDUCATION RULES.**

Before July 1, 2007, the Department of Education shall amend Minnesota Rules, part 3525.2325, to conform with Minnesota Statutes, section 125A.515.

Sec. 22. **SPECIAL EDUCATION TUITION BILLING FOR FISCAL YEARS 2006 AND 2007.**

(a) Notwithstanding Minnesota Statutes, sections 125A.11, subdivision 1, paragraph (a), and 127A.47, subdivision 7, paragraph (d), for fiscal year 2006 an intermediate district, special education cooperative, or school district that served as an applicant agency for a group of school districts for federal special education aids for fiscal year 2006 is not subject to the uniform special education tuition billing calculations, but may instead continue to bill the resident school districts for the actual unreimbursed costs of serving pupils with a disability as determined by the intermediate district.

(b) Notwithstanding Minnesota Statutes, section 125A.11, subdivision 1, paragraph (c), for fiscal year 2007 only, an applicant district may apply to the commissioner for a waiver from the uniform special education tuition calculations and aid adjustments under Minnesota Statutes, sections 125A.11, subdivision 1, paragraph (b), and 127A.47, subdivision 7, paragraph (e). The commissioner must grant the waiver within 30 days of receiving the following information from the intermediate district:

(1) a detailed description of the applicant district's methodology for calculating special education tuition for fiscal years 2006 and 2007, as required by the applicant district to recover the full cost of serving pupils with a disability;

(2) sufficient data to determine the total amount of special education tuition actually charged for each student with a disability, as required by the applicant district to recover the full cost of serving pupils with a disability in fiscal year 2006; and

(3) sufficient data to determine the amount that would have been charged for each student for fiscal year 2006 using the uniform tuition billing methodology according to Minnesota Statutes, sections 125A.11, subdivision 1, or 127A.47, subdivision 7, as applicable.

EFFECTIVE DATE. This section is effective the day following final enactment for fiscal year 2006.

Sec. 23. **REPEALER.**

Minnesota Statutes 2004, sections 125A.10; and 125A.515, subdivision 2, are repealed.

ARTICLE 4

ACCOUNTING

Section 1. Minnesota Statutes 2004, section 123B.10, subdivision 1, is amended to read:

Subdivision 1. **Budgets.** By ~~October 1~~ November 30, every board must publish revenue and expenditure budgets for the current year and the actual revenues, expenditures, fund balances for the prior year and projected fund balances for the current year in a form prescribed by the commissioner. The forms prescribed must be designed so that year to year comparisons of revenue, expenditures and fund balances can be made. These budgets, reports of revenue, expenditures and fund balances must be published in a qualified newspaper of general circulation in the district or on the district's official Web site. If published on the district's official Web site, the district must also publish an announcement in a qualified newspaper of general circulation in the district that includes the Internet address where the information has been posted.

Sec. 2. Minnesota Statutes 2004, section 123B.77, is amended by adding a subdivision to read:

Subd. 1a. **School district consolidated financial statement.** The commissioner shall develop, implement, and maintain a school district consolidated financial statement format that converts uniform financial accounting and reporting standards data under subdivision 1 into a more understandable format.

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

Sec. 3. Minnesota Statutes 2004, section 123B.77, subdivision 3, is amended to read:

Subd. 3. **Statement for comparison and correction.** (a) By November 30 of the calendar year of the submission of the unaudited financial data, the district must provide to the commissioner audited financial data for the preceding fiscal year. The audit must be conducted in compliance with generally accepted governmental auditing standards, the federal Single Audit Act, and the Minnesota legal compliance guide issued by the Office of the State Auditor. An audited financial statement prepared in a form which will allow comparison with and correction of material differences in the unaudited financial data shall be submitted to the commissioner and the state auditor by December 31. The audited financial statement must also provide a statement of assurance pertaining to uniform financial accounting and reporting standards compliance and a copy of the management letter submitted to the district by the school district's auditor.

(b) By December 15 of the calendar year of the submission of the unaudited financial data, the commissioner shall convert the audited financial data required by this subdivision into the consolidated financial statement format required under subdivision 1a and publish the information on the department's Web site.

EFFECTIVE DATE. This section is effective for financial statements prepared in 2006.

Sec. 4. Minnesota Statutes 2004, section 123B.79, is amended by adding a subdivision to read:

Subd. 9. **Elimination of reserve accounts.** A school board shall eliminate all reserve accounts established in the school district's general fund under Minnesota Statutes before July 1, 2005, for which no specific authority remains in statute as of June 30, 2006. Any balance in the district's reserved for bus purchases account as of June 30, 2006, shall be transferred to the reserved account for operating capital in the school district's general fund.

Any balance in other reserved accounts established in the school district's general fund under Minnesota Statutes before July 1, 2005, for which no specific authority remains in statute as of June 30, 2006, shall be transferred to the school district's unreserved general fund balance. A school board may, upon adoption of a resolution by the school board, establish a designated account for any program for which a reserved account has been eliminated.

EFFECTIVE DATE. This section is effective June 30, 2006.

Sec. 5. Minnesota Statutes 2004, section 127A.41, subdivision 2, is amended to read:

Subd. 2. **Errors in distribution.** On determining that the amount of state aid distributed to a school district is in error, the commissioner is authorized to adjust the amount of aid consistent with this subdivision. On determining that the amount of aid is in excess of the school district's entitlement, the commissioner is authorized to recover the amount of the excess by any appropriate means. Notwithstanding the fiscal years designated by the appropriation, the excess may be recovered by reducing future aid payments to the district. Notwithstanding any law to the contrary, if the aid reduced is not of the same type as that overpaid, the district must adjust all necessary financial accounts to properly reflect all revenues earned in accordance with the uniform financial accounting and reporting standards pursuant to sections 123B.75 to 123B.83. Notwithstanding the fiscal years designated by the appropriation, on determining that the amount of an aid paid is less than the school district's entitlement, the commissioner is authorized to increase such aid from the current appropriation. If the aid program has been discontinued and has no appropriation, the appropriation for general education shall be used for recovery or payment of the aid decrease or increase. Any excess of aid recovery over aid payment shall be canceled to the state general fund.

ARTICLE 5

SELF-SUFFICIENCY AND LIFELONG LEARNING

Section 1. Minnesota Statutes 2004, section 124D.518, subdivision 4, is amended to read:

Subd. 4. **First prior program year.** "First prior program year" means the ~~period from May 1 of the second prior fiscal year through April 30 of the first prior fiscal year~~ specific time period defined by the commissioner that aligns to a program academic year.

Sec. 2. Minnesota Statutes 2004, section 124D.52, subdivision 1, is amended to read:

Subdivision 1. **Program requirements.** (a) An adult basic education program is a day or evening program offered by a district that is for people over 16 years of age who do not attend an elementary or secondary school. The program offers academic instruction necessary to earn a high school diploma or equivalency certificate.

(b) Notwithstanding any law to the contrary, a school board or the governing body of a consortium offering an adult basic education program may adopt a sliding fee schedule based on a family's income, but must waive the fee for participants who are under the age of 21 or unable to pay. The fees charged must be designed to enable individuals of all socioeconomic levels to participate in the program. A program may charge a security deposit to assure return of materials, supplies, and equipment.

(c) Each approved adult basic education program must develop a memorandum of understanding with the local workforce development centers located in the approved program's service delivery area. The memorandum of understanding must describe how the adult basic education program and the workforce development centers will cooperate and coordinate services to provide unduplicated, efficient, and effective services to clients.

(d) Adult basic education aid must be spent for adult basic education purposes as specified in sections 124D.518 to 124D.531.

(e) A state-approved adult basic education program must count and submit student contact hours for a program that offers high school credit toward an adult high school diploma according to student eligibility requirements and competency demonstration requirements established by the commissioner.

ARTICLE 6

PUPIL TRANSPORTATION

Section 1. Minnesota Statutes 2004, section 123B.90, subdivision 2, is amended to read:

Subd. 2. **Student training.** (a) Each district must provide public school pupils enrolled in kindergarten through grade 10 with age-appropriate school bus safety training, as described in this section, of the following concepts:

- (1) transportation by school bus is a privilege and not a right;
- (2) district policies for student conduct and school bus safety;
- (3) appropriate conduct while on the school bus;
- (4) the danger zones surrounding a school bus;
- (5) procedures for safely boarding and leaving a school bus;
- (6) procedures for safe street or road crossing; and
- (7) school bus evacuation.

(b) Each nonpublic school located within the district must provide all nonpublic school pupils enrolled in kindergarten through grade 10 who are transported by school bus at public expense and attend school within the district's boundaries with training as required in paragraph (a).

(c) Students enrolled in kindergarten through grade 6 who are transported by school bus and are enrolled during the first or second week of school must receive the school bus safety training competencies by the end of the third week of school. Students enrolled in grades 7 through 10 who are transported by school bus and are enrolled during the first or second week of school and have not previously received school bus safety training must receive the training or receive bus safety instructional materials by the end of the sixth week of school. ~~Students taking driver's training instructional classes and other students in grades 9 and grade 9 or 10 must receive training in the laws and proper procedures when operating a motor vehicle in the vicinity of a school bus. Students enrolled in kindergarten through grade 10 who enroll in a school after the second week of school and are transported by school bus and have not received training in their previous school district shall undergo school bus safety training or receive bus safety instructional materials within four weeks of the first day of attendance. Upon request of the superintendent of schools, the school transportation safety director in each district must certify to the superintendent of schools annually that all students transported by school bus within the district have received the school bus safety training according to this section. Upon request of the superintendent of the school district where the nonpublic school is located, the principal or other chief administrator of each nonpublic school must certify annually to the school transportation safety director of the district in which the school is located that the school's students transported by school bus at public expense have received training according to this section.~~

(d) A district and a nonpublic school with students transported by school bus at public expense may provide kindergarten pupils with bus safety training before the first day of school.

(e) A district and a nonpublic school with students transported by school bus at public expense may also provide student safety education for bicycling and pedestrian safety, for students enrolled in kindergarten through grade 5.

(f) A district and a nonpublic school with students transported by school bus at public expense must make reasonable accommodations for the school bus safety training of pupils known to speak English as a second language and pupils with disabilities.

(g) The district and a nonpublic school with students transported by school bus at public expense must provide students enrolled in kindergarten through grade 3 school bus safety training twice during the school year.

(h) A district and a nonpublic school with students transported by school bus at public expense must conduct a school bus evacuation drill at least once during the school year.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 2. Minnesota Statutes 2004, section 123B.91, is amended by adding a subdivision to read:

Subd. 1a. **Compliance by nonpublic and charter school students.** A nonpublic or charter school student transported by a public school district shall comply with student bus conduct and student bus discipline policies of the transporting public school district.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 3. Minnesota Statutes 2005 Supplement, section 123B.92, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For purposes of this section and section 125A.76, the terms defined in this subdivision have the meanings given to them.

(a) "Actual expenditure per pupil transported in the regular and excess transportation categories" means the quotient obtained by dividing:

(1) the sum of:

(i) all expenditures for transportation in the regular category, as defined in paragraph (b), clause (1), and the excess category, as defined in paragraph (b), clause (2), plus

(ii) an amount equal to one year's depreciation on the district's school bus fleet and mobile units computed on a straight line basis at the rate of 15 percent per year for districts operating a program under section 124D.128 for grades 1 to 12 for all students in the district and 12-1/2 percent per year for other districts of the cost of the fleet, plus

(iii) an amount equal to one year's depreciation on the district's type three school buses, as defined in section 169.01, subdivision 6, clause (5), which must be used a majority of the time for pupil transportation purposes, computed on a straight line basis at the rate of 20 percent per year of the cost of the type three school buses by:

(2) the number of pupils eligible for transportation in the regular category, as defined in paragraph (b), clause (1), and the excess category, as defined in paragraph (b), clause (2).

(b) "Transportation category" means a category of transportation service provided to pupils as follows:

(1) Regular transportation is:

(i) transportation to and from school during the regular school year for resident elementary pupils residing one mile or more from the public or nonpublic school they attend, and resident secondary pupils residing two miles or more from the public or nonpublic school they attend, excluding desegregation transportation and noon kindergarten transportation; but with respect to transportation of pupils to and from nonpublic schools, only to the extent permitted by sections 123B.84 to 123B.87;

(ii) transportation of resident pupils to and from language immersion programs;

(iii) transportation of a pupil who is a custodial parent and that pupil's child between the pupil's home and the child care provider and between the provider and the school, if the home and provider are within the attendance area of the school;

(iv) transportation to and from or board and lodging in another district, of resident pupils of a district without a secondary school; and

(v) transportation to and from school during the regular school year required under subdivision 3 for nonresident elementary pupils when the distance from the attendance area border to the public school is one mile or more, and for nonresident secondary pupils when the distance from the attendance area border to the public school is two miles or more, excluding desegregation transportation and noon kindergarten transportation.

For the purposes of this paragraph, a district may designate a licensed day care facility, school day care facility, respite care facility, the residence of a relative, or the residence of a person chosen by the pupil's parent or guardian as the home of a pupil for part or all of the day, if requested by the pupil's parent or guardian, and if that facility or residence is within the attendance area of the school the pupil attends.

(2) Excess transportation is:

(i) transportation to and from school during the regular school year for resident secondary pupils residing at least one mile but less than two miles from the public or nonpublic school they attend, and transportation to and from school for resident pupils residing less than one mile from school who are transported because of extraordinary traffic, drug, or crime hazards; and

(ii) transportation to and from school during the regular school year required under subdivision 3 for nonresident secondary pupils when the distance from the attendance area border to the school is at least one mile but less than two miles from the public school they attend, and for nonresident pupils when the distance from the attendance area border to the school is less than one mile from the school and who are transported because of extraordinary traffic, drug, or crime hazards.

(3) Desegregation transportation is transportation within and outside of the district during the regular school year of pupils to and from schools located outside their normal attendance areas under a plan for desegregation mandated by the commissioner or under court order.

(4) "Transportation services for pupils with disabilities" is:

(i) transportation of pupils with disabilities who cannot be transported on a regular school bus between home or a respite care facility and school;

(ii) necessary transportation of pupils with disabilities from home or from school to other buildings, including centers such as developmental achievement centers, hospitals, and treatment centers where special instruction or services required by sections 125A.03 to 125A.24, 125A.26 to 125A.48, and 125A.65 are provided, within or outside the district where services are provided;

(iii) necessary transportation for resident pupils with disabilities required by sections 125A.12, and 125A.26 to 125A.48;

(iv) board and lodging for pupils with disabilities in a district maintaining special classes;

(v) transportation from one educational facility to another within the district for resident pupils enrolled on a shared-time basis in educational programs, and necessary transportation required by sections 125A.18, and 125A.26 to 125A.48, for resident pupils with disabilities who are provided special instruction and services on a shared-time basis or if resident pupils are not transported, the costs of necessary travel between public and private schools or neutral instructional sites by essential personnel employed by the district's program for children with a disability;

(vi) transportation for resident pupils with disabilities to and from board and lodging facilities when the pupil is boarded and lodged for educational purposes; and

(vii) services described in clauses (i) to (vi), when provided for pupils with disabilities in conjunction with a summer instructional program that relates to the pupil's individual education plan or in conjunction with a learning year program established under section 124D.128.

For purposes of computing special education base revenue under section 125A.76, subdivision 2, the cost of providing transportation for children with disabilities includes (A) the additional cost of transporting a homeless student from a temporary nonshelter home in another district to the school of origin, or a formerly homeless student from a permanent home in another district to the school of origin but only through the end of the academic year; and (B) depreciation on district-owned school buses purchased after July 1, 2005, and used primarily for transportation of pupils with disabilities, calculated according to paragraph (a), clauses (ii) and (iii). Depreciation costs included in the disabled transportation category must be excluded in calculating the actual expenditure per pupil transported in the regular and excess transportation categories according to paragraph (a).

(5) "Nonpublic nonregular transportation" is:

(i) transportation from one educational facility to another within the district for resident pupils enrolled on a shared-time basis in educational programs, excluding transportation for nonpublic pupils with disabilities under clause (4);

(ii) transportation within district boundaries between a nonpublic school and a public school or a neutral site for nonpublic school pupils who are provided pupil support services pursuant to section 123B.44; and

(iii) late transportation home from school or between schools within a district for nonpublic school pupils involved in after-school activities.

(c) "Mobile unit" means a vehicle or trailer designed to provide facilities for educational programs and services, including diagnostic testing, guidance and counseling services, and health services. A mobile unit located off nonpublic school premises is a neutral site as defined in section 123B.41, subdivision 13.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 4. Minnesota Statutes 2004, section 169.01, subdivision 6, is amended to read:

Subd. 6. **School bus.** "School bus" means a motor vehicle used to transport pupils to or from a school defined in section 120A.22, or to or from school-related activities, by the school or a school district, or by someone under an agreement with the school or a school district. A school bus does not include a motor vehicle transporting children to or from school for which parents or guardians receive direct compensation from a school district, a motor coach operating under charter carrier authority, a transit bus providing services as defined in section 174.22, subdivision 7, a multifunction school activity bus as defined by federal motor vehicle safety standards, or a vehicle otherwise qualifying as a type III vehicle under paragraph (5), when the vehicle is properly registered and insured and being driven by an employee or agent of a school district for nonscheduled or nonregular transportation. A school bus may be type A, type B, type C, or type D, or type III as follows:

(1) A "type A school bus" is a ~~van conversion or~~ bus constructed utilizing a cutaway front section vehicle with a left-side driver's door. ~~The entrance door is behind the front wheels.~~ This definition includes two classifications: type A-I, with a gross vehicle weight rating (GVWR) ~~less than or equal to 10,000~~ 14,500 pounds or less; and type A-II, with a GVWR greater than ~~10,000~~ 14,500 pounds and less than or equal to 21,500 pounds.

(2) A "type B school bus" is constructed utilizing a stripped chassis. The entrance door is behind the front wheels. This definition includes two classifications: type B-I, with a GVWR less than or equal to 10,000 pounds; and type B-II, with a GVWR greater than 10,000 pounds.

(3) A "type C school bus" is constructed utilizing a chassis with a hood and front fender assembly. The entrance door is behind the front wheels. A "type C school bus" also includes a cutaway truck chassis or truck chassis with cab with or without a left side door and with a GVWR greater than 21,500 pounds.

(4) A "type D school bus" is constructed utilizing a stripped chassis. The entrance door is ahead of the front wheels.

(5) Type III school buses and type III Head Start buses are restricted to passenger cars, station wagons, vans, and buses having a maximum manufacturer's rated seating capacity of ten or fewer people, including the driver, and a gross vehicle weight rating of 10,000 pounds or less. In this subdivision, "gross vehicle weight rating" means the value specified by the manufacturer as the loaded weight of a single vehicle. A "type III school bus" and "type III Head Start bus" must not be outwardly equipped and identified as a type A, B, C, or D school bus or type A, B, C, or D Head Start bus. A van or bus converted to a seating capacity of ten or fewer and placed in service on or after August 1, 1999, must have been originally manufactured to comply with the passenger safety standards.

EFFECTIVE DATE. This section is effective January 1, 2007.

Sec. 5. Minnesota Statutes 2004, section 169.447, subdivision 2, is amended to read:

Subd. 2. **Driver seat belt.** ~~New~~ School buses and Head Start buses manufactured after December 31, 1994, must be equipped with driver seat belts and seat belt assemblies of the type described in section 169.685, subdivision 3. School bus drivers and Head Start bus drivers must use these seat belts.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 6. Minnesota Statutes 2004, section 169.4501, subdivision 1, is amended to read:

Subdivision 1. **National standards adopted.** Except as provided in sections 169.4502 and 169.4503, the construction, design, equipment, and color of types A, B, C, and D school buses used for the transportation of school children shall meet the requirements of the "bus chassis standards" and "bus body standards" in the ~~2000~~ 2005

edition of the "National School Transportation Specifications and Procedures" adopted by the National ~~Conference~~ Congress on School Transportation. Except as provided in section 169.4504, the construction, design, and equipment of types A, B, C, and D school buses used for the transportation of students with disabilities also shall meet the requirements of the "specially equipped school bus standards" in the ~~2000~~ 2005 National School Transportation Specifications and Procedures. The "bus chassis standards," "bus body standards," and "specially equipped school bus standards" sections of the ~~2000~~ 2005 edition of the "National School Transportation Specifications and Procedures" are incorporated by reference in this chapter.

EFFECTIVE DATE. This section is effective January 1, 2007.

Sec. 7. Minnesota Statutes 2004, section 169.4501, subdivision 2, is amended to read:

Subd. 2. **Applicability.** (a) The standards adopted in this section and sections 169.4502 and 169.4503, govern the construction, design, equipment, and color of school buses used for the transportation of school children, when owned or leased and operated by a school or privately owned or leased and operated under a contract with a school. Each school, its officers and employees, and each person employed under the contract is subject to these standards.

(b) The standards apply to school buses manufactured after ~~October 31, 2004~~ December 31, 2006. Buses complying with the standards when manufactured need not comply with standards established later except as specifically provided for by law.

(c) A school bus manufactured on or before ~~October 31, 2004~~ December 31, 2006, must conform to the Minnesota standards in effect on the date the vehicle was manufactured except as specifically provided for in law.

(d) A new bus body may be remounted on a used chassis provided that the remounted vehicle meets state and federal standards for new buses which are current at the time of the remounting. Permission must be obtained from the commissioner of public safety before the remounting is done. A used bus body may not be remounted on a new or used chassis.

EFFECTIVE DATE. This section is effective January 1, 2007.

Sec. 8. Minnesota Statutes 2004, section 169.4502, subdivision 5, is amended to read:

Subd. 5. **Electrical system; battery.** (a) The storage battery, as established by the manufacturer's rating, must be of sufficient capacity to care for starting, lighting, signal devices, heating, and other electrical equipment. In a bus with a gas-powered chassis, the battery or batteries must provide a minimum of 800 cold cranking amperes. In a bus with a diesel-powered chassis, the battery or batteries must provide a minimum of 1050 cold cranking amperes.

(b) In a type B bus with a gross vehicle weight rating of 15,000 pounds or more, and type C and D buses, the battery shall be temporarily mounted on the chassis frame. The final location of the battery and the appropriate cable lengths in these buses must comply with the SBMI design objectives booklet.

(c) All batteries shall be mounted according to chassis manufacturers' recommendations.

(d) In a type C bus, other than are powered by diesel fuel, a battery providing at least 550 cold cranking amperes may be installed in the engine compartment only if used in combination with a generator or alternator of at least ~~420~~ 130 amperes.

(e) A bus with a gross vehicle weight rating of 15,000 pounds or less may be equipped with a battery to provide a minimum of 550 cold cranking amperes only if used in combination with an alternator of at least ~~80~~ 130 amperes. This paragraph does not apply to those buses with wheelchair lifts or diesel engines.

EFFECTIVE DATE. This section is effective January 1, 2007.

Sec. 9. Minnesota Statutes 2004, section 169.4503, subdivision 20, is amended to read:

Subd. 20. **Seat and crash barriers.** (a) All restraining barriers and passenger seats shall be covered with a material that has fire retardant or fire block characteristics.

(b) All seats must have a minimum cushion depth of 15 inches and a seat back height of at least 20 inches above the seating reference point.

EFFECTIVE DATE. This section is effective January 1, 2007.

Sec. 10. Minnesota Statutes 2004, section 171.321, subdivision 4, is amended to read:

Subd. 4. **Training.** (a) No person shall drive a class A, B, C, or D school bus when transporting school children to or from school or upon a school-related trip or activity without having demonstrated sufficient skills and knowledge to transport students in a safe and legal manner.

(b) A bus driver must have training or experience that allows the driver to meet at least the following competencies:

- (1) safely operate the type of school bus the driver will be driving;
- (2) understand student behavior, including issues relating to students with disabilities;
- (3) encourage orderly conduct of students on the bus and handle incidents of misconduct appropriately;
- (4) know and understand relevant laws, rules of the road, and local school bus safety policies;
- (5) handle emergency situations; and
- (6) safely load and unload students.

(c) The commissioner of public safety shall develop a comprehensive model school bus driver training program and model assessments for school bus driver training competencies, which are not subject to chapter 14. A school district, nonpublic school, or private contractor may use alternative assessments for bus driver training competencies with the approval of the commissioner of public safety. After completion of bus driver training competencies, a driver may receive at least eight hours of school bus in-service training any year, as an alternative to being assessed for bus driver competencies. The employer shall keep the assessment or a record of the in-service training for the current period available for inspection by representatives of the commissioner.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 11. **REPEALER.**

Minnesota Statutes 2004, sections 169.4502, subdivision 15; and 169.4503, subdivisions 17, 18, and 26, are repealed.

EFFECTIVE DATE. This section is effective January 1, 2007."

Delete the title and insert:

"A bill for an act relating to education; providing for early childhood and family and kindergarten through grade 12 education including general education revenue, education excellence, special programs, accounting, self-sufficiency and lifelong learning, and pupil transportation; establishing task forces; requiring reports; providing for rulemaking; amending Minnesota Statutes 2004, sections 120A.20, subdivision 1; 120A.22, subdivision 3; 120B.023; 120B.024; 120B.36, subdivision 1; 121A.035; 123A.06, subdivision 2; 123B.10, subdivision 1; 123B.77, subdivision 3, by adding a subdivision; 123B.79, by adding a subdivision; 123B.90, subdivision 2; 123B.91, by adding a subdivision; 124D.02, subdivisions 2, 4; 124D.10, subdivision 16; 124D.518, subdivision 4; 124D.52, subdivision 1; 124D.61; 124D.68, subdivision 3; 125A.02, subdivision 1; 125A.27, subdivision 11; 125A.29; 125A.30; 125A.32; 125A.33; 125A.48; 125A.515, subdivisions 1, 3, 5, 6, 7, 9, 10; 125A.63, subdivision 4; 125A.65, subdivisions 3, 4, 6, 8, 10; 125A.69, subdivision 3; 125A.75, subdivision 1; 125A.76, by adding a subdivision; 126C.05, subdivision 1; 126C.10, subdivision 6; 126C.44; 127A.41, subdivision 2; 169.01, subdivision 6; 169.447, subdivision 2; 169.4501, subdivisions 1, 2; 169.4502, subdivision 5; 169.4503, subdivision 20; 171.321, subdivision 4; 299F.30; Minnesota Statutes 2005 Supplement, sections 120B.131, subdivision 2; 122A.415, subdivisions 1, 3; 123B.76, subdivision 3; 123B.92, subdivision 1; 124D.095, subdivision 4; 124D.68, subdivision 2; 125A.11, subdivision 1; 125A.79, subdivision 1; 126C.10, subdivision 34; 126C.43, subdivision 2; 127A.45, subdivision 10; Laws 2005, First Special Session chapter 5, article 1, section 47; article 2, section 84, subdivision 13; proposing coding for new law in Minnesota Statutes, chapter 121A; repealing Minnesota Statutes 2004, sections 120A.20, subdivision 3; 125A.10; 125A.515, subdivision 2; 169.4502, subdivision 15; 169.4503, subdivisions 17, 18, 26.

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Rules and Legislative Administration.

The report was adopted.

Ozment from the Committee on Agriculture, Environment and Natural Resources Finance to which was referred:

H. F. No. 3718, A bill for an act relating to transportation; requiring language that the state will purchase plug-in hybrid electric vehicles when commercially available to be inserted in certain bid documents; appropriating money for the retrofitting of flexible fuel vehicles to operate as plug-in hybrid electric vehicles.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **STATE PURCHASING OF PLUG-IN HYBRID ELECTRIC VEHICLES.**

Subdivision 1. **Definition.** (a) As used in sections 2 and 3, "plug-in hybrid electric vehicle (PHEV)" means a vehicle containing an internal combustion engine that also allows power to be delivered to the drive wheels by a battery-powered electric motor and that meets applicable federal motor vehicle safety standards. When connected to the electrical grid via an electrical outlet, the vehicle must be able to recharge its battery. The vehicle must have the ability to travel at least 20 miles, powered substantially by electricity.

(b) As used in this section, "neighborhood electric vehicle" means an electrically powered motor vehicle that has four wheels and has a speed attainable in one mile of at least 20 miles per hour but not more than 25 miles per hour on a paved level surface.

Subd. 2. **Notice of state procurement policy in bid documents.** All solicitation documents for the purchase of a passenger automobile, as defined in Minnesota Statutes, section 168.011, subdivision 7; pickup truck, as defined in Minnesota Statutes, section 168.011, subdivision 29; or van, as defined in Minnesota Statutes, section 168.011, subdivision 28, issued under the jurisdiction of the Department of Administration after June 30, 2006, must contain the following language: "It is the intention of the state of Minnesota to begin purchasing plug-in hybrid electric vehicles and neighborhood electric vehicles as soon as they become commercially available, meet the state's performance specifications, and are priced no more than ten percent above the price for comparable gasoline-powered vehicles. It is the intention of the state to purchase plug-in hybrid electric vehicles and neighborhood electric vehicles whenever practicable after these conditions have been met and as fleet needs dictate for at least five years after these conditions have been met.

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

Sec. 2. **PLUG-IN HYBRID ELECTRIC VEHICLE RETROFIT PROJECT.**

The automotive engineering program at Minnesota State University - Mankato is strongly encouraged to retrofit two flexible fuel vehicles to also operate as plug-in hybrid electric vehicles (PHEV's). If the legislature does not appropriate funds for this purpose, the Department of Administration and Minnesota State University - Mankato may accept donations and work cooperatively with nonprofit agencies, higher education institutions, and public agencies to procure vehicles and obtain other necessary funds to conduct the retrofit.

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

Sec. 3. **PLUG-IN HYBRID ELECTRIC VEHICLE TASK FORCE.**

Subdivision 1. **Establishment; membership.** The plug-in hybrid electric vehicle task force is established. The task force shall consist of 13 members as follows:

- (1) one representative each from Xcel Energy and Great River Energy;
- (2) one representative each from the Minnesota Department of Commerce, the Minnesota Department of Transportation, and the Minnesota Pollution Control Agency;
- (3) the director of the Travel Management Division of the Minnesota Department of Administration, or the director's designee;
- (4) a representative from the University of Minnesota Department of Electrical Engineering;
- (5) one representative each from Minnesota-based manufacturers of electric batteries, automotive parts, and power electronics;
- (6) a representative from an environmental advocacy organization active in electricity issues;
- (7) a representative of United Auto Workers Local 879; and
- (8) a representative of the Ford Motor Company.

Subd. 2. **Appointment.** The chairs of the senate and house of representatives committees with primary jurisdiction over energy policy shall jointly appoint the task force members.

Subd. 3. **Cochairs.** The task force shall have two cochair, one appointed by each of the appointing authorities established in subdivision 2.

Subd. 4. **Charge.** (a) The plug-in hybrid electric vehicle task force shall identify barriers to the adoption of plug-in hybrid electric vehicles by state agencies, small and large private fleets, and Minnesota drivers at-large and develop strategies to be implemented over one-, three-, and five-year time frames to overcome those barriers. Included in the analysis should be possible financial incentives to encourage Ford Motor Company to produce plug-in hybrid, flexible-fueled vehicles at its St. Paul plant.

(b) The task force shall consider and evaluate the data and information presented to it under subdivision 5 in presenting its findings and recommendations.

Subd. 5. **Data and analysis.** The commissioner of the Pollution Control Agency shall analyze and report to the task force the environmental impacts of purchasing plug-in hybrid electric vehicles for the state-owned vehicle fleet and at penetration rates of ten percent, 25 percent, and 50 percent of all motor vehicles registered in this state. The analysis must compare, for plug-in hybrid electric vehicles and current fleet vehicles, air emissions of sulfur dioxide, nitrogen oxides, particulate matter less than 2.5 microns in width, volatile organic compounds, and carbon dioxide.

Subd. 6. **Expenses.** Members of the task force are entitled to reimbursement for expenses under Minnesota Statutes, section 15.059, subdivision 6. Member reimbursements shall be paid for by the commissioner of commerce.

Subd. 7. **Staff.** The state agencies represented on the commission shall provide staff support.

Subd. 8. **Report.** The task force shall present its findings and recommendations in a report to the chairs of the senate and house of representatives committees with primary jurisdiction over energy policy and state government operations by April 1, 2007.

Subd. 9. **Expiration.** The task force expires on June 30, 2008.

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

Delete the title and insert:

"A bill for an act relating to transportation; requiring language that the state will purchase plug-in hybrid electric vehicles when commercially available to be inserted in certain bid documents; creating a task force."

With the recommendation that when so amended the bill pass.

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 8, H. F. No. 3718 was re-referred to the Committee on Rules and Legislative Administration.

Paulsen from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 3855, A bill for an act relating to veterans; authorizing the placement of a plaque in the Court of Honor on the Capitol grounds honoring Minnesota's recipients of the Congressional Medal of Honor.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Knoblach from the Committee on Ways and Means to which was referred:

H. F. No. 4162, A bill for an act relating to state government financing; making deficiency and supplemental appropriations.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **DEFICIENCY AND SUPPLEMENTAL APPROPRIATIONS.**

The appropriations in this act are added to or, if shown in parentheses, subtracted from the appropriations enacted into law by the legislature in 2005, or other specified law, to the named agencies and for the specified programs or activities. The sums shown are appropriated from the general fund, or another named fund, to be available for the fiscal years indicated: 2006 is the fiscal year ending June 30, 2006; 2007 is the fiscal year ending June 30, 2007; and the biennium is fiscal years 2006 and 2007. Deficiency and supplemental appropriations and reductions to appropriations for the fiscal year ending June 30, 2006, are effective the day following final enactment.

APPROPRIATIONS

Available for the Year

Ending June 30

2006

2007

Sec. 2. **BOARD OF REGENTS**

\$5,000,000

To the Board of Regents of the University of Minnesota for the purposes of section 28. This appropriation is for academic programs supporting the University of Minnesota - Rochester, including faculty, staff, and program planning and development in the areas of biomedical technologies, engineering, and computer technologies, health care administration, and allied health programs; ongoing operations of industrial liaison activities; and operation of leased facilities. This appropriation is in addition to the appropriation in Laws 2005, chapter 107, article 1, section 4, subdivision 2. The funding base for activities related to section 28 is \$5,000,000 for fiscal year 2008 and \$6,330,000 for fiscal year 2009.

APPROPRIATIONS
Available for the Year
Ending June 30

<u>2006</u>	<u>2007</u>
	<u>100,000</u>

Sec. 3. **BOARD OF TRUSTEES**

To the Board of Trustees of the Minnesota State Colleges and Universities to facilitate the provision of assistance to veterans at Minnesota State Colleges and Universities campuses under Minnesota Statutes, section 197.585, if enacted.

Sec. 4. **EMPLOYMENT AND ECONOMIC DEVELOPMENT**

Summary by Fund

<u>General</u>	<u>-0-</u>	<u>917,000</u>
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\$467,000 in fiscal year 2007 is appropriated for a grant to the BioBusiness Alliance of Minnesota, a nonprofit organization representing Minnesota companies, colleges and universities, state government, and health care institutions, for bioscience business development programs that will grow and create bioscience jobs in the state and position Minnesota as a global biobusiness leader. This is a onetime appropriation.

\$150,000 in fiscal year 2007 is appropriated for the youthbuild program under Minnesota Statutes, sections 116L.361 to 116L.366. The base for this appropriation is \$75,000 in fiscal year 2008 and after.

\$200,000 in fiscal year 2007 is appropriated for a grant to the Summit Academy OIC for the 100 hard hats program. This is a onetime appropriation.

In fiscal year 2007, \$100,000 is appropriated to the commissioner of employment and economic development for the direct and indirect expenses of the collaborative research partnership between the University of Minnesota and the Mayo Foundation for research in biotechnology and medical genomics. This is a onetime appropriation.

An annual report on the expenditure of this appropriation must be submitted to the governor and the chairs of the senate Higher Education Budget Division, the house of representatives Higher Education Finance Committee, the senate Environment, Agriculture, and Economic Development Budget Division, and the house of representatives Jobs and Economic Opportunity Policy and Finance Committee by June 30 of each fiscal year until the appropriation is expended. This appropriation is available until expended.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2006</u>	<u>2007</u>

Sec. 5. **BOXING COMMISSION**

<u>General Fund</u>	<u>-0-</u>	<u>50,000</u>
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\$50,000 in fiscal year 2007 is appropriated to the Minnesota Boxing Commission established in sections 36 to 51 for the purposes of operating and administering the commission. This is a onetime appropriation. The budget base for the Boxing Commission shall be \$50,000 in fiscal year 2008 and \$50,000 in fiscal year 2009. These appropriations are from the special revenue fund.

By December 15, 2006, the commission must submit a report to the governor and the legislature setting forth a fee schedule that raises sufficient revenues to make the commission self-supporting beginning July 1, 2007.

Sec. 6. **COMMISSIONER OF HUMAN SERVICES; HEALTH PROGRAMS**

<u>Subdivision 1. Total Appropriation</u>	<u>33,370,000</u>	<u>49,763,000</u>
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Summary by Fund

<u>General</u>	<u>33,370,000</u>	<u>49,763,000</u>
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Subd. 2. Health Care Grants

Medical Assistance Basic Health Care - Families and Children

<u>General</u>	<u>-0-</u>	<u>(2,625,000)</u>
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Subd. 3. Health Care Management

Health Care Administration

<u>General</u>	<u>-0-</u>	<u>419,000</u>
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Subd. 4. Continuing Care Grants

Medical Assistance Long-term Care Facilities

<u>General</u>	<u>-0-</u>	<u>1,818,000</u>
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APPROPRIATIONS
Available for the Year
Ending June 30
2006 2007

\$30,000 in fiscal year 2007 is for a temporary rate increase equivalent to six percent of the operating rate in effect on July 1, 2006, for a day training and habilitation provider in Meeker County providing services to up to 110 individuals. This rate increase shall be in effect only until June 30, 2007.

The commissioner of human services shall review the appropriateness of per diem rates for day training and habilitation services, including the reasonableness of rates paid to lower cost providers, and report the results to the legislature by January 15, 2007.

Subd. 5. State-Operated Services

<u>General</u>	<u>33,370,000</u>	<u>50,151,000</u>
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MINNESOTA SECURITY HOSPITAL. For the purposes of enhancing the safety of the public, improving supervision, and enhancing community-based mental health treatment, state-operated services may establish additional community capacity for providing treatment and supervision of clients who have been ordered into a less restrictive alternative of care from the state-operated services transition services program consistent with Minnesota Statutes, section 246.014.

STATE-OPERATED SERVICES BASE ADJUSTMENT. The general fund base for state-operated services is increased by \$8,699,000 in fiscal year 2008 and decreased by \$925,000 in fiscal year 2009.

Sec. 7. COMMISSIONER OF HUMAN SERVICES;
CHILDREN AND ECONOMIC ASSISTANCE PROGRAMS

<u>Subdivision 1. Total Appropriation</u>	<u>(370,000)</u>	<u>4,768,000</u>
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Summary by Fund

<u>General</u>	<u>(7,854,000)</u>	<u>(15,343,000)</u>
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<u>Federal TANF</u>	<u>7,484,000</u>	<u>20,111,000</u>
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TANF MAINTENANCE OF EFFORT. Notwithstanding Laws 2005, First Special Session chapter 4, article 9, section 2, subdivision 1, the commissioner shall ensure that for fiscal year 2007, the maintenance of effort used by the commissioner of finance for the February and November forecasts required under

APPROPRIATIONS
Available for the Year
Ending June 30

20062007

Minnesota Statutes, section 16A.103, contains expenditures under the TANF/MOE rider in Laws 2005, First Special Session chapter 4, article 9, section 2, subdivision 1, equal to at least 21 percent of the total required under Code of Federal Regulations, title 45, section 263.1.

INCREASE WORKING FAMILY CREDIT EXPENDITURES TO BE CLAIMED FOR TANF/MOE. In addition to the amounts provided in Laws 2005, First Special Session chapter 4, article 9, section 2, subdivision 1, the commissioner may count the following amounts of working family credit expenditures as TANF/MOE:

(1) fiscal year 2006, \$9,858,000;

(2) fiscal year 2007, \$5,785,000;

(3) fiscal year 2008, \$24,936,000; and

(4) fiscal year 2009, \$23,653,000.

Notwithstanding any section to the contrary, this paragraph sunsets June 30, 2009.

TANF APPROPRIATION FOR WORKING FAMILY CREDIT. \$5,151,000 in fiscal year 2007 is appropriated from federal TANF funds to the commissioner of human services. These funds shall be transferred to the commissioner of revenue to deposit into the general fund for the working family credit under Minnesota Statutes, section 290.0671. This is a onetime appropriation.

Subd. 2. **Children and Economic Assistance Grants**

Summary by Fund

<u>General</u>	<u>(7,854,000)</u>	<u>(15,343,000)</u>
<u>Federal TANF</u>	<u>7,484,000</u>	<u>14,960,000</u>
<u>(a) MFIP-DWP Grants</u>		
<u>General</u>	<u>(7,484,000)</u>	<u>7,484,000</u>
<u>Federal TANF</u>	<u>7,484,000</u>	<u>(7,484,000)</u>

APPROPRIATIONS
Available for the Year
Ending June 30

20062007(b) MFIP Child Care Assistance Grants

<u>General</u>	<u>-0-</u>	<u>62,000</u>
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CHILD CARE ABSENT DAY LIMITS. \$62,000 in fiscal year 2007 is appropriated from the general fund to the commissioner of human services for the MFIP/transition year child care program for the purposes of Minnesota Statutes, section 119B.13, subdivision 7. The general fund base for MFIP child care assistance grants under Minnesota Statutes, section 119B.05, is increased by \$103,000 in fiscal year 2008 and by \$102,000 in fiscal year 2009.

INCREASE TANF TRANSFER TO FEDERAL CHILD CARE AND DEVELOPMENT FUND. In addition to the TANF amounts provided in Laws 2005, First Special Session chapter 4, article 9, section 2, subdivisions 3 and 4, \$2,317,000 in fiscal year 2008 and \$1,027,000 in fiscal year 2009 is appropriated to the commissioner for the purposes of MFIP/transition year child care under Minnesota Statutes, section 119B.05, and shall be added to the base for fiscal years 2008 and 2009. The commissioner shall authorize transfer of sufficient TANF funds to the federal child care and development fund to meet this appropriation and shall ensure that all transferred funds are expended according to the federal child care and development fund regulations. Notwithstanding any law to the contrary, this paragraph shall not sunset.

BASIC SLIDING FEE CHILD CARE ASSISTANCE GRANTS.

<u>General</u>	<u>-0-</u>	<u>46,000</u>
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CHILD CARE ABSENT DAY LIMITS. \$46,000 in fiscal year 2007 is appropriated from the general fund to the commissioner of human services for the basic sliding fee child care program for the purposes of Minnesota Statutes, section 119B.13, subdivision 7. The general fund base for basic sliding fee child care grants under Minnesota Statutes, section 119B.03, is increased by \$76,000 in fiscal year 2008 and by \$78,000 in fiscal year 2009.

CHILDREN AND COMMUNITY SERVICES GRANTS.

<u>General</u>	<u>-0-</u>	<u>(22,444,000)</u>
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<u>Federal TANF</u>	<u>-0-</u>	<u>22,444,000</u>
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APPROPRIATIONS
Available for the Year
Ending June 30

20062007

TANF TRANSFER TO SOCIAL SERVICES BLOCK GRANT. \$22,444,000 in fiscal year 2007 is appropriated to the commissioner to be transferred to the state's federal social services block grant for the purposes of providing services for families with children whose incomes are at or below 200 percent of the federal poverty guidelines. The funds shall be distributed to counties for the children and community services grants according to the formula for the state appropriations in Minnesota Statutes, chapter 256M. This is a onetime appropriation. Notwithstanding any law to the contrary, this paragraph sunsets June 30, 2007.

The fiscal year 2007 children and community services grants general fund appropriation under Laws 2005, First Special Session chapter 4, article 9, section 2, subdivision 4, paragraph (h), is reduced by \$22,444,000. The general fund base for children and community services grants is increased by \$22,444,000 in fiscal year 2008 and \$22,444,000 in fiscal year 2009.

OTHER CHILDREN AND ECONOMIC ASSISTANCE GRANTS.

General	(370,000)	(491,000)
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MINNESOTA FOOD ASSISTANCE PROGRAM. The general fund appropriations for the Minnesota Food Assistance Program under Minnesota Statutes, section 256D.053, are reduced by \$370,000 in fiscal year 2006 and \$491,000 in fiscal year 2007.

Sec. 8. **COMMISSIONER OF HEALTH**

Subdivision 1. <u>Total Appropriation</u>	-0-	<u>1,000,000</u>
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Subd. 2. **Health Protection**

Summary by Fund

General	-0-	<u>1,000,000</u>
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PANDEMIC INFLUENZA PREPAREDNESS. \$1,000,000 from the general fund is for preparation, planning, and response to an outbreak of influenza. The base for this is \$1,000,000 in fiscal years 2008 and 2009 and \$0 in 2010 and thereafter.

Sec. 9. **VETERANS NURSING HOMES BOARD**

General	<u>2,448,000</u>	<u>3,433,000</u>
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<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2006</u>	<u>2007</u>

BASE ADJUSTMENT. The general fund base is increased by \$3,945,000 in fiscal year 2008 and \$3,945,000 in fiscal year 2009 for the Veterans Homes Board.

Sec. 10. **HEALTH-RELATED BOARDS**

State Government

<u>Special Revenue</u>	<u>500,000</u>	<u>500,000</u>
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Board of Medical Practice

<u>500,000</u>	<u>500,000</u>
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This increase is to cover higher than expected costs of investigation and legal action. This is a onetime appropriation.

Sec. 11. **VETERANS AFFAIRS**

3,000,000

Subdivision 1. **State soldiers' assistance fund**

\$2,300,000 is appropriated in fiscal year 2007 to the commissioner of veterans affairs to be deposited in the state soldiers' assistance fund established in Minnesota Statutes, section 197.03. The appropriations in this subdivision are in addition to other appropriations made to the commissioner of veterans affairs.

Subd. 2. **Centralized Web Site for Veterans Services**

\$100,000 is appropriated in fiscal year 2007 to the commissioner of veterans affairs to fund a veterans service coordinator and a veterans information officer within the Department of Veterans Affairs, whose mission is to create a centralized Web site containing information on all state, federal, local, and private agencies and organizations that provide goods or services to veterans or their families. Prior to encumbering funds from the appropriation in this subdivision, the commissioner must adhere to the provisions of Minnesota Statutes, section 16E.03.

Subd. 3. **County Veterans Service Officers Service Enhancement Grants**

\$100,000 is appropriated in fiscal year 2007 to the commissioner of veterans affairs to provide grants to counties for enhancing the benefits, programs, and services they provide to veterans. The commissioner, in consultation with the County Veterans Service Officers' Association, shall establish grants based on objective benchmarks and standards established by the commissioner. A county may not reduce its veterans service office budget by any

APPROPRIATIONS
Available for the Year
Ending June 30

20062007

amount received as a grant under this section. This grant program is in addition to grants made under Minnesota Statutes, section 197.608. This funding may be utilized to assist counties in consolidating their county veterans services offices into bi-county or multicounty service offices.

Subd. 4. Higher Education Veterans Assistance Offices

\$500,000 is appropriated in fiscal year 2007 for the veterans assistance offices under Minnesota Statutes, section 197.585. The commissioner must, in consultation with the Office of Higher Education, determine the most appropriate method of allocating this appropriation to align with the needs of the students at Minnesota state colleges and universities, private colleges, and the University of Minnesota who are veterans. Methods may include, but are not limited to, providing grants for veteran work-study positions and providing central liaison and coordination staff from a veteran pool as needed to enhance the ability of higher education institutions to be responsive to students who are veterans. The commissioner shall designate a liaison who is a veteran to the University of Minnesota and a liaison who is a veteran to the private colleges and universities in Minnesota for the purposes of Minnesota Statutes, section 197.585.

Sec. 12. BOARD OF JUDICIAL STANDARDS

172,000-0-

In fiscal year 2006, \$172,000 is appropriated to the Board on Judicial Standards for costs of special hearings and an investigation regarding complaints of judicial misconduct. This is a onetime appropriation and is available until June 30, 2007.

Sec. 13. PUBLIC SAFETY

Subdivision 1. Total Appropriation

284,0001,200,000

These appropriations are added to appropriations in Laws 2005, chapter 136, article 1, section 9. The amounts that may be spent from this appropriation for each program are specified in subdivisions 2 and 3.

Subd. 2. Emergency Management

284,000-0-

The fiscal year 2006 appropriation is to provide matching funds for FEMA funds received for natural disaster assistance payments. This appropriation is available on the day after enactment and is available until June 30, 2007. This is a onetime appropriation.

<u>APPROPRIATIONS</u>		
<u>Available for the Year</u>		
<u>Ending June 30</u>		
<u>2006</u>		<u>2007</u>
Subd. 3. <u>Criminal Apprehension</u>	<u>-0-</u>	<u>1,200,000</u>
<u>\$1,000,000 in fiscal year 2007 is to create a child pornography investigative unit to assist law enforcement throughout the state. The base for this activity shall be \$778,000 in fiscal year 2008 and each year thereafter.</u>		
<u>\$200,000 is for the enhancement of the predatory offender database to facilitate public notification of noncompliant sex offenders via the Internet. The base for this activity shall be \$116,000 in fiscal year 2008 and fiscal year 2009.</u>		
Sec. 14. <u>CORRECTIONS</u>		
Subdivision 1. <u>Total Appropriations</u>	<u>2,088,000</u>	<u>8,025,000</u>
<u>These amounts are added to the appropriations in Laws 2005, chapter 136, article 1, section 13.</u>		
Subd. 2. <u>Correctional Institutions</u>	<u>1,588,000</u>	<u>6,775,000</u>
Subd. 3. <u>Community Services</u>	<u>500,000</u>	<u>1,250,000</u>
Sec. 15. <u>BOARD OF ANIMAL HEALTH</u>	<u>227,000</u>	<u>360,000</u>
<u>To the Board of Animal Health to eliminate bovine tuberculosis from cattle herds in Minnesota. This is a onetime appropriation.</u>		
Sec. 16. <u>AGRICULTURE</u>	<u>40,000</u>	<u>128,000</u>
Subdivision 1. <u>Livestock Depredation and Crop Damage</u>	<u>40,000</u>	<u>53,000</u>
<u>To the Department of Agriculture to make compensation payments for livestock depredation and crop damage.</u>		
Subd. 2. <u>Renewable Energy</u>	<u>-0-</u>	<u>75,000</u>
<u>To the Department of Agriculture for handling increased renewable energy inquiries.</u>		

APPROPRIATIONS
Available for the Year
Ending June 30

2006 2007

Sec. 17. **DEPARTMENT OF NATURAL RESOURCES**

Subdivision 1. **Bovine Tuberculosis**

88,000 132,000

To the Department of Natural Resources for bovine tuberculosis and diagnosis to diminish the risk of disease transmission in domestic livestock. This is a onetime appropriation.

Subd. 2. **Invasive Species**

-0- 261,000

To the Department of Natural Resources for prevention and control of harmful invasive species.

Subd. 3. **Corps Campsites**

\$200,000 in fiscal year 2007 is from the state park account in the natural resources fund for operation of recreational sites under the jurisdiction of the U.S. Army Corps of Engineers at Big Sandy Lake, Leech Lake, Gull Lake, Cross Lake, Winnibigoshish Lake, and Pokegama Lake. These sites shall be managed as state recreation areas in accordance with Minnesota Statutes, section 86A.05, subdivision 3.

Sec. 18. **WATER QUALITY APPROPRIATIONS**

Subdivision 1. **General Provisions**

The appropriations in this section are from the general fund and are available for the fiscal year ending June 30, 2007. Unless otherwise specified in this section, these appropriations do not cancel and remain available until June 30, 2007. Appropriations in this section that are encumbered under contract, including grant contract, on or before June 30, 2007, are available until June 30, 2009. All appropriations in this section are onetime.

Subd. 2. **Pollution Control Agency**

-0- 4,620,000

To the Pollution Control Agency for the purposes stated:

(1) \$1,450,000 for statewide assessment of surface water quality and trends; and

(2) \$3,170,000 is available to develop TMDL's and TMDL implementation plans for waters listed on the United States Environmental Protection Agency approved 2004 impaired waters list. Of this appropriation, up to \$1,740,000 is available for grants or contracts to develop TMDL's.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2006</u>	<u>2007</u>
<u>-0-</u>	<u>1,500,000</u>

Subd. 3. Department of Agriculture

To the Department of Agriculture for the purposes stated:

(1) \$1,000,000 is for the agricultural best management practices loan program. This appropriation remains available until spent. Of this amount, \$800,000 is for pass-through to local governments and lenders for low-interest loans to producers and rural landowners;

(2) \$300,000 is available to expand technical assistance to producers and conservation professionals on nutrient and pasture management, target practices to sources of water impairments, coordinate federal and state farm conservation programs to fully utilize federal conservation funds, and expand conservation planning assistance for producers. Of this amount, \$100,000 is available for grants or contracts to develop nutrient and conservation planning assistance information materials; and

(3) \$200,000 is available for research, evaluation, and effectiveness monitoring of agricultural practices in restoring impaired waters.

Subd. 4. Board of Water and Soil Resources

-0- 3,400,000

To the Board of Water and Soil Resources for restoration and prevention actions. All of the money appropriated in this subdivision as grants to local governments will be administered through the Board of Water and Soil Resources' local water resources protection and management program under Minnesota Statutes, section 103B.3369:

(1) \$875,000 is for targeted nonpoint restoration cost-share and incentive payments. Of these amounts, up to \$775,000 in fiscal year 2007 is available for grants;

(2) \$1,575,000 is for targeted nonpoint restoration technical, compliance, and engineering assistance activities. Up to \$1,375,000 in fiscal year 2007 is available for grants;

(3) \$200,000 in fiscal year 2007 is for reporting and evaluation of applied soil and water conservation practices;

(4) \$250,000 is for grants for implementation of county individual sewage treatment system programs; and

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2006</u>	<u>2007</u>

(5) \$500,000 is for grants to support local nonpoint source protection activities related to lake and river protection and management.

Subd. 5. Department of Natural Resources

-0-

480,000

To the Department of Natural Resources for the purposes stated:

(1) \$280,000 in fiscal year 2007 is for statewide assessment of surface water quality and trends; and

(2) \$200,000 is available for restoration of impaired waters and actions to prevent waters from becoming impaired. Of these amounts, up to \$150,000 in fiscal year 2007 is available for grants and contracts for forest stewardship planning and implementation and for research, compliance, and monitoring.

Sec. 19. LEGISLATIVE COMMISSION ON MINNESOTA RESOURCES

-0-

275,000

To the Legislative-Citizen Commission on Minnesota Resources, for administration from the environment and natural resources trust fund, as provided in Minnesota Statutes, section 116P.09, subdivision 5. This is a onetime appropriation.

The fiscal year 2006 appropriation for administration under Laws 2005, First Special Session chapter 1, article 2, section 11, subdivision 3, is for the Legislative Commission on Minnesota Resources or its successor commission, as provided in Minnesota Statutes, section 15.039, subdivision 6.

Sec. 20. Minnesota Statutes 2004, section 3.737, subdivision 1, is amended to read:

Subdivision 1. **Compensation required.** (a) Notwithstanding section 3.736, subdivision 3, paragraph (e), or any other law, a livestock owner shall be compensated by the commissioner of agriculture for livestock that is destroyed by a gray wolf or is so crippled by a gray wolf that it must be destroyed. Except as provided in this section, the owner is entitled to the fair market value of the destroyed livestock as determined by the commissioner, upon recommendation of a university extension agent or a conservation officer. In any calendar year, a livestock owner may not be compensated for a destroyed animal claim that is less than \$100 in value and may be compensated up to \$20,000 per claim, as determined under this section. In any calendar year, the commissioner may provide compensation for claims filed pursuant to this section and section 3.7371 to a total of \$100,000 for both programs combined.

(b) Either the agent or the conservation officer must make a personal inspection of the site. The agent or the conservation officer must take into account factors in addition to a visual identification of a carcass when making a recommendation to the commissioner. The commissioner, upon recommendation of the agent or conservation

officer, shall determine whether the livestock was destroyed by a gray wolf and any deficiencies in the owner's adoption of the best management practices developed in subdivision 5. The commissioner may authorize payment of claims only if the agent or the conservation officer has recommended payment. The owner shall file a claim on forms provided by the commissioner and available at the university extension agent's office.

Sec. 21. Minnesota Statutes 2004, section 3.7371, subdivision 3, is amended to read:

Subd. 3. **Compensation.** The crop owner is entitled to the target price or the market price, whichever is greater, of the damaged or destroyed crop plus adjustments for yield loss determined according to agricultural stabilization and conservation service programs for individual farms, adjusted annually, as determined by the commissioner, upon recommendation of the county extension agent for the owner's county. The commissioner, upon recommendation of the agent, shall determine whether the crop damage or destruction is caused by elk and, if so, the amount of the crop that is damaged or destroyed. In any calendar year, a crop owner may not be compensated for a damaged or destroyed crop that is less than \$100 in value and may be compensated up to \$20,000, as determined under this section, if normal harvest procedures for the area are followed. In any calendar year, the commissioner may provide compensation for claims filed pursuant to this section and section 3.737 to a total of \$100,000 for both programs combined.

Sec. 22. **[4.51] EXPENSES OF GOVERNOR-ELECT.**

This section applies after a state general election in which a person who is not the current governor is elected to take office as the next governor. The commissioner of administration must request a transfer from the general fund contingent account of an amount equal to 1.5 percent of the amount appropriated for operation of the Office of the Governor and Lieutenant Governor for the current fiscal year. This request is subject to the review and advice of the Legislative Advisory Commission pursuant to section 3.30. If the transfer is approved, the commissioner of administration must make this amount available to the governor-elect before he or she takes office. The commissioner must provide office space for the governor-elect and for any employees the governor-elect hires.

Sec. 23. Minnesota Statutes 2004, section 16A.152, subdivision 1b, is amended to read:

Subd. 1b. **Budget reserve increase.** On July 1, 2003, the commissioner of finance shall transfer \$300,000,000 to the budget reserve account in the general fund. On July 1, 2004, the commissioner of finance shall transfer \$296,000,000 to the budget reserve account in the general fund. On July 1, 2006, the commissioner of finance shall transfer \$1,000,000 from the budget reserve account in the general fund to the cash flow account in the general fund. The amounts necessary for this purpose are appropriated from the general fund.

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

Sec. 24. Minnesota Statutes 2005 Supplement, section 16A.152, subdivision 2, is amended to read:

Subd. 2. **Additional revenues; priority.** (a) If on the basis of a forecast of general fund revenues and expenditures, the commissioner of finance determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of finance must allocate money to the following accounts and purposes in priority order:

(1) the cash flow account established in subdivision 1 until that account reaches ~~\$350,000,000~~ \$351,000,000;

(2) the budget reserve account established in subdivision 1a until that account reaches ~~\$653,000,000~~ \$652,000,000;

(3) the amount necessary to increase the aid payment schedule for school district aids and credits payments in section 127A.45 to not more than 90 percent rounded to the nearest tenth of a percent without exceeding the amount available and with any remaining funds deposited in the budget reserve; and

(4) the amount necessary to restore all or a portion of the net aid reductions under section 127A.441 and to reduce the property tax revenue recognition shift under section 123B.75, subdivision 5, paragraph (c), and Laws 2003, First Special Session chapter 9, article 5, section 34, as amended by Laws 2003, First Special Session chapter 23, section 20, by the same amount.

(b) The amounts necessary to meet the requirements of this section are appropriated from the general fund within two weeks after the forecast is released or, in the case of transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations schedules otherwise established in statute.

(c) To the extent that a positive unrestricted budgetary general fund balance is projected, appropriations under this section must be made before section 16A.1522 takes effect.

(d) The commissioner of finance shall certify the total dollar amount of the reductions under paragraph (a), clauses (3) and (4), to the commissioner of education. The commissioner of education shall increase the aid payment percentage and reduce the property tax shift percentage by these amounts and apply those reductions to the current fiscal year and thereafter.

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

Sec. 25. Minnesota Statutes 2005 Supplement, section 35.05, is amended to read:

35.05 AUTHORITY OF STATE BOARD.

(a) The state board may quarantine or kill any domestic animal infected with, or which has been exposed to, a contagious or infectious dangerous disease if it is necessary to protect the health of the domestic animals of the state.

(b) The board may regulate or prohibit the arrival in and departure from the state of infected or exposed animals and, in case of violation of any rule or prohibition, may detain any animal at its owner's expense. The board may regulate or prohibit the importation of domestic animals which, in its opinion, may injure the health of Minnesota livestock.

(c) When the governor declares an emergency under section 35.0661, the board, through its executive director, may assume control of such resources within the University of Minnesota's Veterinary Diagnostic Laboratory as necessary to effectively address the disease outbreak. The director of the laboratory and other laboratory personnel must cooperate fully in performing necessary functions related to the outbreak or threatened outbreak.

(d) The board may test or require tests of any bovine or cervidae in the state when the board deems it necessary to achieve or maintain bovine tuberculosis accredited free state or zone status under the regulations and laws administered by the United States Department of Agriculture.

(e) Rules adopted by the board under authority of this chapter must be published in the State Register.

Sec. 26. Minnesota Statutes 2005 Supplement, section 119B.13, subdivision 7, is amended to read:

Subd. 7. **Absent days.** (a) Child care providers may not be reimbursed for more than 25 full-day absent days per child, excluding holidays, in a fiscal year, or for more than ten consecutive full-day absent days, unless the child has a documented medical condition that causes more frequent absences. Documentation of medical conditions

must be on the forms and submitted according to the timelines established by the commissioner. If a child attends for part of the time authorized to be in care in a day, but is absent for part of the time authorized to be in care in that same day, the absent time will be reimbursed but the time will not count toward the ten consecutive or 25 cumulative absent day limits. If a child attends part of an authorized day, payment to the provider must be for the full amount of care authorized for that day. Child care providers may only be reimbursed for absent days if the provider has a written policy for child absences and charges all other families in care for similar absences.

(b) Child care providers must be reimbursed for up to ten federal or state holidays or designated holidays per year when the provider charges all families for these days and the holiday or designated holiday falls on a day when the child is authorized to be in attendance. Parents may substitute other cultural or religious holidays for the ten recognized state and federal holidays. Holidays do not count toward the ten consecutive or 25 cumulative absent day limits.

(c) A family or child care provider may not be assessed an overpayment for an absent day payment unless (1) there was an error in the amount of care authorized for the family, (2) all of the allowed full-day absent payments for the child have been paid, or (3) the family or provider did not timely report a change as required under law.

(d) The provider and family must receive notification upon initial authorization for services and ongoing notification of the number of absent days used as of the date of the notification.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 27. Minnesota Statutes 2004, section 137.022, subdivision 4, is amended to read:

Subd. 4. **Mineral research; scholarships.** (a) All income credited after July 1, 1992, to the permanent university fund from royalties for mining under state mineral leases from and after July 1, 1991, must be allocated as provided in this subdivision.

(b)(1) Fifty percent of the income, up to ~~\$25,000,000~~ \$50,000,000, must be credited to the mineral research account of the fund to be allocated for the Natural Resources Research Institute-Duluth and Coleraine facilities, for mineral and mineral-related research including mineral-related environmental research; and

(2) The remainder must be credited to the endowed scholarship account of the fund for distribution annually for scholastic achievement as provided by the Board of Regents to undergraduates enrolled at the University of Minnesota who are resident students as defined in section 136A.101, subdivision 8.

(c) The annual distribution from the endowed scholarship account must be allocated to the various campuses of the University of Minnesota in proportion to the number of undergraduate resident students enrolled on each campus.

(d) The Board of Regents must report to the education committees of the legislature biennially at the time of the submission of its budget request on the disbursement of money from the endowed scholarship account and to the environment and natural resources committees on the use of the mineral research account.

(e) Capital gains and losses and portfolio income of the permanent university fund must be credited to its three accounts in proportion to the market value of each account.

(f) The endowment support from the income and capital gains of the endowed mineral research and endowed scholarship accounts of the fund must not total more than six percent per year of the 36-month trailing average market value of the account from which the support is derived.

Sec. 28. Minnesota Statutes 2004, section 137.17, subdivision 1, is amended to read:

Subdivision 1. **Establish.** The Board of Regents may establish a ~~school of professional and graduate studies as a nonresidential~~ branch campus of the University of Minnesota ~~in~~ Rochester, to serve the educational needs of working adults and other nontraditional students in southeastern Minnesota. The campus shall be a joint partnership of the University of Minnesota with Rochester Community and Technical College, and Winona State University. and to foster the economic goals of the region and the state. The legislature intends that the University of Minnesota expand higher education offerings in Rochester. It is the intent of the legislature that this be achieved in part by developing new and strengthening existing partnerships with higher education institutions in Rochester and the region in which the state already has a significant investment.

~~The Board of Trustees of the Minnesota State Colleges and Universities shall cooperate to achieve the foregoing.~~

Sec. 29. Minnesota Statutes 2004, section 137.17, subdivision 3, is amended to read:

Subd. 3. **Missions.** The legislature intends that the mission of the expanded education offerings in Rochester be congruent with the university's unique core mission of teaching, research, and outreach in order to support the educational needs and economic development of this region and the state. The legislature recognizes that the distinctiveness of each of the partner higher education institutions in Rochester must be maintained to achieve success in serving the higher education needs of the community and the economic goals of the state. Further, the legislature intends that the University of Minnesota and the other partner institutions avoid duplicative offerings of courses and programs. Therefore, the University of Minnesota, Winona State University, and Rochester Community and Technical College shall develop jointly a statement of missions, roles, and responsibilities for the programs and services at Rochester which shall be submitted to the legislature by January 30, 2000, and any time thereafter that the missions, roles, and responsibilities change.

Sec. 30. **[197.585] HIGHER EDUCATION VETERANS ASSISTANCE OFFICES.**

(a) If there is a need as determined by the commissioner of veterans affairs, each campus of the University of Minnesota and each institution within the Minnesota State Colleges and Universities system shall provide adequate space for a veterans assistance office to be administered by the Department of Veterans Affairs, and each private college and university in Minnesota is requested to provide adequate space for a veterans assistance office to be administered by the Department of Veterans Affairs. The veterans assistance office must provide information and assistance to veterans who are students or family members of students at the school so that they know what state, federal, local, and private resources are available to them.

(b) By January 15 each year the commissioner shall report to the chairs of the house and senate committees having purview over veterans affairs policy and finance, regarding the implementation and effectiveness of this section. The report must address all relevant issues raised in writing to the commissioner by those chairs by August 1 of the preceding year.

(c) This section expires at the end of the first fiscal year in which the number of veterans enrolled in Minnesota public institutions of higher education is fewer than 4,000, but no later than June 30, 2012.

Sec. 31. Minnesota Statutes 2004, section 256.01, subdivision 18, is amended to read:

Subd. 18. **Immigration status verifications.** (a) Notwithstanding any waiver of this requirement by the secretary of the United States Department of Health and Human Services, effective July 1, 2001, the commissioner shall utilize the Systematic Alien Verification for Entitlements (SAVE) program to conduct immigration status verifications:

(1) as required under United States Code, title 8, section 1642;

(2) for all applicants for food assistance benefits, whether under the federal food stamp program, the MFIP or work first program, or the Minnesota food assistance program;

(3) for all applicants for general assistance medical care, except assistance for an emergency medical condition, for immunization with respect to an immunizable disease, or for testing and treatment of symptoms of a communicable disease, and nonfederally funded MinnesotaCare; and

(4) for all applicants for general assistance, Minnesota supplemental aid, medical assistance, federally funded MinnesotaCare, or group residential housing, when the benefits provided by these programs would fall under the definition of "federal public benefit" under United States Code, title 8, section 1642, if federal funds were used to pay for all or part of the benefits.

(b) The commissioner shall comply with the reporting requirements under United States Code, title 42, section 611a, and any federal regulation or guidance adopted under that law.

Sec. 32. Minnesota Statutes 2004, section 256.01, is amended by adding a subdivision to read:

Subd. 18a. **Reporting undocumented immigrants.** The commissioner shall require all employees of the state and counties to make a written report to the United States Citizenship and Immigration Service (USCIS) for any violation of federal immigration law by any applicant for medical assistance under chapter 256B, general assistance medical care under chapter 256D, or MinnesotaCare under chapter 256L, that is discovered by the employee. Employees do not need an applicant's written authorization to contact USCIS.

Sec. 33. Minnesota Statutes 2004, section 256B.431, is amended by adding a subdivision to read:

Subd. 43. **Rate increase for facilities in Stearns, Sherburne, and Benton Counties.** Effective July 1, 2006, operating payment rates of nursing facilities in Stearns, Sherburne, and Benton Counties that are reimbursed under this section, section 256B.434, or section 256B.441 shall be increased to be equal, for a RUG's rate with a weight of 1.00, to the geographic group III median rate for the same RUG's weight. The percentage of the operating payment rate for each facility to be case-mix adjusted shall be equal to the percentage that is case-mix adjusted in that facility's June 30, 2006, operating payment rate. This subdivision shall apply only if it results in a rate increase. Increases provided by this subdivision shall be added to the rate determined under any new reimbursement system established under section 256B.440.

Sec. 34. Minnesota Statutes 2004, section 256J.021, is amended to read:

256J.021 SEPARATE STATE PROGRAM FOR USE OF STATE MONEY.

~~Beginning~~ (a) Until October 1, 2001, and each year thereafter 2006, the commissioner of human services must treat MFIP expenditures made to or on behalf of any minor child under section 256J.02, subdivision 2, clause (1), who is a resident of this state under section 256J.12, and who is part of a two-parent eligible household as expenditures under a separately funded state program and report those expenditures to the federal Department of Health and Human Services as separate state program expenditures under Code of Federal Regulations, title 45, section 263.5.

(b) Beginning October 1, 2006, the commissioner of human services must treat MFIP expenditures made to or on behalf of any minor child under section 256J.02, subdivision 2, clause (1), who is a resident of this state under section 256J.12, and who is part of a two-parent eligible household as expenditures under a separately funded state program. These expenditures shall not count toward the state's maintenance of effort (MOE) requirements under the

federal Temporary Assistance to Needy Families (TANF) program except if counting certain families would allow the commissioner to avoid a federal penalty. Families receiving assistance under this section must comply with all applicable requirements in this chapter.

Sec. 35. Minnesota Statutes 2004, section 256J.626, subdivision 2, is amended to read:

Subd. 2. **Allowable expenditures.** (a) The commissioner must restrict expenditures under the consolidated fund to benefits and services allowed under title IV-A of the federal Social Security Act. Allowable expenditures under the consolidated fund may include, but are not limited to:

(1) short-term, nonrecurring shelter and utility needs that are excluded from the definition of assistance under Code of Federal Regulations, title 45, section 260.31, for families who meet the residency requirement in section 256J.12, subdivisions 1 and 1a. Payments under this subdivision are not considered TANF cash assistance and are not counted towards the 60-month time limit;

(2) transportation needed to obtain or retain employment or to participate in other approved work activities;

(3) direct and administrative costs of staff to deliver employment services for MFIP or the diversionary work program, to administer financial assistance, and to provide specialized services intended to assist hard-to-employ participants to transition to work;

(4) costs of education and training including functional work literacy and English as a second language;

(5) cost of work supports including tools, clothing, boots, and other work-related expenses;

(6) county administrative expenses as defined in Code of Federal Regulations, title 45, section 260(b);

(7) services to parenting and pregnant teens;

(8) supported work;

(9) wage subsidies;

(10) child care needed for MFIP or diversionary work program participants to participate in social services;

(11) child care to ensure that families leaving MFIP or diversionary work program will continue to receive child care assistance from the time the family no longer qualifies for transition year child care until an opening occurs under the basic sliding fee child care program; and

(12) services to help noncustodial parents who live in Minnesota and have minor children receiving MFIP or DWP assistance, but do not live in the same household as the child, obtain or retain employment.

(b) Administrative costs that are not matched with county funds as provided in subdivision 8 may not exceed 7.5 percent of a county's or 15 percent of a tribe's allocation under this section. The commissioner shall define administrative costs for purposes of this subdivision.

(c) The commissioner may waive the cap on administrative costs for a county or tribe that elects to provide an approved supported employment, unpaid work, or community work experience program for a major segment of the county's or tribe's MFIP population. The county or tribe must apply for the waiver on forms provided by the commissioner. In no case shall total administrative costs exceed the TANF limits.

Sec. 36. **[341.21] DEFINITIONS.**

Subdivision 1. **Applicability.** The definitions in this section apply to this chapter.

Subd. 2. **Boxing.** "Boxing" means the act of attack and defense with the fists, using padded gloves, that is practiced as a sport under the rules of the World Boxing Association, the World Boxing Council, the International Boxing Federation, or equivalent. Boxing includes tough person contests.

Subd. 3. **Commission.** "Commission" means the Minnesota Boxing Commission.

Subd. 4. **Contest.** "Contest" means any boxing contest, match, or exhibition.

Subd. 5. **Professional.** "Professional" means any person who competes for any money prize or a prize that exceeds the value of \$50 or teaches, pursues, or assists in the practice of boxing as a means of obtaining a livelihood or pecuniary gain.

Subd. 6. **Director.** "Director" means the executive director of the commission.

Subd. 7. **Tough person contest.** "Tough person contest" means any boxing match consisting of one-minute rounds between two or more persons who use their hands or their feet, or both, in any manner. Tough person contest does not include kick boxing, any recognized martial arts competition, or boxing as defined in subdivision 2.

Sec. 37. **[341.22] BOXING COMMISSION.**

There is hereby created the Minnesota Boxing Commission, consisting of five members who are citizens of this state. The members shall be appointed by the governor and subject to the advice and consent of the senate. One member of the commission shall be a retired judge of the Minnesota District Court, Minnesota Court of Appeals, Minnesota Supreme Court, the United States District Court for the District of Minnesota, or the Eighth Circuit Court of Appeals; one member shall be a public member; and three members shall be involved in the boxing industry. At least two of the members must be women, if possible. Membership terms, compensation of members, removal of members, the filling of membership vacancies, and fiscal year and reporting requirements shall be as provided in sections 214.07 to 214.09. The provision of staff, administrative services, and office space; the review and processing of complaints; the setting of fees; and other provisions relating to commission operations shall be as provided in chapter 214. The purpose of the commission is to protect health, promote safety, and ensure fair events.

Sec. 38. **[341.23] LIMITATIONS.**

No member of the boxing commission shall directly or indirectly promote any boxing or directly or indirectly engage in the managing of any boxer or fighter or be interested in any manner in the proceeds from any boxing match.

Sec. 39. **[341.24] EXECUTIVE DIRECTOR.**

The governor may appoint, and at pleasure remove, an executive director and prescribe the powers and duties of the office. The executive director shall not be a member of the commission. The commission may employ personnel necessary to the performance of its duties.

Sec. 40. **[341.25] RULES.**

(a) The commission may adopt rules that include standards for the physical examination and condition of boxers and referees.

(b) The commission may adopt other rules necessary to carry out the purposes of this chapter, including, but not limited to, the conduct of boxing exhibitions, bouts, and fights, and their manner, supervision, time, and place.

Sec. 41. **[341.26] MEETINGS.**

The commission shall hold a regular meeting quarterly and in addition may hold special meetings. Except as otherwise provided in law, all meetings of the commission shall be open to the public and reasonable notice of the meetings shall be given under chapter 13D.

Sec. 42. **[341.27] COMMISSION DUTIES.**

The commission shall:

(1) issue, deny, renew, suspend, or revoke licenses;

(2) make and maintain records of its acts and proceedings including the issuance, denial, renewal, suspension, or revocation of licenses;

(3) keep public records of the commission open to inspection at all reasonable times;

(4) assist the director in the development of rules to be implemented under this chapter; and

(5) conform to the rules adopted under this chapter.

Sec. 43. **[341.28] REGULATION OF BOXING CONTESTS.**

Subdivision 1. **Regulatory authority; boxing.** All boxing contests are subject to this chapter. Every contestant in a boxing contest shall wear padded gloves that weigh at least eight ounces. The commission shall, for every boxing contest:

(1) direct a commission member to be present; and

(2) direct the attending commission member to make a written report of the contest.

All boxing contests within this state shall be conducted according to the requirements of this chapter.

Subd. 2. **Regulatory authority; tough person contests.** All tough person contests, including amateur tough person contests, are subject to this chapter. Every contestant in a tough person contest shall wear padded gloves that weigh at least 12 ounces.

Sec. 44. **[341.29] JURISDICTION OF COMMISSION.**

The commission shall:

(1) have sole direction, supervision, regulation, control, and jurisdiction over all boxing contests and tough person contests held within this state unless a contest is exempt from the application of this chapter under federal law;

(2) have sole control, authority, and jurisdiction over all licenses required by this chapter; and

(3) grant a license to an applicant if, in the judgment of the commission, the financial responsibility, experience, character, and general fitness of the applicant are consistent with the public interest, convenience, or necessity and the best interests of boxing and conforms with this chapter and the commission's rules.

Sec. 45. **[341.30] LICENSURE; PERSONS REQUIRED TO OBTAIN LICENSES; REQUIREMENTS; BACKGROUND INFORMATION; FEE; BOND.**

Subdivision 1. **Licensure; individuals.** All referees, judges, matchmakers, promoters, trainers, ring announcers, timekeepers, ringside physicians, boxers, boxers' managers, and boxers' seconds are required to be licensed by the commission. The commission shall not permit any of these persons to participate in the holding or conduct of any boxing contest unless the commission has first issued the person a license.

Subd. 2. **Entity licensure.** Before participating in the holding or conduct of any boxing contest, a corporation, partnership, limited liability company, or other business entity organized and existing under law, its officers and directors, and any person holding 25 percent or more of the ownership of the corporation shall obtain a license from the commission and must be authorized to do business under the laws of this state.

Subd. 3. **Background investigation.** The commission shall require referees, judges, matchmakers, promoters, and boxers to furnish fingerprints and background information under commission rules before licensure. The commission shall charge a fee for receiving fingerprints and background information in an amount determined by the commission. The commission may require referees, judges, matchmakers, promoters, and boxers to furnish fingerprints and background information before license renewal if the commission determines that the fingerprints and background information are desirable or necessary. The fee may include a reasonable charge for expenses incurred by the commission and, if the commission requests a criminal history background check from the superintendent of the Bureau of Criminal Apprehension, must be sufficient to recover the cost to the bureau of a background check. The portion of a fee that is collected to recover the cost to the bureau of a background check is appropriated to the commission for the purpose of reimbursing the bureau for the cost of the background check.

Subd. 4. **Prelicensure requirements.** (a) Before the commission issues a license to a promoter, matchmaker, corporation, or other business entity, the applicant shall:

(1) provide the commission with a copy of any agreement between a contestant and the applicant which binds the applicant to pay the contestant a certain fixed fee or percentage of the gate receipts;

(2) show on the application the owner or owners of the applicant entity and the percentage of interest held by each owner holding a 25 percent or more interest in the applicant;

(3) provide the commission with a copy of the latest financial statement of the entity; and

(4) provide the commission with a copy or other proof acceptable to the commission of the insurance contract or policy required by this chapter.

(b) Before the commission issues a license to a promoter, the applicant shall deposit with the commission a cash bond or surety bond in an amount set by the commission. The bond shall be executed in favor of this state and shall be conditioned on the faithful performance by the promoter of the promoter's obligations under this chapter and the rules adopted under it.

(c) Before the commission issues a license to a boxer, the applicant shall submit to the commission the results of a current medical examination on forms furnished or approved by the commission. The medical examination must include an ophthalmological and neurological examination. The ophthalmological exam must be designed to detect any retinal defects or other damage or condition of the eye that could be aggravated by boxing. The neurological

examination must include an electroencephalogram or medically superior test if the boxer has been knocked unconscious in a previous boxing or other athletic competition. The commission may also order an electroencephalogram or other appropriate neurological or physical exam before any contest, match, or exhibition if it determines that the examination is desirable to protect the health of the boxer.

Sec. 46. **[341.31] SIMULCAST LICENSES.**

The commission shall issue a license to a person or organization holding, showing, or exhibiting a simultaneous telecast of any live, current, or spontaneous boxing or sparring match on a closed circuit telecast or subscription television program viewed within the state, whether originating in this state or elsewhere, and for which a charge is made. Each person or organization shall apply for such a license in advance of each showing. No showing may be licensed unless the person or organization applying for the license:

(1) certifies that the match is subject to the jurisdiction and regulation of a boxing or athletic regulatory authority in another state or country;

(2) certifies the match is in compliance with the requirements of the authority;

(3) identifies the authority; and

(4) provides any information the commission may require.

Sec. 47. **[341.32] LICENSE FEES; EXPIRATION; RENEWAL.**

Subdivision 1. **Annual licensure.** The commission may establish and issue annual licenses subject to the collection of advance fees by the commission for: promoters, matchmakers, managers, judges, referees, ring announcers, ringside physicians, timekeepers, boxers, boxers' trainers, boxers' seconds, business entities filing for a license to participate in the holding of any boxing contest, and officers, directors, or other persons affiliated with the business entity.

Subd. 2. **Expiration and renewal.** A license expires December 31 at midnight in the year of its issuance and may be renewed on filing an application for renewal of a license with the commission and payment of the license fee required in subdivision 1. An application for a license and renewal of a license shall be on a form provided by the commission. There is a 30-day grace period during which a license may be renewed if a late filing penalty fee equal to the license fee is submitted with the regular license fee. A licensee that files late shall not conduct any activity regulated by this chapter until the commission has renewed the license. If the licensee fails to apply to the commission within the 30-day grace period, the licensee must apply for a new license under subdivision 1.

Sec. 48. **[341.321] FEE SCHEDULE.**

The fee schedule for licenses issued by the Minnesota Boxing Commission is as follows:

(1) referees, \$35 for each initial license and each renewal;

(2) promoters, \$400 for each initial license and each renewal;

(3) judges, \$25 for each initial license and each renewal;

(4) trainers, \$35 for each initial license and each renewal;

(5) ring announcers, \$25 for each initial license and each renewal;

(6) boxers' seconds, \$25 for each initial license and each renewal;

(7) timekeepers, \$25 for each initial license and each renewal; and

(8) boxers, \$35 for each initial license and each renewal.

The commissioner shall also collect a promoter fee of \$1,500 per event.

All fees collected by the Minnesota Boxing Commission must be deposited in an account in the special revenue fund. Other than initial startup costs, the commission must be funded only from proceeds of these fees.

Sec. 49. [341.33] CONTESTANTS AND REFEREES; PHYSICAL EXAMINATION; ATTENDANCE OF PHYSICIAN; PAYMENT OF FEES.

Subdivision 1. **Examination by physician.** All boxers and referees shall be examined by a physician licensed by this state within three hours before entering the ring, and the examining physician shall immediately file with the commission a written report of the examination. The physician's examination shall report on the condition of the boxer's heart and general physical and neurological condition. The physician's report may record the condition of the boxer's nervous system and brain as required by the commission. The physician may prohibit the boxer from entering the ring if, in the physician's professional opinion, it is in the best interest of the boxer's health. The cost of the examination is payable by the person or entity conducting the contest or exhibition.

Subd. 2. **Attendance of physician.** Every person holding or sponsoring any boxing contest shall have in attendance at every boxing contest a physician licensed by this state. The commission may establish a schedule of fees to be paid to each attending physician by the person holding or sponsoring the contest.

Sec. 50. [341.34] INSURANCE.

Subdivision 1. **Required insurance.** The commission shall:

(1) require insurance coverage for a boxer to provide for medical, surgical, and hospital care for injuries sustained in the ring in an amount of at least \$100,000 with \$25 deductible and payable to the boxer as beneficiary; and

(2) require life insurance for a boxer in the amount of at least \$50,000 payable in case of accidental death resulting from injuries sustained in the ring.

Subd. 2. **Payment for insurance.** The cost of the insurance required by this section is payable by the promoter.

Sec. 51. [341.35] PENALTIES FOR NONLICENSED EXHIBITIONS.

Any person or persons who send or cause to be sent, published, or otherwise made known, any challenge to fight what is commonly known as a prize fight, or engage in any public boxing or sparring match, with or without gloves, for any prize, reward or compensation, or for which any admission fee is charged directly or indirectly, or go into training preparatory for such fight, exhibition, or contest, or act as a trainer, aider, abettor, backer, umpire, referee, second, surgeon, assistant, or attendant at such fight, exhibition, or contest, or in any preparation for same, and any owner or lessee of any ground, building, or structure of any kind permitting the same to be used for any fight, exhibition, or contest, is guilty of a misdemeanor unless a license for the holding of the fight, exhibition, or contest has been issued by the commission in compliance with the rules adopted by it.

Sec. 52. **LABOR AGREEMENTS AND COMPENSATION PLANS.**

Subdivision 1. **American Federation of State, County and Municipal Employees.** The labor agreement between the state of Minnesota and the American Federation of State, County and Municipal Employees, Council 5, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on September 14, 2005, is ratified.

Subd. 2. **Minnesota Association of Professional Employees.** The labor agreement between the state of Minnesota and the Minnesota Association of Professional Employees, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on September 14, 2005, is ratified.

Subd. 3. **Middle Management Association.** The labor agreement between the state of Minnesota and the Middle Management Association, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on November 7, 2005, is ratified.

Subd. 4. **Minnesota state college faculty.** The labor agreement between the state of Minnesota and the Minnesota state college faculty, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on November 7, 2005, is ratified.

Subd. 5. **American Federation of State, County and Municipal Employees.** The labor agreement between the state of Minnesota and the American Federation of State, County and Municipal Employees, Council 5, Unit 8, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on November 7, 2005, is ratified.

Subd. 6. **Managerial plan.** The managerial plan, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on November 7, 2005, is ratified.

Subd. 7. **Commissioner's plan.** The commissioner of employee relations' plan for unrepresented employees, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on November 7, 2005, is ratified.

Subd. 8. **Minnesota Government Engineers Council.** The labor agreement between the state of Minnesota and the Minnesota Government Engineers Council, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on January 10, 2006, is ratified.

Subd. 9. **State Residential Schools Education Association.** The labor agreement between the state of Minnesota and the State Residential Schools Education Association, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on January 10, 2006, is ratified.

Subd. 10. **Interfaculty Organization.** The labor agreement between the state of Minnesota and the Interfaculty Organization, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on January 10, 2006, is ratified.

Subd. 11. **Minnesota State University Association of Administrative and Service Faculty.** The labor agreement between the state of Minnesota and the Minnesota State University Association of Administrative and Service Faculty, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on January 10, 2006, is ratified.

Subd. 12. **Office of Higher Education.** The compensation plan for unrepresented employees of the Office of Higher Education, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on January 10, 2006, is ratified.

Subd. 13. **MnSCU Administrators.** The personnel plan for Minnesota State Colleges and Universities administrators, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on January 10, 2006, is ratified.

Subd. 14. **State Board of Investment.** The salary administration plan for the Minnesota State Board of Investment, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on March 1, 2006, is ratified.

Subd. 15. **Managerial plan amendment.** The amendment to the managerial plan, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on March 1, 2006, is ratified.

Subd. 16. **Commissioner's plan amendment.** The amendment to the commissioner's plan, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on March 1, 2006, is ratified.

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

Sec. 53. **TRANSFER; TAX RELIEF ACCOUNT.**

In fiscal year 2006, the balance in the tax relief account in Minnesota Statutes, section 16A.1522, subdivision 4, estimated to be \$316,716,000, is canceled to the general fund.

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

Sec. 54. **TRANSFER.**

On June 30, 2006, the commissioner of finance shall transfer the balances in the tobacco use prevention and local public health endowment fund and the medical education endowment fund to the general fund. These balances result from investment income credited to the funds after the transfer of balances on July 1, 2003. The amount transferred under this section is estimated to be \$2,933,000.

Sec. 55. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall correct internal cross-references to sections that are affected by section 56. The revisor may make changes necessary to correct the punctuation, grammar, or structure of the remaining text and preserve its meaning.

Sec. 56. **REPEALER.**

Minnesota Statutes 2004, sections 62J.694; and 144.395, are repealed."

Delete the title and insert:

"A bill for an act relating to the financing of state government; making supplemental appropriations; regulating government operations; providing for and modifying certain programs; providing for a Rochester campus of the University of Minnesota; creating the Boxing Commission and regulating boxing; ratifying certain labor agreements and compensation plans; providing criminal penalties; appropriating money; amending Minnesota Statutes 2004, sections 3.737, subdivision 1; 3.7371, subdivision 3; 16A.152, subdivision 1b; 137.022, subdivision 4; 137.17, subdivisions 1, 3; 256.01, subdivision 18, by adding a subdivision; 256B.431, by adding a subdivision; 256J.021; 256J.626, subdivision 2; Minnesota Statutes 2005 Supplement, sections 16A.152, subdivision 2; 35.05; 119B.13, subdivision 7; proposing coding for new law in Minnesota Statutes, chapters 4; 197; 341; repealing Minnesota Statutes 2004, sections 62J.694; 144.395."

With the recommendation that when so amended the bill pass.

The report was adopted.

Ozment from the Committee on Agriculture, Environment and Natural Resources Finance to which was referred:

S. F. No. 762, A bill for an act relating to the environment; creating the Clean Water Legacy Act; providing authority, direction, and funding to achieve and maintain water quality standards for Minnesota's surface waters in accordance with section 303(d) of the federal Clean Water Act; appropriating money; amending Laws 2005, chapter 20, article 1, section 39; proposing coding for new law in Minnesota Statutes, chapter 446A; proposing coding for new law as Minnesota Statutes, chapter 114D.

Reported the same back with the following amendments to the unofficial engrossment:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2004, section 103C.501, subdivision 5, is amended to read:

Subd. 5. **Contracts by districts.** (a) A district board may contract on a cost-share basis to furnish financial aid to a land occupier or to a state agency for permanent systems for erosion or sedimentation control or water quality improvement that are consistent with the district's comprehensive and annual work plans.

(b) The duration of the contract ~~may~~ must, at a minimum, be the time required to complete the planned systems. A contract must specify that the land occupier is liable for monetary damages, ~~not to exceed the~~ and penalties in an amount of up to 150 percent of the financial assistance received from the district, for failure to complete the systems or practices in a timely manner or maintain the systems or practices as specified in the contract.

(c) A contract may provide for cooperation or funding with federal agencies. A land occupier or state agency may provide the cost-sharing portion of the contract through services in kind.

(d) The state board or the district board may not furnish any financial aid for practices designed only to increase land productivity.

(e) When a district board determines that long-term maintenance of a system or practice is desirable, the board may require that such maintenance be made a covenant upon the land for the effective life of the practice. A covenant under this subdivision shall be construed in the same manner as a conservation restriction under section 84.65.

Sec. 2. **[114D.05] CITATION.**

This chapter may be cited as the "Clean Water Legacy Act."

Sec. 3. **[114D.10] LEGISLATIVE PURPOSE AND FINDINGS.**

Subdivision 1. **Purpose.** The purpose of the Clean Water Legacy Act is to protect, restore, and preserve the quality of Minnesota's surface waters by providing authority, direction, and resources to achieve and maintain water quality standards for surface waters as required by section 303(d) of the federal Clean Water Act, United States Code, title 33, section 1313(d), and applicable federal regulations.

Subd. 2. **Findings.** The legislature finds that:

(1) there is a close link between protecting, restoring, and preserving the quality of Minnesota's surface waters and the ability to develop the state's economy, enhance its quality of life, and protect its human and natural resources;

(2) achieving the state's water quality goals will require long-term commitment and cooperation by all state and local agencies, and other public and private organizations and individuals, with responsibility and authority for water management, planning, and protection; and

(3) all persons and organizations whose activities affect the quality of waters, including point and nonpoint sources of pollution, have a responsibility to participate in and support efforts to achieve the state's water quality goals.

Sec. 4. **[114D.15] DEFINITIONS.**

Subdivision 1. **Application.** The definitions provided in this section apply to the terms used in this chapter.

Subd. 2. **Citizen monitoring.** "Citizen monitoring" means monitoring of surface water quality by individuals and nongovernmental organizations that is consistent with section 115.06, subdivision 4, and Pollution Control Agency guidance on monitoring procedures, quality assurance protocols, and data management.

Subd. 3. **Clean Water Council.** "Clean Water Council" or "council" means the Clean Water Council created pursuant to section 114D.30, subdivision 1.

Subd. 4. **Federal TMDL requirements.** "Federal TMDL requirements" means the requirements of section 303(d) of the Clean Water Act, United States Code, title 33, section 1313(d), and associated regulations and guidance.

Subd. 5. **Impaired water.** "Impaired water" means surface water that does not meet applicable water quality standards.

Subd. 6. **Public agencies.** "Public agencies" means all state agencies, political subdivisions, joint powers organizations, and special purpose units of government with authority, responsibility, or expertise in protecting, restoring, or preserving the quality of surface waters, managing or planning for surface waters and related lands, or financing waters-related projects. Public agencies includes the University of Minnesota and other public education institutions.

Subd. 7. **Restoration.** "Restoration" means actions, including effectiveness monitoring, that are taken to achieve and maintain water quality standards for impaired waters in accordance with a TMDL that has been approved by the United States Environmental Protection Agency under federal TMDL requirements.

Subd. 8. **Surface waters.** "Surface waters" means waters of the state as defined in section 115.01, subdivision 22, excluding groundwater as defined in section 115.01, subdivision 6.

Subd. 9. **Third-party TMDL.** "Third-party TMDL" means a TMDL by the Pollution Control Agency that is developed in whole or in part by a qualified public entity other than the Pollution Control Agency consistent with the goals, policies, and priorities in section 114D.20.

Subd. 10. **Total maximum daily load or TMDL.** "Total maximum daily load" or "TMDL" means a scientific study that contains a calculation of the maximum amount of a pollutant that may be introduced into a surface water and still ensure that applicable water quality standards for that water are restored and maintained. A TMDL also is the sum of the pollutant load allocations for all sources of the pollutant, including a wasteload allocation for point sources, a load allocation for nonpoint sources and natural background, an allocation for future growth of point and nonpoint sources, and a margin of safety to account for uncertainty about the relationship between pollutant loads and the quality of the receiving surface water. "Natural background" means characteristics of the water body resulting from the multiplicity of factors in nature, including climate and ecosystem dynamics, that affect the physical, chemical, or biological conditions in a water body, but does not include measurable and distinguishable pollution that is attributable to human activity or influence. A TMDL must take into account seasonal variations.

Subd. 11. **TMDL implementation plan.** "TMDL implementation plan" means a document detailing restoration activities needed to meet the approved TMDL's pollutant load allocations for point and nonpoint sources.

Subd. 12. **Water quality standards.** "Water quality standards" for Minnesota surface waters are found in Minnesota Rules, chapters 7050 and 7052.

Sec. 5. **[114D.20] IMPLEMENTATION; COORDINATION; GOALS; POLICIES; AND PRIORITIES.**

Subdivision 1. **Coordination and cooperation.** In implementing this chapter, public agencies and private entities shall take into consideration the relevant provisions of local and other applicable water management, conservation, land use, land management, and development plans and programs. Public agencies with authority for local water management, conservation, land use, land management, and development plans shall take into consideration the manner in which their plans affect the implementation of this chapter. Public agencies shall identify opportunities to participate and assist in the successful implementation of this chapter, including the funding or technical assistance needs, if any, that may be necessary. In implementing this chapter, public agencies shall endeavor to engage the cooperation of organizations and individuals whose activities affect the quality of surface waters, including point and nonpoint sources of pollution, and who have authority and responsibility for water management, planning, and protection. To the extent practicable, public agencies shall endeavor to enter into formal and informal agreements and arrangements with federal agencies and departments to jointly utilize staff and educational, technical, and financial resources to deliver programs or conduct activities to achieve the intent of this chapter, including efforts under the federal Clean Water Act and other federal farm and soil and water conservation programs. Nothing in this chapter affects the application of silvicultural exemptions under any federal, state, or local law or requires silvicultural practices more stringent than those recommended in the timber harvesting and forest management guidelines adopted by the Minnesota Forest Resources Council under section 89A.05.

Subd. 2. **Goals for implementation.** The following goals must guide the implementation of this chapter:

(1) to identify impaired waters in accordance with federal TMDL requirements within ten years after the effective date of this section and thereafter to ensure continuing evaluation of surface waters for impairments;

(2) to submit TMDL's to the United States Environmental Protection Agency for all impaired waters in a timely manner in accordance with federal TMDL requirements;

(3) to set a reasonable time for implementing restoration of each identified impaired water;

(4) to provide assistance and incentives to prevent waters from becoming impaired and to improve the quality of waters which are listed as impaired but have no approved TMDL addressing the impairment;

(5) to promptly seek the delisting of waters from the impaired waters list when those waters are shown to achieve the designated uses applicable to the waters; and

(6) to achieve compliance with federal Clean Water Act requirements in Minnesota.

Subd. 3. **Implementation policies.** The following policies must guide the implementation of this chapter:

(1) develop regional and watershed TMDL's and TMDL implementation plans, and TMDL's and TMDL implementation plans for multiple pollutants, where reasonable and feasible;

(2) maximize use of available organizational, technical, and financial resources to perform sampling, monitoring, and other activities to identify impaired waters, including use of citizen monitoring and citizen monitoring data used by the Pollution Control Agency in assessing water quality must meet the requirements in Appendix D of the Volunteer Surface Water Monitoring Guide, Minnesota Pollution Control Agency (2003);

(3) maximize opportunities for restoration of impaired waters, by prioritizing and targeting of available programmatic, financial, and technical resources and by providing additional state resources to complement and leverage available resources;

(4) use existing regulatory authorities to achieve restoration for point and nonpoint sources of pollution where applicable, and promote the development and use of effective nonregulatory measures to address pollution sources for which regulations are not applicable;

(5) use restoration methods that have a demonstrated effectiveness in reducing impairments and provide the greatest long-term positive impact on water quality protection and improvement and related conservation benefits while incorporating innovative approaches on a case-by-case basis;

(6) identify for the legislature any innovative approaches that may strengthen or complement existing programs;

(7) identify and encourage implementation of measures to prevent waters from becoming impaired and to improve the quality of waters that are listed as impaired but have no approved TMDL addressing the impairment using the best available data and technology, and establish and report outcome-based performance measures that monitor the progress and effectiveness of protection and restoration measures; and

(8) monitor and enforce cost-sharing contracts and impose monetary damages in an amount up to 150 percent of the financial assistance received for failure to comply.

Subd. 4. **Priorities for identifying impaired waters.** The Pollution Control Agency, in accordance with federal TMDL requirements, shall set priorities for identifying impaired waters, giving consideration to:

(1) waters where impairments would pose the greatest potential risk to human or aquatic health; and

(2) waters where data developed through public agency or citizen monitoring or other means, provides scientific evidence that an impaired condition exists.

Subd. 5. **Priorities for preparation of TMDL's.** The Clean Water Council shall recommend priorities for scheduling and preparing TMDL's and TMDL implementation plans, taking into account the severity of the impairment, the designated uses of those waters, and other applicable federal TMDL requirements. In recommending priorities, the council shall also give consideration to waters and watersheds:

(1) with impairments that pose the greatest potential risk to human health;

(2) with impairments that pose the greatest potential risk to threatened or endangered species;

(3) with impairments that pose the greatest potential risk to aquatic health;

(4) where other public agencies and participating organizations and individuals, especially local, basinwide, watershed, or regional agencies or organizations, have demonstrated readiness to assist in carrying out the responsibilities, including availability and organization of human, technical, and financial resources necessary to undertake the work; and

(5) where there is demonstrated coordination and cooperation among cities, counties, watershed districts, and soil and water conservation districts in planning and implementation of activities that will assist in carrying out the responsibilities.

Subd. 6. **Priorities for restoration of impaired waters.** In implementing restoration of impaired waters, in addition to the priority considerations in subdivision 5, the Clean Water Council shall give priority in its recommendations for restoration funding from the clean water legacy account to restoration projects that:

- (1) coordinate with and utilize existing local authorities and infrastructure for implementation;
- (2) can be implemented in whole or in part by providing support for existing or ongoing restoration efforts;
- (3) most effectively leverage other sources of restoration funding, including federal, state, local, and private sources of funds;
- (4) show a high potential for early restoration and delisting based upon scientific data developed through public agency or citizen monitoring or other means; and
- (5) show a high potential for long-term water quality and related conservation benefits.

Subd. 7. **Priorities for funding prevention actions.** The Clean Water Council shall apply the priorities applicable under subdivision 6, as far as practicable, when recommending priorities for funding actions to prevent waters from becoming impaired and to improve the quality of waters that are listed as impaired but have no approved TMDL.

Sec. 6. [114D.25] ADMINISTRATION; POLLUTION CONTROL AGENCY.

Subdivision 1. **General duties and authorities.** (a) The Pollution Control Agency, in accordance with federal TMDL requirements, shall:

- (1) identify impaired waters and propose a list of the waters for review and approval by the United States Environmental Protection Agency;
- (2) develop and approve TMDL's for listed impaired waters and submit the approved TMDL's to the United State Environmental Protection Agency for final approval; and
- (3) propose to delist waters from the Environmental Protection Agency impaired waters list.

(b) A TMDL must include a statement of the facts and scientific data supporting the TMDL and a list of potential implementation options, including a range of estimates of the cost of implementation and individual wasteload data for any point sources addressed by the TMDL.

(c) The implementation information need not be sent to the United States Environmental Protection Agency for review and approval.

Subd. 2. **Administrative procedures for TMDL approval.** The approval of a TMDL by the Pollution Control Agency is a final decision of the agency for purposes of section 115.05, and is subject to the contested case procedures of sections 14.57 to 14.62 in accordance with agency procedural rules. The agency shall not submit an approved TMDL to the United States Environmental Protection Agency until the time for commencing judicial review has run or the judicial review process has been completed. A TMDL is not subject to the rulemaking requirements of chapter 14, including section 14.386.

Subd. 3. **TMDL submittal requirement.** Before submitting a TMDL to the United States Environmental Protection Agency, the Pollution Control Agency shall comply with the notice and procedure requirements of this section. If a contested case proceeding is not required for a proposed TMDL, the agency may submit the TMDL to the United States Environmental Protection Agency no earlier than 30 days after the notice required in subdivision 4. If a contested case proceeding is required for a TMDL, the TMDL may be submitted to the United States Environmental Protection Agency after the contested case proceeding and appeal process is completed.

Subd. 4. **TMDL notice; contents.** The Pollution Control Agency shall give notice of its intention to submit a TMDL to the United States Environmental Protection Agency. The notice must be given by publication in the State Register and by United States mail to persons who have registered their names with the agency. The notice must include either a copy of the proposed TMDL or an easily readable and understandable description of its nature and effect and an announcement of how free access to the proposed TMDL can be obtained. In addition, the agency shall make reasonable efforts to notify persons or classes of persons who may be significantly affected by the TMDL by giving notice of its intention in newsletters, newspapers, or other publications, or through other means of communication. The notice must include a statement informing the public:

(1) that the public has 30 days in which to submit comment in support of or in opposition to the proposed TMDL and that comment is encouraged;

(2) that each comment should identify the portion of the proposed TMDL addressed, the reason for the comment, and any change proposed;

(3) of the manner in which persons must request a contested case proceeding on the proposed TMDL;

(4) that the proposed TMDL may be modified if the modifications are supported by the data and views submitted; and

(5) the date on which the 30-day comment period ends.

Subd. 5. **Third-party TMDL development.** The Pollution Control Agency may enter into agreements with any qualified public agency setting forth the terms and conditions under which that entity is authorized to develop a third-party TMDL. In determining whether the public agency is qualified to develop a third-party TMDL, the Pollution Control Agency shall consider the technical and administrative qualifications of the public agency, cost, and shall avoid any potential organizational conflict of interest, as defined in section 16C.02, subdivision 10a, of the public agency with respect to the development of the third-party TMDL. A third-party TMDL is subject to modification and approval by the Pollution Control Agency, and must be approved by the Pollution Control Agency before it is submitted to the United States Environmental Protection Agency. The Pollution Control Agency shall only consider authorizing the development of third-party TMDL's consistent with the goals, policies, and priorities determined under section 114D.20.

Sec. 7. **[114D.30] CLEAN WATER COUNCIL.**

Subdivision 1. **Creation; duties.** A Clean Water Council is created to advise the Pollution Control Agency and other implementing public agencies on the administration and implementation of this chapter, and foster coordination and cooperation as described in section 114D.20, subdivision 1. The council may also advise on the development of appropriate processes for expert scientific review as described in section 114D.35, subdivision 2. The Pollution Control Agency shall provide administrative support for the council with the support of other member agencies. The members of the council shall elect a chair from the nonagency members of the council.

Subd. 2. **Membership; appointment.** The governor must appoint the members of the council. The governor must appoint one person from each of the following agencies: the Department of Natural Resources, the Department of Agriculture, the Pollution Control Agency, and the Board of Water and Soil Resources. The governor must appoint 18 additional nonagency members of the council as follows:

- (1) two members representing statewide farm organizations;
- (2) two members representing business organizations;
- (3) two members representing environmental organizations;
- (4) one member representing soil and water conservation districts;
- (5) one member representing watershed districts;
- (6) one member representing nonprofit organizations focused on improvement of Minnesota lakes or streams;
- (7) two members representing organizations of county governments;
- (8) two members representing organizations of city governments;
- (9) one member representing the Metropolitan Council established under section 473.123;
- (10) one member representing an organization of township governments;
- (11) one member representing the interests of tribal governments; and
- (12) two members representing statewide hunting organizations.

In making appointments, the governor must attempt to provide for geographic balance.

Subd. 3. **Terms; compensation; removal.** The initial terms of members representing state agencies and the Metropolitan Council expire on the first Monday in January, 2007. Thereafter, the terms of members representing the state agencies and the Metropolitan Council are four years and are coterminous with the governor. The terms of other members of the council shall be as provided in section 15.059, subdivision 2. Members may serve until their successors are appointed and qualify. Compensation and removal of council members is as provided in section 15.059, subdivisions 3 and 4. A vacancy on the council may be filled by the appointing authority provided in subdivision 1 for the remainder of the unexpired term.

Subd. 4. **Implementation plan.** The Clean Water Council shall prepare a plan for implementation of this chapter. The plan shall address general procedures and timeframes for implementing this chapter, and shall include a more specific implementation work plan for the next fiscal biennium and a framework for setting priorities to address impaired waters consistent with section 114D.45, subdivisions 2 to 7. The council shall issue the first implementation plan under this subdivision by December 1, 2006, and shall issue a revised work plan by December 1 of each even-numbered year thereafter.

Subd. 5. **Recommendations on appropriation of funds.** The Clean Water Council shall recommend to the governor the manner in which money from the clean water legacy account should be appropriated for the purposes identified in section 114D.45, subdivision 3. The council's recommendations must be consistent with the purposes, policies, goals, and priorities in sections 114D.05 to 114D.35, and shall allocate adequate support and resources to identify impaired waters, develop TMDL's, develop TMDL implementation plans, implement restoration of

impaired waters, and provide assistance and incentives to prevent waters from becoming impaired and improve the quality of waters which are listed as impaired but have no approved TMDL. The council must recommend methods of ensuring that awards of grants, loans, or other funds from the clean water legacy account specify the outcomes to be achieved as a result of the funding, and specify standards to hold the recipient accountable for achieving the desired outcomes.

Subd. 6. **Biennial report to legislature.** By December 1 of each even-numbered year, the council shall submit a report to the legislature on the activities for which money has been or will be spent for the current biennium, the activities for which money is recommended to be spent in the next biennium, and the impact on economic development of the implementation of the impaired waters program. The report due on December 1, 2014, must include an evaluation of the progress made through June 30, 2014, in implementing this chapter, the need for funding of future implementation of those sections, and recommendations for the sources of funding.

Sec. 8. **[114D.35] PUBLIC AND STAKEHOLDER PARTICIPATION; SCIENTIFIC REVIEW; EDUCATION.**

Subdivision 1. **Public and stakeholder participation.** Public agencies and private entities involved in the implementation of this chapter shall encourage participation by the public and stakeholders, including local citizens, landowners and managers, and public and private organizations, in the identification of impaired waters, in developing TMDL's, and in planning, priority setting, and implementing restoration of impaired waters. In particular, the Pollution Control Agency shall make reasonable efforts to provide timely information to the public and to stakeholders about impaired waters that have been identified by the agency. The agency shall seek broad and early public and stakeholder participation in scoping the activities necessary to develop a TMDL, including the scientific models, methods, and approaches to be used in TMDL development, and to implement restoration pursuant to section 114D.15, subdivision 7.

Subd. 2. **Expert scientific advice.** The Clean Water Council and public agencies and private entities shall make use of available public and private expertise from educational, research, and technical organizations, including the University of Minnesota and other higher education institutions, to provide appropriate independent expert advice on models, methods, and approaches used in identifying impaired waters, developing TMDL's, and implementing prevention and restoration.

Subd. 3. **Education.** The Clean Water Council shall develop strategies for informing, educating, and encouraging the participation of citizens, stakeholders, and others regarding the identification of impaired waters, development of TMDL's, development of TMDL implementation plans, and implementation of restoration for impaired waters. Public agencies shall be responsible for implementing the strategies.

Sec. 9. Minnesota Statutes 2005 Supplement, section 116.182, subdivision 2, is amended to read:

Subd. 2. **Applicability.** This section governs the commissioner's certification of projects seeking financial assistance under section 103F.725, subdivision 1a; 446A.07; 446A.072; ~~or~~ 446A.073; 446A.074; or 446A.075.

Sec. 10. Minnesota Statutes 2004, section 446A.051, is amended to read:

446A.051 PROJECT FINANCIAL ASSISTANCE.

The authority shall assist eligible governmental units in determining what grants or loans under sections 446A.06, ~~and~~ 446A.07, 446A.072, 446A.073, 446A.074, 446A.075, and 446A.081 to apply for to finance projects and the manner in which the governmental unit will pay for its portion of the project cost. If a project is eligible for

grants from one or more of the programs under sections 446A.073, 446A.074, and 446A.075, the total grant shall not exceed the greater of the maximum amount from a single program or the amount the project could receive under section 446A.072. The authority shall review the proposed financing for each project certified by the agency to ascertain whether or not: (1) total financing of a project is assured; and (2) the governmental unit's financial plan to pay for its portion of the project cost is feasible.

Sec. 11. Minnesota Statutes 2005 Supplement, section 446A.073, is amended to read:

446A.073 TOTAL MAXIMUM DAILY LOAD GRANTS.

Subdivision 1. **Program established.** When money is appropriated for grants under this program, the authority must make grants to municipalities to cover up to one-half the cost of wastewater treatment projects made necessary by wasteload reductions under total maximum daily load plans required by section 303(d) of the federal Clean Water Act, United States Code, title 33, section 1313(d), or up to one-half of the additional project costs described in subdivision 3, paragraph (b).

Subd. 2. **Grant application.** Application for a grant must be made to the authority on forms prescribed by the authority for the total maximum daily load grant program, with additional information as required by the authority, including a project schedule and cost estimate for the work necessary to comply with the point source wasteload allocation. In accordance with section 116.182, the Pollution Control Agency shall:

(1) calculate the essential project component percentage, which must be multiplied by the total project cost to determine the eligible project cost; and

(2) review and certify approved projects to the authority.

Subd. 3. **Project priorities.** (a) When money is appropriated for grants under this program, the authority shall accept applications from June 1 to June 30 and shall reserve money until June 30 of the following fiscal year for projects in the order that:

(1) their total maximum daily load ~~plan~~ study was approved by the United States Environmental Protection Agency and in an amount based on their most recent cost estimates submitted to the authority or the as-bid costs, whichever is less;

(2) their grant application is received by the authority; and

(3) have the greatest load reduction as determined by the Pollution Control Agency.

(b) Any balances remaining after money is reserved for projects in paragraph (a) may be reserved for projects on the Pollution Control Agency's project priority list to cover additional costs associated with wastewater disposal methods not requiring a National Pollutant Discharge Elimination System permit where a new discharge to an impaired water is prohibited due to the lack of total maximum daily load approval by the United States Environmental Protection Agency.

(c) The authority shall reserve money for projects in an amount based on the most recent cost estimates submitted to the authority or the as-bid costs, whichever is less.

Subd. 4. **Grant approval.** The authority must make a grant to a municipality, as defined in section 116.182, subdivision 1, only after:

(1) the commissioner of the Minnesota Pollution Control Agency has certified to the United States Environmental Protection Agency a total maximum daily load ~~plan study~~ for identified waters of this state that includes a point source wasteload allocation, except for projects described in subdivision 3, paragraph (b);

(2) the Environmental Protection Agency has approved the ~~plan~~ total maximum daily load study, except for projects described in subdivision 3, paragraph (b);

(3) a municipality ~~affected by the plan has estimated the cost to it of~~ for which money is reserved has submitted as-bid costs for its wastewater treatment projects necessary to comply with the point source wasteload allocation;

(4) the Pollution Control Agency has ~~approved the cost estimate~~ reviewed and certified the project to the authority; and

(5) the authority has determined that the additional financing necessary to complete the project has been committed from other sources.

Subd. 5. **Grant disbursement.** Disbursement of a grant must be made for eligible project costs as incurred by the municipality and in accordance with a project financing agreement and applicable state and federal laws and rules governing the payments.

Subd. 6. **Fees.** The authority may charge the grant recipient a fee for its administrative costs not to exceed one-half of one percent of the grant amount, to be paid upon execution of the grant agreement. Fees paid under this section must be deposited in a separate TMDL program account in the special revenue fund. Money in the TMDL program account is appropriated to the authority for purposes of administering this section.

Sec. 12. **[446A.074] CLEAN WATER LEGACY PHOSPHORUS REDUCTION GRANTS.**

Subdivision 1. **Creation of fund.** The authority shall establish a clean water legacy capital improvement fund and shall make grants from the fund as provided in this section.

Subd. 2. **Grants.** The authority shall award grants from the clean water legacy capital improvement fund to governmental units for the capital costs of wastewater treatment facility projects or a portion thereof that will reduce the discharge of total phosphorus from the facility to one milligram per liter or less. A project is eligible for a grant if it meets the following requirements:

(1) the applicable phosphorus discharge limit is incorporated in a permit issued by the agency for the wastewater treatment facility on or after March 28, 2000, the grantee agrees to comply with the applicable limit as a condition of receiving the grant, or the grantee made improvements to a wastewater treatment facility on or after March 28, 2000, that include infrastructure to reduce the discharge of total phosphorus to one milligram per liter or less;

(2) the governmental unit has submitted a facilities plan for the project to the agency and a grant application to the authority on a form prescribed by the authority; and

(3) the agency has approved the facilities plan, and certified the eligible costs for the project to the authority.

Subd. 3. **Eligible capital costs.** Eligible capital costs for phosphorus reduction grants under subdivision 4, paragraph (a), include the as-bid construction costs and engineering planning and design costs for phosphorus treatment. Eligible capital costs for phosphorus reduction grants under subdivision 4, paragraph (b), include the final, incurred construction, engineering, planning, and design costs for phosphorus treatment.

Subd. 4. **Grant amounts and priorities.** (a) Priority must be given to projects that start construction on or after July 1, 2006. If a facility's plan for a project is approved by the agency before July 1, 2010, the amount of the grant is 75 percent of the eligible capital cost of the project. If a facility's plan for a project is approved by the agency on or after July 1, 2010, the amount of the grant is 50 percent of the eligible capital cost of the project. Priority in awarding grants under this paragraph must be based on the date of approval of the facility's plan for the project.

(b) Projects that meet the eligibility requirements in subdivision 2 and have started construction before July 1, 2006, are eligible for grants to reimburse up to 75 percent of the eligible capital cost of the project, less any amounts previously received in grants from other sources. Application for a grant under this paragraph must be submitted to the authority no later than June 30, 2008. Priority for award of grants under this paragraph must be based on the date of agency approval of the facility plan.

(c) In each fiscal year that money is available for grants, the authority shall first award grants under paragraph (a) to projects that met the eligibility requirements of subdivision 2 by May 1 of that year. The authority shall use any remaining money available that year to award grants under paragraph (b). Grants that have been approved but not awarded in a previous fiscal year carry over and must be awarded in subsequent fiscal years in accordance with the priorities in this paragraph.

(d) Disbursements of grants under this section by the authority to recipients must be made for eligible project costs as incurred by the recipients, and must be made by the authority in accordance with the project financing agreement and applicable state law.

Subd. 5. **Fees.** The authority may charge the grant recipient a fee for its administrative costs not to exceed one-half of one percent of the grant amount, to be paid upon execution of the grant agreement.

Sec. 13. [446A.075] SMALL COMMUNITY WASTEWATER TREATMENT PROGRAM.

Subdivision 1. **Creation of fund.** The authority shall establish a small community wastewater treatment fund and shall make loans and grants from the fund as provided in this section. Money in the fund is annually appropriated to the authority and does not lapse. The fund shall be credited with all loan repayments and investment income from the fund, and servicing fees assessed under section 446A.04, subdivision 5. The authority shall manage and administer the small community wastewater treatment fund, and for these purposes, may exercise all powers provided in this chapter.

Subd. 2. **Loans and grants.** (a) The authority shall award loans as provided in paragraph (b) and grants as provided in paragraphs (c) and (d) to governmental units from the small community wastewater treatment fund for projects to replace noncomplying individual sewage treatment systems with a community wastewater treatment system or systems meeting the requirements of section 115.55. A governmental unit receiving a loan or loan and grant from the fund shall own the community wastewater treatment systems built under the program and shall be responsible, either directly or through a contract with a private vendor, for all inspections, maintenance, and repairs necessary to ensure proper operation of the systems.

(b) Loans may be awarded for up to 100 percent of eligible project costs as described in this section.

(c) When the area to be served by a project has a median household income below the state average median household income, the governmental unit may receive 50 percent of the funding provided under this section in the form of a grant. An applicant may submit income survey data collected by an independent party if it believes the most recent United States census does not accurately reflect the median household income of the area to be served.

(d) If requested, a governmental unit receiving funding under this section may receive a grant equal to ten percent of its first year's award, up to a maximum of \$30,000, to contract for technical assistance services from the University of Minnesota Extension Service to develop the technical, managerial, and financial capacity necessary to build, operate, and maintain the systems.

Subd. 3. **Project priority list.** Governmental units seeking loans or loans and grants from the small community wastewater treatment program shall first submit a project proposal to the agency on a form prescribed by the agency. A project proposal shall include the compliance status for all individual sewage treatment systems in the project area. The agency shall rank project proposals on its project priority list used for the water pollution control revolving fund under section 446A.07.

Subd. 4. **Applications.** Governmental units with projects on the project priority list shall submit applications to the authority on forms prescribed by the authority. The application shall include:

(1) a list of the individual sewage treatment systems proposed to be replaced over a period of up to three years;

(2) a project schedule and cost estimate for each year of the project;

(3) a financing plan for repayment of the loan; and

(4) a management plan providing for the inspection, maintenance, and repairs necessary to ensure proper operation of the systems.

Subd. 5. **Awards.** The authority shall award loans or loans and grants as provided in subdivision 2 to governmental units with approved applications based on their ranking on the agency's project priority list. The total amount awarded shall be based on the estimated project costs for the portion of the project expected to be completed within one year, up to an annual maximum of \$500,000. For projects expected to take more than one year to complete, the authority may make a multiyear commitment for a period not to exceed three years, contingent on the future availability of funds. Each year of a multiyear commitment must be funded by a separate loan or loan and grant agreement meeting the terms and conditions in subdivision 6. A governmental unit receiving a loan or loan and grant under a multiyear commitment shall have priority for additional loan and grant funds in subsequent years.

Subd. 6. **Loan terms and conditions.** Loans from the small community wastewater treatment fund shall comply with the following terms and conditions:

(1) principal and interest payments must begin no later than two years after the loan is awarded;

(2) loans shall carry an interest rate of one percent;

(3) loans shall be fully amortized within ten years of the first scheduled payment or, if the loan amount exceeds \$10,000 per household, shall be fully amortized within 20 years but not to exceed the expected design life of the system;

(4) a governmental unit receiving a loan must establish a dedicated source or sources of revenues for repayment of the loan and must issue a general obligation note to the authority for the full amount of the loan; and

(5) each property owner to be served by a community wastewater treatment system under this program must provide an easement to the governmental unit to allow access to the system for management and repairs.

Subd. 7. **Special assessment deferral.** (a) A governmental unit receiving a loan under this section that levies special assessments to repay the loan may defer payment of the assessments under the provisions of sections 435.193 to 435.195.

(b) A governmental unit that defers payment of special assessments for one or more properties under paragraph (a) may request deferral of that portion of the debt service on its loan, and the authority shall accept appropriate amendments to the general obligation note of the governmental unit. If special assessment payments are later received from properties that received a deferral, the funds received shall be paid to the authority with the next scheduled loan payment.

Subd. 8. **Eligible costs.** Eligible costs for small community wastewater treatment loans and grants shall include the costs of technical assistance as provided in subdivision 2, paragraph (d), planning, design, construction, legal fees, administration, and land acquisition.

Subd. 9. **Disbursements.** Loan and grant disbursements by the authority under this section must be made for eligible project costs as incurred by the recipients, and must be made in accordance with the project loan or grant and loan agreement and applicable state law.

Subd. 10. **Audits.** A governmental unit receiving a loan under this section must annually provide to the authority for the term of the loan a copy of its annual independent audit or, if the governmental unit is not required to prepare an independent audit, a copy of the annual financial reporting form it provides to the state auditor.

Sec. 14. **EFFECTIVE DATE.**

Sections 1 to 13 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to the environment; modifying provisions for cost-sharing contracts for erosion control and water management; creating the Clean Water Legacy Act; providing authority, direction, and funding to achieve and maintain water quality standards according to section 303(d) of the federal Clean Water Act; creating grant and loan programs; appropriating money; amending the Minnesota Public Facilities Authority Act; amending Minnesota Statutes 2004, section 103C.501, subdivision 5; Minnesota Statutes 2005 Supplement, section 116.182, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 446A; proposing coding for new law as Minnesota Statutes, chapter 114D."

With the recommendation that when so amended the bill pass.

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 8, S. F. No. 762 was re-referred to the Committee on Rules and Legislative Administration.

Smith from the Committee on Public Safety Policy and Finance to which was referred:

S. F. No. 1525, A bill for an act relating to corrections; clarifying notification procedure when victim requests a test on offender; amending Minnesota Statutes 2004, section 611A.19.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

GENERAL CRIMINAL AND SENTENCING PROVISIONS

Section 1. Minnesota Statutes 2005 Supplement, section 244.10, subdivision 5, is amended to read:

Subd. 5. **Procedures in cases where state intends to seek an aggravated departure.** (a) When the prosecutor provides reasonable notice under subdivision 4, the district court shall allow the state to prove beyond a reasonable doubt to a jury of 12 members the factors in support of the state's request for an aggravated departure from the Sentencing Guidelines or the state's request for an aggravated sentence under any sentencing enhancement statute or the state's request for a mandatory minimum under section 609.11 as provided in paragraph (b) or (c).

(b) The district court shall allow a unitary trial and final argument to a jury regarding both evidence in support of the elements of the offense and evidence in support of aggravating factors when the evidence in support of the aggravating factors:

- (1) would be admissible as part of the trial on the elements of the offense; or
- (2) would not result in unfair prejudice to the defendant.

The existence of each aggravating factor shall be determined by use of a special verdict form.

Upon the request of the prosecutor, the court shall allow bifurcated argument and jury deliberations.

(c) The district court shall bifurcate the proceedings, or impanel a resentencing jury, to allow for the production of evidence, argument, and deliberations on the existence of factors in support of an aggravated departure after the return of a guilty verdict when the evidence in support of an aggravated departure:

- (1) includes evidence that is otherwise inadmissible at a trial on the elements of the offense; and
- (2) would result in unfair prejudice to the defendant.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to sentencing hearings and sentencing departures sought on or after that date.

Sec. 2. Minnesota Statutes 2005 Supplement, section 244.10, subdivision 6, is amended to read:

Subd. 6. **Defendants to present evidence and argument.** In either a unitary or bifurcated trial under subdivision 5, a defendant shall be allowed to present evidence and argument to the jury or factfinder regarding whether facts exist that would justify an aggravated ~~departure~~ or an aggravated sentence under any

sentencing enhancement statute or a mandatory minimum sentence under section 609.11. A defendant is not allowed to present evidence or argument to the jury or factfinder regarding facts in support of a mitigated departure during the trial, but may present evidence and argument in support of a mitigated departure to the judge as factfinder during a sentencing hearing.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to sentencing hearings and sentencing departures sought on or after that date.

Sec. 3. Minnesota Statutes 2005 Supplement, section 244.10, subdivision 7, is amended to read:

Subd. 7. **Waiver of jury determination.** The defendant may waive the right to a jury determination of whether facts exist that would justify an aggravated sentence. Upon receipt of a waiver of a jury trial on this issue, the district court shall determine beyond a reasonable doubt whether the factors in support of the state's motion for aggravated departure or an aggravated sentence under any sentencing enhancement statute or a mandatory minimum sentence under section 609.11 exist.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to sentencing hearings and sentencing departures sought on or after that date.

Sec. 4. **[340A.706] ALCOHOL WITHOUT LIQUID DEVICES PROHIBITED.**

Subdivision 1. **Definition.** For purposes of this section, an "alcohol without liquid device" is a device, machine, apparatus, or appliance that mixes an alcoholic beverage with pure or diluted oxygen to produce an alcohol vapor that may be inhaled by an individual. An "alcohol without liquid device" does not include an inhaler, nebulizer, atomizer, or other device that is designed and intended specifically for medical purposes to dispense prescribed or over-the-counter medications.

Subd. 2. **Prohibition.** Except as provided in subdivision 3, it is unlawful for any person or business establishment to possess, purchase, sell, offer to sell, or use an alcohol without liquid device.

Subd. 3. **Research exemption.** This section does not apply to a hospital that operates primarily for the purpose of conducting scientific research, a state institution conducting bona fide research, a private college or university conducting bona fide research, or a pharmaceutical company or biotechnology company conducting bona fide research.

Subd. 4. **Penalty.** Except as provided in subdivision 3, it is unlawful for any person or business establishment to utilize a nebulizer, inhaler, or atomizer or other device as described in subdivision 1, for the purposes of inhaling alcoholic beverages.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to violations committed on or after that date.

Sec. 5. Minnesota Statutes 2004, section 346.155, subdivision 1, is amended to read:

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

(b) "Person" means any natural person, firm, partnership, corporation, or association, however organized.

(c) "Wildlife sanctuary" means a 501(c)(3) nonprofit organization that:

(1) operates a place of refuge where abused, neglected, unwanted, impounded, abandoned, orphaned, or displaced wildlife are provided care for their lifetime;

(2) does not conduct any commercial activity with respect to any animal of which the organization is an owner; and

(3) does not buy, sell, trade, auction, lease, loan, or breed any animal of which the organization is an owner, except as an integral part of the species survival plan of the American Zoo and Aquarium Association.

(d) "Possess" means to own, care for, have custody of, or control.

(e) "Regulated animal" means:

(1) all members of the Felidae family including, but not limited to, lions, tigers, cougars, leopards, cheetahs, ocelots, and servals, but not including domestic cats or cats recognized as a domestic breed, registered as a domestic breed, and shown as a domestic breed by a national or international multibreed cat registry association;

(2) bears; and

(3) all nonhuman primates, including, but not limited to, lemurs, monkeys, chimpanzees, gorillas, orangutans, marmosets, lorises, and tamarins.

Regulated animal includes any hybrid or cross between an animal listed in clause (1), (2), or (3) and a domestic animal and offspring from all subsequent generations of those crosses or hybrids.

(f) "Local animal control authority" means an agency of the state, county, municipality, or other governmental subdivision of the state that is responsible for animal control operations in its jurisdiction.

(g) "Bodily harm," "substantial bodily harm," and "great bodily harm" have the meanings given them in section 609.02.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to crimes committed on or after that date.

Sec. 6. Minnesota Statutes 2004, section 346.155, subdivision 4, is amended to read:

Subd. 4. **Requirements.** (a) A person who possesses a regulated animal must maintain health and ownership records on each animal and must maintain the records for the life of the animal. If possession of the regulated animal is transferred to another person, a copy of the health and ownership records must accompany the animal.

(b) A person who possesses a regulated animal must maintain an ongoing program of veterinary care which includes a veterinary visit to the premises at least annually.

(c) A person who possesses a regulated animal must notify the local animal control authority in writing within ten days of a change in address or location where the regulated animal is kept. The notification of change in address or location form must be prepared by the Minnesota Animal Control Association and approved by the Board of Animal Health.

(d) A person with a United States Department of Agriculture license for regulated animals shall forward a copy of the United States Department of Agriculture inspection report to the local animal control authority within 30 days of receipt of the inspection report.

(e) A person who possesses a regulated animal shall prominently display a sign on the structure where the animal is housed indicating that a dangerous regulated animal is on the premises.

(f) A person who possesses a regulated animal must notify, as soon as practicable, local law enforcement officials of any escape of a regulated animal. The person who possesses the regulated animal is liable for any costs incurred by any person, city, county, or state agency resulting from the escape of a regulated animal unless the escape is due to a criminal act by another person or a natural event.

(g) A person who possesses a regulated animal must maintain a written recovery plan in the event of the escape of a regulated animal. The person must maintain live traps, or other equipment necessary to assist in the recovery of the regulated animal.

(h) ~~If requested by the local animal control authority,~~ A person may not move a regulated animal from its location unless the person notifies the local animal control authority prior to moving the animal. The notification must include the date and the location where the animal is to be moved. This paragraph does not apply to a regulated animal transported to a licensed veterinarian.

(i) If a person who possesses a regulated animal can no longer care for the animal, the person shall take steps to find long-term placement for the regulated animal.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to crimes committed on or after that date.

Sec. 7. Minnesota Statutes 2004, section 346.155, subdivision 5, is amended to read:

Subd. 5. **Seizure.** (a) The local animal control authority, upon issuance of a notice of inspection, must be granted access at reasonable times to sites where the local animal control authority has reason to believe a violation of this chapter is occurring or has occurred.

(b) If a person who possesses a regulated animal is not in compliance with the requirements of this section, the local animal control authority shall take possession of the animal for custody and care, provided that the procedures in this subdivision are followed.

(c) Upon request of a person possessing a regulated animal, the local animal control authority may allow the animal to remain in the physical custody of the owner for 30 days, during which time the owner shall take all necessary actions to come in compliance with this section. During the 30-day period, the local animal control authority may inspect, at any reasonable time, the premises where the animal is kept.

(d) If a person who possesses a regulated animal is not in compliance with this section following the 30-day period described in paragraph (c), the local animal control authority shall seize the animal and place it in a holding facility that is appropriate for the species for up to ten days.

(e) The authority taking custody of an animal under this section shall provide a notice of the seizure by delivering or mailing it to the owner, by posting a copy of it at the place where the animal is taken into custody, or by delivering it to a person residing on the property. The notice must include:

(1) a description of the animal seized; the authority for and purpose of the seizure; the time, place, and circumstances under which the animal was seized; and a contact person and telephone number;

(2) a statement that a person from whom a regulated animal was seized may post security to prevent disposition of the animal and may request a hearing concerning the seizure and that failure to do so within five business days of the date of the notice will result in disposition of the animal;

(3) a statement that actual costs of the care, keeping, and disposal of the regulated animal are the responsibility of the person from whom the animal was seized, except to the extent that a court or hearing officer finds that the seizure or impoundment was not substantially justified by law; and

(4) a form that can be used by a person from whom a regulated animal was seized for requesting a hearing under this subdivision.

~~(e)~~ (f) If a person from whom the regulated animal was seized makes a request within five business days of the seizure, a hearing must be held within five business days of the request to determine the validity of the seizure and disposition of the animal. The judge or hearing officer may authorize the return of the animal to the person from whom the animal was seized if the judge or hearing officer finds:

(1) that the person can and will provide the care required by law for the regulated animal; and

(2) the regulated animal is physically fit.

~~(f)~~ (g) If a judge or hearing officer orders a permanent disposition of the regulated animal, the local animal control authority may take steps to find long-term placement for the animal with a wildlife sanctuary, persons authorized by the Department of Natural Resources, or an appropriate United States Department of Agriculture licensed facility.

~~(g)~~ (h) A person from whom a regulated animal is seized is liable for all actual costs of care, keeping, and disposal of the animal, except to the extent that a court or hearing officer finds that the seizure was not substantially justified by law. The costs must be paid in full or a mutually satisfactory arrangement for payment must be made between the local animal control authority and the person claiming an interest in the animal before return of the animal to the person.

~~(h)~~ (i) A person from whom a regulated animal has been seized under this subdivision may prevent disposition of the animal by posting security in the amount sufficient to provide for the actual costs of care and keeping of the animal. The security must be posted within five business days of the seizure, inclusive of the day of the seizure.

~~(i)~~ (j) If circumstances exist threatening the life of a person or the life of any animal, local law enforcement or the local animal control authority ~~shall~~ may seize a regulated animal without an opportunity for hearing or court order, or destroy the animal.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to crimes committed on or after that date.

Sec. 8. Minnesota Statutes 2004, section 346.155, is amended by adding a subdivision to read:

Subd. 9a. **Confinement and control.** A person violates this subdivision who possesses a regulated animal and negligently fails to control the animal or keep it properly confined and as a result the animal causes bodily harm, substantial bodily harm, or great bodily harm to another person.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to crimes committed on or after that date.

Sec. 9. Minnesota Statutes 2004, section 346.155, subdivision 10, is amended to read:

Subd. 10. **Penalty.** (a) A person who knowingly violates subdivision 2, 3, paragraph (b) or (c), or 4 is guilty of a misdemeanor.

(b) A person who knowingly violates subdivision 3, paragraph (a), is guilty of a gross misdemeanor.

(c) A person who violates subdivision 9a resulting in bodily harm is guilty of a misdemeanor and may be sentenced to imprisonment for not more than 90 days or to payment of a fine of not more than \$1,000, or both.

(d) A person who violates subdivision 9a resulting in substantial bodily harm is guilty of a gross misdemeanor and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

(e) A person who violates subdivision 9a resulting in great bodily harm or death is guilty of a felony and may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than \$5,000, or both, unless a greater penalty is provided elsewhere.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to crimes committed on or after that date.

Sec. 10. Minnesota Statutes 2005 Supplement, section 518B.01, subdivision 22, is amended to read:

Subd. 22. **Domestic abuse no contact order.** (a) A domestic abuse no contact order is an order issued by a court against a defendant in a criminal proceeding for:

- (1) domestic abuse;
- (2) harassment or stalking charged under section 609.749 and committed against a family or household member;
- (3) violation of an order for protection charged under subdivision 14; or
- (4) violation of a prior domestic abuse no contact order charged under this subdivision.

It includes pretrial orders before final disposition of the case and probationary orders after sentencing.

(b) A person who knows of the existence of a domestic abuse no contact order issued against the person and violates the order is guilty of a misdemeanor.

(c) A person is guilty of a gross misdemeanor who knowingly violates this subdivision during the time period between a previous qualified domestic violence-related offense conviction and the end of the five years following discharge from sentence for that offense.

(d) A peace officer shall arrest without a warrant and take into custody a person whom the peace officer has probable cause to believe has violated a domestic abuse no contact order, even if the violation of the order did not take place in the presence of the peace officer, if the existence of the order can be verified by the officer. The person shall be held in custody for at least 36 hours, excluding the day of arrest, Sundays, and holidays, unless the person is released earlier by a judge or judicial officer. A peace officer acting in good faith and exercising due care in making an arrest pursuant to this paragraph is immune from civil liability that might result from the officer's actions.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to crimes committed on or after that date.

Sec. 11. Minnesota Statutes 2005 Supplement, section 609.02, subdivision 16, is amended to read:

Subd. 16. **Qualified domestic violence-related offense.** "Qualified domestic violence-related offense" includes the following offenses: sections 518B.01, subdivision 14 (violation of domestic abuse order for protection); 518B.01, subdivision 22 (violation of domestic abuse no contact order); 609.221 (first-degree assault); 609.222 (second-degree assault); 609.223 (third-degree assault); 609.2231 (fourth-degree assault); 609.224 (fifth-degree assault); 609.2242 (domestic assault); 609.2247 (domestic assault by strangulation); 609.342 (first-degree criminal sexual conduct); 609.343 (second-degree criminal sexual conduct); 609.344 (third-degree criminal sexual conduct); 609.345 (fourth-degree criminal sexual conduct); 609.377 (malicious punishment of a child); 609.713 (terroristic threats); 609.748, subdivision 6 (violation of harassment restraining order); ~~and~~ 609.749 (harassment/stalking); and 609.78, subdivision 2 (interference with an emergency call); and similar laws of other states, the United States, the District of Columbia, tribal lands, and United States territories.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to crimes committed on or after that date.

Sec. 12. Minnesota Statutes 2005 Supplement, section 609.1095, subdivision 4, is amended to read:

Subd. 4. **Increased sentence for offender who commits a sixth felony.** Whenever a person is convicted of a felony, and the judge is imposing an executed sentence based on a Sentencing Guidelines presumptive imprisonment sentence, the judge may impose an aggravated durational departure from the presumptive sentence up to the statutory maximum sentence if the factfinder determines that the offender has five or more prior felony convictions ~~and that the present offense is a felony that was committed as part of a pattern of criminal conduct.~~

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to crimes committed on or after that date.

Sec. 13. Minnesota Statutes 2004, section 609.11, subdivision 7, is amended to read:

Subd. 7. **Prosecutor shall establish.** ~~Whenever reasonable grounds exist to believe that the defendant or an accomplice used a firearm or other dangerous weapon or had in possession a firearm, at the time of commission of an offense listed in subdivision 9, the prosecutor shall, at the time of trial or at the plea of guilty, present on the record all evidence tending to establish that fact unless it is otherwise admitted on the record. The question of whether the defendant or an accomplice, at the time of commission of an offense listed in subdivision 9, used a firearm or other dangerous weapon or had in possession a firearm shall be determined by the court on the record~~ factfinder at the time of a verdict or finding of guilt at trial or the entry of a plea of guilty based upon the record of the trial or the plea of guilty. ~~The court~~ factfinder shall also determine ~~on the record at the time of sentencing~~ whether the defendant has been convicted of a second or subsequent offense in which the defendant or an accomplice, at the time of commission of an offense listed in subdivision 9, used a firearm or other dangerous weapon or had in possession a firearm.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to crimes committed on or after that date.

Sec. 14. Minnesota Statutes 2004, section 609.2231, subdivision 6, is amended to read:

Subd. 6. **Public employees with mandated duties.** A person is guilty of a gross misdemeanor who:

(1) assaults an agricultural inspector, occupational safety and health investigator, child protection worker, public health nurse, animal control officer, or probation or parole officer while the employee is engaged in the performance of a duty mandated by law, court order, or ordinance;

(2) knows that the victim is a public employee engaged in the performance of the official public duties of the office; and

(3) inflicts demonstrable bodily harm.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to crimes committed on or after that date.

Sec. 15. Minnesota Statutes 2004, section 609.2242, subdivision 4, is amended to read:

Subd. 4. **Felony.** Whoever violates the provisions of this section or section 609.224, subdivision 1, ~~against the same victim~~ during the time period between the first of any combination of two or more previous qualified domestic violence-related offense convictions or adjudications of delinquency and the end of the five years following discharge from sentence or disposition for that offense is guilty of a felony and may be sentenced to imprisonment for not more than five years or payment of a fine of not more than \$10,000, or both.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to crimes committed on or after that date.

Sec. 16. Minnesota Statutes 2004, section 609.233, subdivision 1, is amended to read:

Subdivision 1. **Crime.** A caregiver or operator who intentionally neglects a vulnerable adult or knowingly permits conditions to exist that result in the abuse or neglect of a vulnerable adult is guilty of ~~a gross misdemeanor criminal neglect and may be sentenced as provided in subdivision 3.~~ For purposes of this section, "abuse" has the meaning given in section 626.5572, subdivision 2, and "neglect" means a failure to provide a vulnerable adult with necessary food, clothing, shelter, health care, or supervision.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to crimes committed on or after that date.

Sec. 17. Minnesota Statutes 2004, section 609.233, is amended by adding a subdivision to read:

Subd. 3. **Penalties.** (a) Except as provided in paragraph (b), a caregiver or operator who violates subdivision 1 is guilty of a gross misdemeanor and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

(b) A caregiver, who is an individual and has responsibility for the care of a vulnerable adult as a result of a family relationship, may be sentenced as follows:

(1) if a violation of subdivision 1 results in the death of the vulnerable adult, to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both; or

(2) if a violation of subdivision 1 results in substantial bodily harm or the risk of death, to imprisonment for not more than five years or payment of a fine of not more than \$10,000, or both.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to crimes committed on or after that date.

Sec. 18. Minnesota Statutes 2005 Supplement, section 609.3455, is amended by adding a subdivision to read:

Subd. 3a. **Mandatory sentence for certain engrained offenders.** (a) A court shall commit a person to the commissioner of corrections for a period of time that is not less than double the presumptive sentence under the sentencing guidelines and not more than the statutory maximum, or if the statutory maximum is less than double the presumptive sentence, for a period of time that is equal to the statutory maximum, if:

(1) the court is imposing an executed sentence on a person convicted of committing or attempting to commit a violation of section 609.342, 609.343, 609.344, 609.345, or 609.3453;

(2) the factfinder determines that the offender is a danger to public safety; and

(3) the factfinder determines that the offender's criminal sexual behavior is so engrained that the risk of reoffending is great without intensive psychotherapeutic intervention or other long-term treatment or supervision extending beyond the presumptive term of imprisonment and supervised release.

(b) The factfinder shall base its determination that the offender is a danger to public safety on any of the following factors:

(1) the crime involved an aggravating factor that would justify a durational departure from the presumptive sentence under the sentencing guidelines;

(2) the offender previously committed or attempted to commit a predatory crime or a violation of section 609.224 or 609.2242, including:

(i) an offense committed as a juvenile that would have been a predatory crime or a violation of section 609.224 or 609.2242 if committed by an adult; or

(ii) a violation or attempted violation of a similar law of any other state or the United States; or

(3) the offender planned or prepared for the crime prior to its commission.

(c) As used in this section, "predatory crime" has the meaning given in section 609.341, subdivision 22.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to crimes committed on or after that date.

Sec. 19. Minnesota Statutes 2005 Supplement, section 609.3455, subdivision 4, is amended to read:

Subd. 4. **Mandatory life sentence; repeat offenders.** (a) Notwithstanding the statutory maximum penalty otherwise applicable to the offense, the court shall sentence a person to imprisonment for life if the person is convicted of violating section 609.342, 609.343, 609.344, 609.345, or 609.3453 and:

(1) the person has two previous sex offense convictions;

(2) the person has a previous sex offense conviction and:

(i) the factfinder determines that the present offense involved an aggravating factor that would provide grounds for an upward durational departure under the sentencing guidelines other than the aggravating factor applicable to repeat criminal sexual conduct convictions;

(ii) the person received an upward durational departure from the sentencing guidelines for the previous sex offense conviction; or

(iii) the person was sentenced under this section or section 609.108 for the previous sex offense conviction; or

(3) the person has two prior sex offense convictions, and the factfinder determines that the prior convictions and present offense involved at least three separate victims, and:

(i) the factfinder determines that the present offense involved an aggravating factor that would provide grounds for an upward durational departure under the sentencing guidelines other than the aggravating factor applicable to repeat criminal sexual conduct convictions;

(ii) the person received an upward durational departure from the sentencing guidelines for one of the prior sex offense convictions; or

(iii) the person was sentenced under this section or section 609.108 for one of the prior sex offense convictions.

(b) Notwithstanding paragraph (a), a court may not sentence a person to imprisonment for life for a violation of section 609.345, unless the person's previous or prior sex offense convictions that are being used as the basis for the sentence are for violations of section 609.342, 609.343, 609.344, or 609.3453, or any similar statute of the United States, this state, or any other state.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to crimes committed on or after that date.

Sec. 20. Minnesota Statutes 2005 Supplement, section 609.3455, subdivision 8, is amended to read:

Subd. 8. **Terms of conditional release; applicable to all sex offenders.** (a) The provisions of this subdivision relating to conditional release apply to all sex offenders sentenced to prison for a violation of section 609.342, 609.343, 609.344, 609.345, or 609.3453. Except as provided in this subdivision, conditional release of sex offenders is governed by provisions relating to supervised release. The commissioner of corrections may not dismiss an offender on conditional release from supervision until the offender's conditional release term expires.

(b) The conditions of release may include successful completion of treatment and aftercare in a program approved by the commissioner, satisfaction of the release conditions specified in section 244.05, subdivision 6, and any other conditions the commissioner considers appropriate. The commissioner shall develop a plan to pay the cost of treatment of a person released under this subdivision. The plan may include co-payments from offenders, third-party payers, local agencies, or other funding sources as they are identified. This section does not require the commissioner to accept or retain an offender in a treatment program. Before the offender is placed on conditional release, the commissioner shall notify the sentencing court and the prosecutor in the jurisdiction where the offender was sentenced of the terms of the offender's conditional release. The commissioner also shall make reasonable efforts to notify the victim of the offender's crime of the terms of the offender's conditional release. If the offender fails to meet any condition of release, the commissioner may revoke the offender's conditional release and order that the offender serve all or a part of the remaining portion of the conditional release term in prison.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to crimes committed on or after that date.

Sec. 21. Minnesota Statutes 2004, section 609.495, is amended by adding a subdivision to read:

Subd. 5. **Venue.** Notwithstanding anything to the contrary in section 627.01, an offense committed under subdivision 1 or 3 may be prosecuted in:

(1) the county where the offense occurred; or

(2) the county where the underlying criminal act occurred.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 22. **[609.632] COUNTERFEITING OF CURRENCY.**

Subdivision 1. **Manufacturing; printing.** Whoever, with the intent to defraud, falsely makes, alters, prints, scans, images, or copies any United States postal money order, United States currency, Federal Reserve note, or other obligation or security of the United States so that it purports to be genuine or has different terms or provisions than that of the United States Postal Service or United States Treasury is guilty of counterfeiting and may be sentenced as provided in subdivision 4.

Subd. 2. **Means for false reproduction.** Whoever, with intent to defraud, makes, engraves, possesses, or transfers a plate or instrument, computer, printer, camera, software, paper, cloth, fabric, ink, or other material for the false reproduction of any United States postal money order, United States currency, Federal Reserve note, or other obligation or security of the United States is guilty of counterfeiting and may be sentenced as provided in subdivision 4.

Subd. 3. **Uttering or possessing.** Whoever, with intent to defraud, utters or possesses with intent to utter any counterfeit United States postal money order, United States currency, Federal Reserve note, or other obligation or security of the United States, having reason to know that the money order, currency, note, or obligation or security is forged, counterfeited, falsely made, altered, or printed, is guilty of offering counterfeited currency and may be sentenced as provided in subdivision 4.

Subd. 4. **Penalty.** (a) A person who is convicted of violating subdivision 1 or 2 may be sentenced to imprisonment for not more than 20 years or to payment of a fine of not more than \$100,000, or both.

(b) A person who is convicted of violating subdivision 3 may be sentenced as follows:

(1) to imprisonment for not more than 20 years or to payment of a fine of not more than \$100,000, or both, if the counterfeited item is used to obtain or in an attempt to obtain property or services having a value of more than \$35,000, or the aggregate face value of the counterfeited item is more than \$35,000;

(2) to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both, if the counterfeited item is used to obtain or in an attempt to obtain property or services having a value of more than \$2,500, or the aggregate face value of the counterfeited item is more than \$2,500;

(3) to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if:

(i) the counterfeited item is used to obtain or in an attempt to obtain property or services having a value of more than \$250, or the aggregate face value of the counterfeited item is more than \$250; or

(ii) the counterfeited item is used to obtain or in an attempt to obtain property or services having a value of no more than \$250, or the aggregate face value of the counterfeited item is no more than \$250, and the person has been convicted within the preceding five years for an offense under this section, section 609.24; 609.245; 609.52; 609.53; 609.582, subdivision 1, 2, or 3; 609.625; 609.63; or 609.821, or a statute from another state or the United States in conformity with any of those sections, and the person received a felony or gross misdemeanor sentence for the offense, or a sentence that was stayed under section 609.135 if the offense to which a plea was entered would allow the imposition of a felony or gross misdemeanor sentence; or

(4) to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the counterfeited item is used to obtain or in an attempt to obtain property or services having a value of no more than \$250, or the aggregate face value of the counterfeited item is no more than \$250.

Subd. 5. **Aggregation; venue.** In any prosecution under this section, the value of the counterfeited United States postal money orders, United States currency, Federal Reserve notes, or other obligations or securities of the United States, offered by the defendant in violation of this section within any six-month period may be aggregated and the defendant charged accordingly in applying the provisions of this section. When two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the counterfeited items was forged, offered, or possessed, for all of the offenses aggregated under this subdivision.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to crimes committed on or after that date.

Sec. 23. Minnesota Statutes 2004, section 617.246, is amended by adding a subdivision to read:

Subd. 7. **Conditional release term.** Notwithstanding the statutory maximum sentence otherwise applicable to the offense or any provision of the sentencing guidelines, when a court commits a person to the custody of the commissioner of corrections for violating this section, the court shall provide that after the person has completed the sentence imposed, the commissioner shall place the person on conditional release for five years. If the person has previously been convicted of a violation of this section, section 609.342, 609.343, 609.344, 609.345, 609.3451, 609.3453, or 617.247, or any similar statute of the United States, this state, or any state, the commissioner shall place the person on conditional release for ten years. The terms of conditional release are governed by section 609.3455, subdivision 8.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to crimes committed on or after that date.

Sec. 24. Minnesota Statutes 2004, section 617.247, is amended by adding a subdivision to read:

Subd. 9. **Conditional release term.** Notwithstanding the statutory maximum sentence otherwise applicable to the offense or any provision of the sentencing guidelines, when a court commits a person to the custody of the commissioner of corrections for violating this section, the court shall provide that after the person has completed the sentence imposed, the commissioner shall place the person on conditional release for five years. If the person has previously been convicted of a violation of this section, section 609.342, 609.343, 609.344, 609.345, 609.3451, 609.3453, or 617.246, or any similar statute of the United States, this state, or any state, the commissioner shall place the person on conditional release for ten years. The terms of conditional release are governed by section 609.3455, subdivision 8.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to crimes committed on or after that date.

Sec. 25. Minnesota Statutes 2004, section 626.77, subdivision 3, is amended to read:

Subd. 3. **Definition.** As used in this section, "federal law enforcement officer" means an officer or employee whether employed inside or outside the state of the Federal Bureau of Investigation, the Drug Enforcement Administration, the United States Marshal Service, the Secret Service, the Bureau of Alcohol, Tobacco, and Firearms, ~~or the Immigration and Naturalization Service, the Department of Homeland Security, or the United States Postal Inspection Service, or their successor agencies,~~ who is responsible for the prevention or detection of crimes or for the enforcement of the United States Code and who is authorized to arrest, with or without a warrant, any individual for a violation of the United States Code.

EFFECTIVE DATE. This section is effective August 1, 2006.

Sec. 26. Laws 2005, chapter 136, article 16, section 3, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective the day following final enactment and applies to sentencing hearings, resentencing hearings, and sentencing departures sought on or after that date. ~~This section expires February 1, 2007.~~

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

Sec. 27. Laws 2005, chapter 136, article 16, section 4, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective the day following final enactment and applies to sentencing hearings, resentencing hearings, and sentencing departures sought on or after that date. ~~This section expires February 1, 2007.~~

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

Sec. 28. Laws 2005, chapter 136, article 16, section 5, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective the day following final enactment and applies to sentencing hearings, resentencing hearings, and sentencing departures sought on or after that date. ~~This section expires February 1, 2007.~~

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

Sec. 29. Laws 2005, chapter 136, article 16, section 6, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective the day following final enactment and applies to sentencing hearings, resentencing hearings, and sentencing departures sought on or after that date. ~~This section expires February 1, 2007.~~

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

Sec. 30. **SENTENCING GUIDELINES MODIFICATIONS.**

(a) Except as provided in paragraph (b), the modifications related to sex offenses proposed by the Minnesota Sentencing Guidelines Commission and described in the January 2006 Report to the Legislature, pages 31 to 45, are adopted and take effect on August 1, 2008.

(b) The proposed rankings of Minnesota Statutes, sections 609.344, subdivision 1, clauses (h), (i), and (l); and 609.345, subdivision 1, clauses (h), (i), and (l), are rejected and do not take effect.

(c) The commission is requested to rank violations of:

(1) Minnesota Statutes, section 609.344, subdivision 1, clauses (h), (i), and (l), at severity level C;

(2) Minnesota Statutes, section 609.344, subdivision 1, clause (a), at severity level D;

(3) Minnesota Statutes, section 609.345, subdivision 1, clauses (h), (i), and (l), at severity level E; and

(4) Minnesota Statutes, section 609.345, subdivision 1, clause (a), at severity level F.

(d) If the commission decides to make the changes requested in paragraph (c), it shall ensure that the changes are effective on August 1, 2008, and publish an updated version of the sentencing guidelines that include the changes by that date.

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

Sec. 31. **REVISOR'S INSTRUCTION.**

When appropriate, the revisor of statutes shall replace statutory references to Minnesota Statutes, section 609.108, with references to section 609.3455, subdivision 3a.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to crimes committed on or after that date.

Sec. 32. **REPEALER.**

Minnesota Statutes 2004, sections 609.108, subdivision 5; and 609.109, subdivisions 1 and 3, and Minnesota Statutes 2005 Supplement, sections 609.108, subdivisions 1, 3, 4, 6, and 7; and 609.109, subdivisions 2, 4, 5, and 6, are repealed.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to crimes committed on or after that date.

ARTICLE 2

CONTROLLED SUBSTANCES, DWI, AND DRIVING PROVISIONS

Section 1. Minnesota Statutes 2004, section 169.13, is amended to read:

169.13 RECKLESS-OR, CARELESS, OR EXHIBITION DRIVING.

Subdivision 1. **Reckless driving.** (a) Any person who drives any vehicle in such a manner as to indicate either a willful or a wanton disregard for the safety of persons or property is guilty of reckless driving and such reckless driving is a misdemeanor.

(b) A person shall not race any vehicle upon any street or highway of this state. Any person who willfully compares or contests relative speeds by operating one or more vehicles is guilty of racing, which constitutes reckless driving, whether or not the speed contested or compared is in excess of the maximum speed prescribed by law.

Subd. 2. **Careless driving.** Any person who operates or halts any vehicle upon any street or highway carelessly or heedlessly in disregard of the rights of others, or in a manner that endangers or is likely to endanger any property or any person, including the driver or passengers of the vehicle, is guilty of a misdemeanor.

Subd. 2a. **Exhibition driving.** A person who operates any vehicle in such a manner as to start or accelerate with an unnecessary exhibition of speed is guilty of a petty misdemeanor. Prima facie evidence of an unnecessary exhibition of speed is the unreasonable squealing or screeching sounds emitted by the vehicle's tires or the throwing of sand or gravel by the vehicle's tires, or both.

Subd. 3. **Application.** (a) The provisions of this section apply, but are not limited in application, to any person who drives any vehicle in the manner prohibited by this section:

(1) upon the ice of any lake, stream, or river, including but not limited to the ice of any boundary water; or

(2) in a parking lot ordinarily used by or available to the public though not as a matter of right, and a driveway connecting ~~such a~~ the parking lot with a street or highway.

(b) This section does not apply to:

(1) an authorized emergency vehicle, when responding to an emergency call or when in pursuit of an actual or suspected violator;

(2) the emergency operation of any vehicle when avoiding imminent danger; or

(3) any raceway, racing facility, or other public event sanctioned by the appropriate governmental authority.

EFFECTIVE DATE. This section is effective August 1, 2006, for violations committed on or after that date.

Sec. 2. Minnesota Statutes 2004, section 169A.20, subdivision 1, is amended to read:

Subdivision 1. **Driving while impaired crime.** It is a crime for any person to drive, operate, or be in physical control of any motor vehicle within this state or on any boundary water of this state:

(1) when the person is under the influence of alcohol;

(2) when the person is under the influence of a controlled substance;

(3) when the person is knowingly under the influence of a hazardous substance that affects the nervous system, brain, or muscles of the person so as to substantially impair the person's ability to drive or operate the motor vehicle;

(4) when the person is under the influence of a combination of any two or more of the elements named in clauses (1), (2), and (3);

(5) when the person's alcohol concentration at the time, or as measured within two hours of the time, of driving, operating, or being in physical control of the motor vehicle is 0.08 or more;

(6) when the vehicle is a commercial motor vehicle and the person's alcohol concentration at the time, or as measured within two hours of the time, of driving, operating, or being in physical control of the commercial motor vehicle is 0.04 or more; or

(7) when the person's body contains any amount of a controlled substance listed in schedule I or II, or its metabolite, other than marijuana or tetrahydrocannabinols.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to impaired driving incidents occurring on or after that date.

Sec. 3. Minnesota Statutes 2004, section 169A.24, subdivision 1, is amended to read:

Subdivision 1. **Degree described.** A person who violates section 169A.20 (driving while impaired) is guilty of first-degree driving while impaired if the person:

(1) commits the violation within ten years of the first of three or more qualified prior impaired driving incidents;
~~or~~

(2) has previously been convicted of a felony under this section; or

(3) within the past ten years, has been convicted of a felony under section 609.21, subdivision 1, clause (2), (3), (4), (5) or (6); or 609.21, subdivision 3, clause (2), (3), (4), (5) or (6).

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to violations of section 169A.20 occurring on or after that date.

Sec. 4. Minnesota Statutes 2004, section 169A.28, subdivision 1, is amended to read:

Subdivision 1. **Mandatory consecutive sentences.** (a) The court shall impose consecutive sentences when it sentences a person for:

(1) violations of section 169A.20 (driving while impaired) arising out of separate courses of conduct;

(2) a violation of section 169A.20 when the person, at the time of sentencing, is on probation for, or serving, an executed sentence for a violation of section 169A.20 or Minnesota Statutes 1998, section 169.121 (driver under the influence of alcohol or controlled substance) or 169.129 (aggravated DWI-related violations; penalty), and the prior sentence involved a separate course of conduct; or

(3) a violation of section 169A.20 and another offense arising out of a single course of conduct that is listed in subdivision 2, paragraph (e), when the person has five or more qualified prior impaired driving incidents within the past ten years.

(b) The requirement for consecutive sentencing in paragraph (a) does not apply if the person is being sentenced to an executed prison term for a violation of section 169A.20 (driving while impaired) under circumstances described in section 169A.24 (first-degree driving while impaired).

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

Sec. 5. Minnesota Statutes 2004, section 169A.45, subdivision 1, is amended to read:

Subdivision 1. **Alcohol concentration evidence.** Upon the trial of any prosecution arising out of acts alleged to have been committed by any person arrested for violating section 169A.20 (driving while impaired) or 169A.31 (alcohol-related school bus or Head Start bus driving), the court may admit evidence of the presence or amount of alcohol in the person's blood, breath, or urine as shown by an analysis of those items. In addition, in a prosecution for a violation of section 169A.20, the court may admit evidence of the presence or amount in the person's blood, breath, or urine, as shown by an analysis of those items, of:

(1) a controlled ~~substances~~ substance or its metabolite; or

(2) a hazardous ~~substances in the person's blood, breath, or urine as shown by an analysis of those items~~ substance.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to impaired driving incidents occurring on or after that date.

Sec. 6. Minnesota Statutes 2004, section 169A.51, subdivision 1, is amended to read:

Subdivision 1. **Implied consent; conditions; election of test.** (a) Any person who drives, operates, or is in physical control of a motor vehicle within this state or on any boundary water of this state consents, subject to the provisions of sections 169A.50 to 169A.53 (implied consent law), and section 169A.20 (driving while impaired), to a chemical test of that person's blood, breath, or urine for the purpose of determining the presence of alcohol, a controlled ~~substances~~ substance or its metabolite, or a hazardous ~~substances~~ substance. The test must be administered at the direction of a peace officer.

(b) The test may be required of a person when an officer has probable cause to believe the person was driving, operating, or in physical control of a motor vehicle in violation of section 169A.20 (driving while impaired), and one of the following conditions exist:

(1) the person has been lawfully placed under arrest for violation of section 169A.20 or an ordinance in conformity with it;

(2) the person has been involved in a motor vehicle accident or collision resulting in property damage, personal injury, or death;

(3) the person has refused to take the screening test provided for by section 169A.41 (preliminary screening test); or

(4) the screening test was administered and indicated an alcohol concentration of 0.08 or more.

(c) The test may also be required of a person when an officer has probable cause to believe the person was driving, operating, or in physical control of a commercial motor vehicle with the presence of any alcohol.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to impaired driving incidents occurring on or after that date.

Sec. 7. Minnesota Statutes 2004, section 169A.51, subdivision 2, is amended to read:

Subd. 2. **Implied consent advisory.** At the time a test is requested, the person must be informed:

(1) that Minnesota law requires the person to take a test:

(i) to determine if the person is under the influence of alcohol, controlled substances, or hazardous substances;

(ii) to determine the presence of a controlled substance listed in schedule I or II or metabolite, other than marijuana or tetrahydrocannabinols; and

(iii) if the motor vehicle was a commercial motor vehicle, to determine the presence of alcohol;

(2) that refusal to take a test is a crime;

(3) if the peace officer has probable cause to believe the person has violated the criminal vehicular homicide and injury laws, that a test will be taken with or without the person's consent; and

(4) that the person has the right to consult with an attorney, but that this right is limited to the extent that it cannot unreasonably delay administration of the test.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to impaired driving incidents occurring on or after that date.

Sec. 8. Minnesota Statutes 2004, section 169A.51, subdivision 4, is amended to read:

Subd. 4. **Requirement of urine or blood test.** Notwithstanding subdivision 3, a blood or urine test may be required even after a breath test has been administered if there is probable cause to believe that:

(1) there is impairment by a controlled substance or a hazardous substance that is not subject to testing by a breath test; or

(2) a controlled substance listed in schedule I or II or its metabolite, other than marijuana or tetrahydrocannabinols, is present in the person's body.

Action may be taken against a person who refuses to take a blood test under this subdivision only if a urine test was offered and action may be taken against a person who refuses to take a urine test only if a blood test was offered.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to impaired driving incidents occurring on or after that date.

Sec. 9. Minnesota Statutes 2004, section 169A.51, subdivision 7, is amended to read:

Subd. 7. **Requirements for conducting tests; liability.** (a) Only a physician, medical technician, emergency medical technician-paramedic, registered nurse, medical technologist, medical laboratory technician, or laboratory assistant acting at the request of a peace officer may withdraw blood for the purpose of determining the presence of alcohol, a controlled ~~substances~~ substance or its metabolite, or a hazardous ~~substances~~ substance. This limitation does not apply to the taking of a breath or urine sample.

(b) The person tested has the right to have someone of the person's own choosing administer a chemical test or tests in addition to any administered at the direction of a peace officer; provided, that the additional test sample on behalf of the person is obtained at the place where the person is in custody, after the test administered at the direction of a peace officer, and at no expense to the state. The failure or inability to obtain an additional test or tests by a person does not preclude the admission in evidence of the test taken at the direction of a peace officer unless the additional test was prevented or denied by the peace officer.

(c) The physician, medical technician, emergency medical technician-paramedic, medical technologist, medical laboratory technician, laboratory assistant, or registered nurse drawing blood at the request of a peace officer for the purpose of determining the concentration of alcohol, a controlled ~~substances~~ substance or its metabolite, or a hazardous ~~substances~~ substance is in no manner liable in any civil or criminal action except for negligence in drawing the blood. The person administering a breath test must be fully trained in the administration of breath tests pursuant to training given by the commissioner of public safety.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to impaired driving incidents occurring on or after that date.

Sec. 10. Minnesota Statutes 2004, section 169A.52, subdivision 2, is amended to read:

Subd. 2. **Reporting test failure.** (a) If a person submits to a test, the results of that test must be reported to the commissioner and to the authority having responsibility for prosecution of impaired driving offenses for the jurisdiction in which the acts occurred, if the test results indicate:

- (1) an alcohol concentration of 0.08 or more;
- (2) an alcohol concentration of 0.04 or more, if the person was driving, operating, or in physical control of a commercial motor vehicle at the time of the violation; or
- (3) the presence of a controlled substance listed in schedule I or II or its metabolite, other than marijuana or tetrahydrocannabinols.

(b) If a person submits to a test and the test results indicate the presence of a hazardous substance, the results of that test must be reported to the authority having responsibility for prosecution of impaired driving offenses for the jurisdiction in which the acts occurred.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to impaired driving incidents occurring on or after that date.

Sec. 11. Minnesota Statutes 2005 Supplement, section 169A.52, subdivision 4, is amended to read:

Subd. 4. **Test failure; license revocation.** (a) Upon certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a motor vehicle in violation of section 169A.20 (driving while impaired) and that the person submitted to a test and the test results indicate an alcohol concentration of 0.08 or more or the presence of a controlled substance listed in schedule I or II or its metabolite, other than marijuana or tetrahydrocannabinols, then the commissioner shall revoke the person's license or permit to drive, or nonresident operating privilege:

- (1) for a period of 90 days;
- (2) if the person is under the age of 21 years, for a period of six months;
- (3) for a person with a qualified prior impaired driving incident within the past ten years, for a period of 180 days; or
- (4) if the test results indicate an alcohol concentration of 0.20 or more, for twice the applicable period in clauses (1) to (3).

(b) On certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a commercial motor vehicle with any presence of alcohol and that the person submitted to a test and the test results indicated an alcohol concentration of 0.04 or more, the commissioner shall disqualify the person from operating a commercial motor vehicle under section 171.165 (commercial driver's license disqualification).

(c) If the test is of a person's blood or urine by a laboratory operated by the Bureau of Criminal Apprehension, or authorized by the bureau to conduct the analysis of a blood or urine sample, the laboratory may directly certify to the commissioner the test results, and the peace officer shall certify to the commissioner that there existed probable

cause to believe the person had been driving, operating, or in physical control of a motor vehicle in violation of section 169A.20 and that the person submitted to a test. Upon receipt of both certifications, the commissioner shall undertake the license actions described in paragraphs (a) and (b).

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to impaired driving incidents occurring on or after that date.

Sec. 12. Minnesota Statutes 2005 Supplement, section 169A.53, subdivision 3, is amended to read:

Subd. 3. **Judicial hearing; issues, order, appeal.** (a) A judicial review hearing under this section must be before a district judge in any county in the judicial district where the alleged offense occurred. The hearing is to the court and may be conducted at the same time and in the same manner as hearings upon pretrial motions in the criminal prosecution under section 169A.20 (driving while impaired), if any. The hearing must be recorded. The commissioner shall appear and be represented by the attorney general or through the prosecuting authority for the jurisdiction involved. The hearing must be held at the earliest practicable date, and in any event no later than 60 days following the filing of the petition for review. The judicial district administrator shall establish procedures to ensure efficient compliance with this subdivision. To accomplish this, the administrator may, whenever possible, consolidate and transfer review hearings among the locations within the judicial district where terms of district court are held.

(b) The scope of the hearing is limited to the issues in clauses (1) to (10):

(1) Did the peace officer have probable cause to believe the person was driving, operating, or in physical control of a motor vehicle or commercial motor vehicle in violation of section 169A.20 (driving while impaired)?

(2) Was the person lawfully placed under arrest for violation of section 169A.20?

(3) Was the person involved in a motor vehicle accident or collision resulting in property damage, personal injury, or death?

(4) Did the person refuse to take a screening test provided for by section 169A.41 (preliminary screening test)?

(5) If the screening test was administered, did the test indicate an alcohol concentration of 0.08 or more?

(6) At the time of the request for the test, did the peace officer inform the person of the person's rights and the consequences of taking or refusing the test as required by section 169A.51, subdivision 2?

(7) Did the person refuse to permit the test?

(8) If a test was taken by a person driving, operating, or in physical control of a motor vehicle, did the test results indicate at the time of testing:

(i) an alcohol concentration of 0.08 or more; or

(ii) the presence of a controlled substance listed in schedule I or II or its metabolite, other than marijuana or tetrahydrocannabinols?

(9) If a test was taken by a person driving, operating, or in physical control of a commercial motor vehicle, did the test results indicate an alcohol concentration of 0.04 or more at the time of testing?

(10) Was the testing method used valid and reliable and were the test results accurately evaluated?

(c) It is an affirmative defense for the petitioner to prove that, at the time of the refusal, the petitioner's refusal to permit the test was based upon reasonable grounds.

(d) Certified or otherwise authenticated copies of laboratory or medical personnel reports, records, documents, licenses, and certificates are admissible as substantive evidence.

(e) The court shall order that the revocation or disqualification be either rescinded or sustained and forward the order to the commissioner. The court shall file its order within 14 days following the hearing. If the revocation or disqualification is sustained, the court shall also forward the person's driver's license or permit to the commissioner for further action by the commissioner if the license or permit is not already in the commissioner's possession.

(f) Any party aggrieved by the decision of the reviewing court may appeal the decision as provided in the Rules of Appellate Procedure.

(g) The civil hearing under this section shall not give rise to an estoppel on any issues arising from the same set of circumstances in any criminal prosecution.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to impaired driving incidents occurring on or after that date.

Sec. 13. Minnesota Statutes 2004, section 169A.60, subdivision 2, is amended to read:

Subd. 2. **Plate impoundment violation; impoundment order.** (a) The commissioner shall issue a registration plate impoundment order when:

(1) a person's driver's license or driving privileges are revoked for a plate impoundment violation; or

(2) a person is arrested for or charged with a plate impoundment violation described in subdivision 1, paragraph ~~(e)~~ (d), clause (5).

(b) The order must require the impoundment of the registration plates of the motor vehicle involved in the plate impoundment violation and all motor vehicles owned by, registered, or leased in the name of the violator, including motor vehicles registered jointly or leased in the name of the violator and another. The commissioner shall not issue an impoundment order for the registration plates of a rental vehicle, as defined in section 168.041, subdivision 10, or a vehicle registered in another state.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to impaired driving incidents occurring on or after that date.

Sec. 14. Minnesota Statutes 2004, section 169A.60, subdivision 4, is amended to read:

Subd. 4. **Peace officer as agent for notice of impoundment.** On behalf of the commissioner, a peace officer issuing a notice of intent to revoke and of revocation for a plate impoundment violation shall also serve a notice of intent to impound and an order of impoundment. On behalf of the commissioner, a peace officer who is arresting a person for or charging a person with a plate impoundment violation described in subdivision 1, paragraph ~~(e)~~ (d), clause (5), shall also serve a notice of intent to impound and an order of impoundment. If the vehicle involved in the plate impoundment violation is accessible to the officer at the time the impoundment order is issued, the officer shall seize the registration plates subject to the impoundment order. The officer shall destroy all plates seized or impounded under this section. The officer shall send to the commissioner copies of the notice of intent to impound and the order of impoundment and a notice that registration plates impounded and seized under this section have been destroyed.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to impaired driving incidents occurring on or after that date.

Sec. 15. Minnesota Statutes 2005 Supplement, section 171.05, subdivision 2b, is amended to read:

Subd. 2b. **Instruction permit use by person under age 18.** (a) This subdivision applies to persons who have applied for and received an instruction permit under subdivision 2.

(b) The permit holder may, with the permit in possession, operate a motor vehicle, but must be accompanied by and be under the supervision of a certified driver education instructor, the permit holder's parent or guardian, or another licensed driver age 21 or older. The supervisor must occupy the seat beside the permit holder.

(c) The permit holder may operate a motor vehicle only when every occupant under the age of 18 has a seat belt or child passenger restraint system properly fastened. A person who violates this paragraph is subject to a fine of \$25. A peace officer may not issue a citation for a violation of this paragraph unless the officer lawfully stopped or detained the driver of the motor vehicle for a moving violation as defined in section 171.04, subdivision 1. The commissioner shall not record a violation of this paragraph on a person's driving record.

(d) The permit holder may not operate a vehicle while communicating over, or otherwise operating, a cellular or wireless telephone, whether handheld or hands free, when the vehicle is in motion. The permit holder may assert as an affirmative defense that the violation was made for the sole purpose of obtaining emergency assistance to prevent a crime about to be committed, or in the reasonable belief that a person's life or safety was in danger. Violation of this paragraph is a petty misdemeanor subject to section 169.89, subdivision 2.

(e) The permit holder must maintain a driving record free of convictions for moving violations, as defined in section 171.04, subdivision 1, and free of convictions for violation of section 169A.20, 169A.33, 169A.35, or sections 169A.50 to 169A.53. If the permit holder drives a motor vehicle in violation of the law, the commissioner shall suspend, cancel, or revoke the permit in accordance with the statutory section violated.

EFFECTIVE DATE. This section is effective June 1, 2006, and applies to violations committed on and after that date.

Sec. 16. Minnesota Statutes 2005 Supplement, section 171.055, subdivision 2, is amended to read:

Subd. 2. **Use of provisional license.** (a) A provisional license holder may operate a motor vehicle only when every occupant under the age of 18 has a seat belt or child passenger restraint system properly fastened. A person who violates this paragraph is subject to a fine of \$25. A peace officer may not issue a citation for a violation of this paragraph unless the officer lawfully stopped or detained the driver of the motor vehicle for a moving violation as defined in section 171.04. The commissioner shall not record a violation of this paragraph on a person's driving record.

(b) A provisional license holder may not operate a vehicle while communicating over, or otherwise operating, a cellular or wireless telephone, whether handheld or hands free, when the vehicle is in motion. The provisional license holder may assert as an affirmative defense that the violation was made for the sole purpose of obtaining emergency assistance to prevent a crime about to be committed, or in the reasonable belief that a person's life or safety was in danger. Violation of this paragraph is a petty misdemeanor subject to section 169.89, subdivision 2.

(c) If the holder of a provisional license during the period of provisional licensing incurs (1) a conviction for a violation of section 169A.20, 169A.33, 169A.35, or sections 169A.50 to 169A.53, (2) a conviction for a crash-related moving violation, or (3) more than one conviction for a moving violation that is not crash related, the person may not be issued a driver's license until 12 consecutive months have expired since the date of the conviction or until the person reaches the age of 18 years, whichever occurs first.

EFFECTIVE DATE. This section is effective June 1, 2006, and applies to violations committed on and after that date.

Sec. 17. Minnesota Statutes 2004, section 253B.02, subdivision 2, is amended to read:

Subd. 2. **Chemically dependent person.** "Chemically dependent person" means any person (a) determined as being incapable of self-management or management of personal affairs by reason of the habitual and excessive use of alcohol, drugs, or other mind-altering substances; and (b) whose recent conduct as a result of habitual and excessive use of alcohol, drugs, or other mind-altering substances poses a substantial likelihood of physical harm to self or others as demonstrated by (i) a recent attempt or threat to physically harm self or others, (ii) evidence of recent serious physical problems, or (iii) a failure to obtain necessary food, clothing, shelter, or medical care. "Chemically dependent person" also means a pregnant woman who has engaged during the pregnancy in habitual or excessive use, for a nonmedical purpose, of any of the following controlled substances or their derivatives: opium, cocaine, heroin, phencyclidine, methamphetamine, or amphetamine.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 18. **REMEDICATION OF HARM CAUSED BY MISDEMEANOR CONVICTIONS FOR MINORS DRIVING WITH MOBILE PHONES.**

Subdivision 1. **Remediation by commissioner.** For infractions that occurred between July 1, 2005, and June 30, 2006, the commissioner of public safety shall expunge from a licensee's driving record a misdemeanor conviction for violating Minnesota Statutes, section 171.05, subdivision 2b, paragraph (d), or 171.055, subdivision 2, paragraph (b). The commissioner is not obligated to expunge petty misdemeanor violations of the statutes referenced in this subdivision.

Subd. 2. **Remediation by courts.** (a) A court in which a person was convicted for a misdemeanor violation of Minnesota Statutes, section 171.05, subdivision 2b, paragraph (d), or 171.055, subdivision 2, paragraph (b), that occurred between July 1, 2005, and June 30, 2006, must vacate the conviction, on its own motion, without cost to the person convicted, and must immediately notify the person that the conviction has been vacated. A court shall not vacate petty misdemeanor violations of the statutes referenced in this subdivision.

(b) The commissioner of finance, in consultation with the Supreme Court administrator, shall develop and implement a procedure to refund defendants for any fine in excess of \$300 for a conviction vacated under paragraph (a), without requiring that the defendant request a refund. The procedure may require recovery of portions of the fines that have been allocated by law to local governmental units.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 19. **REPEALER.**

Minnesota Statutes 2004, section 169A.41, subdivision 4, is repealed.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to impaired driving violations that occur on or after that date.

ARTICLE 3

PUBLIC SAFETY

Section 1. Minnesota Statutes 2004, section 13.82, is amended by adding a subdivision to read:

Subd. 29. **Juvenile offender photographs.** Notwithstanding section 260B.171, chapter 609A, or other law to the contrary, photographs or electronically produced images of children adjudicated delinquent under chapter 260B shall not be expunged from law enforcement records or databases.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 2. Minnesota Statutes 2004, section 13.87, is amended by adding a subdivision to read:

Subd. 4. **Name and index service; data classification.** (a) For purposes of this section, "name and event index service" means the data held by the Bureau of Criminal Apprehension that link data about an individual that are stored in one or more databases maintained in criminal justice agencies, as defined in section 299C.46, subdivision 2, and in the judiciary.

(b) Data collected, created, or maintained by the name and event index service are classified as private data, pursuant to section 13.02, subdivision 12, and become confidential data, pursuant to section 13.02, subdivision 3, when the data links private or public data about a specific individual to any confidential data about that individual. The data in the name and event index service revert to the private data classification when no confidential data about a specific individual are maintained in the databases. The classification of data in the name and event index service does not change the classification of the data held in the databases linked by the service.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 3. Minnesota Statutes 2004, section 181.973, is amended to read:

181.973 EMPLOYEE PUBLIC SAFETY PEER COUNSELING AND DEBRIEFING.

A person engaged in a public safety peer counseling or a public safety peer debriefing shall not, without the permission of the person being debriefed or counseled, be allowed to disclose any information or opinion which the peer group member or peer counselor has acquired during the debriefing process. However, this does not prohibit a peer counselor from disclosing information the peer counselor reasonably believes indicates that the person may be a danger to self or others, if the information is used only for the purpose of eliminating the danger to the person or others. Any information or opinion disclosed in violation of this paragraph is not admissible as evidence in any personnel or occupational licensing matter involving the person being debriefed or counseled.

For purposes of this paragraph, "public safety peer counseling or debriefing" means a group process oriented debriefing session, or one-to-one contact with a peer counselor, held for peace officers, firefighters, medical emergency persons, dispatchers, or other persons involved with public safety emergency services, that is established by any agency providing public safety emergency services and is designed to help a person who has suffered an occupation-related ~~traumatic event~~ trauma, illness, or stress begin the process of healing and effectively dealing with ~~posttraumatic stress~~ the person's problems or the use of the peer counselor for direction with referrals to better service these occupation-related issues. A "peer counselor" means someone so designated by that agency.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 4. Minnesota Statutes 2005 Supplement, section 243.166, subdivision 1b, is amended to read:

Subd. 1b. **Registration required.** (a) A person shall register under this section if:

(1) the person was charged with or petitioned for a felony violation of or attempt to violate, or aiding, abetting, or conspiracy to commit, any of the following, and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances:

- (i) murder under section 609.185, clause (2);
- (ii) kidnapping under section 609.25;
- (iii) criminal sexual conduct under section 609.342; 609.343; 609.344; 609.345; 609.3451, subdivision 3; or 609.3453; or
- (iv) indecent exposure under section 617.23, subdivision 3;

(2) the person was charged with or petitioned for a violation of, or attempt to violate, or aiding, abetting, or conspiracy to commit false imprisonment in violation of section 609.255, subdivision 2; soliciting a minor to engage in prostitution in violation of section 609.322 or 609.324; soliciting a minor to engage in sexual conduct in violation of section 609.352; using a minor in a sexual performance in violation of section 617.246; or possessing pornographic work involving a minor in violation of section 617.247, and convicted of or adjudicated delinquent for that offense or another offense arising out of the same set of circumstances;

(3) the person was sentenced as a patterned sex offender under section 609.108; or

(4) the person was convicted of or adjudicated delinquent for, including pursuant to a court martial, violating a law of the United States, including the Uniform Code of Military Justice, similar to the offenses described in clause (1), (2), or (3).

(b) A person also shall register under this section if:

(1) the person was convicted of or adjudicated delinquent in another state for an offense that would be a violation of a law described in paragraph (a) if committed in this state;

(2) the person enters this state to reside, work, or attend school, or enters this state and remains for 14 days or longer; and

(3) ten years have not elapsed since the person was released from confinement or, if the person was not confined, since the person was convicted of or adjudicated delinquent for the offense that triggers registration, unless the person is subject to lifetime registration. If the person is required to register for life under Minnesota law, or the law of any other state in which the person has been convicted or required to register, in which case the person shall register for life regardless of when the person was released from confinement, convicted, or adjudicated delinquent.

(c) A person also shall register under this section if the person was committed pursuant to a court commitment order under section 253B.185 or Minnesota Statutes 1992, section 526.10, or a similar law of another state or the United States, regardless of whether the person was convicted of any offense.

(d) A person also shall register under this section if:

(1) the person was charged with or petitioned for a felony violation or attempt to violate any of the offenses listed in paragraph (a), clause (1), or a similar law of another state or the United States, or the person was charged with or petitioned for a violation of any of the offenses listed in paragraph (a), clause (2), or a similar law of another state or the United States;

(2) the person was found not guilty by reason of mental illness or mental deficiency after a trial for that offense, or found guilty but mentally ill after a trial for that offense, in states with a guilty but mentally ill verdict; and

(3) the person was committed pursuant to a court commitment order under section 253B.18 or a similar law of another state or the United States.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to any offender residing in Minnesota as of that date.

Sec. 5. Minnesota Statutes 2005 Supplement, section 243.166, subdivision 4, is amended to read:

Subd. 4. **Contents of registration.** (a) The registration provided to the corrections agent or law enforcement authority, must consist of a statement in writing signed by the person, giving information required by the bureau, a fingerprint card, and photograph of the person taken at the time of the person's release from incarceration or, if the person was not incarcerated, at the time the person initially registered under this section. The registration information also must include a written consent form signed by the person allowing a treatment facility or residential housing unit or shelter to release information to a law enforcement officer about the person's admission to, or residence in, a treatment facility or residential housing unit or shelter. Registration information on adults and juveniles may be maintained together notwithstanding section 260B.171, subdivision 3.

(b) For persons required to register under subdivision 1b, paragraph (c), following commitment pursuant to a court commitment under section 253B.185 or a similar law of another state or the United States, in addition to other information required by this section, the registration provided to the corrections agent or law enforcement authority must include the person's offense history and documentation of treatment received during the person's commitment. This documentation is limited to a statement of how far the person progressed in treatment during commitment.

(c) Within three days of receipt, the corrections agent or law enforcement authority shall forward the registration information to the bureau. The bureau shall ascertain whether the person has registered with the law enforcement authority in the area of the person's primary address, if any, or if the person lacks a primary address, where the person is staying, as required by subdivision 3a. If the person has not registered with the law enforcement authority, the bureau shall send one copy to that authority.

(d) The corrections agent or law enforcement authority may require that a person required to register under this section appear before the agent or authority to be photographed. The agent or authority shall forward the photograph to the bureau.

(1) Except as provided in clause (2), the agent or authority shall require a person required to register under this section who is classified as a level III offender under section 244.052 to appear before the agent or authority at least every six months to be photographed.

(2) The requirements of this paragraph shall not apply during any period where the person to be photographed is: (i) committed to the commissioner of corrections and incarcerated, (ii) incarcerated in a regional jail or county jail, or (iii) committed to the commissioner of human services and receiving treatment in a secure treatment facility.

(e) During the period a person is required to register under this section, the following provisions apply:

(1) Except for persons registering under subdivision 3a, the bureau shall mail a verification form to the person's last reported primary address. This verification form must provide notice to the offender that, if the offender does not return the verification form as required, information about the offender may be made available to the public through electronic, computerized, or other accessible means. For persons who are registered under subdivision 3a, the bureau shall mail an annual verification form to the law enforcement authority where the offender most recently reported. The authority shall provide the verification form to the person at the next weekly meeting and ensure that the person completes and signs the form and returns it to the bureau.

(2) The person shall mail the signed verification form back to the bureau within ten days after receipt of the form, stating on the form the current and last address of the person's residence and the other information required under subdivision 4a.

(3) In addition to the requirements listed in this section, a person who is assigned to risk level II or III under section 244.052, and who is no longer under correctional supervision for a registration offense, or a failure to register offense, but who resides, works, or attends school in Minnesota, shall have an annual in-person contact with a law enforcement authority as provided in this section. If the person resides in Minnesota, the annual in-person contact shall be with the law enforcement authority that has jurisdiction over the person's primary address or, if the person has no address, the location where the person is staying. If the person does not reside in Minnesota but works or attends school in this state, the person shall have an annual in-person contact with the law enforcement authority or authorities with jurisdiction over the person's school or workplace. During the month of the person's birth date, the person shall report to the authority to verify the accuracy of the registration information and to be photographed. Within three days of this contact, the authority shall enter information as required by the bureau into the predatory offender registration database and submit an updated photograph of the person to the bureau's predatory offender registration unit.

(4) If the person fails to mail the completed and signed verification form to the bureau within ten days after receipt of the form, or if the person fails to report to the law enforcement authority during the month of the person's birth date, the person is in violation of this section.

(5) For any person who fails to mail the completed and signed verification form to the bureau within ten days after receipt of the form and who has been determined to be a risk level III offender under section 244.052, the bureau shall immediately investigate and notify local law enforcement authorities to investigate the person's location and to ensure compliance with this section. The bureau also shall immediately give notice of the person's violation of this section to the law enforcement authority having jurisdiction over the person's last registered address or addresses.

For persons required to register under subdivision 1b, paragraph (c), following commitment pursuant to a court commitment under section 253B.185 or a similar law of another state or the United States, the bureau shall comply with clause (1) at least four times each year. For persons who, under section 244.052, are assigned to risk level III and who are no longer under correctional supervision for a registration offense or a failure to register offense, the bureau shall comply with clause (1) at least two times each year. For all other persons required to register under this section, the bureau shall comply with clause (1) each year within 30 days of the anniversary date of the person's initial registration.

(f) When sending out a verification form, the bureau shall determine whether the person to whom the verification form is being sent has signed a written consent form as provided for in paragraph (a). If the person has not signed such a consent form, the bureau shall send a written consent form to the person along with the verification form. A person who receives this written consent form shall sign and return it to the bureau at the same time as the verification form.

Sec. 6. Minnesota Statutes 2005 Supplement, section 243.166, subdivision 4b, is amended to read:

Subd. 4b. **Health care facility; notice of status.** (a) For the purposes of this subdivision, "health care facility" means a facility licensed by:

(1) the commissioner of health as a hospital, boarding care home or supervised living facility under sections 144.50 to 144.58, or a nursing home under chapter 144A; or

(2) the commissioner of human services as a residential facility under chapter 245A to provide adult foster care, adult mental health treatment, chemical dependency treatment to adults, or residential services to persons with developmental disabilities.

(b) ~~Upon admittance~~ Prior to admission to a health care facility, a person required to register under this section shall disclose to:

(1) the health care facility employee processing the admission the person's status as a registered predatory offender under this section; and

(2) the person's corrections agent, or if the person does not have an assigned corrections agent, the law enforcement authority with whom the person is currently required to register, that inpatient admission ~~has occurred~~ will occur.

(c) A law enforcement authority or corrections agent who receives notice under paragraph (b) or who knows that a person required to register under this section is planning to be admitted and receive, or has been admitted and is receiving health care at a health care facility shall notify the administrator of the facility and deliver a fact sheet to the administrator containing the following information: (1) name and physical description of the offender; (2) the offender's conviction history, including the dates of conviction; (3) the risk level classification assigned to the offender under section 244.052, if any; and (4) the profile of likely victims.

(d) Except for a hospital licensed under sections 144.50 to 144.58, ~~if a health care facility that receives notice under this subdivision that a predatory offender has been admitted to the facility a fact sheet under paragraph (c) that includes a risk level classification for the offender, and if the facility admits the offender, the facility shall notify other distribute the fact sheet to all residents at the facility of this fact.~~ If the facility determines that notice distribution to a resident is not appropriate given the resident's medical, emotional, or mental status, the facility shall notify distribute the fact sheet to the patient's next of kin or emergency contact.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 7. Minnesota Statutes 2005 Supplement, section 243.166, subdivision 6, is amended to read:

Subd. 6. **Registration period.** (a) Notwithstanding the provisions of section 609.165, subdivision 1, and except as provided in paragraphs (b), (c), and (d), a person required to register under this section shall continue to comply with this section until ten years have elapsed since the person initially registered in connection with the offense, or until the probation, supervised release, or conditional release period expires, whichever occurs later. For a person required to register under this section who is committed under section 253B.18 or 253B.185, the ten-year registration period does not include the period of commitment.

(b) If a person required to register under this section fails to provide the person's primary address as required by subdivision 3, paragraph (b), fails to comply with the requirements of subdivision 3a, fails to provide information as required by subdivision 4a, or fails to return the verification form referenced in subdivision 4 within ten days, the commissioner of public safety may require the person to continue to register for an additional period of five years. This five-year period is added to the end of the offender's registration period.

(c) If a person required to register under this section is subsequently incarcerated following a conviction for a new offense or following a revocation of probation, supervised release, or conditional release for any offense, the person shall continue to register until ten years have elapsed since the person was last released from incarceration or until the person's probation, supervised release, or conditional release period expires, whichever occurs later.

(d) A person shall continue to comply with this section for the life of that person:

(1) if the person is convicted of or adjudicated delinquent for any offense for which registration is required under subdivision 1b, or any offense from another state or any federal offense similar to the offenses described in subdivision 1b, and the person has a prior conviction or adjudication for an offense for which registration was or would have been required under subdivision 1b, or an offense from another state or a federal offense similar to an offense described in subdivision 1b;

(2) if the person is required to register based upon a conviction or delinquency adjudication for an offense under section 609.185, clause (2), or a similar statute from another state or the United States;

(3) if the person is required to register based upon a conviction for an offense under section 609.342, subdivision 1, paragraph (a), (c), (d), (e), (f), or (h); 609.343, subdivision 1, paragraph (a), (c), (d), (e), (f), or (h); 609.344, subdivision 1, paragraph (a), (c), or (g); or 609.345, subdivision 1, paragraph (a), (c), or (g); or a statute from another state or the United States similar to the offenses described in this clause; ~~or~~

(4) if the person is required to register under subdivision 1b, paragraph (c), following commitment pursuant to a court commitment under section 253B.185 or a similar law of another state or the United States; or

(5) if a person was required to register for life in any other state in which the person was previously convicted or required to register.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to any offender in Minnesota as of that date.

Sec. 8. Minnesota Statutes 2005 Supplement, section 244.052, subdivision 4, is amended to read:

Subd. 4. **Law enforcement agency; disclosure of information to public.** (a) The law enforcement agency in the area where the predatory offender resides, expects to reside, is employed, or is regularly found, shall disclose to the public any information regarding the offender contained in the report forwarded to the agency under subdivision 3, paragraph (f), that is relevant and necessary to protect the public and to counteract the offender's dangerousness, consistent with the guidelines in paragraph (b). The extent of the information disclosed and the community to whom disclosure is made must relate to the level of danger posed by the offender, to the offender's pattern of offending behavior, and to the need of community members for information to enhance their individual and collective safety.

(b) The law enforcement agency shall employ the following guidelines in determining the scope of disclosure made under this subdivision:

(1) if the offender is assigned to risk level I, the agency may maintain information regarding the offender within the agency and may disclose it to other law enforcement agencies. Additionally, the agency may disclose the information to any victims of or witnesses to the offense committed by the offender. The agency shall disclose the information to victims of the offense committed by the offender who have requested disclosure and to adult members of the offender's immediate household;

(2) if the offender is assigned to risk level II, the agency also may disclose the information to agencies and groups that the offender is likely to encounter for the purpose of securing those institutions and protecting individuals in their care while they are on or near the premises of the institution. These agencies and groups include the staff members of public and private educational institutions, day care establishments, and establishments and organizations that primarily serve individuals likely to be victimized by the offender. The agency also may disclose the information to individuals the agency believes are likely to be victimized by the offender. The agency's belief shall be based on the offender's pattern of offending or victim preference as documented in the information provided by the department of corrections or human services;

(3) if the offender is assigned to risk level III, the agency shall disclose the information to the persons and entities described in clauses (1) and (2) and to other members of the community whom the offender is likely to encounter, unless the law enforcement agency determines that public safety would be compromised by the disclosure or that a more limited disclosure is necessary to protect the identity of the victim.

Notwithstanding the assignment of a predatory offender to risk level II or III, a law enforcement agency may not make the disclosures permitted or required by clause (2) or (3), if: the offender is placed or resides in a residential facility. However, if an offender is placed or resides in a residential facility, the offender and the head of the facility shall designate the offender's likely residence upon release from the facility and the head of the facility shall notify the commissioner of corrections or the commissioner of human services of the offender's likely residence at least 14 days before the offender's scheduled release date. The commissioner shall give this information to the law enforcement agency having jurisdiction over the offender's likely residence. The head of the residential facility also shall notify the commissioner of corrections or human services within 48 hours after finalizing the offender's approved relocation plan to a permanent residence. Within five days after receiving this notification, the appropriate commissioner shall give to the appropriate law enforcement agency all relevant information the commissioner has concerning the offender, including information on the risk factors in the offender's history and the risk level to which the offender was assigned. After receiving this information, the law enforcement agency shall make the disclosures permitted or required by clause (2) or (3), as appropriate.

(c) As used in paragraph (b), clauses (2) and (3), "likely to encounter" means that:

(1) the organizations or community members are in a location or in close proximity to a location where the offender lives or is employed, or which the offender visits or is likely to visit on a regular basis, other than the location of the offender's outpatient treatment program; and

(2) the types of interaction which ordinarily occur at that location and other circumstances indicate that contact with the offender is reasonably certain.

(d) A law enforcement agency or official who discloses information under this subdivision shall make a good faith effort to make the notification within 14 days of receipt of a confirmed address from the Department of Corrections indicating that the offender will be, or has been, released from confinement, or accepted for supervision, or has moved to a new address and will reside at the address indicated. If a change occurs in the release plan, this notification provision does not require an extension of the release date.

(e) A law enforcement agency or official who discloses information under this subdivision shall not disclose the identity or any identifying characteristics of the victims of or witnesses to the offender's offenses.

(f) A law enforcement agency shall continue to disclose information on an offender as required by this subdivision for as long as the offender is required to register under section 243.166. This requirement on a law enforcement agency to continue to disclose information also applies to an offender who lacks a primary address and is registering under section 243.166, subdivision 3a.

(g) A law enforcement agency that is disclosing information on an offender assigned to risk level III to the public under this subdivision shall inform the commissioner of corrections what information is being disclosed and forward this information to the commissioner within two days of the agency's determination. The commissioner shall post this information on the Internet as required in subdivision 4b.

(h) A city council may adopt a policy that addresses when information disclosed under this subdivision must be presented in languages in addition to English. The policy may address when information must be presented orally, in writing, or both in additional languages by the law enforcement agency disclosing the information. The policy may provide for different approaches based on the prevalence of non-English languages in different neighborhoods.

(i) An offender who is the subject of a community notification meeting held pursuant to this section may not attend the meeting.

(j) When a school, day care facility, or other entity or program that primarily educates or serves children receives notice under paragraph (b), clause (3), that a level III predatory offender resides or works in the surrounding community, notice to parents must be made as provided in this paragraph. If the predatory offender identified in the notice is participating in programs offered by the facility that require or allow the person to interact with children other than the person's children, the principal or head of the entity must notify parents with children at the facility of the contents of the notice received pursuant to this section. The immunity provisions of subdivision 7 apply to persons disclosing information under this paragraph.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 9. **[299A.59] NOTICE OF MULTIPLE LAW ENFORCEMENT OPERATIONS CONFLICTS.**

(a) Notwithstanding section 299C.405, the Department of Public Safety may employ a secure subscription service designed to promote and enhance officer safety during tactical operations by and between federal, state, and local law enforcement agencies by notifying law enforcement agencies of conflicts where multiple law enforcement operations may be occurring on the same subject or vehicle or on or near the same location. The notification may include warrant executions, surveillance activities, SWAT activities, undercover operations, and other investigative operations.

(b) Data created, collected, received, maintained, or disseminated by this system is classified as criminal investigative data as defined in section 13.82, subdivision 7.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 10. **[299A.85] REPORTING OF UNIDENTIFIED PERSONS/HUMAN REMAINS.**

Subdivision 1. **Handling of death scene investigations.** (a) The Department of Public Safety shall provide information to local law enforcement agencies about best practices for handling death scene investigations.

(b) The Department of Public Safety shall identify any publications or training opportunities that may be available to local law enforcement agencies or law enforcement officers concerning the handling of death scene investigations.

Subd. 2. **Law enforcement reports.** (a) After performing any death scene investigation considered appropriate under the circumstances, the official with custody of the human remains shall ensure that the human remains are delivered to the appropriate medical examiner.

(b) A person with custody of human remains that are not identified within 24 hours of discovery shall promptly notify the Department of Public Safety of the location of those remains.

(c) A person with custody of remains who cannot determine whether or not the remains found are human shall notify the Department of Public Safety of the existence of possible human remains.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 11. Minnesota Statutes 2004, section 299C.095, subdivision 2, is amended to read:

Subd. 2. **Retention.** (a) Notwithstanding section 138.17, the bureau shall retain juvenile history records for the time periods provided in this subdivision. Notwithstanding contrary provisions of paragraphs (b) to (e), all data in a juvenile history record must be retained for the longest time period applicable to any item in the individual juvenile history record. If, before data are destroyed under this subdivision, the subject of the data is convicted of a felony as an adult, the individual's juvenile history record must be retained for the same time period as an adult criminal history record.

(b) Juvenile history data on a child who was arrested must be destroyed six months after the arrest if the child has not been referred to a diversion program and no petition has been filed against the child by that time.

(c) Juvenile history data on a child against whom a delinquency petition was filed and subsequently dismissed must be destroyed upon receiving notice from the court that the petition was dismissed.

(d) Juvenile history data on a child who was referred to a diversion program or against whom a delinquency petition has been filed and continued for dismissal must be destroyed when the child reaches age 21.

(e) Juvenile history data on a child against whom a delinquency petition was filed and continued without adjudication, or a child who was found to have committed a felony or gross misdemeanor-level offense, must be destroyed when the child reaches age 28. If the adjudication was for an offense which requires registration pursuant to section 243.166 or 243.167, or the offender commits a felony violation as an adult, the bureau shall retain the data for as long as the data would have been retained if the offender had been an adult at the time of the juvenile offense.

(f) The bureau shall retain extended jurisdiction juvenile data on an individual received under section 260B.171, subdivision 2, paragraph (c), for as long as the data would have been retained if the offender had been an adult at the time of the offense.

(g) Data retained on individuals under this subdivision are private data under section 13.02, except that extended jurisdiction juvenile data become public data under section 13.87, subdivision 2, when the juvenile court notifies the bureau that the individual's adult sentence has been executed under section 260B.130, subdivision 5.

(h) A person who receives data on a juvenile under paragraphs (b) to (e) from the bureau shall destroy the data according to the schedule in this subdivision, unless the person has access to the data under other law. The bureau shall include a notice of the destruction schedule with all data it disseminates on juveniles.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 12. Minnesota Statutes 2005 Supplement, section 299C.40, subdivision 1, is amended to read:

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

(b) "CIBRS" means the Comprehensive Incident-Based Reporting System, located in the Department of Public Safety and managed by the Bureau of Criminal Apprehension, Criminal Justice Information Systems Section. A reference in this section to "CIBRS" includes the Bureau of Criminal Apprehension.

(c) "Law enforcement agency" means a Minnesota municipal police department, the Metropolitan Transit Police, the Metropolitan Airports Police, the University of Minnesota Police Department, the Department of Corrections' Fugitive Apprehension Unit, a Minnesota county sheriff's department, the Bureau of Criminal Apprehension, or the Minnesota State Patrol.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 13. Minnesota Statutes 2005 Supplement, section 299C.65, subdivision 2, is amended to read:

Subd. 2. **Task force.** The policy group shall appoint a task force to assist them in their duties. The task force shall monitor, review, and report to the policy group on CriMNet-related projects and provide oversight to ongoing operations as directed by the policy group. The task force shall consist of the following members:

- (1) two sheriffs recommended by the Minnesota Sheriffs Association;
- (2) two police chiefs recommended by the Minnesota Chiefs of Police Association;
- (3) two county attorneys recommended by the Minnesota County Attorneys Association;
- (4) two city attorneys recommended by the Minnesota League of Cities;
- (5) two public defenders appointed by the Board of Public Defense;
- (6) two district judges appointed by the Conference of Chief Judges, one of whom is currently assigned to the juvenile court;
- (7) two community corrections administrators recommended by the Minnesota Association of Counties, one of whom represents a community corrections act county;
- (8) two probation officers;
- (9) four public members, one of whom has been a victim of crime, and two who are representatives of the private business community who have expertise in integrated information systems and who for the purpose of meetings of the full task force may be compensated pursuant to section 15.059;
- (10) two court administrators;
- (11) one member of the house of representatives appointed by the speaker of the house;
- (12) one member of the senate appointed by the majority leader;
- (13) the attorney general or a designee;
- (14) two individuals recommended by the Minnesota League of Cities, one of whom works or resides in greater Minnesota and one of whom works or resides in the seven-county metropolitan area;
- (15) two individuals recommended by the Minnesota Association of Counties, one of whom works or resides in greater Minnesota and one of whom works or resides in the seven-county metropolitan area;
- (16) the director of the Sentencing Guidelines Commission;
- (17) one member appointed by the state chief information officer;
- ~~(17)~~ (18) one member appointed by the commissioner of public safety;
- ~~(18)~~ (19) one member appointed by the commissioner of corrections;
- ~~(19)~~ (20) one member appointed by the commissioner of administration; and

~~(20)~~ (21) one member appointed by the chief justice of the Supreme Court.

In making these appointments, the appointing authority shall select members with expertise in integrated data systems or best practices.

The commissioner of public safety may appoint additional, nonvoting members to the task force as necessary from time to time.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 14. Minnesota Statutes 2004, section 299E.01, subdivision 2, is amended to read:

Subd. 2. **Responsibilities.** The division shall be responsible and shall utilize state employees for security and public information services in ~~the Capitol complex of~~ state-owned buildings and state leased to own buildings in the Capitol area, as described in section 15B.02; it shall provide such personnel as are required by the circumstances to insure the orderly conduct of state business and the convenience of the public.

EFFECTIVE DATE. This section is effective July 1, 2007.

Sec. 15. Minnesota Statutes 2004, section 299F.011, subdivision 5, is amended to read:

Subd. 5. **Appeal policy; variance.** Upon application, the state fire marshal may grant variances from the minimum requirements specified in the code if there is substantial compliance with the provisions of the code, the safety of the public and occupants of such building will not be jeopardized, and undue hardship will result to the applicant unless such variance is granted. No appeal to the state fire marshal for a variance from orders issued by a local fire official from the Uniform Fire Code shall be accepted until the applicant has first made application to the local governing body and the local unit has acted on the application. The state fire marshal shall consider ~~the decision~~ any decisions or recommendations of the local governing body. Any person aggrieved by a decision made by the fire marshal under this subdivision may proceed before the fire marshal as with a contested case in accordance with the Administrative Procedure Act.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 16. Minnesota Statutes 2004, section 525.9214, is amended to read:

525.9214 ROUTINE INQUIRY AND REQUIRED REQUEST; SEARCH AND NOTIFICATION.

(a) If, at or near the time of death of a patient, there is no documentation in the medical record that the patient has made or refused to make an anatomical gift, the hospital administrator or a representative designated by the administrator shall discuss with the patient or a relative of the patient the option to make or refuse to make an anatomical gift and may request the making of an anatomical gift pursuant to section 525.9211 or 525.9212. The request must be made with reasonable discretion and sensitivity to the circumstances of the family. A request is not required if the gift is not suitable, based upon accepted medical standards, for a purpose specified in section 525.9215. An entry must be made in the medical record of the patient, stating the name of the individual making the request, and the name, response, and relationship to the patient of the person to whom the request was made.

(b) The following persons shall make a reasonable search for a document of gift or other information identifying the bearer as a donor or as an individual who has refused to make an anatomical gift:

(1) a law enforcement officer, firefighter, paramedic, or other emergency rescuer finding an individual who the searcher believes is dead or near death;

(2) a hospital or emergency care facility, upon the admission or presentation of an individual at or near the time of death, if there is not immediately available any other source of that information; and

(3) a medical examiner or coroner upon receipt of a body.

(c) If a document of gift or evidence of refusal to make an anatomical gift is located by the search required by paragraph (b), clause (1), and the individual or body to whom it relates is taken to a hospital, the hospital must be notified of the contents and the document or other evidence must be sent to the hospital. If a body is taken to a morgue, the person who discovered the body must notify the person's dispatcher. A dispatcher notified under this section must notify the state's federally designated organ procurement organization and inform the organization of the deceased's name, donor status, and location.

(d) If, at or near the time of death of a patient, a hospital knows that an anatomical gift has been made pursuant to section 525.9212, paragraph (a), or a release and removal of a part has been permitted pursuant to section 525.9213, or that a patient or an individual identified as in transit to the hospital is a donor, the hospital shall notify the donee if one is named and known to the hospital; if not, it shall notify an appropriate procurement organization. The hospital shall cooperate in the implementation of the anatomical gift or release and removal of a part.

(e) A person who fails to discharge the duties imposed by this section is not subject to criminal or civil liability.

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

Sec. 17. Minnesota Statutes 2004, section 611A.0315, is amended to read:

611A.0315 VICTIM NOTIFICATION; DOMESTIC ASSAULT; HARASSMENT.

Subdivision 1. **Notice of decision not to prosecute.** (a) A prosecutor shall make every reasonable effort to notify a victim of domestic assault, a criminal sexual conduct offense, or harassment that the prosecutor has decided to decline prosecution of the case or to dismiss the criminal charges filed against the defendant. Efforts to notify the victim should include, in order of priority: (1) contacting the victim or a person designated by the victim by telephone; and (2) contacting the victim by mail. If a suspect is still in custody, the notification attempt shall be made before the suspect is released from custody.

(b) Whenever a prosecutor dismisses criminal charges against a person accused of domestic assault, a criminal sexual conduct offense, or harassment, a record shall be made of the specific reasons for the dismissal. If the dismissal is due to the unavailability of the witness, the prosecutor shall indicate the specific reason that the witness is unavailable.

(c) Whenever a prosecutor notifies a victim of domestic assault or harassment under this section, the prosecutor shall also inform the victim of the method and benefits of seeking an order for protection under section 518B.01 or a restraining order under section 609.748 and that the victim may seek an order without paying a fee.

Subd. 2. **Definitions.** For the purposes of this section, the following terms have the meanings given them.

(a) "Assault" has the meaning given it in section 609.02, subdivision 10.

(b) "Domestic assault" means an assault committed by the actor against a family or household member.

(c) "Family or household member" has the meaning given it in section 518B.01, subdivision 2.

(d) "Harassment" means a violation of section 609.749.

(e) "Criminal sexual conduct offense" means a violation of sections 609.342 to 609.3453.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 18. Minnesota Statutes 2004, section 624.22, subdivision 8, is amended to read:

Subd. 8. **Suspension, revocation, or refusal to renew certification.** (a) The state fire marshal may suspend, revoke, or refuse to renew certification of an operator if the operator has:

(1) submitted a fraudulent application;

(2) caused or permitted a fire or safety hazard to exist or occur during the storage, transportation, handling, preparation, or use of fireworks;

(3) conducted a display of fireworks without receipt of a permit required by the state or a political subdivision;

(4) conducted a display of fireworks with assistants who were not at least 18 years of age, properly instructed, and continually supervised; or

(5) otherwise failed to comply with any federal or state law or regulation, or the guidelines, relating to fireworks.

(b) Any person aggrieved by a decision made by the state fire marshal under this subdivision may petition the state fire marshal in writing to reconsider the decision. The state fire marshal shall render a decision in writing within 30 days of receipt of the written request for reconsideration. Following reconsideration, the person may appeal the decision to the district court.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 19. **[626.9601] DEFINITIONS.**

Subdivision 1. **Scope of definitions.** For purposes of sections 626.9601 to 626.9615, the following terms have the meanings given them.

Subd. 2. **Bloodborne pathogens.** "Bloodborne pathogens" means pathogenic microorganisms that are present in human blood and can cause disease in humans. These pathogens include, but are not limited to, hepatitis B virus (HBV), hepatitis C virus (HCV), and human immunodeficiency virus (HIV).

Subd. 3. **Law enforcement agency.** "Law enforcement agency" has the meaning given in section 626.84, subdivision 1.

Subd. 4. **Peace officer.** "Peace officer" is an individual employed as a licensed peace officer under section 626.84, subdivision 1.

Subd. 5. **Source individual.** "Source individual" means an individual, living or dead, whose blood, tissue, or potentially infectious body fluids may be a source of bloodborne pathogen exposure to a peace officer.

Subd. 6. **Significant exposure.** "Significant exposure" means contact likely to transmit a bloodborne pathogen, in a manner supported by the most current guidelines and recommendations of the United States Public Health Service at the time an evaluation takes place, that includes:

(1) percutaneous injury, contact of mucous membrane or nonintact skin, or prolonged contact of intact skin; and

(2) contact, in a manner that may transmit a bloodborne pathogen, with blood, tissue, or potentially infectious body fluids.

Subd. 7. **Facility.** "Facility" means a hospital licensed under sections 144.50 to 144.56 or a freestanding emergency medical care facility licensed under Laws 1988, chapter 467, that receives a peace officer for evaluation for significant exposure or a source individual whose bodily fluids contacted a peace officer.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 20. **[626.9602] CONDITIONS FOR APPLICABILITY OF PROCEDURES.**

Subdivision 1. **Request for procedures.** A peace officer or law enforcement agency may request that a facility follow the procedures of sections 626.9601 to 626.9615 when a peace officer may have experienced a significant exposure to a source individual.

Subd. 2. **Conditions.** A facility shall follow the procedures outlined in sections 626.9601 to 626.9615 when all of the following conditions are met:

(1) the facility determines that significant exposure has occurred, following the protocol under section 626.9614;

(2) the licensed physician for the peace officer needs the source individual's bloodborne pathogen test results to begin, continue, modify, or discontinue treatment, in accordance with the most current guidelines of the United States Public Health Service, because of possible exposure to a bloodborne pathogen; and

(3) the peace officer consents to provide a blood sample for testing for a bloodborne pathogen. If the peace officer consents to blood collection, but does not consent at that time to bloodborne pathogen testing, the facility shall preserve the sample for at least 90 days. If the peace officer elects to have the sample tested within 90 days, the testing shall be done as soon as feasible.

Subd. 3. **Locating source individual.** If the source individual is not received by a facility but the facility is providing treatment to the peace officer, the law enforcement agency shall make reasonable efforts to locate the source individual and inform the facility of the source individual's identity and location. The facility shall make a reasonable effort to contact the source individual in order to follow the procedures in sections 626.9601 to 626.9615. The law enforcement agency and facilities may exchange private data about the source individual as necessary to fulfill their responsibilities under this subdivision, notwithstanding any provision of law to the contrary.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 21. **[626.9603] INFORMATION REQUIRED TO BE GIVEN TO INDIVIDUALS.**

Subdivision 1. **Information to source individual.** (a) Before seeking any consent required by the procedures under sections 626.9601 to 626.9615, a facility shall inform the source individual that the source individual's bloodborne pathogen test results, without the individual's name, address, or other uniquely identifying information, shall be reported to the peace officer if requested, and that test results collected under sections 626.9601 to 626.9615 are for medical purposes as set forth in section 626.9609 and may not be used as evidence in any criminal proceedings or civil proceedings, except for procedures under sections 144.4171 to 144.4186.

(b) The facility shall inform the source individual of the insurance protections in section 72A.20, subdivision 29.

(c) The facility shall inform the source individual that the individual may refuse to provide a blood sample and that the source individual's refusal may result in a request for a court order to require the source individual to provide a blood sample.

(d) The facility shall inform the source individual that the facility will advise the peace officer of the confidentiality requirements and penalties before disclosing any test information.

Subd. 2. **Information to peace officer.** (a) Before disclosing any information about the source individual, the facility shall inform the peace officer of the confidentiality requirements of section 626.9611 and that the peace officer may be subject to penalties for unauthorized release of information about the source individual under section 626.9612.

(b) The facility shall inform the peace officer of the insurance protections in section 72A.20, subdivision 29.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 22. **[626.9604] DISCLOSURE OF POSITIVE BLOODBORNE PATHOGEN TEST RESULTS.**

If the conditions of sections 626.9602 and 626.9603 are met, the facility shall ask the source individual and the peace officer if they have ever had a positive test for a bloodborne pathogen. The facility must attempt to get existing test results under this section before taking any steps to obtain a blood sample or to test for bloodborne pathogens. The facility shall disclose the source individual's bloodborne pathogen test results to the peace officer without the source individual's name, address, or other uniquely identifying information.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 23. **[626.9605] CONSENT PROCEDURES; GENERALLY.**

(a) For purposes of sections 626.9601 to 626.9615, whenever the facility is required to seek consent, the facility shall follow its usual procedure for obtaining consent from an individual or an individual's representative consistent with other law applicable to consent.

(b) Consent from a source individual's representative for bloodborne pathogen testing of an existing blood sample obtained from the source individual is not required if the facility has made reasonable efforts to obtain the representative's consent and consent cannot be obtained within 24 hours of a significant exposure.

(c) If testing of the source individual's blood occurs without consent because the source individual is unable to provide consent or has left the facility and cannot be located, and the source individual's representative cannot be located, the facility shall provide the information required in section 626.9603 to the source individual or representative whenever it is possible to do so.

(d) If a source individual dies before an opportunity to consent to blood collection or testing under sections 626.9601 to 626.9615, the facility does not need consent of the deceased person's representative for purposes of sections 626.9601 to 626.9615.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 24. **[626.9606] TESTING OF AVAILABLE BLOOD.**

Subdivision 1. **Procedures with consent.** If the source individual is or was under the care or custody of the facility and a sample of the source individual's blood is available with the consent of the source individual, the facility shall test that blood for bloodborne pathogens with the consent of the source individual, provided the conditions in sections 626.9602 and 626.9603 are met.

Subd. 2. **Procedures without consent.** If the source individual has provided a blood sample with consent but does not consent to bloodborne pathogen testing, the facility shall test for bloodborne pathogens if the peace officer or law enforcement agency requests the test, provided all of the following criteria are met:

(1) the peace officer or law enforcement agency has documented exposure to blood or body fluids during performance of the peace officer's duties;

(2) the facility has determined that a significant exposure has occurred and a licensed physician for the peace officer has documented in the peace officer's medical record that bloodborne pathogen test results are needed for beginning, modifying, continuing, or discontinuing medical treatment for the peace officer under section 626.9614, subdivision 2;

(3) the peace officer provides a blood sample for testing for bloodborne pathogens as soon as feasible;

(4) the facility asks the source individual to consent to a test for bloodborne pathogens and the source individual does not consent;

(5) the facility has provided the source individual with all of the information required by section 626.9603; and

(6) the facility has informed the peace officer of the confidentiality requirements of section 626.9611 and the penalties for unauthorized release of source information under section 626.9612.

Subd. 3. **Follow-up.** The facility shall inform the source individual and the peace officer of their own test results. The facility shall inform the peace officer of the source individual's test results without the source individual's name, address, or other uniquely identifying information.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 25. **[626.9607] BLOOD SAMPLE COLLECTION FOR TESTING.**

Subdivision 1. **Procedures with consent.** (a) If a blood sample is not otherwise available, the facility shall obtain consent from the source individual before collecting a blood sample for testing for bloodborne pathogens. The consent process shall include informing the source individual that the individual may refuse to provide a blood sample and that the source individual's refusal may result in a request for a court order under subdivision 2 to require the source individual to provide a blood sample.

(b) If the source individual consents to provide a blood sample, the facility shall collect a blood sample and test the sample for bloodborne pathogens.

(c) The facility shall inform the peace officer about the source individual's test results without the individual's name, address, or other uniquely identifying information. The facility shall inform the source individual of the test results.

(d) If the source individual refuses to provide a blood sample for testing, the facility shall inform the peace officer of the source individual's refusal.

Subd. 2. **Procedures without consent.** (a) A law enforcement agency or a peace officer may bring a petition for a court order to require a source individual to provide a blood sample for testing for bloodborne pathogens. The petition shall be filed in the district court in the county where the source individual resides or is hospitalized or where the peace officer is being treated. The petitioner is not required to serve the petition on the source individual prior to the hearing. The petition shall include one or more affidavits attesting that:

(1) the facility followed the procedures in sections 626.9601 to 626.9615 and attempted to obtain bloodborne pathogen test results according to those sections;

(2) it has been determined under section 626.9614, subdivision 2, that a significant exposure has occurred to the peace officer; and

(3) a physician with specialty training in infectious diseases, including HIV, has documented that the peace officer has provided a blood sample and consented to testing for bloodborne pathogens and bloodborne pathogen test results are needed for beginning, continuing, modifying, or discontinuing medical treatment for the peace officer.

(b) Facilities shall cooperate with petitioners in providing any necessary affidavits to the extent that facility staff can attest under oath to the facts in the affidavits.

(c) The court must issue an order requiring the source individual to provide a blood sample for bloodborne pathogen testing within 48 hours of receiving the order if the court finds that:

(1) there is probable cause to believe the peace officer has experienced a significant exposure to the source individual;

(2) a licensed physician for the peace officer needs the test results for beginning, continuing, modifying, or discontinuing medical treatment for the peace officer; and

(3) there is a reasonable need for the test results. In assessing reasonable need, the court shall weigh the need for the court-ordered blood collection and test results against the interests of the source individual, including, but not limited to, privacy, health, safety, or economic interests. The court shall also consider whether the involuntary blood collection and testing would serve the public interest.

(d) As part of an order issued under this subdivision, the court must impose appropriate safeguards against unauthorized disclosure that must specify the persons who have access to the test results and the purposes for which the test results may be used.

(e) The court shall schedule the hearing within 24 hours of receiving the petition and may conduct the proceeding in camera unless the court determines that a public hearing is necessary for the proper administration of justice. The source individual need not be present or have received notice of the hearing for the court to proceed. The evidence or testimony in support or opposition to a petition may be made or taken by telephone, facsimile transmission, video equipment, or other electronic communication. The court shall issue its ruling within 24 hours of the conclusion of the hearing.

(f) If the source individual did not make an appearance at the hearing, the petitioner must personally serve the source individual with a copy of the ex parte order along with a copy of the petition and supporting affidavits. A notice of the right to contest the order and the deadline for filing the appeal must accompany service of the order and petition.

(g) If the source individual did not make an appearance at the hearing, the source individual may petition the court for a hearing to contest the court order. The source individual's appeal must be filed within 48 hours of the person receiving the ex parte order. The person may not be compelled to submit to a blood test during the pendency of an appeal. The court must hold a hearing within 24 hours from the date the appeal is filed. The court may vacate its ex parte order if the source individual proves by clear and convincing evidence that the person's bodily fluids did not contact the peace officer. The court must issue a ruling within 24 hours of the conclusion of the hearing.

(h) A source individual who fails or refuses to comply with the terms and conditions of an order issued under this section shall be in contempt of court and subject to confinement under section 588.12 until the person has complied with the order.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 26. **[626.9608] NO DISCRIMINATION.**

A facility shall not base decisions about admission to a facility or the provision of care or treatment on any requirement that the source individual consent to bloodborne pathogen testing under sections 626.9601 to 626.9615.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 27. **[626.9609] USE OF TEST RESULTS.**

Bloodborne pathogen test results of a source individual obtained under sections 626.9601 to 626.9615 are for diagnostic purposes and to determine the need for treatment or medical care specific to a bloodborne pathogen-related illness of a peace officer. The test results may not be used as evidence in any criminal proceedings or civil proceedings, except for procedures under sections 144.4171 to 144.4186.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 28. **[626.9611] TEST INFORMATION CONFIDENTIALITY.**

Subdivision 1. **Private data.** Information concerning test results obtained under sections 626.9601 to 626.9615 is information protected from disclosure without consent under section 144.335 with respect to private facilities and private data as defined in section 13.02, subdivision 12, with respect to public facilities.

Subd. 2. **Consent to release information.** No facility, individual, or employer shall disclose to a peace officer the name, address, or other uniquely identifying information about a source individual without a written release signed by the source individual or the source individual's legally authorized representative. The facility shall not record the name, address, or other uniquely identifying information about the source individual's test results in the peace officer's medical records.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 29. **[626.9612] PENALTY FOR UNAUTHORIZED RELEASE OF INFORMATION.**

Unauthorized release by an individual, facility, or agency of a source individual's name, address, or other uniquely identifying information under sections 626.9601 to 626.9615 is subject to the remedies and penalties under sections 13.08 and 13.09. This section does not preclude private causes of action against an individual, state agency, statewide system, political subdivision, or person responsible for releasing private data or information protected from disclosure.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 30. **[626.9613] RESPONSIBILITY FOR TESTING AND TREATMENT; COSTS.**

(a) The facility shall ensure that tests under sections 626.9601 to 626.9615 are performed if requested by the peace officer or law enforcement agency, provided the conditions set forth in sections 626.9601 to 626.9615 are met.

(b) The law enforcement agency that employs the peace officer who requests testing under sections 626.9601 to 626.9615 must pay or arrange payment for the cost of counseling, testing, and treatment of the peace officer and costs associated with the testing of the source individual.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 31. **[626.9614] PROTOCOLS FOR EXPOSURE TO BLOODBORNE PATHOGENS.**

Subdivision 1. **Law enforcement agency requirements.** The law enforcement agency shall have procedures for a peace officer to notify a facility that the person may have experienced a significant exposure from a source individual. The law enforcement agency shall also have a protocol to locate the source individual if the facility has not received the source individual and the law enforcement agency knows the source individual's identity.

Subd. 2. **Facility protocol requirements.** Every facility shall adopt and follow a postexposure protocol for peace officers who have experienced a significant exposure. The postexposure protocol must adhere to the most current recommendations of the United States Public Health Service and include, at a minimum, the following:

(1) a process for peace officers to report an exposure in a timely fashion;

(2) a process for an infectious disease specialist, or a licensed physician who is knowledgeable about the most current recommendations of the United States Public Health Service in consultation with an infectious disease specialist;

(i) to determine whether a significant exposure to one or more bloodborne pathogens has occurred; and

(ii) to provide, under the direction of a licensed physician, a recommendation or recommendations for follow-up treatment appropriate to the particular bloodborne pathogen or pathogens for which a significant exposure has been determined;

(3) if there has been a significant exposure, a process to determine whether the source individual has a bloodborne pathogen through disclosure of test results, or through blood collection and testing as required by sections 626.9601 to 626.9615;

(4) a process for providing appropriate counseling prior to and following testing for a bloodborne pathogen regarding the likelihood of bloodborne pathogen transmission and follow-up recommendations according to the most current recommendations of the United States Public Health Service, recommendations for testing, and treatment to the peace officer;

(5) a process for providing appropriate counseling under clause (4) to the peace officer and the source individual; and

(6) compliance with applicable state and federal laws relating to data practices, confidentiality, informed consent, and the patient bill of rights.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 32. **[626.9615] PENALTIES AND IMMUNITY.**

Subdivision 1. **Penalties.** Any facility or person who willfully violates the provisions of sections 626.9601 to 626.9615 is guilty of a misdemeanor.

Subd. 2. **Immunity.** A facility, licensed physician, and designated health care personnel are immune from liability in any civil, administrative, or criminal action relating to the disclosure of test results to a peace officer or law enforcement agency and the testing of a blood sample from the source individual for bloodborne pathogens if a good faith effort has been made to comply with sections 626.9601 to 626.9615.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 33. Laws 2005, chapter 136, article 1, section 13, subdivision 3, is amended to read:

Subd. 3. Community Services	103,556,000	103,369,000
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Summary by Fund

General Fund	103,456,000	103,269,000
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Special Revenue	100,000	100,000
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SHORT-TERM OFFENDERS. \$1,207,000 each year is for costs associated with the housing and care of short-term offenders. The commissioner may use up to 20 percent of the total amount of the appropriation for inpatient medical care for short-term offenders with less than six months to serve as affected by the changes made to Minnesota Statutes, section 609.105, in 2003. All funds remaining at the end of the fiscal year not expended for inpatient medical care shall be added to and distributed with the housing funds. These funds shall be distributed proportionately based on the total number of days short-term offenders are placed locally, not to exceed \$70 per day. Short-term offenders may be housed in a state correctional facility at the discretion of the commissioner.

The Department of Corrections is exempt from the state contracting process for the purposes of Minnesota Statutes, section 609.105, as amended by Laws 2003, First Special Session chapter 2, article 5, sections 7 to 9.

GPS MONITORING OF SEX OFFENDERS. \$500,000 the first year and \$162,000 the second year are for the acquisition and service of bracelets equipped with tracking devices designed to track and monitor the movement and location of criminal offenders. The commissioner shall use the bracelets to monitor high-risk sex offenders who are on supervised release, conditional release, parole, or probation to help ensure that the offenders do not violate conditions of their release or probation.

END OF CONFINEMENT REVIEWS. \$94,000 each year is for end of confinement reviews.

COMMUNITY SURVEILLANCE AND SUPERVISION. \$1,370,000 each year is to provide housing options to maximize community surveillance and supervision.

INCREASE IN INTENSIVE SUPERVISED RELEASE SERVICES. \$1,800,000 each year is to increase intensive supervised release services.

SEX OFFENDER ASSESSMENT REIMBURSEMENTS. \$350,000 each year is to ~~provide grants to~~ reimburse counties ~~for reimbursements, their designees, or courts~~ for sex offender assessments as required under Minnesota Statutes, section 609.3452, subdivision 1, which is being renumbered as section 609.3457.

SEX OFFENDER TREATMENT AND POLYGRAPHS. \$1,250,000 each year is to provide treatment for sex offenders on community supervision and to pay for polygraph testing.

INCREASED SUPERVISION OF SEX OFFENDERS, DOMESTIC VIOLENCE OFFENDERS, AND OTHER VIOLENT OFFENDERS. \$1,500,000 each year is for the increased supervision of sex offenders and other violent offenders, including those convicted of domestic abuse. These appropriations may not be used to supplant existing state or county probation officer positions.

The commissioner shall distribute \$1,050,000 in grants each year to Community Corrections Act counties and \$450,000 each year to the Department of Corrections Probation and Supervised Release Unit. The commissioner shall distribute the funds to the Community Corrections Act counties according to the formula contained in Minnesota Statutes, section 401.10.

Prior to the distribution of these funds, each Community Corrections Act jurisdiction and the Department of Corrections Probation and Supervised Release Unit shall submit to the commissioner an analysis of need along with a plan to meet their needs and reduce the number of sex offenders and other violent offenders, including domestic abuse offenders, on probation officer caseloads.

COUNTY PROBATION OFFICERS. \$500,000 each year is to increase county probation officer reimbursements.

INTENSIVE SUPERVISION AND AFTERCARE FOR CONTROLLED SUBSTANCES OFFENDERS; REPORT. \$600,000 each year is for intensive supervision and aftercare services for controlled substances offenders released from prison under Minnesota Statutes, section 244.055. These appropriations are not added to the department's base budget. By January 15, 2008, the commissioner shall report to the chairs and ranking minority members of the senate and house of representatives committees and divisions having jurisdiction over criminal justice policy and funding on how this appropriation was spent.

REPORT ON ELECTRONIC MONITORING OF SEX OFFENDERS. By March 1, 2006, the commissioner shall report to the chairs and ranking minority members of the senate and house of representatives committees and divisions having jurisdiction over criminal justice policy and funding on implementing an electronic monitoring system for sex offenders who are under community supervision. The report must address the following:

- (1) the advantages and disadvantages in implementing this system, including the impact on public safety;
- (2) the types of sex offenders who should be subject to the monitoring;
- (3) the time period that offenders should be subject to the monitoring;
- (4) the financial costs associated with the monitoring and who should be responsible for these costs; and
- (5) the technology available for the monitoring.

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

Sec. 34. **RICHFIELD DISABLED FIREFIGHTER HEALTH CARE ELIGIBILITY REVIEW.**

Subdivision 1. Authorization. An eligible individual specified in subdivision 2 is authorized to have a review of health care coverage eligibility as specified in subdivision 3.

Subd. 2. **Eligibility.** An eligible person is an individual who:

(1) was a member of the Public Employees Retirement Association police and fire plan due to employment as a firefighter with the city of Richfield;

(2) became disabled and was granted a duty-related disability benefit from the Public Employees Retirement Association police and fire plan on November 20, 2002; and

(3) is not receiving employer-paid health care coverage under the program established by Minnesota Statutes, section 299A.465, due to a determination by the city of Richfield that the individual does not satisfy all eligibility requirements for inclusion under that program.

Subd. 3. **Treatment.** Notwithstanding that the disability benefit was granted before the creation of the review panel, and notwithstanding Minnesota Statutes, section 299A.465, subdivision 6, which requires that applications for review by the panel created under that section be submitted to the panel within 90 days of approval of a disability benefit application by the applicable retirement plan, an eligible individual under subdivision 2 may submit an application to the panel within 90 days of the effective date of this section. The panel shall make a determination of whether the firefighter meets the requirements of Minnesota Statutes, section 299A.465, subdivision 1, paragraph (a), clause (2). The panel's final determination is binding on the applicant and the employer, subject to any right of judicial review.

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

ARTICLE 4

CORRECTIONS

Section 1. Minnesota Statutes 2004, section 43A.08, subdivision 1, is amended to read:

Subdivision 1. **Unclassified positions.** Unclassified positions are held by employees who are:

(1) chosen by election or appointed to fill an elective office;

(2) heads of agencies required by law to be appointed by the governor or other elective officers, and the executive or administrative heads of departments, bureaus, divisions, and institutions specifically established by law in the unclassified service;

(3) deputy and assistant agency heads and one confidential secretary in the agencies listed in subdivision 1a and in the Office of Strategic and Long-Range Planning;

(4) the confidential secretary to each of the elective officers of this state and, for the secretary of state and state auditor, an additional deputy, clerk, or employee;

(5) intermittent help employed by the commissioner of public safety to assist in the issuance of vehicle licenses;

(6) employees in the offices of the governor and of the lieutenant governor and one confidential employee for the governor in the Office of the Adjutant General;

(7) employees of the Washington, D.C., office of the state of Minnesota;

(8) employees of the legislature and of legislative committees or commissions; provided that employees of the Legislative Audit Commission, except for the legislative auditor, the deputy legislative auditors, and their confidential secretaries, shall be employees in the classified service;

(9) presidents, vice-presidents, deans, other managers and professionals in academic and academic support programs, administrative or service faculty, teachers, research assistants, and student employees eligible under terms of the federal Economic Opportunity Act work study program in the Perpich Center for Arts Education and the Minnesota State Colleges and Universities, but not the custodial, clerical, or maintenance employees, or any professional or managerial employee performing duties in connection with the business administration of these institutions;

(10) officers and enlisted persons in the National Guard;

(11) attorneys, legal assistants, and three confidential employees appointed by the attorney general or employed with the attorney general's authorization;

(12) judges and all employees of the judicial branch, referees, receivers, jurors, and notaries public, except referees and adjusters employed by the Department of Labor and Industry;

(13) members of the State Patrol; provided that selection and appointment of State Patrol troopers must be made in accordance with applicable laws governing the classified service;

(14) ~~chaplains employed by the state;~~

~~(15)~~ examination monitors and intermittent training instructors employed by the Departments of Employee Relations and Commerce and by professional examining boards and intermittent staff employed by the technical colleges for the administration of practical skills tests and for the staging of instructional demonstrations;

~~(16)~~ (15) student workers;

~~(17)~~ (16) executive directors or executive secretaries appointed by and reporting to any policy-making board or commission established by statute;

~~(18)~~ (17) employees unclassified pursuant to other statutory authority;

~~(19)~~ (18) intermittent help employed by the commissioner of agriculture to perform duties relating to pesticides, fertilizer, and seed regulation;

~~(20)~~ (19) the administrators and the deputy administrators at the State Academies for the Deaf and the Blind; and

~~(21)~~ (20) chief executive officers in the Department of Human Services.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 2. Minnesota Statutes 2004, section 144.445, subdivision 1, is amended to read:

Subdivision 1. **Screening of inmates.** (a) All persons detained or confined for 14 consecutive days or more in facilities operated, licensed, or inspected by the Department of Corrections shall be screened for tuberculosis with either a Mantoux test or a chest roentgenogram (x-ray) as consistent with screening and follow-up practices recommended by the United States Public Health Service or the Department of Health, as determined by the commissioner of health. Administration of the Mantoux test or chest roentgenogram (x-ray) must take place on or before the 14th day of detention or confinement.

(b) If an inmate refuses to submit to an annual test as specified in paragraph (a), the commissioner may order the inmate to be tested.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 3. [241.75] INMATE HEALTH CARE DECISIONS; MEDICAL DIRECTOR, DEPARTMENT OF CORRECTIONS; AGENT.

Subdivision 1. Definitions. The definitions in this subdivision apply to this section.

(a) "Commissioner" means the commissioner of corrections.

(b) "Decision-making capacity" means the ability to understand the significant benefits, risks, and alternatives to proposed health care and to make and communicate a health care decision.

(c) "Health care agent" or "agent" means the Department of Corrections medical director who is a licensed physician employed by the commissioner of corrections to provide services to inmates.

(d) "Health care power of attorney" means an instrument appointing one or more health care agents to make health care decisions for the inmate.

(e) "Health care" means any care, treatment, service, or procedure to maintain, diagnose, or otherwise affect a person's physical or mental condition.

(f) "Health care decision" means the consent, refusal of consent, or withdrawal of consent to health care.

(g) "Next of kin" means an inmate's spouse, parent, adult children, or adult sibling.

(h) "Principal" means the Department of Corrections medical director.

Subd. 2. Health care agent; decisions. The commissioner shall appoint the Department of Corrections medical director as the health care agent for inmates incarcerated in correctional facilities in the absence of a documented health care decision maker designated by the offender. If an inmate lacks decision-making capacity as determined by a medical doctor, and the emergency contact person is not available or has not been appointed as a health care agent under chapter 145C, and next of kin have been contacted but are not available, then the Department of Corrections medical director has the authority as principal to make health care decisions for the inmate.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 4. Minnesota Statutes 2004, section 609.102, subdivision 2, is amended to read:

Subd. 2. Imposition of fee. When a court sentences places a person convicted of a crime, and places the person under the supervision and control of a local correctional agency, that agency may collect a local correctional fee based on the local correctional agency's fee schedule adopted under section 244.18.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 5. TRANSITION.

The incumbent of a position that is transferred from the unclassified to the classified service under section 1 is appointed to the newly classified position.

EFFECTIVE DATE. This section is effective July 1, 2006.

ARTICLE 5

COURTS AND PUBLIC DEFENDERS

Section 1. Minnesota Statutes 2004, section 13.84, subdivision 1, is amended to read:

Subdivision 1. **Definition.** As used in this section "court services data" means data that are created, collected, used or maintained by a court services department, parole or probation authority, correctional agency, or by an agent designated by the court to perform studies or other duties and that are on individuals who are or were defendants, parolees or probationers of a ~~municipal, district or county~~ court, participants in diversion programs, petitioners or respondents to a family court, or juveniles adjudicated delinquent and committed, detained prior to a court hearing or hearings, or found to be dependent or neglected and placed under the supervision of the court.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 2. Minnesota Statutes 2004, section 13.84, subdivision 2, is amended to read:

Subd. 2. **General.** Unless the data is summary data or a statute, including sections 609.115 and 257.70, specifically provides a different classification, the following court services data are classified as private pursuant to section 13.02, subdivision 12:

(a) Court services data on individuals gathered at the request of a ~~municipal, district or county~~ court to determine the need for any treatment, rehabilitation, counseling, or any other need of a defendant, parolee, probationer, or participant in a diversion program, and used by the court to assist in assigning an appropriate sentence or other disposition in a case;

(b) Court services data on petitioners or respondents to a family court gathered at the request of the court for purposes of, but not limited to, individual, family, marriage, chemical dependency and marriage dissolution adjustment counseling, including recommendations to the court as to the custody of minor children in marriage dissolution cases;

(c) Court services data on individuals gathered by psychologists in the course of providing the court or its staff with psychological evaluations or in the course of counseling individual clients referred by the court for the purpose of assisting them with personal conflicts or difficulties.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 3. Minnesota Statutes 2004, section 48A.10, subdivision 3, is amended to read:

Subd. 3. **Order.** Upon finding that the applicant is authorized to exercise fiduciary powers, the district court shall enter an order substituting the applicant bank or trust company in every fiduciary capacity held by the affiliated bank or other bank or trust company for which substitution is sought and which joined in the application, except as may be otherwise specified in the application, and except for fiduciary capacities in any account with respect to which a person beneficially interested in the account has filed objection to the substitution and has appeared and been heard in support of the objection. Upon entry of the order, or at a later date as may be specified in the order, the applicant bank or trust company is substituted in every fiduciary capacity to which the order extends. The substitution may be made a matter of record in any county of this state by filing a certified copy of the order of substitution in the office of the court administrator of a ~~district or county~~ court, or by filing a certified copy of the order in the office of the county recorder.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 4. Minnesota Statutes 2004, section 219.97, subdivision 13, is amended to read:

Subd. 13. **Violation of provision for stopping train at crossing.** Upon the complaint of any person, a company operating a railroad violating section 219.93 shall forfeit not less than \$20 nor more than \$100 to be recovered in a civil action before a ~~county or municipal~~ judge of the county in which the violation occurs. One-half of the forfeiture must go to the complainant and one-half to the school district where the violation occurs.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 5. Minnesota Statutes 2004, section 346.09, subdivision 1, is amended to read:

Subdivision 1. **Notice; appraisers.** The person distraining shall give notice to the owner of the beast, if known to the distrainer, within 24 hours if the owner resides in the same town, and within 48 hours if the owner resides in another town in the same county, Sundays excepted. The notice shall specify the time when and the place where distrained, the number of beasts, and the place of their detention, and that at a time and place stated therein, which shall not be less than 12 hours after the service of the notice, nor more than three days after the distress, the distrainer will apply to a designated ~~county or municipal~~ judge of the county for the appointment of appraisers to appraise the damages. If the owner is unknown or does not reside in the county, the distraining person shall apply for the appointment of appraisers within 24 hours after the distress without notice. After the application, the judge shall appoint three disinterested residents of the town to appraise the damages.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 6. Minnesota Statutes 2004, section 347.04, is amended to read:

347.04 PUBLIC NUISANCE.

Any dog that habitually worries, chases, or molests teams or persons traveling peaceably on the public road is a public nuisance. Upon complaint in writing to a ~~county or municipal~~ district court judge containing a description of the dog, including the name of the dog and its owner, or stating that the name or names are not known, and alleging that the dog is a public nuisance, the judge shall issue a summons, if the owner is known, commanding the owner to appear before the judge at a specified time, not less than six nor more than ten days from the date of the summons, to answer the complaint. The summons shall be served not less than six days before the day of the hearing in the same manner as other district court summonses.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 7. Minnesota Statutes 2004, section 375A.13, subdivision 1, is amended to read:

Subdivision 1. **Appointment by ~~county~~ district judge.** A county government study commission hereinafter called "the commission" may be established in any county as provided in this section to study the form and structure of county government in the county and other counties both within and outside this state and, if deemed advisable by the commission, recommend to the voters of the county the adoption of any of the optional forms of county government contained in sections 375A.01 to 375A.13. The commission shall be established upon presentation of a petition requesting such action signed by voters equal in number to five percent of the electors voting at the last previous election for the office of governor or a resolution of the board of county commissioners of the county requesting such action. Appointments to the commission shall be made by order filed with the court administrator of the district court of the county and shall be made by the senior ~~county~~ judge having chambers in the county. If there be no judge having chambers in the county, appointments shall be made by the chief judge of the judicial district. The number on the study commission shall be set by the appointing judge but not to exceed 15. A noncommissioner from each commissioner district shall be appointed to a study commission. In addition three

members shall be county commissioners and two shall be elected county officials. An appointee who neglects to file with the court administrator within 15 days a written acceptance shall be deemed to have declined the appointment and the place shall be filled as though the appointee had resigned. Vacancies in the commission shall be filled as in the case of original appointments. The county board, the commission, or the petitioners requesting the appointment of the commission may submit to the appointing judge the names of eligible nominees which the appointing judge may consider in making appointments to the commission.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 8. Minnesota Statutes 2004, section 383B.65, subdivision 2, is amended to read:

Subd. 2. **May relocate Bloomington court.** Notwithstanding the provisions of section 488A.01, subdivision 9, the county of Hennepin may relocate the ~~municipal district~~ court serving the city of Bloomington and thereupon shall provide suitable quarters for the holding of regular terms of court in a southern suburban location within the county as may be designated by a majority of the judges of the court. All functions of the court may be discharged, including both court and jury trials of civil and criminal matters, at the location designated pursuant to this section. Nothing in this section shall be construed to reduce the level of services to the residents of the city of Bloomington.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 9. Minnesota Statutes 2004, section 390.20, is amended to read:

390.20 PERSON CHARGED ARRESTED.

If any person charged by the inquest with having committed the offense is not in custody, the coroner shall have the same power as a ~~county or municipal district court~~ judge to issue process for the person's apprehension. The warrant shall be returnable before any court having jurisdiction in the case and the court shall proceed as in similar cases.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 10. Minnesota Statutes 2004, section 390.33, subdivision 2, is amended to read:

Subd. 2. **Subpoena power.** The judge exercising probate jurisdiction may issue subpoenas for witnesses, returnable immediately or at a time and place the judge directs. The persons served with subpoenas shall be allowed the same fees, the sheriff shall enforce their attendance in the same manner, and they shall be subject to the same penalties as if they had been served with a subpoena in behalf of the state in a criminal case before a ~~county or municipal district court~~ judge.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 11. Minnesota Statutes 2004, section 480.181, subdivision 1, is amended to read:

Subdivision 1. **State employees; compensation.** (a) District court referees, judicial officers, court reporters, law clerks, district administration staff, other than district administration staff in the Second and Fourth Judicial Districts, guardian ad litem program coordinators and staff, staff court interpreters in the Second Judicial District, court psychological services staff in the Fourth Judicial District, and other court employees under paragraph (b), are state employees and are governed by the judicial branch personnel rules adopted by the Supreme Court. The Supreme Court, in consultation with the ~~conference of chief judges~~ **Judicial Council**, shall establish the salary range of these employees under the judicial branch personnel rules. In establishing the salary ranges, the Supreme Court shall consider differences in the cost of living in different areas of the state.

(b) The court administrator and employees of the court administrator who are in the Fifth, Seventh, Eighth, or Ninth Judicial District are state employees. The court administrator and employees of the court administrator in the remaining judicial districts become state employees as follows:

- (1) effective July 1, 2003, for the Second and Fourth Judicial Districts;
- (2) effective July 1, 2004, for the First and Third Judicial Districts; and
- (3) effective July 1, 2005, for the Sixth and Tenth Judicial Districts.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 12. Minnesota Statutes 2004, section 480.181, subdivision 2, is amended to read:

Subd. 2. **Election to retain insurance and benefits; retirement.** (a) Before a person is transferred to state employment under this section, the person may elect to do either or both of the following:

(1) keep life insurance; hospital, medical, and dental insurance; and vacation and sick leave benefits and accumulated time provided by the county instead of receiving benefits from the state under the judicial branch personnel rules; or

(2) remain a member of the Public Employees Retirement Association or the Minneapolis employees retirement fund instead of joining the Minnesota State Retirement System.

Employees who make an election under clause (1) remain on the county payroll, but the state shall reimburse the county on a quarterly basis for the salary and cost of the benefits provided by the county. The state shall make the employer contribution to the Public Employees Retirement Association or the employer contribution under section 422A.101, subdivision 1a, to the Minneapolis Employees Retirement Fund on behalf of employees who make an election under clause (2).

(b) An employee who makes an election under paragraph (a), clause (1), may revoke the election, once, at any time, but if the employee revokes the election, the employee cannot make another election. An employee who makes an election under paragraph (a), clause (2), may revoke the election at any time within six months after the person becomes a state employee. Once an employee revokes this election, the employee cannot make another election.

(c) The Supreme Court, after consultation with the ~~conference of chief judges~~ Judicial Council, the commissioner of employee relations, and the executive directors of the Public Employees Retirement Association and the Minnesota State Retirement Association, shall adopt procedures for making elections under this section.

(d) The Supreme Court shall notify all affected employees of the options available under this section. The executive directors of the Public Employees Retirement Association and the Minnesota State Retirement System shall provide counseling to affected employees on the effect of making an election to remain a member of the Public Employees Retirement Association.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 13. Minnesota Statutes 2004, section 480.182, is amended to read:

480.182 STATE ASSUMPTION OF CERTAIN COURT COSTS.

~~(a)~~ Notwithstanding any law to the contrary, the state courts will pay for the following court-related programs and costs:

- (1) court interpreter program costs, including the costs of hiring court interpreters;
- (2) guardian ad litem program and personnel costs;
- (3) examination costs, not including hospitalization or treatment costs, for mental commitments and related proceedings under chapter 253B;
- (4) examination costs under rule 20 of the Rules of Criminal Procedure;
- (5) in forma pauperis costs;
- (6) costs for transcripts mandated by statute, except in appeal cases and postconviction cases handled by the Board of Public Defense; ~~and~~
- (7) jury program costs, ~~not including personnel; and~~

~~(b) In counties in a judicial district under section 480.181, subdivision 1, paragraph (b), the state courts shall pay the~~ (8) witness fees and mileage fees specified in sections 253B.23, subdivision 1; 260B.152, subdivision 2; 260C.152, subdivision 2; 260B.331, subdivision 3, clause (a); 260C.331, subdivision 3, clause (a); 357.24; 357.32; 525.012, subdivision 5; and 627.02.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 14. Minnesota Statutes 2004, section 484.01, subdivision 1, is amended to read:

Subdivision 1. **General.** The district courts shall have original jurisdiction in the following cases:

- (1) all civil actions within their respective districts;
- (2) in all cases of crime committed or triable therein;
- (3) in all special proceedings not exclusively cognizable by some other court or tribunal; ~~and;~~
- (4) in law and equity for the administration of estates of deceased persons and all guardianship and incompetency proceedings;
- (5) the jurisdiction of a juvenile court as provided in chapter 260;
- (6) proceedings for the management of the property of persons who have disappeared, and actions relating thereto, as provided in chapter 576; and
- (7) in all other cases wherein such jurisdiction is especially conferred upon them by law.

They shall also have appellate jurisdiction in every case in which an appeal thereto is allowed by law from any other court, officer, or body.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 15. Minnesota Statutes 2004, section 484.011, is amended to read:

484.011 JURISDICTION IN SECOND AND FOURTH JUDICIAL DISTRICTS.

~~In the Second and Fourth Judicial Districts~~ The district court shall also be a probate court.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 16. Minnesota Statutes 2004, section 484.012, is amended to read:

484.012 COURT ADMINISTRATOR OF PROBATE COURT, SECOND JUDICIAL DISTRICT.

Notwithstanding section 525.09 the judicial district administrator in the Second Judicial District may appoint a court administrator of the Probate Court for the district subject to the approval of the chief judge and assistant chief judge who shall serve at the pleasure of the judges of the district, and who shall be supervised by the judicial district administrator, ~~and whose salary shall be fixed by the Ramsey County Board of Commissioners.~~

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 17. Minnesota Statutes 2004, section 484.45, is amended to read:

484.45 COURTHOUSE; JAIL; EXPENSES; ST. LOUIS COUNTY.

It is hereby made the duty of the board of county commissioners of the county of St. Louis to furnish and maintain adequate accommodations for the holding of terms of the district court at the city of Hibbing, and the city of Virginia, proper offices for these deputies and a proper place for the confinement and maintenance of the prisoners at the city of Hibbing and the city of Virginia.

The county shall reimburse the ~~court administrator and deputies as herein provided for and the county attorney and assistants and the district judges of the district and the official court reporter~~ for their traveling expenses actually and necessarily incurred in the performance of their respective official duties.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 18. Minnesota Statutes 2004, section 484.54, subdivision 3, is amended to read:

Subd. 3. **Reimbursement filings.** Each judge claiming reimbursement for allowable expenses may file with the supreme court monthly and shall file not later than 90 days after the expenses are incurred, an itemized statement, verified by the judge, of all allowable expenses actually paid by the judge. All statements shall be audited by the Supreme Court and, if approved by the Supreme Court, shall be paid ~~by the commissioner of finance~~ from appropriations for this purpose.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 19. Minnesota Statutes 2004, section 484.545, subdivision 1, is amended to read:

Subdivision 1. **Law clerk appointments.** ~~The Each district judges regularly assigned to hold court in each judicial district except for the Second, Fourth, and Tenth Judicial Districts may by orders filed with the court administrator and county auditor of each county in the district judge may~~ appoint a competent law clerk ~~for every two district court judges of the judicial district. The district judges regularly assigned to hold court in the First and Tenth Judicial Districts may by orders filed with the court administrator and county auditor of each county in the district appoint a competent law clerk for each district court judge of the district.~~

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 20. Minnesota Statutes 2004, section 484.64, subdivision 3, is amended to read:

Subd. 3. **Chambers and supplies.** The Board of County Commissioners of Ramsey County shall provide suitable chambers and courtroom space, ~~clerks, and~~ bailiffs, ~~and other personnel to assist said judge,~~ together with necessary library, supplies, ~~stationery~~ and other expenses necessary ~~thereto~~. The state shall provide referees, court reporters, law clerks, and guardian ad litem program coordinators and staff.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 21. Minnesota Statutes 2004, section 484.65, subdivision 3, is amended to read:

Subd. 3. **Space; personnel; supplies.** The Board of County Commissioners of Hennepin County shall provide suitable chambers and courtroom space, ~~clerks, and~~ bailiffs, ~~and other personnel to assist said judge,~~ together with necessary library, supplies, ~~stationery~~ and other expenses necessary ~~thereto~~. The state shall provide referees, court reporters, law clerks, and guardian ad litem program coordinators and staff.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 22. Minnesota Statutes 2004, section 484.68, subdivision 1, is amended to read:

Subdivision 1. **Appointment.** ~~By November 1, 1977,~~ The chief judge of the judicial district in each judicial district shall appoint a single district administrator, subject to the approval of the Supreme Court, with the advice of the judges of the judicial district.

The district administrator shall serve at the pleasure of a majority of the judges of the judicial district.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 23. Minnesota Statutes 2004, section 484.702, subdivision 5, is amended to read:

Subd. 5. **Rules.** The Supreme Court, ~~in consultation with the conference of chief judges,~~ shall adopt rules to implement the expedited child support hearing process under this section.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 24. **[484.80] LOCATION OF TRIAL RULE.**

If a municipality is located in more than one county or district, the county in which the city hall of the municipality is located determines the county or district in which the municipality shall be deemed located for the purposes of this chapter provided, however, that the municipality by ordinance enacted may designate, for those purposes, some other county or district in which a part of the municipality is located.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 25. **[484.81] PLEADING; PRACTICE; PROCEDURE.**

Subdivision 1. **General.** Pleading, practice, procedure, and forms in civil actions shall be governed by Rules of Civil Procedure which shall be adopted by the Supreme Court.

Subd. 2. **Court rules.** The court may adopt rules governing pleading, practice, procedure, and forms for civil actions which are not inconsistent with the provisions of governing statutes.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 26. **[484.82] MISDEMEANOR OFFENSES.**

A person who receives a misdemeanor citation shall proceed as follows: when a fine is not paid, the person charged must appear before the court at the time specified in the citation. If appearance before a misdemeanor bureau is designated in the citation, the person charged must appear within the time specified in the citation and arrange a date for arraignment in the district court.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 27. **[484.83] REINSTATEMENT OF FORFEITED SUMS.**

A district court judge may order any sums forfeited to be reinstated and the commissioner of finance shall then refund accordingly. The commissioner of finance shall reimburse the court administrator if the court administrator refunds the deposit upon a judge's order and obtains a receipt to be used as a voucher.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 28. **[484.84] DISPOSITION OF FINES, FEES, AND OTHER MONEY ACCOUNTS; HENNEPIN COUNTY DISTRICT COURT.**

Subdivision 1. **Disposition of fines, fees and other money; accounts.** (a) Except as otherwise provided herein and except as otherwise provided by law, the court administrator shall pay to the Hennepin county treasurer all fines and penalties collected by the court administrator, all fees collected by the court administrator for court administrator's services, all sums forfeited to the court as hereinafter provided, and all other money received by the court administrator.

(b) The court administrator shall provide the county treasurer with the name of the municipality or other subdivision of government where the offense was committed and the name and official position of the officer who prosecuted the offense for each fine or penalty, and the total amount of fines or penalties collected for each such municipality or other subdivision of government or for the county.

(c) At the beginning of the first day of any month the amount owing to any municipality or county in the hands of the court administrator shall not exceed \$5,000.

(d) On or before the last day of each month the county treasurer shall pay over to the treasurer of each municipality or subdivision of government in Hennepin County all fines or penalties collected during the previous month for offenses committed within such municipality or subdivision of government, except that all such fines and penalties attributable to cases in which the county attorney had charge of the prosecution shall be retained by the county treasurer and credited to the county general revenue fund.

(e) Amounts represented by checks issued by the court administrator or received by the court administrator which have not cleared by the end of the month may be shown on the monthly account as having been paid or received, subject to adjustment on later monthly accounts.

(f) The court administrator may receive negotiable instruments in payment of fines, penalties, fees or other obligations as conditional payments, and is not held accountable therefor until collection in cash is made and then only to the extent of the net collection after deduction of the necessary expense of collection.

Subd. 2. **Fees payable to administrator.** (a) The civil fees payable to the administrator for services are the same in amount as the fees then payable to the District Court of Hennepin County for like services. Library and filing fees are not required of the defendant in an eviction action. The fees payable to the administrator for all other services of the administrator or the court shall be fixed by rules promulgated by a majority of the judges.

(b) Fees are payable to the administrator in advance.

(c) Judgments will be entered only upon written application.

(d) The following fees shall be taxed for all charges filed in court where applicable:

(1) the state of Minnesota and any governmental subdivision within the jurisdictional area of any district court herein established may present cases for hearing before said district court;

(2) in the event the court takes jurisdiction of a prosecution for the violation of a statute or ordinance by the state or a governmental subdivision other than a city or town in Hennepin County, all fines, penalties, and forfeitures collected shall be paid over to the treasurer of the governmental subdivision which submitted charges for prosecution under ordinance violation and to the county treasurer in all other charges except where a different disposition is provided by law, in which case, payment shall be made to the public official entitled thereto.

(e) The following fees shall be taxed to the county or to the state or governmental subdivision which would be entitled to payment of the fines, forfeiture or penalties in any case, and shall be paid to the court administrator for disposing of the matter:

(1) For each charge where the defendant is brought into court and pleads guilty and is sentenced, or the matter is otherwise disposed of without trial, \$5.

(2) In arraignments where the defendant waives a preliminary examination, \$10.

(3) For all other charges where the defendant stands trial or has a preliminary examination by the court, \$15.

(f) This paragraph applies to the distribution of fines paid by defendants without a court appearance in response to a citation. On or before the tenth day after the last day of the month in which the money was collected, the county treasurer shall pay 80 percent of the fines to the treasurer of the municipality or subdivision within the county where the violation was committed. The remainder of the fines shall be credited to the general revenue fund of the county.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 29. **[484.85] DISPOSITION OF FINES, FEES, AND OTHER MONEY; ACCOUNTS; RAMSEY COUNTY DISTRICT COURT.**

(a) In the event the Ramsey County District Court takes jurisdiction of a prosecution for the violation of a statute or ordinance by the state or a governmental subdivision other than a city or town in Ramsey County, all fines, penalties, and forfeitures collected shall be paid over to the county treasurer except where a different disposition is provided by law, and the following fees shall be taxed to the state or governmental subdivision other than a city or town within Ramsey County which would be entitled to payment of the fines, forfeitures, or penalties in any case, and shall be paid to the administrator of the court for disposal of the matter. The administrator shall deduct the fees from any fine collected for the state of Minnesota or a governmental subdivision other than a city or town within Ramsey County and transmit the balance in accordance with the law, and the deduction of the total of the fees each month from the total of all the fines collected is hereby expressly made an appropriation of funds for payment of the fees:

(1) in all cases where the defendant is brought into court and pleads guilty and is sentenced, or the matter is otherwise disposed of without a trial, \$5;

(2) in arraignments where the defendant waives a preliminary examination, \$10;

(3) in all other cases where the defendant stands trial or has a preliminary examination by the court, \$15; and

(4) the court shall have the authority to waive the collection of fees in any particular case.

(b) On or before the last day of each month, the county treasurer shall pay over to the treasurer of the city of St. Paul two-thirds of all fines, penalties, and forfeitures collected and to the treasurer of each other municipality or subdivision of government in Ramsey County one-half of all fines or penalties collected during the previous month from those imposed for offenses committed within the treasurer's municipality or subdivision of government in violation of a statute; an ordinance; or a charter provision, rule, or regulation of a city. All other fines and forfeitures and all fees and costs collected by the district court shall be paid to the treasurer of Ramsey County, who shall dispense the same as provided by law.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 30. **[484.86] COURT DIVISIONS.**

Subdivision 1. **Authority.** Subject to the provisions of section 244.19 and rules of the Supreme Court, a court may establish a probate division, a family court division, juvenile division, and a civil and criminal division which shall include a conciliation court, and may establish within the civil and criminal division a traffic and ordinance violations bureau.

Subd. 2. **Establishment.** The court may establish, consistent with Rule 23 of the Rules of Criminal Procedure, misdemeanor violations bureaus at the places it determines.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 31. **[484.87] PLEADING, PRACTICE, PROCEDURE, AND FORMS IN CRIMINAL PROCEEDINGS.**

Subdivision 1. **Right to jury trial.** In any prosecution brought in a district court in which conviction of the defendant for the offense charged could result in imprisonment, the defendant has the right to a jury trial.

Subd. 2. **Prosecuting attorneys in Hennepin and Ramsey Counties.** In the counties of Hennepin and Ramsey, except as otherwise provided in this subdivision and section 388.051, subdivision 2, the attorney of the municipality in which the violation is alleged to have occurred has charge of the prosecution of all violations of the state laws, including violations which are gross misdemeanors, and municipal charter provisions, ordinances, rules, and regulations triable in the district court, and shall prepare complaints for the violations. The county attorney has charge of the prosecution of a violation triable in district court and shall prepare a complaint for the violation:

(1) if the county attorney is specifically designated by law as the prosecutor for the particular violation charged; or

(2) if the alleged violation is of state law and is alleged to have occurred in a municipality or other subdivision of government whose population according to the most recent federal decennial census is less than 2,500 and whose governing body, or the town board in the case of a town, has accepted this clause by majority vote, and if the defendant is cited or arrested by a member of the staff of the sheriff of Hennepin County or by a member of the State Patrol.

Clause (2) shall not apply to a municipality or other subdivision of government whose population according to the most recent federal decennial census is 2,500 or more, regardless of whether or not it has previously accepted clause (2).

Subd. 3. **Prosecuting attorneys.** Except as provided in subdivision 2 and as otherwise provided by law, violations of state law that are petty misdemeanors or misdemeanors must be prosecuted by the attorney of the statutory or home rule charter city where the violation is alleged to have occurred, if the city has a population greater than 600. If a city has a population of 600 or less, it may, by resolution of the city council, and with the approval of the board of county commissioners, give the duty to the county attorney. In cities of the first, second, and third class, gross misdemeanor violations of sections 609.52, 609.535, 609.595, 609.631, and 609.821 must be prosecuted by the attorney of the city where the violation is alleged to have occurred. The statutory or home rule charter city may enter into an agreement with the county board and the county attorney to provide prosecution services for any criminal offense. All other petty misdemeanors, misdemeanors, and gross misdemeanors must be prosecuted by the county attorney of the county in which the alleged violation occurred. All violations of a municipal ordinance, charter provision, rule, or regulation must be prosecuted by the attorney for the governmental unit that promulgated the municipal ordinance, charter provision, rule, or regulation, regardless of its population, or by the county attorney with whom it has contracted to prosecute these matters.

In the counties of Anoka, Carver, Dakota, Scott, and Washington, violations of state law that are petty misdemeanors, misdemeanors, or gross misdemeanors except as provided in section 388.051, subdivision 2, must be prosecuted by the attorney of the statutory or home rule charter city where the violation is alleged to have occurred. The statutory or home rule charter city may enter into an agreement with the county board and the county attorney to provide prosecution services for any criminal offense. All other petty misdemeanors, misdemeanors, or gross misdemeanors must be prosecuted by the county attorney of the county in which the alleged violation occurred. All violations of a municipal ordinance, charter provision, rule, or regulation must be prosecuted by the attorney for the governmental unit that promulgated the municipal ordinance, charter provision, rule, or regulation or by the county attorney with whom it has contracted to prosecute these matters.

Subd. 4. **Presumption of innocence; conviction of lowest degree.** In an action or proceeding charging a violation of an ordinance of any subdivision of government in Hennepin County, if such ordinance is the same or substantially the same as a state law, the provisions of section 611.02 shall apply.

Subd. 5. **Assistance of attorney general.** An attorney for a statutory or home rule charter city in the metropolitan area, as defined in section 473.121, subdivision 2, may request, and the attorney general may provide, assistance in prosecuting nonfelony violations of section 609.66, subdivision 1; 609.666; 624.713, subdivision 2; 624.7131, subdivision 11; 624.7132, subdivision 15; 624.714, subdivision 1 or 10; 624.7162, subdivision 3; or 624.7181, subdivision 2.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 32. **[484.88] COUNTY ATTORNEY AS PROSECUTOR; NOTICE TO COUNTY.**

A municipality or other subdivision of government seeking to use the county attorney for violations enumerated in section 484.87, subdivision 2, shall notify the county board of its intention to use the services of the county attorney at least 60 days prior to the adoption of the board's annual budget each year. A municipality may enter into an agreement with the county board and the county attorney to provide prosecution services for any criminal offense on a case-by-case basis.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 33. **[484.89] ORDER FOR PRISON RELEASE.**

When a person is confined to the Hennepin County Adult Correctional Facility and a fine is remitted or a sentence is stayed or suspended, the person released on parole, or the release of the person secured by payment of the fine in default of which the person was committed, the prisoner shall not be released except upon order of the court. A written transcript of such order signed by the court administrator and under the court's seal shall be furnished to the superintendent of the Hennepin County Adult Correctional Facility. All cost of confinement or imprisonment in any jail or correctional facility shall be paid by the municipality or subdivision of government in Hennepin County in which the violation occurred, except that the county shall pay all costs of confinement or imprisonment incurred as a result of a prosecution of a gross misdemeanor.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 34. **[484.90] FEES PAYABLE TO COURT ADMINISTRATOR.**

Subdivision 1. **Fees.** The fees payable to the court administrator for the following services in petty misdemeanors or criminal actions are governed by the following provisions:

In the event the court takes jurisdiction of a prosecution for the violation of a statute or ordinance by the state or a governmental subdivision other than a city or town within the county court district; all fines, penalties and forfeitures collected shall be paid over to the treasurer of the governmental subdivision which submitted a case for prosecution except where a different disposition is provided by law, in which case payment shall be made to the public official entitled thereto. The following fees for services in petty misdemeanor or criminal actions shall be taxed to the state or governmental subdivision which would be entitled to payment of the fines, forfeiture or penalties in any case, and shall be retained by the court administrator for disposing of the matter but in no case shall the fee that is taxed exceed the fine that is imposed. The court administrator shall deduct the fees from any fine collected and transmit the balance in accordance with the law, and the deduction of the total of such fees each month from the total of all such fines collected is hereby expressly made an appropriation of funds for payment of such fees:

(1) in all cases where the defendant pleads guilty at or prior to first appearance and sentence is imposed or the matter is otherwise disposed of without a trial, \$5;

(2) where the defendant pleads guilty after first appearance or prior to trial, \$10;

(3) in all other cases where the defendant is found guilty by the court or jury or pleads guilty during trial, \$15; and

(4) the court shall have the authority to waive the collection of fees in any particular case.

The fees set forth in this subdivision shall not apply to parking violations for which complaints and warrants have not been issued.

Subd. 2. **Miscellaneous fees.** Fees payable to the court administrator for all other services shall be fixed by court rule.

Subd. 3. **Payment in advance.** Except as provided in subdivision 1, fees are payable to the court administrator in advance.

Subd. 4. **Fines paid by check.** Amounts represented by checks issued by the court administrator or received by the court administrator which have not cleared by the end of the month may be shown on the monthly account as having been paid or received, subject to adjustment on later monthly accounts.

Subd. 5. **Checks.** The court administrator may receive checks in payment of fines, penalties, fees or other obligations as conditional payments, and is not held accountable therefor until collection in cash is made and then only to the extent of the net collection after deduction of the necessary expense of collection.

Subd. 6. **Allocation.** The court administrator shall provide the county treasurer with the name of the municipality or other subdivision of government where the offense was committed which employed or provided by contract the arresting or apprehending officer and the name of the municipality or other subdivision of government which employed the prosecuting attorney or otherwise provided for prosecution of the offense for each fine or penalty and the total amount of fines or penalties collected for each municipality or other subdivision of government. On or before the last day of each month, the county treasurer shall pay over to the treasurer of each municipality or subdivision of government within the county all fines or penalties for parking violations for which complaints and warrants have not been issued and one third of all fines or penalties collected during the previous month for offenses committed within the municipality or subdivision of government from persons arrested or issued citations by officers employed by the municipality or subdivision or provided by the municipality or subdivision by contract. An additional one third of all fines or penalties shall be paid to the municipality or subdivision of government providing prosecution of offenses of the type for which the fine or penalty is collected occurring within the municipality or subdivision, imposed for violations of state statute or of an ordinance, charter provision, rule, or regulation of a city whether or not a guilty plea is entered or bail is forfeited. Except as provided in section 299D.03, subdivision 5, or as otherwise provided by law, all other fines and forfeitures and all fees and statutory court costs collected by the court administrator shall be paid to the county treasurer of the county in which the funds were collected who shall dispense them as provided by law. In a county in a judicial district under section 480.181, subdivision 1, paragraph (b), all other fines, forfeitures, fees, and statutory court costs must be paid to the commissioner of finance for deposit in the state treasury and credited to the general fund.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 35. **[484.91] MISDEMEANOR VIOLATIONS BUREAUS.**

Subdivision 1. **Establishment.** Misdemeanor violations bureaus shall be established in Minneapolis, a southern suburb location, and at any other northern and western suburban locations dispersed throughout the county as may be designated by a majority of the judges of the court.

Subd. 2. **Supervision.** The court shall supervise and the court administrator shall operate the misdemeanor violations bureaus in accordance with Rule 23 of the Rules of Criminal Procedure. Subject to approval by a majority of the judges, the court administrator shall assign one or more deputy court administrators to discharge and perform the duties of the bureau.

Subd. 3. **Uniform traffic ticket.** The Hennepin County Board may alter by deletion or addition the uniform traffic ticket, provided in section 169.99, in such manner as it deems advisable for use in Hennepin County.

Subd. 4. **Procedure by person receiving misdemeanor citation.** A person who receives a misdemeanor or petty misdemeanor citation shall proceed as follows:

(a) If a fine for the violation may be paid at the bureau without appearance before a judge, the person charged may pay the fine in person or by mail to the bureau within the time specified in the citation. Payment of the fine shall be deemed to be the entry of a plea of guilty to the violation charged and a consent to the imposition of a sentence for the violation in the amount of the fine paid. A receipt shall be issued to evidence the payment and the receipt shall be satisfaction for the violation charged in that citation.

(b) When a fine is not paid, the person charged must appear at a bureau within the time specified in the citation, state whether the person desires to enter a plea of guilty or not guilty, arrange for a date for arraignment in court and appear in court for arraignment on the date set by the bureaus.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 36. **[484.92] ADDITIONAL EMPLOYEES.**

Subdivision 1. **Bailiffs.** The sheriff of a county shall furnish to the district court deputies to serve as bailiffs within the county as the court may request. The county board may, with the approval of the chief judge of the district, contract with any municipality, upon terms agreed upon, for the services of police officers of the municipality to act as bailiffs in the county district court.

Nothing contained herein shall be construed to limit the authority of the court to employ probation officers with the powers and duties prescribed in section 244.19.

Subd. 2. **Transcription of court proceedings.** Electronic recording equipment may be used for the purposes of Laws 1971, chapter 951, to record court proceedings in lieu of a court reporter. However, at the request of any party to any proceedings the court may in its discretion require the proceedings to be recorded by a competent court reporter who shall perform such additional duties as the court directs. The salary of a reporter shall be set in accordance with the procedure provided by sections 486.05 and 486.06.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 37. Minnesota Statutes 2005 Supplement, section 485.01, is amended to read:

485.01 APPOINTMENT; BOND; DUTIES.

A clerk of the district court for each county within the judicial district, who shall be known as the court administrator, shall be appointed by a majority of the district court judges in the district. ~~The clerk, before entering upon the duties of office, shall give bond to the state, to be approved by the chief judge of the judicial district, conditioned for the faithful discharge of official duties. The bond, with~~ An oath of office, shall be recorded with the ~~county recorder~~ court administrator. The ~~clerk~~ court administrator shall perform all duties assigned by law and by the rules of the court. The ~~clerk~~ court administrator and all ~~deputy clerks~~ deputies must not practice as attorneys in the court in which they are employed.

The duties, functions, and responsibilities which have been and may be required by law or rule to be performed by the clerk of district court shall be performed by the court administrator.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 38. Minnesota Statutes 2004, section 485.018, subdivision 5, is amended to read:

Subd. 5. **Collection of fees.** The court administrator of district court shall charge and collect all fees as prescribed by law and all such fees collected by the court administrator as court administrator of district court shall be paid to the ~~county treasurer~~ Department of Finance. Except for those portions of forfeited bail paid to victims pursuant to existing law, the ~~county treasurer~~ court administrator shall forward all revenue from fees and forfeited bail collected under chapters 357, 487, and 574 to the commissioner of finance for deposit in the state treasury and credit to the general fund, unless otherwise provided in chapter 611A or other law, in the manner and at the times prescribed by the commissioner of finance, but not less often than once each month. If the defendant or probationer is located after forfeited bail proceeds have been forwarded to the commissioner of finance, the commissioner of finance shall reimburse the county, on request, for actual costs expended for extradition, transportation, or other costs necessary to return the defendant or probationer to the jurisdiction where the bail was posted, in an amount not more than the amount of forfeited bail. The court administrator of district court shall not retain any additional compensation, per diem or other emolument for services as court administrator of district court, but may receive and retain mileage and expense allowances as prescribed by law.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 39. Minnesota Statutes 2004, section 485.021, is amended to read:

485.021 INVESTMENT OF FUNDS DEPOSITED WITH COURT ADMINISTRATOR.

When money is paid into court pursuant to court order, the court administrator of district court, unless the court order specifies otherwise, may place such moneys with the ~~county treasurer~~ Department of Finance for investment, as provided by law. When such moneys are subsequently released, or otherwise treated, by court order, the same shall be immediately paid over by the county treasurer to the court administrator of district court who shall then fulfill the direction of the court order relative to such moneys.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 40. Minnesota Statutes 2005 Supplement, section 485.03, is amended to read:

485.03 DEPUTIES.

(a) The county board shall determine the number of permanent full time deputies, clerks and other employees in the office of the court administrator of district court and shall fix the compensation for each position. The county board shall also budget for temporary deputies and other employees and shall fix their rates of compensation. This paragraph does not apply to a county in a judicial district under section 480.181, subdivision 1, paragraph (b).

(b) The court administrator shall appoint in writing the deputies and other employees, for whose acts the court administrator shall be responsible, ~~and whom the court administrator may remove at pleasure.~~ Before each enters upon official duties, the appointment and oath of each shall be recorded with the ~~county recorder~~ court administrator.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 41. Minnesota Statutes 2005 Supplement, section 485.05, is amended to read:

485.05 DEPUTY COURT ADMINISTRATOR IN ST. LOUIS COUNTY.

In all counties in the state now or hereafter having a population of more than 150,000 and wherein regular terms of the district court are held in three or more places, the court administrator of the district court therein, by an instrument in writing, under the court administrator's hand and seal, and with the approval of the district judge of the judicial district in which said county is situated, or, if there be more than one such district judge, with the approval of a majority thereof, may appoint deputies for whose acts the court administrator shall be responsible, such deputies to hold office as such until they shall be removed therefrom, which removal shall not be made except with the approval of the district judge or judges. The appointment and oath of every such deputy shall be recorded with the ~~county recorder~~ court administrator.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 42. Minnesota Statutes 2004, section 485.11, is amended to read:

485.11 PRINTED CALENDARS.

The court administrator of the district court in each of the several counties of this state shall provide calendars ~~either printed or otherwise duplicated~~ of the cases to be tried at the general terms thereof ~~at the expense of the counties where such court is held.~~ This section shall not apply to a county where only one term of court is held each year.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 43. Minnesota Statutes 2004, section 517.041, is amended to read:

517.041 POWER TO APPOINT COURT COMMISSIONER; DUTY.

~~The county court of the combined county court district of Benton and Stearns may appoint as court commissioner a person who was formerly employed by that county court district as a court commissioner.~~

The ~~county court of the Third or Fifth Judicial Districts~~ District may appoint as court commissioner for ~~Brown, Dodge, Fillmore and Olmsted Counties~~ respectively a person who was formerly employed by those counties as a court commissioner.

The sole duty of an appointed court commissioner is to solemnize marriages.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 44. Minnesota Statutes 2004, section 518.157, subdivision 2, is amended to read:

Subd. 2. **Minimum standards; plan.** The Minnesota Supreme Court should promulgate minimum standards for the implementation and administration of a parent education program. ~~The chief judge of each judicial district or a designee shall submit a plan to the Minnesota conference of chief judges for their approval that is designed to implement and administer a parent education program in the judicial district. The plan must be consistent with the minimum standards promulgated by the Minnesota Supreme Court.~~

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 45. Minnesota Statutes 2004, section 518B.01, is amended by adding a subdivision to read:

Subd. 19a. **Entry and enforcement of foreign protective orders.** (a) As used in this subdivision, "foreign protective order" means an order for protection entered by a court of another state; and order by an Indian tribe which includes orders entered in child welfare proceedings, or United States territory that would be a protective order entered under this chapter; a temporary or permanent order or protective order to exclude a respondent from a dwelling; or an order that establishes conditions of release or is a protective order or sentencing order in a criminal prosecution arising from a domestic abuse assault if it had been entered in Minnesota.

(b) A person for whom a foreign protection order has been issued or the issuing court or tribunal may provide a certified or authenticated copy of a foreign protective order to the court administrator in any county that would have venue if the original action was being commenced in this state or in which the person in whose favor the order was entered may be present, for filing and entering of the same into the state order for prosecution database.

(c) The court administrator shall file and enter foreign protective orders that are not certified or authenticated, if supported by an affidavit of a person with personal knowledge, subject to the penalties for perjury. The person protected by the order may provide this affidavit.

(d) The court administrator shall provide copies of the order as required by this section.

(e) A valid foreign protective order has the same effect and shall be enforced in the same manner as an order for protection issued in this state whether or not filed with a court administrator or otherwise entered in the state order for protection database.

(f) A foreign protective order is presumed valid if it meets all of the following:

(1) the order states the name of the protected individual and the individual against whom enforcement is sought;

(2) the order has not expired;

(3) the order was issued by a court or tribunal that had jurisdiction over the parties and subject matter under the law of the foreign jurisdiction; and

(4) the order was issued in accordance with the respondent's due process rights, either after the respondent was provided with reasonable notice and an opportunity to be heard before the court or tribunal that issued the order, or in the case of an ex parte order, the respondent was granted notice and an opportunity to be heard within a reasonable time after the order was issued.

(g) Proof that a foreign protective order failed to meet all of the factors listed in paragraph (f) is an affirmative defense in any action seeking enforcement of the order.

(h) A peace officer shall treat a foreign protective order as a valid legal document and shall make an arrest for a violation of the foreign protective order in the same manner that a peace officer would make an arrest for a violation of a protective order issued within this state.

(i) The fact that a foreign protective order has not been filed with the court administrator or otherwise entered into the state order for protection database shall not be grounds to refuse to enforce the terms of the order unless it is apparent to the officer that the order is invalid on its face.

(j) A peace officer acting reasonably and in good faith in connection with the enforcement of a foreign protective order is immune from civil and criminal liability in any action arising in connection with the enforcement.

(k) Filing and service costs in connection with foreign protective orders are waived.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 46. Minnesota Statutes 2004, section 546.27, subdivision 2, is amended to read:

Subd. 2. **Board of judicial standards review.** At least annually, the board on judicial standards shall review the compliance of each district, ~~county, or municipal~~ judge with the provisions of subdivision 1. To facilitate this review, the director of the state judicial information system shall notify the executive secretary of the state board on judicial standards when a matter exceeds 90 days without a disposition. The board shall notify the commissioner of finance of each judge not in compliance. If the board finds that a judge has compelling reasons for noncompliance, it may decide not to issue the notice. Upon notification that a judge is not in compliance, the commissioner of finance shall not pay the salary of that judge. The board may cancel a notice of noncompliance upon finding that a judge is in compliance, but in no event shall a judge be paid a salary for the period in which the notification of noncompliance was in effect.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 47. Minnesota Statutes 2004, section 609.101, subdivision 4, is amended to read:

Subd. 4. **Minimum fines; other crimes.** Notwithstanding any other law:

(1) when a court sentences a person convicted of a felony that is not listed in subdivision 2 or 3, it must impose a fine of not less than 30 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law; and

(2) when a court sentences a person convicted of a gross misdemeanor or misdemeanor that is not listed in subdivision 2, it must impose a fine of not less than 30 percent of the maximum fine authorized by law nor more than the maximum fine authorized by law, unless the fine is set at a lower amount on a uniform fine schedule established by the ~~conference of chief judges~~ Judicial Council in consultation with affected state and local agencies. This schedule shall be promulgated not later than September 1 of each year and shall become effective on January 1 of the next year unless the legislature, by law, provides otherwise.

The minimum fine required by this subdivision is in addition to the surcharge or assessment required by section 357.021, subdivision 6, and is in addition to any sentence of imprisonment or restitution imposed or ordered by the court.

The court shall collect the fines mandated in this subdivision and, except for fines for traffic and motor vehicle violations governed by section 169.871 and section 299D.03 and fish and game violations governed by section 97A.065, forward 20 percent of the revenues to the commissioner of finance for deposit in the general fund.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 48. Minnesota Statutes 2004, section 629.74, is amended to read:

629.74 PRETRIAL BAIL EVALUATION.

The local corrections department or its designee shall conduct a pretrial bail evaluation of each defendant arrested and detained for committing a crime of violence as defined in section 624.712, subdivision 5, a gross misdemeanor violation of section 609.224 or 609.2242, or a nonfelony violation of section 518B.01, 609.2231, 609.3451, 609.748, or 609.749. In cases where the defendant requests appointed counsel, the evaluation shall include completion of the financial statement required by section 611.17. The local corrections department shall be reimbursed \$25 by the Department of Corrections for each evaluation performed. ~~The conference of chief judges,~~ Judicial Council in consultation with the Department of Corrections, shall approve the pretrial evaluation form to be used in each county.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 49. Minnesota Statutes 2004, section 641.25, is amended to read:

641.25 DISTRICT JAILS; HOW DESIGNATED.

The commissioner of corrections, with the consent of the county board, may designate any suitable jail in the state as a district jail, to be used for the detention of prisoners from other counties in addition to those of its own. If the jail or its management becomes unfit for that purpose, the commissioner may rescind its designation. Whenever there is no sufficient jail in any county, ~~the examining county or municipal judge, or upon the judge's own motion, or the judge of the district court,~~ upon application of the sheriff, may order any person charged with a criminal offense committed to a sufficient jail in some other county. If there is a district jail in the judicial district, the charged person shall be sent to it, or to any other nearer district jail designated by the judge. The sheriff of the county containing the district jail, on presentation of the order, shall receive, keep in custody, and deliver the charged person up upon the order of the court or a judge.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 50. Laws 2002, chapter 266, section 1, as amended by Laws 2004, chapter 290, section 38, is amended to read:

Section 1. **DOMESTIC FATALITY REVIEW TEAM PILOT PROJECT EXTENSION.**

The fourth judicial district may extend the duration of the pilot project authorized by Laws 1999, chapter 216, article 2, section 27, and Laws 2000, chapter 468, sections 29 to 32, until December 31, ~~2006~~ 2008. If the pilot project is extended, the domestic fatality review team shall submit a report on the project to the legislature by January 15, ~~2007~~ 2009.

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

Sec. 51. UNCOLLECTED FINES AND PENALTIES TASK FORCE.

(a) A task force is created to study issues relating to uncollected fines, surcharges, court costs, fees, and penalties owed to the state and to units of local government. The task force consists of:

(1) two members of the house of representatives, one from each caucus, appointed by the speaker;

(2) two senators, one from each caucus, appointed according to the rules of the senate;

(3) one representative of county commissioners, one representative of county sheriffs, one representative each from the departments of public safety and revenue, and four public members, all appointed by the governor; and

(4) one representative of the court administration system, appointed by the chief justice of the Supreme Court.

(b) The task force shall study issues relating to uncollected fines, surcharges, court costs, fees, and penalties owed to the state and units of local government. The task force must recommend changes in law and administrative practices necessary to improve collection. The task force must report its recommendations to the legislature by January 15, 2007. The task force expires when it submits its recommendations.

(c) The Legislative Coordinating Commission and the Department of Administration must provide administrative support to the task force.

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

Sec. 52. REPEALER.

Minnesota Statutes 2004, sections 484.013, subdivision 8; 484.545, subdivisions 2 and 3; 484.55; 484.68, subdivision 7; 484.75; 485.018, subdivisions 2, 6, and 8; 485.12; 487.01; 487.02; 487.03; 487.04; 487.07; 487.10; 487.11; 487.13; 487.14; 487.15; 487.16; 487.17; 487.18; 487.19; 487.191; 487.20; 487.21; 487.23; 487.24; 487.25; 487.26; 487.27; 487.28; 487.29; 487.31; 487.32; 487.33; 487.34; 487.36; 487.37; 487.38; 487.40; 488A.01; 488A.021; 488A.025; 488A.03; 488A.035; 488A.04; 488A.08; 488A.09; 488A.10; 488A.101; 488A.11; 488A.112; 488A.113; 488A.115; 488A.116; 488A.119; 488A.18; 488A.19; 488A.20; 488A.21; 488A.23; 488A.24; 488A.26; 488A.27; 488A.28; 488A.282; 488A.285; 488A.286; 488A.287; 525.011; 525.012; 525.013; 525.014; 525.015; 525.02; 525.03; 525.051; 525.052; 525.053; 525.06; 525.07; 525.08; 525.081; 525.082; 525.09; and 625.09, and Minnesota Statutes 2005 Supplement, sections 353.027; and 485.03, are repealed.

EFFECTIVE DATE. This section is effective July 1, 2006.

ARTICLE 6**EMERGENCY COMMUNICATIONS**

Section 1. Minnesota Statutes 2004, section 237.49, is amended to read:

237.49 COMBINED LOCAL ACCESS SURCHARGE.

Each local telephone company shall collect from each subscriber an amount per telephone access line representing the total of the surcharges required under sections 237.52, 237.70, and 403.11. Amounts collected must be remitted to the commissioner of public safety in the manner prescribed in section 403.11. The commissioner of public safety shall divide the amounts received ~~proportional to the individual surcharges~~ and deposit them in the

appropriate accounts. The commissioner of public safety may recover from the agencies receiving the surcharges the personnel and administrative costs to collect and distribute the surcharge. A company or the billing agent for a company shall list the surcharges as one amount on a billing statement sent to a subscriber.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 2. Minnesota Statutes 2004, section 403.02, is amended by adding a subdivision to read:

Subd. 19a. **Secondary public safety answering point.** "Secondary public safety answering point" means a communications facility that: (1) is operated on a 24-hour basis, in which a minimum of three public safety answering points (PSAP's) route calls for postdispatch or prearrival instructions; (2) receives calls directly from medical facilities to reduce call volume at the PSAP's; and (3) is able to receive 911 calls routed to it from a PSAP when the PSAP is unable to receive or answer 911 calls.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 3. Minnesota Statutes 2005 Supplement, section 403.025, subdivision 7, is amended to read:

Subd. 7. **Contractual requirements.** (a) The state, ~~together~~ shall contract with the county or other governmental agencies operating public safety answering points, ~~shall contract and~~ with the appropriate wire-line telecommunications service providers or other entities determined by the commissioner to be capable of providing effective and efficient components of the 911 system for the operation, maintenance, enhancement, and expansion of the 911 system.

(b) The state shall contract with the appropriate wireless telecommunications service providers for maintaining, enhancing, and expanding the 911 system.

(c) The contract language or subsequent amendments to the contract must include a description of the services to be furnished to the county or other governmental agencies operating public safety answering points. The contract language or subsequent amendments must include the terms of compensation based on the effective tariff or price list filed with the Public Utilities Commission or the prices agreed to by the parties.

(d) The contract language or subsequent amendments to contracts between the parties must contain a provision for resolving disputes.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 4. Minnesota Statutes 2005 Supplement, section 403.05, subdivision 3, is amended to read:

Subd. 3. **Agreements for service.** Each county ~~and or~~ any other governmental agency shall contract with the state ~~and wire-line telecommunications service providers or other entities determined by the commissioner to be capable of providing effective and efficient components of the 911 system~~ for the recurring and nonrecurring costs associated with operating and maintaining 911 emergency communications systems. If requested by the county or other governmental agency, the county or agency is entitled to be a party to any contract between the state and any wire-line telecommunications service provider or 911 emergency telecommunications service provider providing components of the 911 system within the county.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 5. Minnesota Statutes 2004, section 403.08, subdivision 7, is amended to read:

Subd. 7. **Duties.** Each wireless telecommunications service provider shall cooperate in planning and implementing integration with enhanced 911 systems operating in their service territories to meet Federal Communications Commission-enhanced 911 standards. ~~By August 1, 1997, each 911 emergency telecommunications service provider operating enhanced 911 systems, in cooperation with each involved~~ Each wireless telecommunications service provider, shall annually develop and provide to the commissioner good-faith estimates of installation and recurring expenses to integrate wireless 911 service into the enhanced 911 networks to meet Federal Communications Commission phase one wireless enhanced 911 standards. The commissioner shall coordinate with counties and affected public safety agency representatives in developing a statewide design and plan for implementation.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 6. Minnesota Statutes 2005 Supplement, section 403.11, subdivision 1, is amended to read:

Subdivision 1. **Emergency telecommunications service fee; account.** (a) Each customer of a wireless or wire-line switched or packet-based telecommunications service provider connected to the public switched telephone network that furnishes service capable of originating a 911 emergency telephone call is assessed a fee based upon the number of wired or wireless telephone lines, or their equivalent, to cover the costs of ongoing maintenance and related improvements for trunking and central office switching equipment for 911 emergency telecommunications service, ~~plus to offset~~ administrative and staffing costs of the commissioner related to managing the 911 emergency telecommunications service program. ~~Recurring charges by a wire line telecommunications service provider for updating the information required by section 403.07, subdivision 3, must be paid by the commissioner if the wire-line telecommunications service provider is included in an approved 911 plan and the charges are made pursuant to contract. The fee assessed under this section must also be used for the purpose of offsetting, to make distributions provided for in section 403.113, and to offset the costs, including administrative and staffing costs, incurred by the State Patrol Division of the Department of Public Safety in handling 911 emergency calls made from wireless phones.~~

(b) Money remaining in the 911 emergency telecommunications service account after all other obligations are paid must not cancel and is carried forward to subsequent years and may be appropriated from time to time to the commissioner to provide financial assistance to counties for the improvement of local emergency telecommunications services. The improvements may include providing access to 911 service for telecommunications service subscribers currently without access and upgrading existing 911 service to include automatic number identification, local location identification, automatic location identification, and other improvements specified in revised county 911 plans approved by the commissioner.

(c) The fee may not be less than eight cents nor more than 65 cents a month for each customer access line or other basic access service, including trunk equivalents as designated by the Public Utilities Commission for access charge purposes and including wireless telecommunications services. With the approval of the commissioner of finance, the commissioner of public safety shall establish the amount of the fee within the limits specified and inform the companies and carriers of the amount to be collected. When the revenue bonds authorized under section 403.27, subdivision 1, have been fully paid or defeased, the commissioner shall reduce the fee to reflect that debt service on the bonds is no longer needed. The commissioner shall provide companies and carriers a minimum of 45 days' notice of each fee change. The fee must be the same for all customers.

(d) The fee must be collected by each wireless or wire-line telecommunications service provider subject to the fee. Fees are payable to and must be submitted to the commissioner monthly before the 25th of each month following the month of collection, except that fees may be submitted quarterly if less than \$250 a month is due, or annually if less than \$25 a month is due. Receipts must be deposited in the state treasury and credited to a 911 emergency telecommunications service account in the special revenue fund. The money in the account may only be used for 911 telecommunications services.

(e) This subdivision does not apply to customers of interexchange carriers.

(f) The installation and recurring charges for integrating wireless 911 calls into enhanced 911 systems ~~must be paid~~ are eligible for payment by the commissioner if the 911 service provider is included in the statewide design plan and the charges are made pursuant to contract.

(g) Competitive local exchanges carriers holding certificates of authority from the Public Utilities Commission are eligible to receive payment for recurring 911 services.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 7. Minnesota Statutes 2005 Supplement, section 403.11, subdivision 3, is amended to read:

Subd. 3. **Method of payment.** (a) Any wireless or wire-line telecommunications service provider incurring reimbursable costs under subdivision 1 shall submit an invoice itemizing rate elements by county or service area to the commissioner for 911 services furnished under contract. Any wireless or wire-line telecommunications service provider is eligible to receive payment for 911 services rendered according to the terms and conditions specified in the contract. ~~Competitive local exchange carriers holding certificates of authority from the Public Utilities Commission are eligible to receive payment for recurring 911 services provided after July 1, 2001.~~ The commissioner shall pay the invoice within 30 days following receipt of the invoice unless the commissioner notifies the service provider that the commissioner disputes the invoice.

(b) The commissioner shall estimate the amount required to reimburse 911 emergency telecommunications service providers and wireless and wire-line telecommunications service providers for the state's obligations under subdivision 1 and the governor shall include the estimated amount in the biennial budget request.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 8. Minnesota Statutes 2005 Supplement, section 403.11, subdivision 3a, is amended to read:

Subd. 3a. **Timely certification invoices.** ~~A certification~~ An invoice for services provided for in the contract with a wireless or wire-line telecommunications service provider must be submitted to the commissioner no later than ~~one year~~ 90 days after commencing a new or additional eligible 911 service. Each applicable contract must provide that, if certified expenses under the contract deviate from estimates in the contract by more than ten percent, the commissioner may reduce the level of service without incurring any termination fees.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 9. Minnesota Statutes 2004, section 403.11, subdivision 3b, is amended to read:

Subd. 3b. **Certification Declaration.** ~~All~~ If the commissioner disputes an invoice in writing, the wireless and wire-line telecommunications service providers shall submit a self-certification form declaration under section 16A.41 signed by an officer of the company to the commissioner with the invoices for payment of an initial or changed service described in the service provider's 911 contract. The self-certification shall sworn declaration must specifically describe and affirm that the 911 service contracted for is being provided and the costs invoiced for the service are true and correct. All certifications are subject to verification and audit. When a wireless or wire-line telecommunications service provider fails to provide a sworn declaration within 90 days of notice by the commissioner that the invoice is disputed, the disputed amount of the invoice must be disallowed.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 10. Minnesota Statutes 2004, section 403.11, subdivision 3c, is amended to read:

Subd. 3c. **Audit.** If the commissioner determines that an audit is necessary to document the ~~certification described invoice and sworn declaration~~ in subdivision 3b, the wireless or wire-line telecommunications service provider must contract with an independent certified public accountant to conduct the audit. The audit must be conducted according to generally accepted accounting principles. The wireless or wire-line telecommunications service provider is responsible for any costs associated with the audit.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 11. Minnesota Statutes 2005 Supplement, section 403.113, subdivision 1, is amended to read:

Subdivision 1. **Fee.** ~~(a) Each customer receiving service from a wireless or wire line switched or packet based telecommunications service provider connected to the public telephone network that furnishes service capable of originating a 911 emergency telephone call is assessed a fee. A portion of the fee collected under section 403.11 must be used to fund implementation, operation, maintenance, enhancement, and expansion of enhanced 911 service, including acquisition of necessary equipment and the costs of the commissioner to administer the program. The actual fee assessed under section 403.11 and the enhanced 911 service fee must be collected as one amount and may not exceed the amount specified in section 403.11, subdivision 1, paragraph (c).~~

~~(b) The enhanced 911 service fee must be collected and deposited in the same manner as the fee in section 403.11 and used solely for the purposes of paragraph (a) and subdivision 3.~~

~~(c) The commissioner, in consultation with counties and 911 system users, shall determine the amount of the enhanced 911 service fee. The commissioner shall inform wireless and wire line telecommunications service providers that provide service capable of originating a 911 emergency telephone call of the total amount of the 911 service fees in the same manner as provided in section 403.11.~~

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 12. Minnesota Statutes 2004, section 403.113, subdivision 3, is amended to read:

Subd. 3. **Local expenditures.** (a) Money distributed under subdivision 2 for enhanced 911 service may be spent on enhanced 911 system costs for the purposes stated in subdivision 1, ~~paragraph (a).~~ In addition, money may be spent to lease, purchase, lease-purchase, or maintain enhanced 911 equipment, including telephone equipment; recording equipment; computer hardware; computer software for database provisioning, addressing, mapping, and any other software necessary for automatic location identification or local location identification; trunk lines; selective routing equipment; the master street address guide; dispatcher public safety answering point equipment proficiency and operational skills; pay for long-distance charges incurred due to transferring 911 calls to other jurisdictions; and the equipment necessary within the public safety answering point for community alert systems and to notify and communicate with the emergency services requested by the 911 caller.

(b) Money distributed for enhanced 911 service may not be spent on:

(1) purchasing or leasing of real estate or cosmetic additions to or remodeling of communications centers;

(2) mobile communications vehicles, fire engines, ambulances, law enforcement vehicles, or other emergency vehicles;

(3) signs, posts, or other markers related to addressing or any costs associated with the installation or maintenance of signs, posts, or markers.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 13. Minnesota Statutes 2004, section 403.21, subdivision 2, is amended to read:

Subd. 2. **Board.** "Board" or "radio board" or "~~Metropolitan Radio Board~~" means the Metropolitan Statewide Radio Board or its successor regional radio board.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 14. Minnesota Statutes 2004, section 403.21, subdivision 7, is amended to read:

Subd. 7. **Plan.** "Plan" or "regionwide public safety radio system communication plan" means ~~the a plan adopted by the Metropolitan Radio Board for a regionwide public safety radio communications system.~~ a regional radio board.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 15. Minnesota Statutes 2005 Supplement, section 403.21, subdivision 8, is amended to read:

Subd. 8. **Subsystems.** "Subsystems" or "public safety radio subsystems" means systems identified in the plan or a plan developed under section 403.36 as subsystems interconnected by the system backbone and operated by ~~the Metropolitan Radio Board,~~ a regional radio board, or local government units for their own internal operations.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 16. Minnesota Statutes 2004, section 403.21, subdivision 9, is amended to read:

Subd. 9. **System backbone.** "System backbone" or "backbone" means a public safety radio communication system that consists of a shared, trunked, communication, and interoperability infrastructure network, including, but not limited to, radio towers and associated structures and equipment, the elements of which are identified in the regionwide public safety radio communication system plan ~~under section 403.23, subdivision 6,~~ and the statewide radio communication plan under section 403.36.

Sec. 17. Minnesota Statutes 2004, section 403.33, is amended to read:

403.33 LOCAL PLANNING.

Subdivision 1. **County planning process.** (a) No later than two years from May 22, 1995, each metropolitan county shall undertake and complete a planning process for its public safety radio subsystem to ensure participation by representatives of local government units, quasi-public service organizations, and private entities eligible to use the regional public safety radio system and to ensure coordination and planning of the local subsystems. Local governments and other eligible users shall cooperate with the county in its preparation of the subsystem plan to ensure that local needs are met.

(b) The regional radio board for the metropolitan area shall encourage the establishment by each metropolitan county of local public safety radio subsystem committees composed of representatives of local governments and other eligible users for the purposes of:

(1) establishing a plan for coordinated and timely use of the regionwide public safety radio system by the local governments and other eligible users within each metropolitan county; and

(2) assisting and advising the regional radio board for the metropolitan area in its implementation of the regional public safety radio plan by identification of local service needs and objectives.

(c) The regional radio board for the metropolitan area shall also encourage the establishment of joint or multicounty planning for the regionwide public safety radio system and subsystems.

(d) The regional radio board for the metropolitan area may provide local boards with whatever assistance it deems necessary and appropriate.

(e) No metropolitan county or city of the first class shall be required to undertake a technical subsystem design to meet the planning process requirements of this subdivision or subdivision 2.

Subd. 2. **Cities of first class; planning process.** Each city of the first class in the metropolitan counties shall have the option to participate in the county public safety radio subsystem planning process or develop its own plan.

Subd. 3. **Submission of plans to board.** Each metropolitan county and each city of the first class in the metropolitan area which has chosen to develop its own plan shall submit the plan to the regional radio board for the metropolitan area for the board's review and approval.

Subd. 4. **Local government joinder.** Local government units, except for cities of the first class, quasi-public service organizations, and private entities eligible to use the regional public safety radio system cannot join the system until its county plan has been approved by the regional radio board for the metropolitan area.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 18. Minnesota Statutes 2004, section 403.34, is amended to read:

403.34 OPTIONAL LOCAL USE OF ~~REGIONAL~~ STATEWIDE SYSTEM.

Subdivision 1. **Options.** Use of the ~~regional~~ statewide public safety radio system by local governments, quasi-public service organizations, and private entities eligible to use the system shall be optional and no local government or other eligible user of the system shall be required to abandon or modify current public safety radio communication systems or purchase new equipment until the local government or other eligible user elects to join the system. Public safety radio communication service to local governments and other eligible users who do not initially join the system shall not be interrupted. No local government or other eligible users who do not join the system shall be charged a user fee for the use of the system.

Subd. 2. **Requirements to join.** Local governments and other entities eligible to join the ~~regional~~ statewide public safety radio system which elect to join the system must do so in accordance with and meet the requirements of the provisions of the plan adopted by the ~~radio~~ board as provided in section ~~403.23, subdivision 2~~ 403.36.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 19. Minnesota Statutes 2005 Supplement, section 403.36, subdivision 1, is amended to read:

Subdivision 1. **Membership.** (a) The commissioner of public safety shall convene and chair the Statewide Radio Board to develop a project plan for a statewide, shared, trunked public safety radio communication system. The system may be referred to as "Allied Radio Matrix for Emergency Response," or "ARMER."

(b) The board consists of the following members or their designees:

(1) the commissioner of public safety;

(2) the commissioner of transportation;

- (3) the state chief information officer;
- (4) the commissioner of natural resources;
- (5) the chief of the Minnesota State Patrol;
- ~~(6) the commissioner of health;~~
- ~~(7) (6)~~ the commissioner of finance;
- (7) the chair of the Metropolitan Council;

(8) two elected city officials, one from the nine-county metropolitan area and one from Greater Minnesota, appointed by the governing body of the League of Minnesota Cities;

(9) two elected county officials, one from the nine-county metropolitan area and one from Greater Minnesota, appointed by the governing body of the Association of Minnesota Counties;

(10) two sheriffs, one from the nine-county metropolitan area and one from Greater Minnesota, appointed by the governing body of the Minnesota Sheriffs' Association;

(11) two chiefs of police, one from the nine-county metropolitan area and one from Greater Minnesota, appointed by the governor after considering recommendations made by the Minnesota Chiefs' of Police Association;

(12) two fire chiefs, one from the nine-county metropolitan area and one from Greater Minnesota, appointed by the governor after considering recommendations made by the Minnesota Fire Chiefs' Association;

(13) two representatives of emergency medical service providers, one from the nine-county metropolitan area and one from Greater Minnesota, appointed by the governor after considering recommendations made by the Minnesota Ambulance Association;

(14) the chair of the ~~Metropolitan~~ regional radio board for the metropolitan area; and

(15) a representative of Greater Minnesota elected by those units of government in phase three and any subsequent phase of development as defined in the statewide, shared radio and communication plan, who have submitted a plan to the Statewide Radio Board and where development has been initiated.

(c) The Statewide Radio Board shall coordinate the appointment of board members representing Greater Minnesota with the appointing authorities and may designate the geographic region or regions from which an appointed board member is selected where necessary to provide representation from throughout the state.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 20. Minnesota Statutes 2004, section 403.36, subdivision 1f, is amended to read:

Subd. 1f. **Advisory groups.** (a) The Statewide Radio Board shall establish one or more advisory groups for the purpose of advising on the plan, design, implementation, and administration of the statewide, shared trunked radio and communication system.

(b) At least one such group must consist of the following members:

(1) ~~the chair of the Metropolitan Radio Board and~~ the chair of each regional radio board or, if no regional radio board has been formed, a representative of each region of development as defined in the statewide, shared, trunked radio and communication plan, once planning and development have been initiated for the region, or a designee;

(2) the chief of the Minnesota State Patrol or a designee;

(3) a representative of the Minnesota State Sheriffs' Association;

(4) a representative of the Minnesota Chiefs of Police Association;

(5) a representative of the Minnesota Fire Chiefs' Association; and

(6) a representative of the Emergency Medical Services Board.

Sec. 21. **REPEALER.**

Minnesota Statutes 2004, section 403.08, subdivision 8; 403.22; 403.23; 403.24; 403.25; 403.26; 403.28; 403.29, subdivisions 1, 2, and 3; 403.30, subdivisions 2 and 4; and 403.35 are repealed.

EFFECTIVE DATE. This section is effective July 1, 2006.

ARTICLE 7

FRAUDULENT OR IMPROPER FINANCING STATEMENTS

Section 1. Minnesota Statutes 2004, section 358.41, is amended to read:

358.41 DEFINITIONS.

As used in sections 358.41 to 358.49:

(1) "Notarial act" means any act that a notary public of this state is authorized to perform, and includes taking an acknowledgment, administering an oath or affirmation, taking a verification upon oath or affirmation, witnessing or attesting a signature, certifying or attesting a copy, and noting a protest of a negotiable instrument. A notary public may perform a notarial act by electronic means.

(2) "Acknowledgment" means a declaration by a person that the person has executed an instrument or electronic record for the purposes stated therein and, if the instrument or electronic record is executed in a representative capacity, that the person signed the instrument with proper authority and executed it as the act of the person or entity represented and identified therein.

(3) "Verification upon oath or affirmation" means a declaration that a statement is true made by a person upon oath or affirmation.

(4) "In a representative capacity" means:

(i) for and on behalf of a corporation, partnership, trust, or other entity, as an authorized officer, agent, partner, trustee, or other representative;

(ii) as a public officer, personal representative, guardian, or other representative, in the capacity recited in the instrument;

(iii) as an attorney in fact for a principal; or

(iv) in any other capacity as an authorized representative of another.

(5) "Notarial officer" means a notary public or other officer authorized to perform notarial acts.

(6) "Electronic signature" means an electronic sound, symbol, or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.

(7) "Electronic record" means a record created, generated, sent, communicated, received, or stored by electronic means.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 2. Minnesota Statutes 2004, section 358.42, is amended to read:

358.42 NOTARIAL ACTS.

(a) In taking an acknowledgment, the notarial officer must determine, either from personal knowledge or from satisfactory evidence, that the person appearing before the officer and making the acknowledgment is the person whose true signature is on the instrument or electronic record.

(b) In taking a verification upon oath or affirmation, the notarial officer must determine, either from personal knowledge or from satisfactory evidence, that the person appearing before the officer and making the verification is the person whose true signature is on the statement verified.

(c) In witnessing or attesting a signature the notarial officer must determine, either from personal knowledge or from satisfactory evidence, that the signature is that of the person appearing before the officer and named therein.

(d) In certifying or attesting a copy of a document, electronic record, or other item, the notarial officer must determine that the proffered copy is a full, true, and accurate transcription or reproduction of that which was copied.

(e) In making or noting a protest of a negotiable instrument or electronic record the notarial officer must determine the matters set forth in section 336.3-505.

(f) A notarial officer has satisfactory evidence that a person is the person whose true signature is on a document or electronic record if that person (i) is personally known to the notarial officer, (ii) is identified upon the oath or affirmation of a credible witness personally known to the notarial officer, or (iii) is identified on the basis of identification documents.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 3. Minnesota Statutes 2004, section 358.47, is amended to read:

358.47 CERTIFICATE OF NOTARIAL ACTS.

(a) A notarial act must be evidenced by a certificate physically or electronically signed and dated by a notarial officer in a manner that attributes such signature to the notary public identified on the commission. The certificate must include identification of the jurisdiction in which the notarial act is performed and the title of the office of the notarial officer and may include the official stamp or seal of office, or the notary's electronic seal. If the officer is a notary public, the certificate must also indicate the date of expiration, if any, of the commission of office, but omission of that information may subsequently be corrected. If the officer is a commissioned officer on active duty in the military service of the United States, it must also include the officer's rank.

(b) A certificate of a notarial act is sufficient if it meets the requirements of subsection (a) and it:

(1) is in the short form set forth in section 358.48;

(2) is in a form otherwise prescribed by the law of this state;

(3) is in a form prescribed by the laws or regulations applicable in the place in which the notarial act was performed; or

(4) sets forth the actions of the notarial officer and those are sufficient to meet the requirements of the designated notarial act.

(c) By executing a certificate of a notarial act, the notarial officer certifies that the officer has made the determinations required by section 358.42.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 4. Minnesota Statutes 2004, section 358.50, is amended to read:

358.50 EFFECT OF ACKNOWLEDGMENT.

An acknowledgment made in a representative capacity for and on behalf of a corporation, partnership, trust, or other entity and certified substantially in the form prescribed in this chapter is prima facie evidence that the instrument or electronic record was executed and delivered with proper authority.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 5. Minnesota Statutes 2004, section 359.01, is amended by adding a subdivision to read:

Subd. 5. **Registration to perform electronic notarizations.** Before performing electronic notarial acts, a notary public shall register the capability to notarize electronically with the secretary of state. Before performing electronic notarial acts after recommissioning, a notary public shall reregister with the secretary of state.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 6. Minnesota Statutes 2004, section 359.03, subdivision 3, is amended to read:

Subd. 3. **Specifications.** The seal of every notary public may be affixed by a stamp that will print a seal which legibly reproduces under photographic methods the seal of the state of Minnesota, the name of the notary, the words "Notary Public," and the words "My commission expires, " with the expiration date shown thereon or may be an electronic form. ~~The~~ A physical seal used to authenticate a paper document shall be a rectangular form of not more than three-fourths of an inch vertically by 2-1/2 inches horizontally, with a serrated or milled edge border, and shall contain the information required by this subdivision.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 7. Minnesota Statutes 2004, section 359.03, is amended by adding a subdivision to read:

Subd. 4. **Electronic seal.** A notary's electronic seal shall contain the notary's name, jurisdiction, and commission expiration date, and shall be logically and securely affixed to or associated with the electronic record being notarized.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 8. Minnesota Statutes 2004, section 359.04, is amended to read:

359.04 POWERS.

Every notary public so appointed, commissioned, and qualified shall have power throughout this state to administer all oaths required or authorized to be administered in this state; to take and certify all depositions to be used in any of the courts of this state; to take and certify all acknowledgments of deeds, mortgages, liens, powers of attorney, and other instruments in writing or electronic records; and to receive, make out, and record notarial protests.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 9. Minnesota Statutes 2004, section 359.05, is amended to read:

359.05 DATE OF EXPIRATION OF COMMISSION AND NAME TO BE ENDORSED.

Every notary public, except in cases provided in section 359.03, subdivision 3, taking an acknowledgment of an instrument, taking a deposition, administering an oath, or making a notarial protest, shall, immediately following the notary's physical or electronic signature to the jurat or certificate of acknowledgment, endorse the date of the expiration of the commission; such endorsement may be legibly written, stamped, ~~or~~ printed upon the instrument, but must be disconnected from the seal, and shall be substantially in the following form: "My commission expires," Except in cases provided in section 359.03, subdivision 3, every notary public, in addition to signing the jurat or certificate of acknowledgment, shall, immediately following the signature and immediately preceding the official description, endorse thereon the notary's name with a typewriter ~~or~~, print the same legibly with a stamp ~~or~~, with pen and ink, or affix by electronic means; provided that the failure so to endorse or print the name shall not invalidate any jurat or certificate of acknowledgment.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 10. Minnesota Statutes 2004, section 359.085, is amended to read:

359.085 STANDARDS OF CONDUCT FOR NOTARIAL ACTS.

Subdivision 1. **Acknowledgments.** In taking an acknowledgment, the notarial officer must determine, either from personal knowledge or from satisfactory evidence, that the person appearing before the officer and making the acknowledgment is the person whose true signature is on the instrument or electronic record.

Subd. 2. **Verifications.** In taking a verification upon oath or affirmation, the notarial officer must determine, either from personal knowledge or from satisfactory evidence, that the person appearing before the officer and making the verification is the person whose true signature is on the statement verified.

Subd. 3. **Witnessing or attesting signatures.** In witnessing or attesting a signature, the notarial officer must determine, either from personal knowledge or from satisfactory evidence, that the signature is that of the person appearing before the officer and named in the document or electronic record.

Subd. 4. **Certifying or attesting documents.** In certifying or attesting a copy of a document, electronic record, or other item, the notarial officer must determine that the proffered copy is a full, true, and accurate transcription or reproduction of that which was copied.

Subd. 5. **Making or noting protests of negotiable instruments.** In making or noting a protest of a negotiable instrument or electronic record, the notarial officer must determine the matters set forth in section 336.3-505.

Subd. 6. **Satisfactory evidence.** A notarial officer has satisfactory evidence that a person is the person whose true signature is on a document or electronic record if that person (i) is personally known to the notarial officer, (ii) is identified upon the oath or affirmation of a credible witness personally known to the notarial officer, or (iii) is identified on the basis of identification documents.

Subd. 7. **Prohibited acts.** A notarial officer may not acknowledge, witness or attest to the officer's own signature, or take a verification of the officer's own oath or affirmation.

Subd. 8. **Failure to appear before notary.** A notarial officer may not notarize the physical or electronic signature of any signer who is not in the presence of the notary at the time of notarization.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 11. **[545.05] EXPEDITED PROCESS TO REVIEW AND DETERMINE EFFECTIVENESS OF FINANCING STATEMENTS.**

Subdivision 1. **Definitions.** (a) As used in this section, a financing statement or other record is fraudulent or otherwise improper if it is filed without the authorization of the obligor, person named as debtor, or owner of collateral described or indicated in the financing statement or other record, or by consent of an agent, fiduciary, or other representative of that person, or without the consent of the secured party of record in the case of an amendment or termination.

(b) As used in this section, filing office or filing officer refers to the office or officer where a financing statement or other record is appropriately filed or recorded as provided by law, including, but not limited to, the county recorder, the secretary of state, and other related filing officers.

Subd. 2. **Motion.** An obligor, person named as a debtor, or owner of collateral described or indicated in a financing statement or other record filed under sections 336.9-101 to 336.9-709 (Uniform Commercial Code - Secured Transactions), who has reason to believe that the financing statement or other record is fraudulent or otherwise improper may complete and file at any time a motion for judicial review of the effectiveness of the financing statement or other record. A secured party of record who believes that an amendment or termination of a financing statement or other record is fraudulent or otherwise improper may also file a motion.

Subd. 3. **Service and filing.** (a) The motion under subdivision 2 must be mailed by certified United States mail to the person who is indicated as the secured party on the allegedly fraudulent or improper record at the address listed on the record or, in the case of a filing by the secured party of record, to the address of the person who filed the amendment or termination in question, as listed on the record. The motion must be accompanied by a copy of the record in question, an affidavit of mailing, the form for responding to the motion under subdivision 6, and a copy of the text of this section.

(b) On the day the motion is mailed, a copy of the materials must be filed with the district court of the county in which the financing statement or other record has been filed or in the county of residence of the moving party. The motion must be supported by the affidavit of the moving party or the moving party's attorney setting forth a concise statement of the facts upon which the claim for relief is based. There is no filing fee for a motion or a response filed under this section.

Subd. 4. **Motion form.** The motion must be in substantially the following form:

In Re: A Purported Financing Statement in the district court of County, Minnesota, Against [Name of person who filed the financing statement]

MOTION FOR JUDICIAL REVIEW OF A FINANCING STATEMENT FILED UNDER
THE UNIFORM COMMERCIAL CODE - SECURED TRANSACTIONS

..... (name of moving party) files this motion requesting a judicial determination of the effectiveness of a financing statement or other record filed under the Uniform Commercial Code - Secured Transactions in the office of the (filing office and location) and in support of the motion provides as follows:

I.

..... (name), the moving party, is the [obligor, person named as a debtor, or owner of collateral described or indicated in] [secured party of record listed in] a financing statement or other record filed under the Uniform Commercial Code.

II.

On (date), in the exercise of the filing officer's official duties as (filing officer's position), the filing officer received and filed or recorded the financing statement or other record, a copy which is attached, that purports to [perfect a security interest against the obligor, person named as debtor, or the owner of collateral described or indicated in the financing statement or other record] or [amend or terminate the financing statement in which the moving party is listed as the secured party of record].

III.

The moving party alleges that the financing statement or other record is fraudulent or otherwise improper and that this court should declare the financing statement or other record ineffective.

IV.

The moving party attests that the assertions in this motion are true and correct.

V.

The moving party does not request the court to make a finding as to any underlying claim of the parties involved and acknowledges that this motion does not seek review of an effective financing statement. The moving party further acknowledges that the moving party may be subject to sanctions if this motion is determined to be frivolous. The moving party may be contacted by the respondent at:

Mailing Address: (required)

Telephone Number:

Facsimile Number: (either facsimile or e-mail contact is required)

E-Mail Address: (either facsimile or e-mail contact is required)

REQUEST FOR RELIEF

The moving party requests the court to review the attached documentation and enter an order finding that the financing statement or other record is ineffective together with other findings as the court deems appropriate.

Respectfully submitted, (Signature and typed name and address).

Subd. 5. **Motion acknowledgment form.** The form for the certificate of acknowledgment must be substantially as follows:

AFFIDAVIT

THE STATE OF MINNESOTA COUNTY OF

BEFORE ME, the undersigned authority, personally appeared, who, being by me duly sworn, deposed as follows:

"My name is I am over 18 years of age, of sound mind, with personal knowledge of the following facts, and fully competent to testify.

I attest that the assertions contained in the accompanying motion are true and correct."

SUBSCRIBED and SWORN TO before me, this day of

NOTARY PUBLIC, State of [state name]

Notary's printed name:

My commission expires:

The motion must be supported by the affidavit of the moving party or the moving party's attorney setting forth a concise statement of the facts upon which the claim for relief is based.

Subd. 6. **Motion affidavit of mailing form.** The moving party shall complete an affidavit of mailing the motion to the court and to the respondent in substantially the following form:

State of Minnesota

County of

....., the moving party, being duly sworn, on oath, deposes and says that on the day of,, the moving party mailed the motion to the court and the respondent by placing a true and correct copy of the motion in an envelope addressed to them as shown by certified United States mail at, Minnesota.

Subscribed and sworn to before me this day of

Subd. 7. **Response form.** The person listed as [the secured party in] [filing] the record for which the moving party has requested review may respond to the motion and accompanying materials to request an actual hearing within 20 days from the mailing by certified United States mail by the moving party. The form for use by the person listed as [the secured party in] [filing] the record in question to respond to the motion for judicial review must be in substantially the following form:

In Re: A Purported Financing Statement in the district court of County, Minnesota, Against [Name of person who filed the financing statement]

RESPONSE TO MOTION FOR JUDICIAL REVIEW OF A FINANCING STATEMENT FILED
UNDER THE UNIFORM COMMERCIAL CODE - SECURED TRANSACTIONS

..... (name) files this response to a motion requesting a judicial determination of the effectiveness of a financing statement or other record filed under the Uniform Commercial Code - Secured Transactions in the office of the (filing office and location) and in support of the motion provides as follows:

I.

..... (name), the respondent, is the person listed as [the secured party in] [filing] the record for which review has been requested by the moving party.

II.

On (date), in the exercise of the filing officer's official duties as (filing officer's position), the filing officer received and filed or recorded the financing statement or other record, a copy which is attached, that purports to [perfect a security interest against] [amend or terminate a record filed by] the moving party.

III.

Respondent states that the financing statement or other record is not fraudulent or otherwise improper and that this court should not declare the financing statement or other record ineffective.

IV.

Respondent attests that assertions in this response are true and correct.

V.

Respondent does not request the court to make a finding as to any underlying claim of the parties involved. Respondent further acknowledges that respondent may be subject to sanctions if this response is determined to be frivolous.

REQUEST FOR RELIEF

Respondent requests the court to review the attached documentation, to set a hearing for no later than five days after the date of this response or as soon after that as the court shall order and to enter an order finding that the financing statement or other record is not ineffective together with other findings as the court deems appropriate. Respondent may be contacted at:

Mailing Address: (required)

Telephone Number:

Facsimile Number: (either facsimile or e-mail contact is required)

E-Mail Address: (either facsimile or e-mail contact is required)

Respectfully submitted,

(Signature and typed name and address).

Subd. 8. **Response acknowledgment form.** The form for the certificate of acknowledgment must be substantially as follows:

AFFIDAVIT

THE STATE OF MINNESOTA COUNTY OF

BEFORE ME, the undersigned authority, personally appeared, who, being by me duly sworn, deposed as follows:

"My name is I am over 18 years of age, of sound mind, with personal knowledge of the following facts, and fully competent to testify.

I attest that the assertions contained in the accompanying motion are true and correct."

SUBSCRIBED and SWORN TO before me, this day of

NOTARY PUBLIC, State of [state name]

Notary's printed name:

My commission expires:

Subd. 9. **Response affidavit of mailing form.** Respondent shall submit the response by United States mail to both the court and the moving party, and also by either e-mail or facsimile as provided by the moving party. The respondent shall complete an affidavit of mailing the response to the court and to the moving party in substantially the following form:

State of Minnesota

County of

....., being the responding party, being duly sworn, on oath, deposes and says that on the day of,, respondent mailed the response to court and the moving party by placing a true and correct copy of the response in an envelope addressed to them as shown depositing the same with postage prepaid, in the U.S. Mail at, Minnesota.

Subscribed and sworn to before me this day of,

Subd. 10. **Hearing.** (a) If a hearing is timely requested, the court shall hold that hearing within five days after the mailing of the response by the respondent or as soon after that as ordered by the court. After the hearing, the court shall enter appropriate findings of fact and conclusions of law regarding the financing statement or other record filed under the Uniform Commercial Code.

(b) If a hearing request under subdivision 7 is not received by the court by the 20th day following the mailing of the original motion, the court's finding may be made solely on a review of the documentation attached to the motion and without hearing any testimonial evidence. After that review, which must be conducted no later than five days after the 20-day period has expired, the court shall enter appropriate findings of fact and conclusions of law as provided in subdivision 11 regarding the financing statement or other record filed under the Uniform Commercial Code.

(c) A copy of the findings of fact and conclusions of law must be sent to the moving party, the respondent, and the person who filed the financing statement or other record at the address listed in the motion or response of each person within seven days of the date that the findings of fact and conclusions of law are issued by the court.

(d) In all cases, the moving party shall file or record an attested copy of the findings of fact and conclusions of law in the filing office in the appropriate class of records in which the original financing statement or other record was filed or recorded. The filing officer shall not collect a filing fee for filing a court's finding of fact and conclusion of law as provided in this section except as specifically directed by the court in its findings and conclusions.

Subd. 11. Order form; no hearing. The findings of fact and conclusion of law for an expedited review where no hearing has been requested must be in substantially the following form:

MISCELLANEOUS DOCKET No.

In Re: A purported Financing Statement in the district court of County, Minnesota, Against [Name of person who filed financing statement]

Judicial Finding of Fact and Conclusion of Law Regarding a Financing Statement or
Other Record Filed Under the
Uniform Commercial Code - Secured Transactions

On the (number) day of (month), (year), in the above entitled and numbered cause, this court reviewed a motion, verified by affidavit, of (name) and the documentation attached. The respondent did not respond within the required 20-day period. No testimony was taken from any party, nor was there any notice of the court's review, the court having made the determination that a decision could be made solely on review of the documentation as provided in Minnesota Statutes, section 545.05.

The court finds as follows (only an item or subitem checked and initialed is a valid court ruling):

[.] The documentation attached to the motion IS filed or recorded with the authorization of the obligor, person named as debtor, or owner of collateral described or indicated in the financing statement or other record, or by consent of an agent, fiduciary, or other representative of that person, or with the authorization of the secured party of record in the case of an amendment or termination.

[.] The documentation attached to the motion IS NOT filed or recorded with the authorization of the obligor, person named as debtor, or owner of collateral described or indicated in the documentation, or by consent of an agent, fiduciary, or other representative of that person, or with the authorization of the secured party of record in the case of an amendment or termination and, IS NOT an effective financing statement or other record under the Uniform Commercial Code - Secured Transactions law of this state.

[.] This court makes no finding as to any underlying claims of the parties involved and expressly limits its findings of fact and conclusions of law to the review of a ministerial act. The filing officer shall remove the subject financing statement or other record so that the record is not reflected in or obtained as a result of any search, standard or otherwise, conducted of those records, but shall retain them and these findings of fact and conclusions of law in the filing office for the duration of the period for which they would have otherwise been filed.

SIGNED ON THIS THE DAY of

..... District Judge

..... District

..... County, Minnesota

Subd. 12. **Hearing determination.** If a determination is made after a hearing, the court may award the prevailing party all costs related to the entire review, including, but not limited to, filing fees, attorney fees, administrative costs, and other costs.

Subd. 13. **Subsequent motion.** If the moving party files a subsequent motion under this section against a person filing a financing statement or other record that is reviewed under this section and found to be filed or recorded with the authorization of the obligor, person named as debtor, or owner of collateral described or indicated in the financing statement or other record, or by consent of an agent, fiduciary, or other representative of that person, or with the authorization of the secured party of record in the case of an amendment or termination, the court may, in addition to assessing costs, order other equitable relief against the moving party or enter other sanctions against the moving party.

Subd. 14. **Judicial officers.** The chief judge of a district court may order that any or all proceedings under this section be conducted and heard by other judicial officers of that district court.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 12. [604.18] CIVIL LIABILITY FOR FRAUDULENT OR OTHERWISE IMPROPER FINANCING STATEMENTS.

Subdivision 1. **Definitions.** For purposes of this section:

(1) "financing statement" has the meaning given in section 336.9-102(a) of the Uniform Commercial Code; and

(2) "filing officer" is defined as the Uniform Commercial Code filing officer in each jurisdiction.

Subd. 2. **Liability.** (a) A person shall not knowingly cause to be presented for filing or promote the filing of a financing statement that the person knows:

(1) is forged;

(2) is not;

(i) related to a valid lien or security agreement; or

(ii) filed pursuant to section 336.9-502(d); and

(3) is for an improper purpose or purposes, such as to harass, hinder, defraud, or otherwise interfere with any person.

(b) A person who violates paragraph (a) is liable to each injured person for:

(1) the greater of:

(i) nominal damages up to \$10,000; or

(ii) the actual damages caused by the violation;

(2) court costs;

(3) reasonable attorney fees;

(4) related expenses of bringing the action, including investigative expenses; and

(5) exemplary damages in the amount determined by the court.

Subd. 3. Cause of action. (a) The following persons may bring an action to enjoin violation of this section or to recover damages under this section:

(1) the obligor, the person named as the debtor, any person who owns an interest in the collateral described or indicated in the financing statement, or any person harmed by the filing of the financing statement;

(2) the attorney general;

(3) a county attorney;

(4) a city attorney; and

(5) a person who has been damaged as a result of an action taken in reliance on the filed financing statement.

(b) A filing officer may refer a matter to the attorney general or other appropriate person for filing the legal actions under this section.

Subd. 4. Venue. An action under this section may be brought in any district court in the county in which the financing statement is presented for filing or in a county where any of the persons named in subdivision 3, paragraph (a), clause (1), reside.

Subd. 5. Filing fee. (a) The fee for filing an action under this chapter is \$...... The plaintiff must pay the fee to the clerk of the court in which the action is filed. Except as provided by paragraph (b), the plaintiff may not be assessed any other fee, cost, charge, or expense by the clerk of the court or other public official in connection with the action.

(b) The fee for service of notice of an action under this section charged to the plaintiff may not exceed:

(1) \$...... if the notice is delivered in person; or

(2) the cost of postage if the service is by registered or certified mail.

(c) A plaintiff who is unable to pay the filing fee and fee for service of notice may file with the court an affidavit of inability to pay under the Minnesota Rules of Civil Procedure.

(d) If the fee imposed under paragraph (a) is less than the filing fee the court imposes for filing other similar actions and the plaintiff prevails in the action, the court may order a defendant to pay to the court the differences between the fee paid under paragraph (a) and the filing fee the court imposes for filing other similar actions.

Subd. 6. Other remedies. (a) An obligor, person named as a debtor, owner of collateral, or any other person harmed by the filing of a financing statement in violation of subdivision 2, paragraph (a), also may request specific relief, including, but not limited to, terminating the financing statement and removing the debtor named in the financing statement from the index as provided in section 545.05, such that it will not appear in a search under that debtor name.

(b) This law is cumulative of other law under which a person may obtain judicial relief with respect to any filed or recorded document.

EFFECTIVE DATE. This section is effective July 1, 2006.

Sec. 13. **[609.7475] FRAUDULENT OR OTHERWISE IMPROPER FINANCING STATEMENTS.**

Subdivision 1. **Definition.** As used in this section, "record" has the meaning given in section 336.9-102.

Subd. 2. **Crime described.** A person who:

(1) knowingly causes to be presented for filing or promotes the filing of a record that:

(i) is not:

(A) related to a valid lien or security agreement; or

(B) filed pursuant to section 336.9-502(d); or

(ii) contains a forged signature or is based upon a document containing a forged signature; or

(2) presents for filing or causes to be presented for filing a record with the intent that it be used to harass or defraud any other person;

is guilty of a crime and may be sentenced as provided in subdivision 3.

Subd. 3. **Penalties.** (a) Except as provided in paragraph (b), a person who violates subdivision 2 is guilty of a gross misdemeanor.

(b) A person who violates subdivision 2 is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if the person:

(1) commits the offense with intent to influence or otherwise tamper with a juror or a judicial proceeding or with intent to retaliate against a judicial officer, as defined in section 609.415, or a prosecutor, defense attorney, or officer of the court, because of that person's performance of official duties in connection with a judicial proceeding; or

(2) commits the offense after having been previously convicted of a violation of this section.

Subd. 4. **Venue.** A violation of this section may be prosecuted in either the county of residence of the individual listed as debtor or the county in which the filing is made.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to crimes committed on or after that date.

ARTICLE 8

COMPUTER CRIMES

Section 1. Minnesota Statutes 2004, section 609.87, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** For purposes of sections 609.87 to ~~609.89~~, 609.891 and ~~section 609.891~~ 609.8912 to 609.8913, the terms defined in this section have the meanings given them.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to crimes committed on or after that date.

Sec. 2. Minnesota Statutes 2004, section 609.87, subdivision 11, is amended to read:

Subd. 11. **Computer security system.** "Computer security system" means a software program or computer device that:

(1) is intended to protect the confidentiality and secrecy of data and information stored in or accessible through the computer system; ~~and~~

(2) ~~displays a conspicuous warning to a user that the user is entering a secure system or requires a person seeking access to knowingly respond by use of an authorized code to the program or device in order to gain access.~~

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to crimes committed on or after that date.

Sec. 3. Minnesota Statutes 2004, section 609.87, is amended by adding a subdivision to read:

Subd. 13. **Encryption.** "Encryption" means any protective or disruptive measure, including but not limited to, cryptography, enciphering, or encoding that:

(1) causes or makes any data, information, image, program, signal, or sound unintelligible or unusable; or

(2) prevents, impedes, delays, or disrupts access to any data, information, image, program, signal, or sound.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to crimes committed on or after that date.

Sec. 4. Minnesota Statutes 2004, section 609.87, is amended by adding a subdivision to read:

Subd. 14. **Personal data.** "Personal data" means any computer property or computer program which contains records of the employment, salary, credit, or other financial or personal information relating to another person.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to crimes committed on or after that date.

Sec. 5. Minnesota Statutes 2004, section 609.891, subdivision 1, is amended to read:

Subdivision 1. **Crime.** A person is guilty of unauthorized computer access if the person intentionally and without ~~authority~~ authorization attempts to or does penetrate a computer security system.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to crimes committed on or after that date.

Sec. 6. Minnesota Statutes 2004, section 609.891, subdivision 3, is amended to read:

Subd. 3. **Gross misdemeanor.** (a) A person who violates subdivision 1 in a manner that creates a risk to public health and safety is guilty of a gross misdemeanor and may be sentenced to imprisonment for a term of not more than one year or to payment of a fine of not more than \$3,000, or both.

(b) A person who violates subdivision 1 in a manner that compromises the security of data that are protected under section 609.52, subdivision 2, clause (8), or are not public data as defined in section 13.02, subdivision 8a, is guilty of a gross misdemeanor and may be sentenced under paragraph (a).

(c) A person who violates subdivision 1 and gains access to personal data is guilty of a gross misdemeanor and may be sentenced under paragraph (a).

(d) A person who is convicted of a second or subsequent misdemeanor violation of subdivision 1 within five years is guilty of a gross misdemeanor and may be sentenced under paragraph (a).

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to crimes committed on or after that date.

Sec. 7. **[609.8912] CRIMINAL USE OF ENCRYPTION.**

Subdivision 1. **Crime.** Whoever intentionally uses or attempts to use encryption to do any of the following is guilty of criminal use of encryption and may be sentenced as provided in subdivision 2:

(1) to commit, further, or facilitate conduct constituting a crime;

(2) to conceal the commission of any crime;

(3) to conceal or protect the identity of a person who has committed any crime; or

(4) to prevent, impede, delay, or disrupt the normal operation or use of another's computer, computer program, or computer system.

Subd. 2. **Penalties.** (a) A person who violates subdivision 1 may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if:

(1) the crime referenced in subdivision 1, clause (1), (2), or (3), is a felony; or

(2) the person has two or more prior convictions for an offense under this section, section 609.88, 609.89, 609.891, or 609.8913, or similar laws of other states, the United States, the District of Columbia, tribal lands, and United States territories.

(b) A person who violates subdivision 1, under circumstances not described in paragraph (a), is guilty of a gross misdemeanor and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to crimes committed on or after that date.

Sec. 8. **[609.8913] FACILITATING ACCESS TO A COMPUTER SECURITY SYSTEM.**

A person is guilty of a gross misdemeanor if the person knows or has reason to know that by facilitating access to a computer security system the person is aiding another who intends to commit a crime and in fact commits a crime. For purposes of this section, "facilitating access" includes the intentional disclosure of a computer password, identifying code, personal information number, or other confidential information about a computer security system which provides a person with the means or opportunity for the commission of a crime.

EFFECTIVE DATE. This section is effective August 1, 2006, and applies to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to state government; providing certain general criminal and sentencing provisions; regulating controlled substances, DWI, and driving provisions; modifying or establishing various provisions related to public safety; regulating corrections, the courts and public defenders, and emergency communications; providing for electronic notarizations; regulating fraudulent or improper financing statements; regulating computer crimes; appropriating money; amending Minnesota Statutes 2004, sections 13.82, by adding a subdivision; 13.84, subdivisions 1, 2; 13.87, by adding a subdivision; 43A.08, subdivision 1; 48A.10, subdivision 3; 144.445, subdivision 1; 169.13; 169A.20, subdivision 1; 169A.24, subdivision 1; 169A.28, subdivision 1; 169A.45, subdivision 1; 169A.51, subdivisions 1, 2, 4, 7; 169A.52, subdivision 2; 169A.60, subdivisions 2, 4; 181.973; 219.97, subdivision 13; 237.49; 253B.02, subdivision 2; 299C.095, subdivision 2; 299E.01, subdivision 2; 299F.011, subdivision 5; 346.09, subdivision 1; 346.155, subdivisions 1, 4, 5, 10, by adding a subdivision; 347.04; 358.41; 358.42; 358.47; 358.50; 359.01, by adding a subdivision; 359.03, subdivision 3, by adding a subdivision; 359.04; 359.05; 359.085; 375A.13, subdivision 1; 383B.65, subdivision 2; 390.20; 390.33, subdivision 2; 403.02, by adding a subdivision; 403.08, subdivision 7; 403.11, subdivisions 3b, 3c; 403.113, subdivision 3; 403.21, subdivisions 2, 7, 9; 403.33; 403.34; 403.36, subdivision 1f; 480.181, subdivisions 1, 2; 480.182; 484.01, subdivision 1; 484.011; 484.012; 484.45; 484.54, subdivision 3; 484.545, subdivision 1; 484.64, subdivision 3; 484.65, subdivision 3; 484.68, subdivision 1; 484.702, subdivision 5; 485.018, subdivision 5; 485.021; 485.11; 517.041; 518.157, subdivision 2; 518B.01, by adding a subdivision; 525.9214; 546.27, subdivision 2; 609.101, subdivision 4; 609.102, subdivision 2; 609.11, subdivision 7; 609.2231, subdivision 6; 609.2242, subdivision 4; 609.233, subdivision 1, by adding a subdivision; 609.495, by adding a subdivision; 609.87, subdivisions 1, 11, by adding subdivisions; 609.891, subdivisions 1, 3; 611A.0315; 617.246, by adding a subdivision; 617.247, by adding a subdivision; 624.22, subdivision 8; 626.77, subdivision 3; 629.74; 641.25; Minnesota Statutes 2005 Supplement, sections 169A.52, subdivision 4; 169A.53, subdivision 3; 171.05, subdivision 2b; 171.055, subdivision 2; 243.166, subdivisions 1b, 4, 4b, 6; 244.052, subdivision 4; 244.10, subdivisions 5, 6, 7; 299C.40, subdivision 1; 299C.65, subdivision 2; 403.025, subdivision 7; 403.05, subdivision 3; 403.11, subdivisions 1, 3, 3a; 403.113, subdivision 1; 403.21, subdivision 8; 403.36, subdivision 1; 485.01; 485.03; 485.05; 518B.01, subdivision 22; 609.02, subdivision 16; 609.1095, subdivision 4; 609.3455, subdivisions 4, 8, by adding a subdivision; Laws 2002, chapter 266, section 1, as amended; Laws 2005, chapter 136, article 1, section 13, subdivision 3; article 16, sections 3; 4; 5; 6; proposing coding for new law in Minnesota Statutes, chapters 241; 299A; 340A; 484; 545; 604; 609; 626; repealing Minnesota Statutes 2004, sections 169A.41, subdivision 4; 403.08, subdivision 8; 403.22; 403.23; 403.24; 403.25; 403.26; 403.28; 403.29, subdivisions 1, 2, 3; 403.30, subdivisions 2, 4; 403.35; 484.013, subdivision 8; 484.545, subdivisions 2, 3; 484.55; 484.68, subdivision 7; 484.75; 485.018, subdivisions 2, 6, 8; 485.12; 487.01; 487.02; 487.03; 487.04; 487.07; 487.10; 487.11; 487.13; 487.14; 487.15; 487.16; 487.17; 487.18; 487.19; 487.191; 487.20; 487.21; 487.23; 487.24; 487.25; 487.26; 487.27; 487.28; 487.29; 487.31; 487.32; 487.33; 487.34; 487.36; 487.37; 487.38; 487.40; 488A.01; 488A.021; 488A.025; 488A.03; 488A.035; 488A.04; 488A.08; 488A.09; 488A.10; 488A.101; 488A.11; 488A.112; 488A.113; 488A.115; 488A.116; 488A.119; 488A.18; 488A.19; 488A.20; 488A.21; 488A.23; 488A.24; 488A.26; 488A.27; 488A.28; 488A.282; 488A.285; 488A.286; 488A.287; 525.011; 525.012; 525.013; 525.014; 525.015; 525.02; 525.03; 525.051; 525.052; 525.053; 525.06; 525.07; 525.08; 525.081; 525.082; 525.09; 609.108, subdivision 5; 609.109, subdivisions 1, 3; 625.09; Minnesota Statutes 2005 Supplement, sections 353.027; 485.03; 609.108, subdivisions 1, 3, 4, 6, 7; 609.109, subdivisions 2, 4, 5, 6."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Rules and Legislative Administration.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 2688, 3855 and 4162 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 2953 and 3199 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Sykora, Meslow and Greiling introduced:

H. F. No. 4173, A bill for an act relating to early childhood education; increasing funding for early childhood family education; amending Minnesota Statutes 2005 Supplement, section 124D.135, subdivision 1.

The bill was read for the first time and referred to the Committee on Education Finance.

Lenczewski introduced:

H. F. No. 4174, A bill for an act relating to taxation; modifying the treatment of certain income from foreign operations; amending Minnesota Statutes 2004, section 290.34, subdivision 1; Minnesota Statutes 2005 Supplement, section 290.01, subdivisions 6b, 19c, 19d.

The bill was read for the first time and referred to the Committee on Taxes.

Bernardy, Dorman, Hortman, Lenczewski, Greiling, Atkins and Sieben introduced:

H. F. No. 4175, A bill for an act relating to education finance; reducing school district levies; clarifying the state tax treatment of foreign operating corporations; appropriating money; amending Minnesota Statutes 2004, sections 126C.17, subdivision 6; 126C.44; 290.34, subdivision 1; Minnesota Statutes 2005 Supplement, sections 126C.10, subdivision 13a; 290.01, subdivisions 6b, 19c, 19d.

The bill was read for the first time and referred to the Committee on Education Finance.

McNamara introduced:

H. F. No. 4176, A bill for an act relating to gambling; broadening the definition of lawful purpose in respect to military families; amending Minnesota Statutes 2005 Supplement, section 349.12, subdivision 25.

The bill was read for the first time and referred to the Committee on Regulated Industries.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 1838, A bill for an act relating to traffic regulations; authorizing operation of neighborhood electric vehicles on streets and highways; amending Minnesota Statutes 2004, sections 168.011, by adding a subdivision; 168A.05, by adding a subdivision; 169.01, by adding a subdivision; Minnesota Statutes 2005 Supplement, section 168.011, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 169.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 2734, A bill for an act relating to natural and cultural resources; proposing an amendment to the Minnesota Constitution, article XI; increasing the sales tax rate by three-eighths of one percent and dedicating the receipts for natural and cultural resource purposes; creating an arts, humanities, museum, and public broadcasting fund; creating a heritage enhancement fund; creating a parks and trails fund; creating a clean water fund; establishing a Heritage Enhancement Council; establishing a Clean Water Council; amending Minnesota Statutes 2004, sections 297A.62, subdivision 1; 297A.94; 297B.02, subdivision 1; Minnesota Statutes 2005 Supplement, section 10A.01, subdivision 35; proposing coding for new law in Minnesota Statutes, chapters 85; 97A; 103F; 129D.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Sams, Saxhaug, Frederickson, Dibble and Cohen.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Paulsen moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 2734. The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 930, 2437, 2883, 2983, 3260 and 3526.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 930, A bill for an act relating to gambling; appropriating money for compulsive gambling prevention and education.

The bill was read for the first time and referred to the Committee on Ways and Means.

S. F. No. 2437, A bill for an act relating to the environment; requiring the replacement or discontinued operation of straight-pipe systems for sewage disposal within ten months of notice; amending Minnesota Statutes 2004, section 115.55, subdivision 1, by adding a subdivision.

The bill was read for the first time.

Tingelstad moved that S. F. No. 2437 and H. F. No. 2839, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2883, A bill for an act relating to human services; modifying child care licensing provisions; amending Minnesota Statutes 2005 Supplement, section 245A.14, subdivisions 4, 12, 13.

The bill was read for the first time.

Poppe moved that S. F. No. 2883 and H. F. No. 2977, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2983, A bill for an act relating to motor vehicles; requiring notice on vehicle to be dismantled or destroyed; modifying definition of "motorized foot scooter"; amending Minnesota Statutes 2004, section 168A.153; Minnesota Statutes 2005 Supplement, section 169.01, subdivision 4c.

The bill was read for the first time.

Beard moved that S. F. No. 2983 and H. F. No. 3201, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 3260, A bill for an act relating to biotechnology zones; authorizing the designation of additional biotechnology and health sciences industry zones; amending Minnesota Statutes 2004, section 469.334, subdivisions 1, 4.

The bill was read for the first time and referred to the Committee on Jobs and Economic Opportunity Policy and Finance.

S. F. No. 3526, A bill for an act relating to highways; designating the Shawn Silvera Memorial Highway; amending Minnesota Statutes 2004, section 161.14, by adding a subdivision.

The bill was read for the first time.

Vandever moved that S. F. No. 3526 and H. F. No. 3805, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

REPORT FROM THE COMMITTEE ON RULES AND
LEGISLATIVE ADMINISTRATION

Paulsen from the Committee on Rules and Legislative Administration, pursuant to rule 1.21, designated the following bills to be placed on the Supplemental Calendar for the Day for Thursday, April 27, 2006:

H. F. Nos. 3258, 3171, 2500, 3760 and 3915.

CALENDAR FOR THE DAY

H. F. No. 1464 was reported to the House.

Dean moved that H. F. No. 1464 be returned to the General Register. The motion prevailed.

H. F. No. 3525 was reported to the House.

Nelson, M., offered an amendment to H. F. No. 3525, the first engrossment.

POINT OF ORDER

Paulsen raised a point of order pursuant to rule 3.21 that the Nelson, M., amendment was not in order. Speaker pro tempore Davids ruled the point of order well taken and the Nelson, M., amendment out of order.

Nelson, M., and Gunther moved to amend H. F. No. 3525, the first engrossment, as follows:

Page 33, after line 28, insert:

"ARTICLE 11

FISCAL CHANGES; APPROPRIATIONS

Section 1. Minnesota Statutes 2004, section 16B.61, subdivision 1a, is amended to read:

Subd. 1a. **Administration by commissioner.** The commissioner shall administer and enforce the State Building Code as a municipality with respect to public buildings and state licensed facilities in the state. The commissioner shall establish appropriate permit, plan review, ~~and inspection fees, and surcharges~~ for public buildings and state licensed facilities. ~~Fees and surcharges for public buildings and state licensed facilities must be remitted to the commissioner, who shall deposit them in the state treasury for credit to the special revenue fund.~~

Municipalities other than the state having an agreement with the commissioner for code administration and enforcement service for public buildings and state licensed facilities shall charge their customary fees, including surcharge, to be paid directly to the jurisdiction by the applicant seeking authorization to construct a public building or a state licensed facility. The commissioner shall sign an agreement with a municipality other than the state for plan review, code administration, and code enforcement service for public buildings and state licensed facilities in the jurisdiction if the building officials of the municipality meet the requirements of section 16B.65 and wish to provide those services and if the commissioner determines that the municipality has enough adequately trained and qualified building inspectors to provide those services for the construction project.

The commissioner may direct the state building official to assist a community that has been affected by a natural disaster with building evaluation and other activities related to building codes.

Administration and enforcement in a municipality under this section must apply any optional provisions of the State Building Code adopted by the municipality. A municipality adopting any optional code provision shall notify the state building official within 30 days of its adoption.

The commissioner shall administer and enforce the provisions of the code relating to elevators statewide, except as provided for under section 16B.747, subdivision 3.

Sec. 2. Minnesota Statutes 2004, section 16B.65, subdivision 1, is amended to read:

Subdivision 1. **Designation.** ~~By January 1, 2002,~~ Each municipality shall designate a building official to administer the code. A municipality may designate no more than one building official responsible for code administration defined by each certification category established in rule. Two or more municipalities may combine in the designation of a building official for the purpose of administering the provisions of the code within their communities. In those municipalities for which no building officials have been designated, the state building official may use whichever state employees are necessary to perform the duties of the building official until the municipality makes a temporary or permanent designation. All costs incurred by virtue of these services rendered by state employees must be borne by the involved municipality and receipts arising from these services must be paid ~~into the state treasury and credited to the special revenue fund~~ to the commissioner.

Sec. 3. Minnesota Statutes 2004, section 16B.65, subdivision 5a, is amended to read:

Subd. 5a. **Administrative action and penalties.** The commissioner shall, by rule, establish a graduated schedule of administrative actions for violations of sections 16B.59 to 16B.75 and rules adopted under those sections. The schedule must be based on and reflect the culpability, frequency, and severity of the violator's actions. The commissioner may impose a penalty from the schedule on a certification holder for a violation of sections 16B.59 to 16B.75 and rules adopted under those sections. The penalty is in addition to any criminal penalty imposed for the same violation. ~~Administrative monetary penalties imposed by the commissioner must be paid to the special revenue fund.~~

Sec. 4. Minnesota Statutes 2004, section 16B.70, subdivision 2, is amended to read:

Subd. 2. **Collection and reports.** All permit surcharges must be collected by each municipality and a portion of them remitted to the state. Each municipality having a population greater than 20,000 people shall prepare and submit to the commissioner once a month a report of fees and surcharges on fees collected during the previous month but shall retain the greater of two percent or that amount collected up to \$25 to apply against the administrative expenses the municipality incurs in collecting the surcharges. All other municipalities shall submit the report and surcharges on fees once a quarter but shall retain the greater of four percent or that amount collected up to \$25 to apply against the administrative expenses the municipalities incur in collecting the surcharges. The report, which must be in a form prescribed by the commissioner, must be submitted together with a remittance covering the surcharges collected by the 15th day following the month or quarter in which the surcharges are collected. ~~All money collected by the commissioner through surcharges and other fees prescribed by sections 16B.59 to 16B.75 shall be deposited in the state government special revenue fund and is appropriated to the commissioner for the purpose of administering and enforcing the State Building Code under sections 16B.59 to 16B.75.~~

Sec. 5. Minnesota Statutes 2004, section 326.992, is amended to read:

326.992 BOND REQUIREMENT; GAS, HEATING, VENTILATION, AIR CONDITIONING, REFRIGERATION (G/HVACR) CONTRACTORS.

(a) A person contracting to do gas, heating, ventilation, cooling, air conditioning, fuel burning, or refrigeration work must give bond to the state in the amount of \$25,000 for all work entered into within the state. The bond must be for the benefit of persons suffering financial loss by reason of the contractor's failure to comply with the

requirements of the State Mechanical Code. A bond given to the state must be filed with the commissioner ~~of administration of labor and industry~~ and is in lieu of all other bonds to any political subdivision required for work covered by this section. The bond must be written by a corporate surety licensed to do business in the state.

(b) The commissioner ~~of administration of labor and industry~~ may charge each person giving bond under this section an annual bond filing fee of \$15. ~~The money must be deposited in a special revenue fund and is appropriated to the commissioner to cover the cost of administering the bond program.~~

Sec. 6. **[326B.04] DEPOSIT OF MONEY.**

Subdivision 1. **Construction code fund.** There is created in the state treasury a construction code fund as a special revenue fund for the purpose of administering this chapter, sections 327.31 to 327.36, and chapter 327B. All money collected under those sections, except penalties, is credited to the construction code fund unless otherwise specifically designated by law. Any interest or profit accruing from investment of these sums is credited to the construction code fund. All money collected in the construction code fund is appropriated to the commissioner of labor and industry to administer and enforce the provisions of the laws identified in this section.

Unless otherwise provided by law, all penalties assessed under this chapter, section 327.35, and chapter 327B are credited to the assigned risk safety account established by section 79.253.

Subd. 2. **Deposits.** All remaining balances as of June 30, 2006, in the state government special revenue fund and special revenue fund accounts maintained for the Building Codes and Standards Division, Board of Electricity, and plumbing and engineering unit are transferred to the construction code fund. Unless otherwise specifically designated by law: (1) all money collected under chapter 183 and sections 16B.59 to 16B.76; 144.122, paragraph (f); 326.241 to 326.248; 326.37 to 326.521; 326.57 to 326.65; 326.83 to 326.992; 327.31 to 327.36; and 327B.01 to 327B.12, except penalties, is credited to the construction code fund; (2) all fees collected under section 45.23 in connection with continuing education for residential contractors, residential remodelers, and residential roofers are credited to the construction code fund; and (3) all penalties assessed under the sections set forth in clauses (1) and (2) and all penalties assessed under sections 144.99 to 144.993 in connection with any violation of sections 326.37 to 326.45 or 326.57 to 326.65 or the rules adopted under those sections are credited to the assigned risk safety account established by section 79.253.

Sec. 7. Minnesota Statutes 2004, section 327.33, subdivision 2, is amended to read:

Subd. 2. **Fees.** The commissioner shall by rule establish reasonable fees for seals, installation seals and inspections which are sufficient to cover all costs incurred in the administration of sections 327.31 to 327.35. The commissioner shall also establish by rule a monitoring inspection fee in an amount that will comply with the secretary's fee distribution program. This monitoring inspection fee shall be an amount paid by the manufacturer for each manufactured home produced in Minnesota. The monitoring inspection fee shall be paid by the manufacturer to the secretary. The rules of the fee distribution program require the secretary to distribute the fees collected from all manufactured home manufacturers among states approved and conditionally approved based on the number of new manufactured homes whose first location after leaving the manufacturer is on the premises of a distributor, dealer or purchaser in that state. ~~All money collected by the commissioner through fees prescribed by sections 327.31 to 327.36 shall be deposited in the state government special revenue fund and is appropriated to the commissioner for the purpose of administering and enforcing the Manufactured Home Building Code under sections 327.31 to 327.36.~~

Sec. 8. Minnesota Statutes 2004, section 327.33, subdivision 6, is amended to read:

Subd. 6. **Authorization as agency.** The commissioner shall apply to the secretary for approval of the commissioner as the administrative agency for the regulation of manufactured homes under the rules of the secretary. The commissioner may make rules for the administration and enforcement of department responsibilities as a state administrative agency including, but not limited to, rules for the handling of citizen's complaints. All money received for services provided by the commissioner or the department's authorized agents as a state

administrative agency shall be deposited in the ~~general construction code~~ fund. The commissioner is charged with the adoption, administration, and enforcement of the Manufactured Home Construction and Safety Standards, consistent with rules and regulations promulgated by the United States Department of Housing and Urban Development. The commissioner may adopt the rules, codes, and standards necessary to enforce the standards promulgated under this section. The commissioner is authorized to conduct hearings and presentations of views consistent with regulations adopted by the United States Department of Housing and Urban Development and to adopt rules in order to carry out this function.

Sec. 9. Minnesota Statutes 2004, section 327B.04, subdivision 7, is amended to read:

Subd. 7. **Fees; licenses; when granted.** Each application for a license or license renewal must be accompanied by a fee in an amount established by the commissioner by rule pursuant to section 327B.10. The fees shall be set in an amount which over the fiscal biennium will produce revenues approximately equal to the expenses which the commissioner expects to incur during that fiscal biennium while administering and enforcing sections 327B.01 to 327B.12. ~~All money collected by the commissioner through fees prescribed in sections 327B.01 to 327B.12 shall be deposited in the state government special revenue fund and is appropriated to the commissioner for purposes of administering and enforcing the provisions of this chapter.~~ The commissioner shall grant or deny a license application or a renewal application within 60 days of its filing. If the license is granted, the commissioner shall license the applicant as a dealer or manufacturer for the remainder of the calendar year. Upon application by the licensee, the commissioner shall renew the license for a two year period, if:

- (a) the renewal application satisfies the requirements of subdivisions 3 and 4;
- (b) the renewal applicant has made all listings, registrations, notices and reports required by the commissioner during the preceding year; and
- (c) the renewal applicant has paid all fees owed pursuant to sections 327B.01 to 327B.12 and all taxes, arrearages, and penalties owed to the state.

Sec. 10. Minnesota Statutes 2004, section 471.471, subdivision 4, is amended to read:

Subd. 4. **Application process.** A person seeking a waiver shall apply to the ~~Building Code and Standards Division of the Department of Administration~~ Labor and Industry on a form prescribed by the board and pay a \$70 fee ~~to the construction code fund~~. The division shall review the application to determine whether it appears to be meritorious, using the standards set out in subdivision 3. The division shall forward applications it considers meritorious to the board, along with a list and summary of applications considered not to be meritorious. The board may require the division to forward to it an application the division has considered not to be meritorious. The board shall issue a decision on an application within 90 days of its receipt. A board decision to approve an application must be unanimous. An application that contains false or misleading information must be rejected.

Sec. 11. **REPEALER.**

Minnesota Statutes 2004, sections 16B.747, subdivision 4; 183.375, subdivision 5; 326.241, subdivision 3; 326.44; 326.52; and 326.64, and Minnesota Statutes 2005 Supplement, section 183.545, subdivision 9, are repealed.

Sec. 12. **APPROPRIATIONS; REDUCTIONS.**

Subdivision 1. Department of Commerce.

The fiscal year 2007 appropriation from the general fund for the Department of Commerce administrative services made under Laws 2005, First Special Session chapter 1, article 3, section 4, subdivision 4, is reduced by \$89,000 and the fiscal year 2007

appropriation from the general fund for the Department of Commerce market assurance made under Laws 2005, First Special Session chapter 1, article 3, section 4, subdivision 5, is reduced by \$459,000 to reflect the transfer of the residential contractor and remodeling unit to the construction code fund.

Subd. 2. Labor and Industry.

The fiscal year 2007 appropriation from the general fund for the Department of Labor and Industry workplace services made under Laws 2005, First Special Session chapter 1, article 3, section 7, subdivision 3, is reduced by \$2,178,000 to reflect the transfer of the boiler and high-pressure piping unit to the construction code fund.

The Department of Labor and Industry must perform an analysis of all fees collected by the Construction Codes and Licensing Division and submit recommendations for fee adjustments to the 2007 legislature.

On or before June 30, 2007, the commissioner of labor and industry shall transfer \$1,759,000 from the construction code fund, created in article 3, section 6, to the general fund.

Subd. 3. Department of Health.

The fiscal year 2007 appropriation from the state government special revenue fund for the Department of Health health protection made under Laws 2005, First Special Session chapter 4, article 9, section 3, subdivision 4, is reduced by \$1,831,000 to reflect the transfer of the plumbing and engineering unit to the construction code fund.

Sec. 13. EFFECTIVE DATE.

This article is effective July 1, 2006."

Renumber the sections in sequence, renumber articles, and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Mullery moved to amend H. F. No. 3525, the first engrossment, as amended, as follows:

Page 17, line 14, before "high" insert "and" and strike "steam" and delete ", and ammonia"

Page 17, line 15, delete "refrigeration piping"

Page 17, line 25, reinstate the stricken language

Page 17, line 26, reinstate the stricken "Plumbing Code and the Electrical Code when enforced by the" and insert "Commissioner of the Department of Labor and Industry"

The motion prevailed and the amendment was adopted.

Goodwin, Slawik, Eken, Hornstein, Haws, Sieben and Hilstrom offered an amendment to H. F. No. 3525, the first engrossment, as amended.

POINT OF ORDER

Wilkin raised a point of order pursuant to rule 3.21 that the Goodwin et al amendment was not in order. Speaker pro tempore Davids ruled the point of order well taken and the Goodwin et al amendment out of order.

Goodwin appealed the decision of Speaker pro tempore Davids.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of Speaker pro tempore Davids stand as the judgment of the House?" and the roll was called. There were 68 yeas and 58 nays as follows:

Those who voted in the affirmative were:

Abeler	Davids	Gazelka	Krinkie	Peppin	Urdahl
Abrams	Dean	Gunther	Lanning	Peterson, N.	Vandever
Anderson, B.	DeLaForest	Hackbarth	Magnus	Powell	Wardlow
Beard	Demmer	Hamilton	McNamara	Ruth	Westerberg
Blaine	Dempsey	Heidgerken	Meslow	Samuelson	Westrom
Bradley	Dorman	Holberg	Nelson, P.	Seifert	Wilkin
Brod	Eastlund	Hoppe	Newman	Severson	Zellers
Buesgens	Emmer	Howes	Nornes	Simpson	Spk. Sviggum
Charron	Erhardt	Johnson, J.	Olson	Smith	
Cornish	Erickson	Klinzing	Ozment	Soderstrom	
Cox	Finstad	Knoblach	Paulsen	Sykora	
Cybart	Garofalo	Kohls	Penas	Tingelstad	

Those who voted in the negative were:

Anderson, I.	Fritz	Hosch	Lenczewski	Nelson, M.	Sertich
Atkins	Goodwin	Huntley	Lesch	Otremba	Sieben
Bernardy	Greiling	Jaros	Liebling	Pelowski	Simon
Carlson	Hansen	Johnson, R.	Lieder	Peterson, A.	Slawik
Clark	Hausman	Johnson, S.	Lillie	Peterson, S.	Thao
Davnie	Haws	Juhnke	Loeffler	Poppe	Wagenius
Dill	Hilstrom	Kelliher	Mahoney	Rukavina	Walker
Dorn	Hilty	Koenen	Marquart	Ruud	Walti
Eken	Hornstein	Larson	Moe	Sailer	
Entenza	Hortman	Latz	Mullery	Scalze	

So it was the judgment of the House that the decision of Speaker pro tempore Davids should stand.

Mahoney moved to amend H. F. No. 3525, the first engrossment, as amended, as follows:

Page 7, after line 17, insert:

"Subd. 6. **Apprentice wages.** (a) A violation of this subdivision is subject to the penalties in section 326B.082. Determination of the graduated schedule of wages for an apprenticeship agreement will be determined by the percentage rate used in the majority of individual apprenticeship agreements on file with the Department of Labor and Industry, Division of Voluntary Apprenticeship, in any particular trade. The beginning rate must be at least the federal or state minimum wage rate, whichever is higher.

(b) The journeyman wage rate for apprenticeship agreements, where no bargaining agreement exists, shall be determined by counties, for all trades. If there is either a state or federal prevailing wage determination or apprenticeship agreement for a trade, the most current rate of the determination or agreement must be used as the journeyman wage rate.

(c) This subdivision does not apply to programs in penal institutions including stipends paid by the Department of Corrections."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

POINT OF ORDER

Wilkin raised a point of order pursuant to rule 3.21 that the Mahoney amendment was not in order. Speaker pro tempore Davids ruled the point of order not well taken and the Mahoney amendment in order.

Simpson moved that H. F. No. 3525, the first engrossment, as amended, be continued on the Calendar for the Day. The motion prevailed.

S. F. No. 2646 was reported to the House.

Paymar moved to amend S. F. No. 2646 as follows:

Page 1, line 10, after "instruction" insert ", beginning January 1, 2007,"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 2646, A bill for an act relating to drivers' licenses; requiring at least 30 minutes of driver education on organ and tissue donation; permanently suspending statute creating vehicle insurance sampling program; amending Minnesota Statutes 2004, section 171.0701; Laws 2005, First Special Session chapter 6, article 3, section 109.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 3 nays as follows:

Those who voted in the affirmative were:

Abeler	Dempsey	Heidgerken	Larson	Ozment	Simpson
Abrams	Dill	Hilstrom	Latz	Paulsen	Slawik
Anderson, B.	Dittrich	Hilty	Lenczewski	Paymar	Smith
Anderson, I.	Dorman	Holberg	Lesch	Pelowski	Soderstrom
Atkins	Dorn	Hoppe	Liebling	Penas	Solberg
Beard	Eastlund	Hornstein	Lieder	Peppin	Sykora
Bernardy	Eken	Hortman	Lillie	Peterson, A.	Thao
Blaine	Entenza	Hosch	Loeffler	Peterson, N.	Thissen
Bradley	Erhardt	Howes	Magnus	Peterson, S.	Tingelstad
Brod	Erickson	Huntley	Mahoney	Poppe	Urdahl
Buesgens	Finstad	Jaros	Marquart	Powell	Wagenius
Carlson	Fritz	Johnson, J.	McNamara	Rukavina	Walker
Charron	Garofalo	Johnson, R.	Meslow	Ruth	Wardlow
Clark	Gazelka	Johnson, S.	Moe	Ruud	Welti
Cornish	Goodwin	Juhnke	Mullery	Sailer	Westerberg
Cox	Greiling	Kahn	Murphy	Samuelson	Westrom
Cybart	Gunther	Kelliher	Nelson, M.	Scalze	Wilkin
Davids	Hackbarth	Klinzing	Nelson, P.	Seifert	Zellers
Davnie	Hamilton	Knoblach	Newman	Sertich	Spk. Sviggum
Dean	Hansen	Koenen	Nornes	Severson	
DeLaForest	Hausman	Kohls	Olson	Sieben	
Demmer	Haws	Lanning	Otremba	Simon	

Those who voted in the negative were:

Emmer Krinkie Vandever

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

The Speaker assumed the Chair.

S. F. No. 2532, A bill for an act relating to health; changing the expiration date for radiation therapy facility construction limitations; amending Minnesota Statutes 2004, section 144.5509.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called.

Pursuant to rule 2.05, the Speaker excused Krinkie from voting on the final passage of S. F. No. 2532.

There were 90 yeas and 39 nays as follows:

Those who voted in the affirmative were:

Abeler	Bernardy	Carlson	Cox	Davnie	Dill
Anderson, I.	Bradley	Clark	Cybart	Demmer	Dittrich
Atkins	Brod	Cornish	Davids	Dempsey	Dorman

Dorn	Hansen	Kahn	McNamara	Peterson, A.	Solberg
Eastlund	Haws	Koenen	Meslow	Peterson, N.	Sykora
Eken	Heidgerken	Kohls	Moe	Peterson, S.	Thao
Entenza	Hoppe	Lanning	Mullery	Poppe	Thissen
Erhardt	Hortman	Larson	Murphy	Powell	Tingelstad
Erickson	Hosch	Latz	Nelson, M.	Rukavina	Urdahl
Fritz	Howes	Lesch	Nelson, P.	Ruth	Walker
Garofalo	Jaros	Liebling	Nornes	Sailer	Wardlow
Gazelka	Johnson, J.	Lieder	Otremba	Samuelson	Wolti
Gunther	Johnson, R.	Loeffler	Ozment	Simon	Westerberg
Hackbarth	Johnson, S.	Magnus	Penas	Simpson	Wilkin
Hamilton	Juhnke	Mahoney	Peppin	Soderstrom	Spk. Sviggum

Those who voted in the negative were:

Abrams	Emmer	Hornstein	Marquart	Scalze	Vandevveer
Anderson, B.	Finstad	Huntley	Newman	Seifert	Wagenius
Beard	Goodwin	Kelliher	Olson	Sertich	Westrom
Blaine	Greiling	Klinzing	Paulsen	Severson	Zellers
Buesgens	Hilstrom	Knoblauch	Paymar	Sieben	
Dean	Hilty	Lenczewski	Pelowski	Slawik	
DeLaForest	Holberg	Lillie	Ruud	Smith	

The bill was passed and its title agreed to.

H. F. No. 3258 was reported to the House.

Brod moved to amend H. F. No. 3258, the second engrossment, as follows:

Page 6, after line 15, insert:

"Sec. 5. **APPROPRIATION.**

In fiscal year 2007, \$116,000 is appropriated from the general fund to the commissioner of health for the abortion reporting requirements in Minnesota Statutes, section 144.3431. The base for this activity is decreased by \$20,000 in fiscal year 2009."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

POINT OF ORDER

Kahn raised a point of order pursuant to rule 4.03. The Speaker ruled the point of order not well taken.

The Speaker called Davids to the Chair.

Sieben and Thissen offered an amendment to H. F. No. 3258, the second engrossment, as amended.

POINT OF ORDER

Bradley raised a point of order pursuant to rule 3.21 that the Sieben and Thissen amendment was not in order. Speaker pro tempore Davids ruled the point of order well taken and the Sieben and Thissen amendment out of order.

Abrams was excused for the remainder of today's session.

The Speaker resumed the Chair.

H. F. No. 3258, as amended, was read for the third time.

MOTION FOR RECONSIDERATION

Clark moved that the action whereby H. F. No. 3258, as amended, was given its third reading be now reconsidered.

A roll call was requested and properly seconded.

The question was taken on the Clark motion and the roll was called. There were 55 yeas and 77 nays as follows:

Those who voted in the affirmative were:

Atkins	Erhardt	Huntley	Lieder	Peterson, S.	Thao
Bernardy	Goodwin	Jaros	Lillie	Poppe	Thissen
Carlson	Greiling	Johnson, R.	Loeffler	Rukavina	Wagenius
Clark	Hansen	Johnson, S.	Mahoney	Ruud	Walker
Davnie	Hausman	Kahn	Moe	Sailer	Walti
Dittrich	Haws	Kelliher	Mullery	Scalze	
Dorn	Hilstrom	Larson	Nelson, M.	Sertich	
Eken	Hilty	Latz	Newman	Sieben	
Ellison	Hornstein	Lesch	Paymar	Simon	
Entenza	Hortman	Liebling	Peterson, A.	Slawik	

Those who voted in the negative were:

Abeler	Cornish	Dorman	Hackbarth	Klinzing	McNamara
Anderson, B.	Cox	Eastlund	Hamilton	Knoblach	Meslow
Anderson, I.	Cybart	Emmer	Heidgerken	Koenen	Murphy
Beard	Davids	Erickson	Holberg	Kohls	Nelson, P.
Blaine	Dean	Finstad	Hoppe	Krinkie	Nornes
Bradley	DeLaForest	Fritz	Hosch	Lanning	Olson
Brod	Demmer	Garofalo	Howes	Lenczewski	Otremba
Buesgens	Dempsey	Gazelka	Johnson, J.	Magnus	Ozment
Charron	Dill	Gunther	Juhnke	Marquart	Paulsen

Pelowski	Powell	Severson	Solberg	Vandever	Wilkin
Penas	Ruth	Simpson	Sykora	Wardlow	Zellers
Peppin	Samuelson	Smith	Tingelstad	Westerberg	Spk. Sviggum
Peterson, N.	Seifert	Soderstrom	Urdahl	Westrom	

The motion did not prevail.

H. F. No. 3258, A bill for an act relating to health; requiring reporting on notification that is required before an abortion is performed on a minor or certain other women; providing civil penalties; appropriating money; amending Minnesota Statutes 2004, section 13.3806, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 144; 145.

The bill, as amended, was placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 81 yeas and 50 nays as follows:

Those who voted in the affirmative were:

Abeler	DeLaForest	Hackbarth	Krinkie	Ozment	Sykora
Anderson, B.	Demmer	Hamilton	Lanning	Paulsen	Tingelstad
Anderson, I.	Dempsey	Haws	Lenczewski	Pelowski	Urdahl
Beard	Dill	Heidgerken	Lieder	Penas	Vandever
Blaine	Dorn	Holberg	Magnus	Peppin	Wardlow
Bradley	Eastlund	Hoppe	Marquart	Peterson, N.	Walti
Brod	Eken	Hosch	McNamara	Powell	Westerberg
Buesgens	Emmer	Howes	Meslow	Ruth	Westrom
Charron	Erickson	Johnson, J.	Murphy	Samuelson	Wilkin
Cornish	Finstad	Juhnke	Nelson, P.	Seifert	Zellers
Cox	Fritz	Klinzing	Newman	Severson	Spk. Sviggum
Cybart	Garofalo	Knoblach	Nornes	Simpson	
Davids	Gazelka	Koenen	Olson	Smith	
Dean	Gunther	Kohls	Otremba	Soderstrom	

Those who voted in the negative were:

Atkins	Erhardt	Huntley	Liebling	Peterson, S.	Slawik
Bernardy	Goodwin	Jaros	Lillie	Poppe	Thao
Carlson	Greiling	Johnson, R.	Loeffler	Rukavina	Thissen
Clark	Hansen	Johnson, S.	Mahoney	Ruud	Wagenius
Davnie	Hausman	Kahn	Moe	Sailer	Walker
Dittrich	Hilstrom	Kelliher	Mullery	Scalze	
Dorman	Hilty	Larson	Nelson, M.	Sertich	
Ellison	Hornstein	Latz	Paymar	Sieben	
Entenza	Hortman	Lesch	Peterson, A.	Simon	

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

H. F. No. 2574 was reported to the House.

Howes, Moe, Gazelka, Huntley, Powell, Blaine, Juhnke, Abeler, Sailer and Simpson moved to amend H. F. No. 2574 as follows:

Page 3, after line 35, insert:

"Sec. 2. Minnesota Statutes 2004, section 144A.071, subdivision 4c, is amended to read:

Subd. 4c. **Exceptions for replacement beds after June 30, 2003.** (a) The commissioner of health, in coordination with the commissioner of human services, may approve the renovation, replacement, upgrading, or relocation of a nursing home or boarding care home, under the following conditions:

(1) to license and certify an 80-bed city-owned facility in Nicollet County to be constructed on the site of a new city-owned hospital to replace an existing 85-bed facility attached to a hospital that is also being replaced. The threshold allowed for this project under section 144A.073 shall be the maximum amount available to pay the additional medical assistance costs of the new facility;

(2) to license and certify 29 beds to be added to an existing 69-bed facility in St. Louis County, provided that the 29 beds must be transferred from active or layaway status at an existing facility in St. Louis County that had 235 beds on April 1, 2003.

The licensed capacity at the 235-bed facility must be reduced to 206 beds, but the payment rate at that facility shall not be adjusted as a result of this transfer. The operating payment rate of the facility adding beds after completion of this project shall be the same as it was on the day prior to the day the beds are licensed and certified. This project shall not proceed unless it is approved and financed under the provisions of section 144A.073; ~~and~~

(3) to license and certify a new 60-bed facility in Austin, provided that: (i) 45 of the new beds are transferred from a 45-bed facility in Austin under common ownership that is closed and 15 of the new beds are transferred from a 182-bed facility in Albert Lea under common ownership; (ii) the commissioner of human services is authorized by the 2004 legislature to negotiate budget-neutral planned nursing facility closures; and (iii) money is available from planned closures of facilities under common ownership to make implementation of this clause budget-neutral to the state. The bed capacity of the Albert Lea facility shall be reduced to 167 beds following the transfer. Of the 60 beds at the new facility, 20 beds shall be used for a special care unit for persons with Alzheimer's disease or related dementias; and

(4) to license and certify up to 80 beds transferred from an existing state-owned nursing facility in Cass County to a new facility located on the grounds of the Ah-Gwah-Ching campus. The operating cost payment rates for the new facility shall be determined based on the interim and settle-up payment provisions of Minnesota Rules, part 9549.0057, and the reimbursement provisions of section 256B.431. The property payment rate for the first three years of operation shall be \$35 per day. For subsequent years, the property payment rate of \$35 per day shall be adjusted for inflation as provided in section 256B.434, subdivision 4, paragraph (c), as long as the facility has a contract under section 256B.434.

(b) Projects approved under this subdivision shall be treated in a manner equivalent to projects approved under subdivision 4a."

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 2574, A bill for an act relating to health; providing an exception to the hospital construction moratorium for a facility in Cass County; providing for the licensing and certification of certain nursing home or boarding care home beds transferred from a certain existing facility in Cass County to a new facility; amending Minnesota Statutes 2004, section 144A.071, subdivision 4c; Minnesota Statutes 2005 Supplement, section 144.551, subdivision 1.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Dill	Heidgerken	Lanning	Otremba	Simon
Anderson, B.	Dittrich	Hilstrom	Larson	Ozment	Simpson
Anderson, I.	Dorman	Hilty	Latz	Paulsen	Slawik
Atkins	Dorn	Holberg	Lenczewski	Paymar	Smith
Beard	Eastlund	Hoppe	Lesch	Pelowski	Soderstrom
Bernardy	Eken	Hornstein	Liebling	Penas	Solberg
Blaine	Ellison	Hortman	Lieder	Peppin	Sykora
Bradley	Emmer	Hosch	Lillie	Peterson, A.	Thao
Brod	Entenza	Howes	Loeffler	Peterson, N.	Thissen
Buesgens	Erhardt	Huntley	Magnus	Peterson, S.	Tingelstad
Carlson	Erickson	Jaros	Mahoney	Poppe	Urdahl
Charron	Finstad	Johnson, J.	Marquart	Powell	Vandever
Clark	Fritz	Johnson, R.	McNamara	Rukavina	Wagenius
Cornish	Garofalo	Johnson, S.	Meslow	Ruth	Walker
Cox	Goodwin	Juhnke	Moe	Ruud	Wardlow
Cybart	Greiling	Kahn	Mullery	Sailer	Welti
Davids	Gunther	Kelliher	Murphy	Samuelson	Westerberg
Davnie	Hackbarth	Klinzing	Nelson, M.	Scalze	Westrom
Dean	Hamilton	Knoblach	Nelson, P.	Seifert	Wilkin
DeLaForest	Hansen	Koenen	Newman	Sertich	Zellers
Demmer	Hausman	Kohls	Nornes	Severson	Spk. Sviggum
Dempsey	Haws	Krinkie	Olson	Sieben	

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

H. F. No. 2854, A bill for an act relating to health; providing an exception to hospital restricted construction or modification; amending Minnesota Statutes 2005 Supplement, section 144.551, subdivision 1.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Bernardy	Carlson	Cybart	Demmer	Dorn
Anderson, B.	Blaine	Charron	Davids	Dempsey	Eastlund
Anderson, I.	Bradley	Clark	Davnie	Dill	Eken
Atkins	Brod	Cornish	Dean	Dittrich	Ellison
Beard	Buesgens	Cox	DeLaForest	Dorman	Emmer

Entenza	Hilty	Koenen	Moe	Peterson, S.	Soderstrom
Erhardt	Holberg	Kohls	Mullery	Poppe	Solberg
Erickson	Hoppe	Krinkie	Murphy	Powell	Sykora
Finstad	Hornstein	Lanning	Nelson, M.	Rukavina	Thao
Fritz	Hortman	Larson	Nelson, P.	Ruth	Thissen
Garofalo	Hosch	Latz	Newman	Ruud	Tingelstad
Gazelka	Howes	Lenczewski	Nornes	Sailer	Urdahl
Goodwin	Huntley	Lesch	Olson	Samuelson	Vandever
Greiling	Jaros	Liebling	Otremba	Scalze	Wagenius
Gunther	Johnson, J.	Lieder	Ozment	Seifert	Walker
Hackbarth	Johnson, R.	Lillie	Paulsen	Sertich	Wardlow
Hamilton	Johnson, S.	Loeffler	Paymar	Severson	Welti
Hansen	Juhnke	Magnus	Pelowski	Sieben	Westerberg
Hausman	Kahn	Mahoney	Penas	Simon	Westrom
Haws	Kelliher	Marquart	Peppin	Simpson	Wilkin
Heidgerken	Klinzing	McNamara	Peterson, A.	Slawik	Zellers
Hilstrom	Knoblach	Meslow	Peterson, N.	Smith	Spk. Sviggum

The bill was passed and its title agreed to.

H. F. No. 2500 was reported to the House.

Wilkin, Bradley, Abeler, Demmer, Davnie and Huntley moved to amend H. F. No. 2500, the first engrossment, as follows:

Page 5, delete section 3 and insert:

"Sec. 3. Minnesota Statutes 2004, section 62A.65, subdivision 3, is amended to read:

Subd. 3. **Premium rate restrictions.** No individual health plan may be offered, sold, issued, or renewed to a Minnesota resident unless the premium rate charged is determined in accordance with the following requirements:

(a) Premium rates must be no more than 25 percent above and no more than 25 percent below the index rate charged to individuals for the same or similar coverage, adjusted pro rata for rating periods of less than one year. The premium variations permitted by this paragraph must be based only upon health status, claims experience, and occupation. For purposes of this paragraph, health status includes refraining from tobacco use or other actuarially valid lifestyle factors associated with good health, provided that the lifestyle factor and its effect upon premium rates have been determined by the commissioner to be actuarially valid and have been approved by the commissioner. Variations permitted under this paragraph must not be based upon age or applied differently at different ages. This paragraph does not prohibit use of a constant percentage adjustment for factors permitted to be used under this paragraph.

(b) Premium rates may vary based upon the ages of covered persons only as provided in this paragraph. In addition to the variation permitted under paragraph (a), each health carrier may use an additional premium variation based upon age of up to plus or minus 50 percent of the index rate.

(c) A health carrier may request approval by the commissioner to establish ~~no more than three separate geographic regions determined by the health carrier~~ and to establish separate index rates for each such region; ~~provided that the index rates do not vary between any two regions by more than 20 percent. Health carriers that do not do business in the Minneapolis/St. Paul metropolitan area may request approval for no more than two geographic regions, and clauses (2) and (3) do not apply to approval of requests made by those health carriers.~~ The commissioner ~~may~~ shall grant approval if the following conditions are met: (1) the geographic regions must be applied uniformly by the health carrier;

~~(2) one geographic region must be based on the Minneapolis/St. Paul metropolitan area;~~

~~(3) for each geographic region that is rural, the index rate for that region must not exceed the index rate for the Minneapolis/St. Paul metropolitan area; and~~

(2) each geographic region must be composed of no fewer than seven counties that create a contiguous region; and

~~(4)~~ (3) the health carrier provides actuarial justification acceptable to the commissioner for the proposed geographic variations in index rates, establishing that the variations are based upon differences in the cost to the health carrier of providing coverage.

(d) Health carriers may use rate cells and must file with the commissioner the rate cells they use. Rate cells must be based upon the number of adults or children covered under the policy and may reflect the availability of Medicare coverage. The rates for different rate cells must not in any way reflect generalized differences in expected costs between principal insureds and their spouses.

(e) In developing its index rates and premiums for a health plan, a health carrier shall take into account only the following factors:

(1) actuarially valid differences in rating factors permitted under paragraphs (a) and (b); and

(2) actuarially valid geographic variations if approved by the commissioner as provided in paragraph (c).

(f) All premium variations must be justified in initial rate filings and upon request of the commissioner in rate revision filings. All rate variations are subject to approval by the commissioner.

(g) The loss ratio must comply with the section 62A.021 requirements for individual health plans.

(h) The rates must not be approved, unless the commissioner has determined that the rates are reasonable. In determining reasonableness, the commissioner shall consider the growth rates applied under section 62J.04, subdivision 1, paragraph (b), to the calendar year or years that the proposed premium rate would be in effect, actuarially valid changes in risks associated with the enrollee populations, and actuarially valid changes as a result of statutory changes in Laws 1992, chapter 549.

(i) An insurer may, as part of a loss ratio guarantee filing under section 62A.02, subdivision 3a, include a rating practices guarantee as provided in this paragraph. The rating practices guarantee must be in writing and must guarantee that the policy form will be offered, sold, issued, and renewed only with premium rates and premium rating practices that comply with subdivisions 2, 3, 4, and 5. The rating practices guarantee must be accompanied by an actuarial memorandum that demonstrates that the premium rates and premium rating system used in connection with the policy form will satisfy the guarantee. The guarantee must guarantee refunds of any excess premiums to policyholders charged premiums that exceed those permitted under subdivision 2, 3, 4, or 5. An insurer that complies with this paragraph in connection with a policy form is exempt from the requirement of prior approval by the commissioner under paragraphs (c), (f), and (h)."

Page 7, after line 24, insert:

"EFFECTIVE DATE. The amendments to paragraph (c) of this section are effective January 1, 2007, and apply to policies issued or renewed on or after that date."

Page 7, after line 24, insert:

"Sec. 5. **[62A.67] COMMUNITY-BASED HEALTH CARE COVERAGE PROGRAM.**

Subdivision 1. Scope. A community-based health initiative may develop and operate a community-based health care coverage program that offers to eligible individuals and their dependents the option of purchasing through their employer health care coverage on a fixed prepaid basis without meeting the requirements of chapter 60A, 62A, 62C, 62D, 62Q, or 62T, or any other law or rule that applies to entities licensed under these chapters.

Subd. 2. Definitions. For purposes of this section, the following definitions apply:

(a) "Community-based" means located in or primarily relating to the community of geographically contiguous political subdivisions, as determined by the board of a community-based health initiative that is served by the community-based health care coverage program.

(b) "Community-based health care coverage program" or "program" means a program administered by a community-based health initiative that provides health care services through provider members of a community-based health network or combination of networks to eligible individuals and their dependents who are enrolled in the program.

(c) "Community-based health initiative" means a nonprofit corporation that is governed by a board that has at least 80 percent of its members residing in the community and includes representatives of the participating network providers and employers.

(d) "Community-based health network" means a contract-based network organized by the community-based health initiative to provide or support the delivery of health care services to enrollees of the community-based health care coverage program on a risk-sharing or nonrisk-sharing basis.

(e) "Dependent" means an eligible employee's spouse or unmarried child who is under the age of 19 years.

Subd. 3. Approval. Prior to the operation of a community-based health care coverage program, a community-based health initiative shall submit to the commissioner of health for approval the community-based health care coverage program developed by the initiative. The commissioner shall only approve a program that has been awarded a community access program grant from the United States Department of Health and Human Services. The commissioner shall ensure that the program meets the federal grant requirements and any requirements described in this section and is actuarially sound based on a review of appropriate records and methods utilized by the community-based health initiative in establishing premium rates for the community-based health care coverage program. The commissioner shall ensure that the program complies with subdivision 7, does not constitute a financial liability for the state, and is limited to activities that are exempt under this section or otherwise from regulation by the commissioner of commerce. The commissioner shall assure that the financial risk involved in the operation of the program is borne by the community-based health initiative and its health care providers.

Subd. 4. Establishment. The initiative shall establish and operate upon approval by the commissioner of health a community-based health care coverage program. The operational structure established by the initiative shall include, but is not limited to:

(1) establishing a process for enrolling eligible individuals and their dependents;

(2) collecting and coordinating premiums from enrollees and employers of enrollees;

(3) providing payment to participating providers;

(4) establishing a basic benefit set according to subdivision 7 and establishing premium rates and cost-sharing requirements;

(5) creating incentives to encourage primary care and wellness services; and

(6) initiating disease management services, as appropriate.

The payments collected under clause (2) may be used to capture available federal funds.

Subd. 5. **Qualifying employees.** To be eligible for the community-based health care coverage program, an individual must:

(1) reside in or work within the designated community-based geographic area served by the program;

(2) be employed by a qualifying employer or be an employee's dependent;

(3) have no other health coverage while enrolled; and

(4) not be enrolled in medical assistance, MinnesotaCare, or Medicare.

Subd. 6. **Qualifying employers.** (a) To qualify for participation in the community-based health care coverage program, an employer must:

(1) employ at least one but no more than 50 employees at the time of initial enrollment in the program;

(2) pay its employees a median wage of \$12.50 per hour or less; and

(3) not have offered employer-subsidized health coverage to its employees for at least 12 months prior to the initial enrollment in the program. For purposes of this section, "employer-subsidized health coverage" means health care coverage for which the employer pays at least 50 percent of the cost of coverage for the employee.

(b) To participate in the program, a qualifying employer agrees to:

(1) offer health care coverage through the program to all eligible employees and their dependents regardless of health status;

(2) participate in the program for an initial term of at least one year; and

(3) provide the initiative with any employee information deemed necessary by the initiative to determine eligibility and premium payments.

Subd. 7. **Coverage.** (a) The initiative shall establish the health care benefits offered through the community-based health care coverage program. The benefits established shall include, at a minimum:

(1) child health supervision services up to age 18, as defined under section 62A.047; and

(2) preventive services, including:

(i) health education and wellness services;

(ii) health supervision, evaluation, and follow-up;

(iii) immunizations; and

(iv) early disease detection.

(b) Coverage of health care services offered by the program may be limited to participating health care providers or health networks. All services covered under the program must be services that are offered within the scope of practice of the participating health care providers.

(c) The initiative may establish an annual aggregate benefit cap and cost-sharing requirements. Any co-payment or deductible provisions established may not discriminate on the basis of age, sex, race, disability, economic status, or length of enrollment in the program.

Subd. 8. Enrollee information. (a) The initiative must provide an individual or family who enrolls in the program a clear and concise written statement that includes the following information:

(1) health care services that are provided under the program;

(2) any exclusions or limitations on the health care services offered, including any cost-sharing arrangements or prior authorization requirements;

(3) a list of where the health care services can be obtained and the fact that all health care services must be provided by or through a participating health care provider or community-based health network;

(4) a description of the program's method for resolving enrollee complaints, including how an enrollee can file a complaint with the Department of Health; and

(5) the conditions under which the program or coverage through the program may be canceled or terminated.

(b) The commissioner of health must approve a copy of the written statement prior to the operation of the program.

Subd. 9. Complaint process. The initiative must establish a complaint resolution process. The process must ensure that complaints are resolved within 60 days of receiving the complaint. The initiative must report any complaint that is not resolved within 60 days to the commissioner of health.

Subd. 10. Limitations on enrollment. (a) The initiative may limit enrollment in the program. If enrollment is limited, a waiting list must be established.

(b) The initiative shall not restrict or deny enrollment in the program except for nonpayment of premiums, fraud or misrepresentation, or as otherwise permitted under this section.

(c) The initiative may require a certain percentage of participation from eligible employees of a participating employer before coverage can be offered through the program.

Subd. 11. Report. (a) The initiative shall submit a report to the commissioner of health and the legislature on or before March 15 of each year, beginning March 15, 2008. The report shall include:

(1) an analysis of the financial status of the program, including the premium rates, cost per member per month, claims paid out, premiums received, and administrative expenses;

(2) a description of the health care benefits offered and an analysis of the services utilized;

(3) data on the number of employers participating, employees and dependents covered under the program, and the number of health care providers participating; and

(4) any other information requested by the commissioner of health or the legislature.

(b) The report shall include any recommendations on improving and expanding the community-based health care coverage program to other geographical areas of the state.

Subd. 12. **Sunset.** This section expires December 31, 2011.

Sec. 6. Minnesota Statutes 2005 Supplement, section 62J.052, is amended to read:

62J.052 PROVIDER COST DISCLOSURE.

Subdivision 1. **Health care providers.** (a) Each health care provider, as defined by section 62J.03, subdivision 8, except hospitals and outpatient surgical centers subject to the requirements of section 62J.823, shall provide the following information:

(1) the average allowable payment from private third-party payers for the ~~20~~ 50 services or procedures most commonly performed;

(2) the average payment rates for those services and procedures for medical assistance;

(3) the average charge for those services and procedures for individuals who have no applicable private or public coverage; and

(4) the average charge for those services and procedures, including all patients.

(b) This information shall be updated annually and be readily available at no cost to the public on site.

Subd. 2. **Pharmacies.** (a) Each pharmacy, as defined in section 151.01, subdivision 2, shall provide the following information to a patient:

(1) the pharmacy's own usual and customary price for a prescription drug;

(2) a historical record, including all transactions on record with the pharmacy both past and present, of all co-payments and other cost-sharing paid to the pharmacy by the patient; and

(3) the total amount of all co-payments and other cost-sharing paid to the pharmacy by the patient over the entire historical record.

(b) The information required under paragraph (a) must be readily available at no cost to the patient.

EFFECTIVE DATE. This section is effective October 1, 2006.

Sec. 7. Minnesota Statutes 2004, section 62J.81, subdivision 1, is amended to read:

Subdivision 1. **Required disclosure of estimated payment.** (a) A health care provider, as defined in section 62J.03, subdivision 8, or the provider's designee as agreed to by that designee, shall, at the request of a consumer, provide that consumer with a good faith estimate of the reimbursement the provider expects to receive from the health plan company in which the consumer is enrolled. Health plan companies must allow contracted providers, or

their designee, to release this information. A good faith estimate must also be made available at the request of a consumer who is not enrolled in a health plan company. Payment information provided by a provider, or by the provider's designee as agreed to by that designee, to a patient pursuant to this subdivision does not constitute a legally binding estimate of the cost of services.

(b) A health plan company, as defined in section 62J.03, subdivision 10, shall, at the request of an enrollee, provide that enrollee with a good faith estimate of the reimbursement the health plan company would expect to pay to a specified provider within the network for a health care service specified by the enrollee. An estimate provided to an enrollee under this paragraph is not a legally binding estimate of the reimbursement.

EFFECTIVE DATE. Paragraph (a) is effective the day following final enactment. Paragraph (b) is effective October 1, 2006.

Sec. 8. **[62J.823] HOSPITAL PRICING TRANSPARENCY.**

Subdivision 1. **Short title.** This section may be cited as the Hospital Pricing Transparency Act.

Subd. 2. **Definition.** For the purposes of this section, "estimate" means any of the following:

(1) the actual price expected to be charged to the individual based on the specific diagnostic related group code or specific procedure code or codes reflecting any discounts the individual would receive;

(2) the actual price expected to be charged to the individual based on the specific diagnostic related group code or specific procedure code or codes to be performed without taking into account any discounts the individual may receive;

(3) the average billed rate of all of the specific diagnostic related group code or procedure code performed in the last six months;

(4) the average billed rate of the most recently performed services of the same diagnostic related group code or procedure code; or

(5) any other estimate that will provide a patient with an accurate view of their potential financial obligations if the services are performed by the hospital.

Subd. 3. **Applicability and scope.** Any hospital, as defined in section 144.696, subdivision 3, and outpatient surgical center, as defined in section 144.696, subdivision 4, shall provide a written estimate of the cost of a specific service or stay upon the request of a patient, doctor, or the patient's representative. The request must include:

(1) the specific diagnostic related group code;

(2) the name of the procedure or procedures to be performed;

(3) the type of treatment to be received; or

(4) any other information that will allow the hospital or outpatient surgical center to determine the specific diagnostic related group or procedure code or codes.

Subd. 4. **Estimate.** (a) An estimate provided by the hospital or outpatient surgical center must contain:

(1) the method used to calculate the estimate;

(2) the specific diagnostic related group or procedure code or codes used to calculate the estimate;

(3) the name of any network or program that resulted in a discounted rate; and

(4) a statement indicating that the estimate, while accurate, may not reflect the actual billed charges and that the final bill may be higher or lower depending on the patient's specific circumstances.

(b) The estimate may be provided in any method that meets the needs of the patient and the hospital or outpatient surgical center, including electronically; however, a paper copy must be provided if specifically requested.

EFFECTIVE DATE. This section is effective October 1, 2006.

Sec. 9. Minnesota Statutes 2004, section 62L.03, subdivision 3, is amended to read:

Subd. 3. **Minimum participation and contribution.** (a) A small employer that has at least 75 percent of its eligible employees who have not waived coverage participating in a health benefit plan and that contributes at least 50 percent toward the cost of coverage of each eligible employee must be guaranteed coverage on a guaranteed issue basis from any health carrier participating in the small employer market. The participation level of eligible employees must be determined at the initial offering of coverage and at the renewal date of coverage. A health carrier must not increase the participation requirements applicable to a small employer at any time after the small employer has been accepted for coverage. For the purposes of this subdivision, waiver of coverage includes only waivers due to: (1) coverage under another group health plan; (2) coverage under Medicare Parts A and B; (3) coverage under MCHA permitted under section 62E.141; or (4) coverage under medical assistance under chapter 256B or general assistance medical care under chapter 256D.

(b) If a small employer does not satisfy the contribution or participation requirements under this subdivision, a health carrier may voluntarily issue or renew individual health plans, or a health benefit plan which must fully comply with this chapter. A health carrier that provides a health benefit plan to a small employer that does not meet the contribution or participation requirements of this subdivision must maintain this information in its files for audit by the commissioner. A health carrier may not offer an individual health plan, purchased through an arrangement between the employer and the health carrier, to any employee unless the health carrier also offers the individual health plan, on a guaranteed issue basis, to all other employees of the same employer. An arrangement permitted under section 62L.12, subdivision 2, paragraph (k), is not an arrangement between the employer and the health carrier for purposes of this paragraph.

(c) Nothing in this section obligates a health carrier to issue coverage to a small employer that currently offers coverage through a health benefit plan from another health carrier, unless the new coverage will replace the existing coverage and not serve as one of two or more health benefit plans offered by the employer. This paragraph does not apply if the small employer will meet the required participation level with respect to the new coverage.

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

Sec. 10. Minnesota Statutes 2004, section 62L.08, subdivision 4, is amended to read:

Subd. 4. **Geographic premium variations.** A health carrier may request approval by the commissioner to establish ~~no more than three separate~~ geographic regions determined by the health carrier and to establish separate index rates for each such region, ~~provided that the index rates do not vary between any two regions by more than 20 percent.~~ ~~Health carriers that do not do business in the Minneapolis/St. Paul metropolitan area may request approval~~

~~for no more than two geographic regions, and clauses (2) and (3) do not apply to approval of requests made by those health carriers. A health carrier may also request approval to establish one or more additional geographic regions and one or more separate index rates for premiums for employees working and residing outside of Minnesota. The commissioner may shall~~ grant approval if the following conditions are met:

- (1) the geographic regions must be applied uniformly by the health carrier;
- ~~(2) one geographic region must be based on the Minneapolis/St. Paul metropolitan area;~~
- ~~(3) if one geographic region is rural, the index rate for the rural region must not exceed the index rate for the Minneapolis/St. Paul metropolitan area;~~
- (2) each geographic region must be composed of no fewer than seven counties that create a contiguous region; and
- ~~(4)~~ (3) the health carrier provides actuarial justification acceptable to the commissioner for the proposed geographic variations in index rates, establishing that the variations are based upon differences in the cost to the health carrier of providing coverage.

EFFECTIVE DATE. This section is effective January 1, 2007, and applies to policies issued or renewed on or after that date.

Sec. 11. Minnesota Statutes 2005 Supplement, section 62L.12, subdivision 2, is amended to read:

Subd. 2. **Exceptions.** (a) A health carrier may sell, issue, or renew individual conversion policies to eligible employees otherwise eligible for conversion coverage under section 62D.104 as a result of leaving a health maintenance organization's service area.

(b) A health carrier may sell, issue, or renew individual conversion policies to eligible employees otherwise eligible for conversion coverage as a result of the expiration of any continuation of group coverage required under sections 62A.146, 62A.17, 62A.21, 62C.142, 62D.101, and 62D.105.

(c) A health carrier may sell, issue, or renew conversion policies under section 62E.16 to eligible employees.

(d) A health carrier may sell, issue, or renew individual continuation policies to eligible employees as required.

(e) A health carrier may sell, issue, or renew individual health plans if the coverage is appropriate due to an unexpired preexisting condition limitation or exclusion applicable to the person under the employer's group health plan or due to the person's need for health care services not covered under the employer's group health plan.

(f) A health carrier may sell, issue, or renew an individual health plan, if the individual has elected to buy the individual health plan not as part of a general plan to substitute individual health plans for a group health plan nor as a result of any violation of subdivision 3 or 4.

(g) Nothing in this subdivision relieves a health carrier of any obligation to provide continuation or conversion coverage otherwise required under federal or state law.

(h) Nothing in this chapter restricts the offer, sale, issuance, or renewal of coverage issued as a supplement to Medicare under sections 62A.31 to 62A.44, or policies or contracts that supplement Medicare issued by health maintenance organizations, or those contracts governed by sections 1833, 1851 to 1859, 1860D, or 1876 of the federal Social Security Act, United States Code, title 42, section 1395 et seq., as amended.

(i) Nothing in this chapter restricts the offer, sale, issuance, or renewal of individual health plans necessary to comply with a court order.

(j) A health carrier may offer, issue, sell, or renew an individual health plan to persons eligible for an employer group health plan, if the individual health plan is a high deductible health plan for use in connection with an existing health savings account, in compliance with the Internal Revenue Code, section 223. In that situation, the same or a different health carrier may offer, issue, sell, or renew a group health plan to cover the other eligible employees in the group.

(k) A health carrier may offer, sell, issue, or renew an individual health plan to one or more employees of a small employer if the individual health plan is marketed directly to all employees of the small employer and the small employer does not contribute directly or indirectly to the premiums or facilitate the administration of the individual health plan. The requirement to market an individual health plan to all employees does not require the health carrier to offer or issue an individual health plan to any employee. For purposes of this paragraph, an employer is not contributing to the premiums or facilitating the administration of the individual health plan if the employer does not contribute to the premium and merely collects the premiums from an employee's wages or salary through payroll deductions and submits payment for the premiums of one or more employees in a lump sum to the health carrier. Except for coverage under section 62A.65, subdivision 5, paragraph (b), or 62E.16, at the request of an employee, the health carrier may bill the employer for the premiums payable by the employee, provided that the employer is not liable for payment except from payroll deductions for that purpose. If an employer is submitting payments under this paragraph, the health carrier shall provide a cancellation notice directly to the primary insured at least ten days prior to termination of coverage for nonpayment of premium. Individual coverage under this paragraph may be offered only if the small employer has not provided coverage under section 62L.03 to the employees within the past 12 months.

The employer must provide a written and signed statement to the health carrier that the employer is not contributing directly or indirectly to the employee's premiums. The health carrier may rely on the employer's statement and is not required to guarantee-issue individual health plans to the employer's other current or future employees.

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

Sec. 12. Minnesota Statutes 2004, section 123A.21, subdivision 7, is amended to read:

Subd. 7. **Educational programs and services.** (a) The board of directors of each SC shall submit annually a plan to the members. The plan shall identify the programs and services which are suggested for implementation by the SC during the following year and shall contain components of long-range planning determined by the SC. These programs and services may include, but are not limited to, the following areas:

- (1) administrative services;
- (2) curriculum development;
- (3) data processing;
- (4) distance learning and other telecommunication services;
- (5) evaluation and research;
- (6) staff development;

- (7) media and technology centers;
- (8) publication and dissemination of materials;
- (9) pupil personnel services;
- (10) planning;
- (11) secondary, postsecondary, community, adult, and adult vocational education;
- (12) teaching and learning services, including services for students with special talents and special needs;
- (13) employee personnel services;
- (14) vocational rehabilitation;
- (15) health, diagnostic, and child development services and centers;
- (16) leadership or direction in early childhood and family education;
- (17) community services;
- (18) shared time programs;
- (19) fiscal services and risk management programs;
- (20) technology planning, training, and support services;
- (21) health and safety services;
- (22) student academic challenges; and
- (23) cooperative purchasing services.

(b) A group health, dental, or long-term disability coverage program provided by one or more service cooperatives may provide coverage to nursing homes licensed under chapter 144A and to boarding care homes licensed under sections 144.50 to 144.56 and certified for participation in the medical assistance program located in this state.

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

Sec. 13. Minnesota Statutes 2004, section 123A.21, is amended by adding a subdivision to read:

Subd. 12. **Health coverage pool comparison shopping.** (a) Service cooperative must permit school districts and other political subdivisions participating in a service cooperative health coverage pool to solicit bids and other information from competing sources of health coverage at any time other than within five months prior to the end of a master agreement.

(b) A service cooperative must not impose a fine or other penalty against an enrolled entity for soliciting a bid or other information during the allowed period. The service cooperative may prohibit the entity from participating in service cooperative coverage for a period of up to one year, if the entity leaves the service cooperative pool and obtains other health coverage.

(c) A service cooperative must provide each enrolled entity with the entity's monthly claims data. This paragraph applies notwithstanding section 13.203.

Sec. 14. Laws 2005, First Special Session chapter 4, article 7, section 59, is amended to read:

Sec. 59. **REPORT TO LEGISLATURE.**

The commissioner shall report to the legislature by December 15, 2006, on the redesign of case management services. In preparing the report, the commissioner shall consult with representatives for consumers, consumer advocates, counties, labor organizations representing county social service workers, and service providers. The report shall include draft legislation for case management changes that will:

- (1) streamline administration;
- (2) improve consumer access to case management services;
- (3) address the use of a comprehensive universal assessment protocol for persons seeking community supports;
- (4) establish case management performance measures;
- (5) provide for consumer choice of the case management service vendor; and
- (6) provide a method of payment for case management services that is cost-effective and best supports the draft legislation in clauses (1) to (5)."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Sykora, Wilkin, Huntley and Buesgens moved to amend H. F. No. 2500, the first engrossment, as amended, as follows:

Page 7, after line 24, insert:

"Sec. 4. Minnesota Statutes 2004, section 123A.21, subdivision 7, is amended to read:

Subd. 7. **Educational programs and services.** The board of directors of each SC shall submit annually a plan to the members. The plan shall identify the programs and services which are suggested for implementation by the SC during the following year and shall contain components of long-range planning determined by the SC. These programs and services may include, but are not limited to, the following areas:

- (1) administrative services;

- (2) curriculum development;
- (3) data processing;
- (4) distance learning and other telecommunication services;
- (5) evaluation and research;
- (6) staff development;
- (7) media and technology centers;
- (8) publication and dissemination of materials;
- (9) pupil personnel services;
- (10) planning;
- (11) secondary, postsecondary, community, adult, and adult vocational education;
- (12) teaching and learning services, including services for students with special talents and special needs;
- (13) employee personnel services;
- (14) vocational rehabilitation;
- (15) health, diagnostic, and child development services and centers;
- (16) leadership or direction in early childhood and family education;
- (17) community services;
- (18) shared time programs;
- (19) fiscal services and risk management programs, including health insurance programs providing reinsurance or stop loss coverage;
- (20) technology planning, training, and support services;
- (21) health and safety services;
- (22) student academic challenges; and
- (23) cooperative purchasing services.

An SC is subject to regulation and oversight by the commissioner of commerce under the insurance laws of this state when operating a health reinsurance program pursuant to clause (19) providing reinsurance or stop loss coverage.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Liebling moved to amend H. F. No. 2500, the first engrossment, as amended, as follows:

Page 2, line 4, delete "65 percent" and insert "the minimum loss ratio that applies to the health carrier under section 62A.021, subdivision 1, paragraph (a), (f), or (g)."

The motion prevailed and the amendment was adopted.

H. F. No. 2500, A bill for an act relating to health; regulating the filing and use of individual health insurance policy forms; establishing a minimum loss ratio guarantee; regulating rates and coverages; requiring certain pharmacy cost disclosures; requiring cost estimates from hospitals and outpatient surgical centers; modifying small employer coverage provisions; authorizing service cooperatives to provide certain coverages; authorizing comparative shopping; modifying a report to the legislature; amending Minnesota Statutes 2004, sections 62A.02, by adding a subdivision; 62A.021, subdivision 1; 62A.65, subdivision 3; 62J.81, subdivision 1; 62L.03, subdivision 3; 62L.08, subdivision 4; 123A.21, subdivision 7, by adding a subdivision; Minnesota Statutes 2005 Supplement, sections 62J.052; 62L.12, subdivision 2; Laws 2005, First Special Session chapter 4, article 7, section 59; proposing coding for new law in Minnesota Statutes, chapters 62A; 62J.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Cybart	Entenza	Heidgerken	Kahn	Loeffler
Anderson, B.	Davids	Erhardt	Hilstrom	Kelliher	Magnus
Anderson, I.	Davnie	Erickson	Hilty	Klinzing	Mahoney
Atkins	Dean	Finstad	Holberg	Knoblach	Marquart
Beard	DeLaForest	Fritz	Hoppe	Koenen	McNamara
Bernardy	Demmer	Garofalo	Hornstein	Kohls	Meslow
Blaine	Dempsey	Gazelka	Hortman	Krinkie	Moe
Bradley	Dill	Goodwin	Hosch	Lanning	Mullery
Brod	Dittrich	Greiling	Howes	Larson	Murphy
Buesgens	Dorman	Gunther	Huntley	Latz	Nelson, M.
Carlson	Dorn	Hackbarth	Jaros	Lenczewski	Nelson, P.
Charron	Eastlund	Hamilton	Johnson, J.	Lesch	Newman
Clark	Eken	Hansen	Johnson, R.	Liebling	Nornes
Cornish	Ellison	Hausman	Johnson, S.	Lieder	Olson
Cox	Emmer	Haws	Juhnke	Lillie	Otremba

Ozment	Peterson, N.	Sailer	Simon	Thao	Wardlow
Paulsen	Peterson, S.	Samuelson	Simpson	Thissen	Welti
Paymar	Poppe	Scalze	Slawik	Tingelstad	Westerberg
Pelowski	Powell	Seifert	Smith	Urdahl	Westrom
Penas	Rukavina	Sertich	Soderstrom	Vandever	Wilkin
Peppin	Ruth	Severson	Solberg	Wagenius	Zellers
Peterson, A.	Ruud	Sieben	Sykora	Walker	Spk. Sviggum

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

S. F. No. 3615, A bill for an act relating to human services; modifying child care assistance parent fees; amending Minnesota Statutes 2004, section 119B.12, subdivision 2.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Dill	Haws	Krinkie	Olson	Sieben
Anderson, B.	Dittrich	Heidgerken	Lanning	Otremba	Simon
Anderson, I.	Dorman	Hilstrom	Larson	Ozment	Simpson
Atkins	Dorn	Hilty	Latz	Paulsen	Slawik
Beard	Eastlund	Holberg	Lenczewski	Paymar	Smith
Bernardy	Eken	Hoppe	Lesch	Pelowski	Soderstrom
Blaine	Ellison	Hornstein	Liebling	Penas	Solberg
Bradley	Emmer	Hortman	Lieder	Peppin	Sykora
Brod	Entenza	Hosch	Lillie	Peterson, A.	Thao
Buesgens	Erhardt	Howes	Loeffler	Peterson, N.	Thissen
Carlson	Erickson	Huntley	Magnus	Peterson, S.	Tingelstad
Charron	Finstad	Jaros	Mahoney	Poppe	Urdahl
Clark	Fritz	Johnson, J.	Marquart	Powell	Vandever
Cornish	Garofalo	Johnson, R.	McNamara	Rukavina	Wagenius
Cox	Gazelka	Johnson, S.	Meslow	Ruth	Walker
Cybart	Goodwin	Juhnke	Moe	Ruud	Wardlow
Davids	Greiling	Kahn	Mullery	Sailer	Welti
Davnie	Gunther	Kelliher	Murphy	Samuelson	Westerberg
Dean	Hackbarth	Klinzing	Nelson, M.	Scalze	Westrom
DeLaForest	Hamilton	Knoblach	Nelson, P.	Seifert	Wilkin
Demmer	Hansen	Koenen	Newman	Sertich	Zellers
Dempsey	Hausman	Kohls	Nornes	Severson	Spk. Sviggum

The bill was passed and its title agreed to.

H. F. No. 3477 was reported to the House.

Hosch moved to amend H. F. No. 3477 as follows:

Page 2, line 21, delete "may" and insert "shall" and after "maintenance" insert "or performance"

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 3477, A bill for an act relating to local government; providing for subdivision regulations; modifying the terms; amending Minnesota Statutes 2004, section 462.358, subdivision 2a.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abeler	Dill	Haws	Lanning	Otremba	Simon
Anderson, B.	Dittrich	Heidgerken	Larson	Ozment	Simpson
Anderson, I.	Dorman	Hilstrom	Latz	Paulsen	Slawik
Atkins	Dorn	Hilty	Lenczewski	Paymar	Smith
Beard	Eastlund	Holberg	Lesch	Pelowski	Soderstrom
Bernardy	Eken	Hoppe	Liebling	Penas	Solberg
Blaine	Ellison	Hornstein	Lieder	Peppin	Sykora
Bradley	Emmer	Hortman	Lillie	Peterson, A.	Thao
Brod	Entenza	Hosch	Loeffler	Peterson, N.	Thissen
Buesgens	Erhardt	Howes	Magnus	Peterson, S.	Tingelstad
Carlson	Erickson	Huntley	Mahoney	Poppe	Urdahl
Charron	Finstad	Johnson, J.	Marquart	Powell	Vandever
Clark	Fritz	Johnson, R.	McNamara	Rukavina	Wagenius
Cornish	Garofalo	Johnson, S.	Meslow	Ruth	Walker
Cox	Gazelka	Juhnke	Moe	Ruud	Wardlow
Cybart	Goodwin	Kahn	Mullery	Sailer	Walti
Davids	Greiling	Kelliher	Murphy	Samuelson	Westerberg
Davnie	Gunther	Klinzing	Nelson, M.	Scalze	Westrom
Dean	Hackbarth	Knobloch	Nelson, P.	Seifert	Wilkin
DeLaForest	Hamilton	Koenen	Newman	Sertich	Zellers
Demmer	Hansen	Kohls	Nornes	Severson	Spk. Sviggum
Dempsey	Hausman	Krinkie	Olson	Sieben	

Those who voted in the negative were:

Jaros

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

H. F. No. 3779 was reported to the House.

Urdahl moved to amend H. F. No. 3779, the first engrossment, as follows:

Page 1, line 8, delete "opening a business" and insert "submitting a permit application"

Page 1, line 10, delete everything before "must" and insert "applicant"

The motion prevailed and the amendment was adopted.

H. F. No. 3779, A bill for an act relating to adults-only businesses; requiring notice by certified mail to the appropriate statutory or home-rule charter city under certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 617.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 3 nays as follows:

Those who voted in the affirmative were:

Abeler	Dittrich	Heidgerken	Latz	Paulsen	Smith
Anderson, B.	Dorman	Hilstrom	Lenczewski	Paymar	Soderstrom
Anderson, I.	Dorn	Hilty	Lesch	Pelowski	Solberg
Atkins	Eastlund	Holberg	Liebling	Peppin	Sykora
Beard	Eken	Hoppe	Lieder	Peterson, A.	Thissen
Bernardy	Ellison	Hornstein	Lillie	Peterson, N.	Tingelstad
Blaine	Emmer	Hortman	Loeffler	Peterson, S.	Urdahl
Bradley	Entenza	Hosch	Magnus	Poppe	Vandever
Brod	Erhardt	Howes	Mahoney	Powell	Wagenius
Carlson	Erickson	Huntley	Marquart	Rukavina	Walker
Charron	Finstad	Johnson, J.	McNamara	Ruth	Wardlow
Clark	Fritz	Johnson, R.	Meslow	Ruud	Welti
Cornish	Garofalo	Johnson, S.	Moe	Sailer	Westerberg
Cox	Gazelka	Juhnke	Mullery	Samuelson	Westrom
Cybart	Goodwin	Kahn	Murphy	Scalze	Wilkin
Davids	Greiling	Kelliher	Nelson, M.	Seifert	Zellers
Davnie	Gunther	Knoblach	Nelson, P.	Sertich	Spk. Sviggum
Dean	Hackbarth	Koenen	Newman	Severson	
DeLaForest	Hamilton	Kohls	Nornes	Sieben	
Demmer	Hansen	Krinkie	Olson	Simon	
Dempsey	Hausman	Lanning	Otremba	Simpson	
Dill	Haws	Larson	Ozment	Slawik	

Those who voted in the negative were:

Jaros	Klinzing	Thao
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The bill was passed, as amended, and its title agreed to.

Paulsen moved that the remaining bills on the Calendar for the Day be continued. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2734:

Hackbarth, Dill, DeLaForest, Cornish and Charron.

MOTIONS AND RESOLUTIONS

Tingelstad moved that her name be stricken as an author on H. F. No. 854. The motion prevailed.

Clark moved that the name of Hornstein be added as an author on H. F. No. 1014. The motion prevailed.

McNamara moved that the name of Lenczewski be added as an author on H. F. No. 3116. The motion prevailed.

Powell moved that the names of Lenczewski, Wilkin and Cybart be added as authors on H. F. No. 3138. The motion prevailed.

Paymar moved that the names of Slawik and Loeffler be added as authors on H. F. No. 3401. The motion prevailed.

Greiling moved that the name of Otremba be added as an author on H. F. No. 4139. The motion prevailed.

Urdahl moved that the name of Dittrich be added as an author on H. F. No. 4164. The motion prevailed.

Dittrich moved that the name of Loeffler be added as an author on H. F. No. 4172. The motion prevailed.

Otremba moved that H. F. No. 3538 be recalled from the Committee on Jobs and Economic Opportunity Policy and Finance and be re-referred to the Committee on Rules and Legislative Administration. The motion prevailed.

FISCAL CALENDAR ANNOUNCEMENT

Pursuant to rule 1.22, Knoblach announced his intention to place H. F. No. 4162 on the Fiscal Calendar for Monday, May 1, 2006.

ADJOURNMENT

Paulsen moved that when the House adjourns today it adjourn until 10:00 a.m., Monday, May 1, 2006. The motion prevailed.

Paulsen moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 10:00 a.m., Monday, May 1, 2006.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives