

## STATE OF MINNESOTA

## EIGHTY-FIFTH SESSION — 2008

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 EIGHTY-FIFTH DAY

SAINT PAUL, MINNESOTA, TUESDAY, MARCH 4, 2008

The House of Representatives convened at 4:00 p.m. and was called to order by Margaret Anderson Kelliher, Speaker of the House.

Prayer was offered by Representative Mary Murphy, District 6B, Hermantown, 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	Dill	Hausman	Laine	Norton	Simon
Anderson, B.	Dittrich	Haws	Lanning	Olin	Simpson
Anzelc	Dominguez	Heidgerken	Lenczewski	Olson	Slawik
Atkins	Doty	Hilstrom	Lesch	Otremba	Slocum
Beard	Drazkowski	Hilty	Liebling	Ozment	Smith
Benson	Eastlund	Holberg	Lieder	Paymar	Solberg
Berns	Eken	Hoppe	Lillie	Pelowski	Swails
Bigham	Emmer	Hornstein	Loeffler	Peppin	Thao
Bly	Erhardt	Hortman	Magnus	Peterson, A.	Thissen
Brod	Erickson	Hosch	Mahoney	Peterson, N.	Tillberry
Brown	Faust	Howes	Mariani	Peterson, S.	Tingelstad
Brynaert	Finstad	Huntley	Marquart	Poppe	Tschumper
Buesgens	Fritz	Jaros	Masin	Rukavina	Urdahl
Bunn	Gardner	Johnson	McFarlane	Ruth	Wagenius
Carlson	Garofalo	Juhnke	McNamara	Ruud	Ward
Clark	Gottwalt	Kahn	Moe	Sailer	Wardlow
Cornish	Greiling	Kalin	Mullery	Scalze	Welti
Davnie	Gunther	Knuth	Murphy, E.	Seifert	Westrom
Dean	Hackbarth	Koenen	Murphy, M.	Sertich	Winkler
DeLaForest	Hamilton	Kohls	Nelson	Severson	Zellers
Demmer	Hansen	Kranz	Nornes	Shimanski	Spk. Kelliher

A quorum was present.

Anderson, S.; Dettmer; Madore; Morgan; Morrow; Paulsen; Walker and Wollschlager were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Gardner 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 STANDING COMMITTEES AND DIVISIONS

Carlson from the Committee on Finance to which was referred:

H. F. No. 380, A bill for an act relating to capital improvements; authorizing the sale of state bonds; appropriating money for the state's share of high-speed rail line between St. Paul and Chicago.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **CAPITAL IMPROVEMENT APPROPRIATIONS.**

The sums shown in the column under "Appropriations" are appropriated from the bond proceeds fund, or another named fund, to the state agencies or officials indicated, to be spent for public purposes. Appropriations of bond proceeds must be spent as authorized by the Minnesota Constitution, article XI, section 5, paragraph (a), to acquire and better public land and buildings and other public improvements of a capital nature, or as authorized by the Minnesota Constitution, article XI, section 5, paragraphs (b) to (j), or article XIV. Unless otherwise specified, the appropriations in this act are available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642.

### SUMMARY

<u>University of Minnesota</u>	<u>\$136,166,000</u>
<u>Minnesota State Colleges and Universities</u>	<u>281,440,000</u>
<u>Education</u>	<u>34,000,000</u>
<u>Minnesota State Academies</u>	<u>2,800,000</u>
<u>Perpich Center for Arts Education</u>	<u>355,000</u>
<u>Natural Resources</u>	<u>135,787,000</u>
<u>Pollution Control Agency</u>	<u>32,500,000</u>
<u>Board of Water and Soil Resources</u>	<u>39,275,000</u>
<u>Zoological Garden</u>	<u>9,500,000</u>
<u>Administration</u>	<u>15,725,000</u>
<u>Minnesota Amateur Sports Commission</u>	<u>5,000,000</u>
<u>Military Affairs</u>	<u>6,000,000</u>
<u>Public Safety</u>	<u>7,655,000</u>
<u>Transportation</u>	<u>14,500,000</u>

<u>Metropolitan Council</u>	111,700,000
<u>Human Services</u>	13,185,000
<u>Veterans Affairs</u>	11,227,000
<u>Corrections</u>	27,000,000
<u>Employment and Economic Development</u>	133,625,000
<u>Public Facilities Authority</u>	56,450,000
<u>Minnesota Housing Finance Agency</u>	2,000,000
<u>Minnesota Historical Society</u>	9,300,000
<u>Bond Sale Expenses</u>	961,000
<b><u>Cancellations</u></b>	<b><u>(26,615,000)</u></b>
<u>Lewis and Clark</u>	5,282,000
<b><u>TOTAL</u></b>	<b><u>\$1,064,818,000</u></b>
<u>Bond Proceeds Fund (General Fund Debt Service)</u>	954,676,000
<u>Bond Proceeds Fund (User Financed Debt Service)</u>	73,075,000
<u>Maximum Effort School Loan Fund</u>	32,000,000
<u>Remediation Fund</u>	25,000,000
<u>General Fund</u>	6,682,000
<u>Bond Proceeds Cancellations</u>	(26,615,000)

**APPROPRIATIONS**Sec. 2. **UNIVERSITY OF MINNESOTA**Subdivision 1. **Total Appropriation****\$136,166,000**

To the Board of Regents of the University of Minnesota for the purposes specified in this section.

Subd. 2. **Higher Education Asset Preservation and Replacement (HEAPR)**

40,000,000

To be spent in accordance with Minnesota Statutes, section 135A.046.

**APPROPRIATIONS****Subd. 3. Twin Cities Campus****(a) Science Teaching and Student Services**48,333,000

To design, construct, furnish, and equip a new science teaching and student services building on the Twin Cities campus near the Washington Avenue Bridge. This appropriation includes money to demolish the existing science classroom building and to construct infrastructure required to serve the new building.

**(b) Bell Museum of Natural History**24,000,000

To complete design and to construct, furnish, and equip a new Bell Museum of Natural History on the St. Paul Campus.

**Subd. 4. Duluth Campus****Civil Engineering Addition**10,000,000

To design, construct, furnish, and equip an addition to Voss-Kovach Hall on the University of Minnesota Duluth campus for the Department of Civil Engineering. The addition will include teaching laboratories, research laboratories, classrooms, and administrative offices.

**Subd. 5. Morris Campus****Community Services Building Renovation**5,000,000

To design, construct, furnish, and equip a renovation of the Community Services Building on the University of Minnesota Morris campus to serve as the campus gateway center. This appropriation includes money to improve infrastructure required to serve the renovated building.

**Subd. 6. Research and Outreach Centers**3,500,000**(a) Northwest Research and Outreach Center, Crookston**

To design, construct, furnish, and equip a new maintenance and farm support facility.

**(b) West Central research and Outreach Center, Morris**

To construct, furnish, and equip an addition to the administration building for research in renewable energy.

**APPROPRIATIONS****Subd. 7. Classroom Renewal**2,000,000

To renovate classrooms and classroom technology and improve accessibility to classrooms by the disabled.

**Subd. 8. Laboratory Renovation**3,333,000

To renovate research laboratories.

**Subd. 9. University Share**

Except for Higher Education Asset Preservation and Replacement (HEAPR) under subdivision 2, the appropriations in this section are intended to cover approximately two-thirds of the cost of each project. The remaining costs must be paid from university sources.

**Subd. 10. Unspent Appropriations**

Upon substantial completion of a project authorized in this section and after written notice to the commissioner of finance, the Board of Regents must use any money remaining in the appropriation for that project for HEAPR under Minnesota Statutes, section 135A.046. The Board of Regents must report by February 1 of each even-numbered year to the chairs of the house and senate committees with jurisdiction over capital investments and higher education finance, and to the chairs of the house Ways and Means Committee and the senate Finance Committee, on how the remaining money has been allocated or spent.

**Sec. 3. MINNESOTA STATE COLLEGES AND UNIVERSITIES****Subdivision 1. Total Appropriation****\$281,440,000**

To the Board of Trustees of the Minnesota State Colleges and Universities for the purposes specified in this section

**Subd. 2. Higher Education Asset Preservation and Replacement (HEAPR)**60,000,000

To be spent in accordance with Minnesota Statutes, section 135A.046.

**APPROPRIATIONS****Subd. 3. Alexandria Technical College****Law Enforcement Center Addition**10,500,000

To complete design of and to construct, furnish, and equip a new law enforcement center addition and to renovate, furnish, and equip classroom and laboratory space.

**Subd. 4. Anoka-Ramsey Community College, Coon Rapids****Classrooms and Laboratories**3,800,000

To design, construct, furnish, and equip an addition for classrooms and offices and to design a phase 2 renovation of the Fine Arts classroom and laboratory building.

**Subd. 5. Bemidji State University****Sattgast Science Building Addition and Renovation**8,900,000

To construct, furnish, and equip an addition to and renovation of the Sattgast Science Building for biology and chemistry labs, science classrooms, and associated spaces and to demolish the Peters Aquatics Lab.

**Subd. 6. Century College****Classroom and Student Support Space Renovation**7,900,000

To design, renovate, furnish, and equip phase 2 of the science and library project to renovate existing spaces for classrooms, labs and offices.

**Subd. 7. Dakota County Technical College****Transportation and Emerging Technologies Labs**200,000

To design renovation of existing space for transportation related program areas and emerging technology fields.

**Subd. 8. Hennepin Technical College****Science Addition and Library and Student Service Design**2,400,000

To design, renovate, furnish and equip existing space at the Eden Prairie campus for science labs and shared classrooms, and to design a renovation of existing space at the Brooklyn Park and Eden Prairie campuses for a library and student services.

**APPROPRIATIONS****Subd. 9. Inver Hills Community College****Classroom Addition and Renovation**13,200,000

To construct, furnish, and equip a classroom addition to and renovation of the Fine Arts Building to include classrooms, teaching labs, and a renovated auditorium. This appropriation includes funding to demolish obsolete space in the building. College funds may be added to this appropriation up to a total project cost of \$13,450,000.

**Subd. 10. Lake Superior Community and Technical College****Health and Science Center Addition**11,000,000

To complete design of and to construct, furnish, and equip a health and science center addition and to renovate existing spaces.

**Subd. 11. Mesabi Range Community and Technical College, Eveleth**5,000,000**Shop Space Addition and Renovation**

To construct, furnish and equip shop space for the industrial mechanical technology and carpentry programs. This appropriation includes funding for renovation of existing space for ADA compliance.

**Subd. 12. Metropolitan State University****(a) Classroom Center Addition**4,980,000

To construct, renovate, furnish, and equip the renovation of two floors of technology-enhanced classrooms and offices in the power plant building. This appropriation includes funding to demolish the power plant annex to enable the new construction.

**(b) Law Enforcement Center Addition**13,900,000

To complete design of and to construct, furnish and equip a regional law enforcement training facility for all metro area public higher education institutions, to be located on the campus of Hennepin Technical College at Brooklyn Park.

**APPROPRIATIONS****Subd. 13. Minneapolis Community and Technical College****Workforce Program and Infrastructure Renovation** 400,000

To design the renovation of instructional space, support space, and infrastructure for the workforce program.

**Subd. 14. Minnesota State University, Mankato****Trafton Science Center Renovation** 25,500,000

To construct, furnish, and equip a renovation of the south and center sections of Trafton Science Center. This appropriation includes funding to renovate the roof, exterior masonry, and outdoor plaza.

**Subd. 15. Minnesota State University, Moorhead****(a) Lommen Hall Renovation** 13,100,000

To complete design of and to construct, furnish, and equip renovation of Lommen Hall and to construct an addition to the basement.

**(b) Livingston Lord Library** 400,000

To design the renovation of Livingston Lord Library.

**Subd. 16. Minnesota West Community and Technical College, Worthington****Fieldhouse Design** 450,000

To design an addition to and renovation of the fieldhouse.

**Subd. 17. Minnesota State Community and Technical College, Moorhead****Trades Addition and Classroom-Library Design** 2,500,000

To design, construct, furnish and equip an addition for the mechanical construction trades, and to design a classroom-library addition. This appropriation includes funding to demolish an obsolete building for placement of the classroom-library addition.



**APPROPRIATIONS****Subd. 18. Normandale Community College****Classroom Addition and Renovation****7,000,000**

To complete the design, construct, furnish, and equip an addition to and renovation of the Health and Wellness Building for classrooms, laboratories, and related offices, and to renovate, furnish, and equip the Athletic Building for classrooms and related space. This appropriation includes funding to install an elevator to make the building ADA accessible.

**Subd. 19. North Hennepin Community College****(a) Center for Business and Technology****13,300,000**

To construct, furnish, and equip an addition to the Center for Business and Technology and to renovate, furnish, and equip the center for classrooms and related space.

**(b) Science, Technology, Engineering, and Math Facilities****900,000**

To design for construction and renovation of facilities at both North Hennepin Community College and Anoka Ramsey Community College, Coon Rapids, to support Science Technology Engineering and Math (STEM) program initiatives.

**Subd. 20. Northland Community and Technical College, East Grand Forks****Nursing, Health Care Addition and Renovation****7,800,000**

To renovate, furnish, and equip existing space, and to construct, furnish, and equip an addition for health care classrooms and labs for the nursing and allied health programs.

**Subd. 21. Owatonna College and University Center****Property Acquisition****3,500,000**

To acquire the Owatonna College and University Center Building in Steele County, including the purchase of adjacent vacant land.

**Subd. 22. Ridgewater College, Willmar****Technical Instruction Design and Construction****3,500,000**

To design, construct, furnish and equip new instructional space, including "smart" classrooms, and to renovate, furnish and equip existing instructional space. This appropriation includes funding to demolish outdated structures.

**APPROPRIATIONS****Subd. 23. Rochester Community and Technical College****Workforce Center Colocation**200,000

To design an addition to the Heintz Center for colocation of a workforce center, a career and technical education center, and for classroom renovation.

**Subd. 24. South Central College, Faribault****Classroom Renovation and Addition**400,000

To design the addition to and renovation of existing space for technical instructional space, labs and classrooms and the demolition of obsolete space.

**Subd. 25. St. Cloud State University****(a) Brown Hall Science Renovation**14,800,000

To complete design, construct, furnish, and equip a renovation of Brown Hall for classrooms and other instructional and ancillary spaces. This appropriation includes funding to reglaze the existing skyway from the building and to construct a new skyway to Centennial Hall.

**(b) Science and Engineering Laboratory**900,000

To design an integrated science and engineering laboratory and student and academic support building.

**Subd. 26. St. Cloud Technical College****Allied Health Building Renovation**200,000

To design the renovation of the Allied Health Building.

**Subd. 27. St. Paul College****Transportation and Applied Technology Laboratories and Shops**13,500,000

To construct, furnish, and equip the renovation of classrooms, the transportation, and applied technology and trades laboratories on the ground floor, and an expansion of the truck mechanics shop.

**APPROPRIATIONS****Subd. 28. Southwest Minnesota State University****(a) Science and Hotel and Restaurant Laboratories**9,000,000

To complete design of and to construct, furnish, and equip renovation of laboratories in the Science and Technology Building, laboratories and a classroom in the Science and Math Building, and hotel and restaurant industries teaching laboratories in the Individualized Learning Center.

**(b) Science Laboratory Renovation**200,000

To design the renovation of science labs in the science and math building and to design an addition to the plant science learning center.

**Subd. 29. Winona State University****Memorial Hall Addition and Renovation**8,400,000

To construct, furnish, and equip an addition to Memorial Hall and renovation of vacated spaces at Gildemeister Hall. The board may use nonstate money for the remainder of the cost of construction.

**Subd. 30. Systemwide Initiatives****(a) Science Lab Initiatives**5,775,000

To design, renovate, furnish, and equip teaching laboratories and classrooms for science and applied technology at campuses statewide. Campuses may use nonstate funds to increase the size of the projects. This appropriation may be used at the following campuses: Alexandria Technical College; Anoka Technical College; Anoka Ramsey Community College; Bemidji State University; Central Lakes College, Brainerd; Century College; Inver Hills Community College; Hennepin Technical College, Brooklyn Park and Eden Prairie; Northeast Higher Education District, Vermilion Community College; and Ridgewater Community Technical College.

**(b) Classroom Renovations**3,625,000

To design, renovate, furnish and equip obsolete classroom space at campuses statewide. This appropriation may be used at the following campuses: Central Lakes College, Brainerd; Minnesota State Community and Technical College, Wadena, Moorhead and Pipestone; Northland Community and Technical College, Thief River Falls; Pine Technical College; and Rochester Community and Technical College.

**APPROPRIATIONS****(c) Property Acquisition**4,310,000

To acquire real property adjacent to the state college and university campuses or within the boundaries of the campus master plan. This appropriation may be used at: Bemidji State University; Fond du Lac Tribal and Community College; North East Higher Education District, Vermillion.

**Subd. 31. Debt Service**

(a) The board shall pay the debt service on one-third of the principal amount of state bonds sold to finance projects authorized by this section, except for higher education asset preservation and replacement and except that, where a nonstate match is required, the debt service is due on a principal amount equal to one-third of the total project cost, less the match committed before the bonds are sold. After each sale of general obligation bonds, the commissioner of finance shall notify the board of the amounts assessed for each year for the life of the bonds.

(b) The commissioner shall reduce the board's assessment each year by one-third of the net income from investment of general obligation bond proceeds in proportion to the amount of principal and interest otherwise required to be paid by the board. The board shall pay its resulting net assessment to the commissioner of finance by December 1 each year. If the board fails to make a payment when due, the commissioner of finance shall reduce allotments for appropriations from the general fund otherwise available to the board and apply the amount of the reduction to cover the missed debt service payment. The commissioner of finance shall credit the payments received from the board to the bond debt service account in the state bond fund each December 1 before money is transferred from the general fund under Minnesota Statutes, section 16A.641, subdivision 10.

**Subd. 32. Unspent Appropriations**

(a) Upon substantial completion of a project authorized in this section and after written notice to the commissioner of finance, the Board of Trustees must use any money remaining in the appropriation for that project for HEAPR under Minnesota Statutes, section 135A.046. The Board of Trustees must report by February 1 of each even-numbered year to the chairs of the house and senate committees with jurisdiction over capital investments and higher education finance, and to the chairs of the house Ways and Means Committee and the senate Finance Committee, on how the remaining money has been allocated or spent.

**APPROPRIATIONS**

(b) The unspent portion of an appropriation for a project in this section that is complete, is available for higher education asset preservation and replacement under this subdivision, at the same campus as the project for which the original appropriation was made and the debt service requirement under subdivision 23 is reduced accordingly. Minnesota Statutes, section 16A.642, applies from the date of the original appropriation to the unspent amount transferred.

**Subd. 33. Anoka Technical College; Anoka-Hennepin School District Partnership**

(a) By June 30, 2008, the Board of Trustees of the Minnesota State Colleges and Universities shall enter into a memorandum of understanding with the Anoka-Hennepin school district on new and expanded joint programs to be offered for the secondary technical education program currently based at the Anoka Technical College campus. Such programs may be offered at the site now known as the "horticultural center" in Anoka County and under the control of Anoka Technical College.

(b) By June 30, 2008, the Board shall transfer the real property known as the "horticultural center" to the Anoka-Hennepin School District by quit claim deed for \$1. Minnesota Statutes, section 136F.60, subdivision 5, does not apply to the real estate transaction under this subdivision.

Sec. 4. **DEPARTMENT OF EDUCATION**

Subdivision 1. **Total Appropriation**

**\$34,000,000**

Except as otherwise provided, to the commissioner of education for the purposes specified in this section.

Subd. 2. **Independent School District No. 38, Red Lake**

**32,000,000**

This appropriation is from the maximum effort school loan fund for a capital loan to Independent School District No. 38, Red Lake, as provided in Minnesota Statutes, sections 126C.60 to 126C.72, to design, construct, furnish, and equip renovation of the secondary school. This appropriation is expected to complete the financing for the construction projects at the secondary school. The commissioner and Independent School District No. 38, Red Lake, shall report to the legislature by January 10, 2009, on the progress of the capital loan.

**APPROPRIATIONS**

Before any capital loan contract is approved under this authorization, the district must provide documentation acceptable to the commissioner that the state capital loan funds and the district's funds dedicated to the capital project will be sufficient to complete all facility construction needs for the middle/high school facility for the next 20 years, barring extraordinary and unforeseen circumstances.

Subd. 3. **Library Accessibility and Improvement Grants** 2,000,000

For library accessibility and improvement grants under Minnesota Statutes, section 134.45.

Sec. 5. **MINNESOTA STATE ACADEMIES**

Subdivision 1. **Total Appropriation** **\$2,800,000**

To the commissioner of administration for the purposes specified in this section.

Subd. 2. **Asset Preservation** 2,700,000

For asset preservation on both campuses of the academies, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. **Frechette Hall** 100,000

For predesign for a new dorm to replace Frechette Hall.

Sec. 6. **PERPICH CENTER FOR ARTS EDUCATION** **\$355,000**

To the commissioner of administration for asset preservation at the Perpich Center for Arts Education to be spent in accordance with Minnesota Statutes, section 16B.307.

Sec. 7. **NATURAL RESOURCES**

Subdivision 1. **Total Appropriation** **\$135,787,000**

To the commissioner of natural resources for the purposes specified in this section.

The appropriations in this section are subject to the requirements of the natural resources capital improvement program set forth in Minnesota Statutes, section 86A.12, unless this section or the statutes referred to in this section provide more specific standards, criteria, or priorities for projects than Minnesota Statutes, section 86A.12.

**APPROPRIATIONS**

To the extent possible, prairie restorations funded in whole or in part with funds from this appropriation must be made using best management practices for native prairie restoration as defined under Minnesota Statutes, section 84.02, subdivision 2.

The commissioner must record in a central location each project funded in whole or in part with funds from this appropriation, that is expected to have carbon sequestration value in anticipation of guidelines written by an interagency committee in conjunction with the University of Minnesota for assessing changes in carbon budgets resulting from bonded restoration projects including identification of relevant carbon pools, time frames, and measurement protocols.

**Subd. 2. Statewide Asset Preservation**1,000,000

For the renovation of state-owned facilities operated by the commissioner of natural resources, to be spent in accordance with Minnesota Statutes, section 16B.307. The commissioner may use this appropriation to replace buildings if, considering the embedded energy in the building, that is the most energy efficient and carbon reducing method of renovation.

**Subd. 3. Flood Hazard Mitigation Grants**16,000,000

For the state share of flood hazard mitigation grants for publicly owned capital improvements to prevent or alleviate flood damage under Minnesota Statutes, section 103F.161.

\$3,500,000 is for a grant to the Western Mesabi Mine Planning Board to construct a conveyance system, and other improvements to accommodate water level and outflow control of the water level in the Canisteo mine pit in Itasca County. This appropriation does not require a local match. The commissioner of natural resources shall be responsible to maintain the improvements after completion of the project.

Notwithstanding Minnesota Statutes, section 103F.161, \$3,500,000 is for a grant to the Minneapolis Park and Recreation Board to be used in conjunction with the Minnehaha Creek Watershed District's plan to repair and renovate Works Projects Administration projects in the glen area of Minnehaha Creek to repair, restore, and stabilize the shoreline and cavernous banks of Minnehaha Creek as it flows past Minnehaha Falls, to restore fish and other natural habitat, and to provide storm water retention and creek bank management at or below the Minnesota Veterans Home. This appropriation is not available until the commissioner of finance determines that \$2,000,000 has been committed to the project from nonstate sources.

**APPROPRIATIONS**

This appropriation also includes money for the following projects, based on need as determined by the commissioner:

(a) Ada

(b) Agazziz Valley

(c) Austin

(d) Becker

(e) Breckenridge

(f) Browns Valley

(g) Crookston

(h) Granite Falls

(i) Hay Creek/Norlund

(j) Inver Grove Heights

(k) Moorhead

(l) Montevideo

(m) North Ottawa Impoundment

(n) Roseau

For any project listed in this subdivision that the commissioner determines is not ready to proceed or does not expend all the money allocated to it, the commissioner may allocate that project's money to a project on the commissioner's priority list.

To the extent that the cost of a project in Ada, Breckenridge, Browns Valley, Crookston, Dawson, Granite Falls, Montevideo, or Roseau exceeds two percent of the median household income in the municipality multiplied by the number of households in the municipality, this appropriation is also for the local share of the project.

The Roseau project includes the state share of land acquisition, engineering and design, and bridge construction costs for the U.S. Army Corps of Engineers East Diversion Flood Control Project, which will protect the city of Roseau from recurring flooding.



**APPROPRIATIONS****Subd. 4. Flood Control Project Relocation**12,000,000

For a grant to the city of Crookston to design, construct, furnish, and equip an ice arena complex to replace an existing facility that is being relocated to accommodate a planned flood control project. This appropriation is not available until the commissioner has determined that the city of Crookston has committed at least \$1,720,825 to the project.

**Subd. 5. Stillwater Flood Control Phase III**200,000

For a grant under Minnesota Statutes, section 103F.161, to the city of Stillwater to predesign, design, and begin construction of Phase III of the Stillwater flood control project, including flood control structures and pumping stations. The appropriation is not available until the commissioner determines that \$2,000,000 has been committed to the project from nonstate sources.

**Subd. 6. Red River Basin Digital Elevation Model**600,000

To develop and implement a high-resolution digital elevation model for the Red River basin. This appropriation is from the general fund.

**Subd. 7. Groundwater Monitoring Wells**500,000

To install new groundwater level monitoring wells to monitor and assess groundwater for water supply planning, including ten to 15 wells in the metropolitan and adjoining areas and several new monitoring wells in the south central regions of the state to monitor the Mt. Simon aquifer. This appropriation may also be used to seal existing monitoring wells that are no longer functional.

**Subd. 8. Dam Renovation and Removal**2,500,000

To renovate or remove publicly owned dams. The commissioner shall determine project priorities as appropriate under Minnesota Statutes, sections 103G.511 and 103G.515.

This appropriation includes money for the following projects:

- (a) Clayton Lake, Pine County
- (b) Cross Lake, Pine County
- (c) Hartley, Saint Louis County
- (d) King's Mill, Rice County

**APPROPRIATIONS**

(e) Lake Bronson, Kittson County

(f) Luverne, Rock County

(g) Windom, Cottonwood County

Notwithstanding Minnesota Statutes, section 16A.69, subdivision 2, upon the award of final contracts for the completion of a project listed in this subdivision, the commissioner may transfer the unencumbered balance in the project account to any other dam renovation or removal project on the commissioner's priority list.

**Subd. 9. Water Control Structures**

500,000

To rehabilitate or replace water control structures used to manage shallow lakes and wetlands for waterfowl habitat on wildlife management areas under Minnesota Statutes, section 86A.05, subdivision 8, or for the purposes of public water reserves under Minnesota Statutes, section 97A.101, or structures on other waters under Minnesota Statutes, section 103G.505.

**Subd. 10. Mississippi River Aquatic Invasive Species Barrier**

500,000

To predesign and design an adequate barrier in the Mississippi River in order to prevent aquatic invasive species from migrating up river. This money may be used by the commissioner to match available federal dollars and dollars from other states. The commissioner must inform and work with affected federal and state agencies and local communities along the Mississippi River before construction of a river barrier.

**Subd. 11. Stream Protection and Restoration**

2,000,000

For the design and construction of stream protection and restoration projects that concentrate on downstream flooding protection. This appropriation may be used only for projects in flood areas.

**Subd. 12. Shoreline and Critical Aquatic Habitat Acquisition**

1,000,000

To acquire land that is critical for fish and other aquatic life under Minnesota Statutes, section 86A.05, and to make public improvements and betterments of a capital nature to aquatic management areas established under Minnesota Statutes, section 86A.05, subdivision 14.

**APPROPRIATIONS****Subd. 13. Fish Hatchery Improvements**2,000,000

For improvements of a capital nature to create ponds and renovate fish culture facilities at hatcheries owned by the state and operated by the commissioner of natural resources under Minnesota Statutes, section 97A.045, subdivision 1, and to design, construct, or acquire drainable ponds and other facilities in order to move walleye rearing out of natural wetlands.

**Subd. 14. Water Access Acquisition**650,000

For public water access acquisition, construction, and renovation projects of a capital nature on lakes and rivers, including water access through the provision of fishing piers and shoreline access under Minnesota Statutes, section 86A.05, subdivision 9.

**Subd. 15. Native Prairie Bank Acquisition and Development**5,000,000

To acquire tracts of native prairie bank lands under Minnesota Statutes, section 84.96, and to develop and restore certain tracts of prairie bank lands. Prairie restorations, funded in whole or in part with funds from this appropriation, must use native prairie species of a local ecotype as defined in Minnesota Statutes, section 84.02, subdivision 6.

**Subd. 16. Scientific and Natural Area Acquisition and Development**1,000,000

To acquire land for scientific and natural areas and for protection and improvements of a capital nature to scientific and natural areas under Minnesota Statutes, sections 84.033 and 86A.05, subdivision 5. Not less than five percent of this appropriation is for restoration.

This appropriation may include money for the following projects:

- (a) Avon Hills Forest SNA additions in Stearns County
- (b) Big Woods of Cottonwood River in Lyon County
- (c) Clinton Falls Dwarf Trout Lily site in Steele County
- (d) Cooks Lake Forest in Otter Tail and Becker Counties
- (e) Des Moines R forest-prairie complex in Jackson County
- (f) Franconia Bluffs in Chisago County
- (g) Hovland Woods SNA addition in Cook County
- (h) Lester Lake Forest in Hubbard County

**APPROPRIATIONS**

(i) Morton Outcrops in Renville County

(j) Nopeming Unconformity in Saint Louis County

(k) Pine Bend Bluffs SNA addition in Dakota County

(l) Wycoff Balsam Fir SNA addition in Fillmore County

**Subd. 17. Wildlife Area Acquisition and Improvement**

8,000,000

To acquire land in fee for wildlife management area purposes and for improvements of a capital nature to develop, protect, or improve habitat and facilities on wildlife management areas under Minnesota Statutes, section 86A.05, subdivision 8. Not less than five percent of this appropriation must be used for restoration of existing wildlife management areas. Not less than ten percent of this appropriation is for restoration on land acquired with this appropriation. Twenty percent of this appropriation is for acquisition of land in the seven-county metro area. Prairie restorations, funded in whole or in part with funds from this appropriation, must use native prairie species of a local ecotype as defined in Minnesota Statutes, section 84.02, subdivision 6. The commissioner shall submit a plan to the legislature and the chairs of the house and senate committees with jurisdiction over the environment and natural resources on the management of native prairie lands and harvesting of native prairie vegetation for use for energy production in a manner that does not devalue the natural habitat, water quality benefits, or carbon sequestration functions.

**Subd. 18. RIM Critical Habitat Match**

3,000,000

To provide the state match for the critical habitat private sector matching account under Minnesota Statutes, section 84.943.

**Subd. 19. Forest Roads and Bridges**

1,000,000

For reconstruction, resurfacing, replacement, and construction of state forest roads and bridges under Minnesota Statutes, section 89.002.

**Subd. 20. State Forest Land Reforestation**

5,000,000

To increase reforestation activities to meet the reforestation requirements of Minnesota Statutes, section 89.002, subdivision 2, including planting, seeding, site preparation, and purchasing native seeds and native seedlings.

**APPROPRIATIONS****Subd. 21. Big Bog State Recreation Area**1,600,000

For improvements at the Big Bog State Recreation Area, including upgrades to the contact station and forest restoration.

**Subd. 22. Cuyuna Country State Recreation Area**125,000

To construct a natural surface multiuse trail and provide for other improvements of a capital nature at the Cuyuna Country State Recreation Area.

**Subd. 23. State Park and Recreation Area Facility Improvements**8,000,000

For projects within state parks established under Minnesota Statutes, section 85.012, and state recreation areas established under Minnesota Statutes, section 85.013, contained in the Department of Natural Resources, Division of Parks and Recreation's ten-year project list for "New and Deferred Maintenance Bondable Projects" dated January 30, 2008. This appropriation includes money for Afton, Bear Head Lake, Beaver Creek Valley, Big Stone Lake, Blue Mounds, Buffalo River, Camden, Cascade River, Cuyuna Country State Recreation Area, Flandrau, Forestville Mystery Cave, Fort Ridgely, Frontenac, George Crosby Manitou, Glendalough, Great River Bluffs, Itasca, Judge Magney, Kilen Woods, Lake Bemidji, Lake Carlos, Lake Louise, Maplewood, Mille Lacs Kathio, Sakatah, Savanna Portage, Sibley, Soudan Mine, Split Rock Creek, Split Rock Lighthouse, Temperance River, Tettegouche, Upper Sioux Agency, Whitewater, and William O'Brien State Parks and deciduous forest restoration in region 3. The commissioner shall determine project priorities as appropriate, based on need.

**Subd. 24. State Park Rehabilitation and Development**10,000,000

For deferred maintenance including infrastructure rehabilitation and the renovation and development of facilities within state parks established under Minnesota Statutes, section 85.012, contained in the Department of Natural Resources, Division of Parks and Recreation's ten-year project list for "New and Deferred Maintenance Bondable Projects" dated January 30, 2008. This appropriation includes money for Afton, Banning, Bear Head Lake, Beaver Creek Valley, Big Stone Lake, Blue Mounds, Camden, Crow Wing, Flandrau, Forestville Mystery Cave, Fort Ridgely, Fort Snelling, Frontenac, Glacial Lakes, Glendalough, Gooseberry Falls, Hayes Lake, Hill Annex, Itasca, Jay Cooke, Judge Magney, Lake Bemidji, Lake Bronson, Lake Carlos, Lake Louise, Lake Maria, Lake Shetek, Maplewood, McCarthy Beach, Minneopa, Moose Lake, Myre-Big Island, Nerstrand, Old Mill, Rice Lake, Sakatah, Savanna Portage, Scenic, Sibley, Soudan

**APPROPRIATIONS**

Mine, Split Rock Lighthouse, St. Croix, Temperance River, Tettegouche, Upper Sioux Agency, Wild River, and William O'Brien State Parks. The commissioner shall determine project priorities as appropriate, based on need.

**Subd. 25. Lake Vermilion State Park Acquisition and Development**

15,500,000

To acquire land for Lake Vermilion State Park and to make minimal infrastructure improvements.

**Subd. 26. State Park Prairie Reconstruction and Forest Restoration Projects**

545,000

\$290,000 is for prairie and savanna reconstruction projects at the following state parks: Big Stone, Blue Mounds, Camden, Crow Wing, Frontenac, Glacial Lakes, Maplewood, Split Rock Creek, Upper Sioux, and William O'Brien.

\$255,000 is for forest restoration projects at the following state parks: Itasca, Lake Bemidji, Nerstrand, and St. Croix.

Prairie restorations, funded in whole or in part with funds from this appropriation, must include planting native prairie species of a local ecotype as defined in Minnesota Statutes, section 84.02, subdivision 6.

**Subd. 27. Regional and Local Park Grants**

13,892,000

An appropriation in this subdivision is not available unless a covenant is placed, or has been placed, on the land to keep the land as a public park in perpetuity.

\$492,000 is for a grant to the Central Minnesota Regional Parks and Trails Coordination Board to acquire 23 acres of land adjacent to Warner Lake Park in Stearns County.

\$1,400,000 is for a grant to Chisago City to acquire land for the creation of Ojiketa Regional Park in Chisago County.

\$4,000,000 is for a grant to the city of Sartell to acquire 68 acres of land located along the Sauk River near the confluence of the Mississippi to serve as part of the Central Minnesota Regional Parks and Trails.

\$8,000,000 is for a grant to Wright County to acquire land for Bertram Chain of Lakes Regional Park, under Minnesota Statutes, section 85.019, subdivision 2.

**APPROPRIATIONS****Subd. 28. State Trail Acquisition and Development**13,520,000

To acquire land for and to design, construct, and renovate state trails under Minnesota Statutes, section 85.015.

\$970,000 is for the Chester Woods Trail from Rochester to Dover.

\$750,000 is for the Gateway Trail grade-separated crossing.

\$1,600,000 is for the Gitchi-Gami Trail.

\$1,200,000 is for the Great River Ridge Trail.

\$500,000 is for the Heartland Trail.

\$150,000 is for the Mill Towns Trail in Faribault.

\$500,000 is for the Mill Towns Trail from Lake Byllesby Park to Cannon Falls.

\$1,500,000 is for the Minnesota River Trail from Appleton to Milan.

\$2,000,000 is for the Paul Bunyan Trail from Walker to Guthrie.

\$100,000 is for the Root River Trail, the eastern extension.

\$250,000 is for the Root River Trail, the eastern extension Wagon Wheel.

\$4,000,000 is for the rehabilitation of state trails.

For any project listed in this subdivision that the commissioner determines is not ready to proceed, the commissioner may allocate that project's money to another state trail project identified in this subdivision. The chairs of the house and senate committees with jurisdiction over the environment and natural resources and legislators from the affected legislative districts must be notified of any changes.

**Subd. 29. Regional and Local Trails Grants**5,480,000

\$2,183,000 is for a grant to Anoka County as the local share to match federal funds for the Rice Creek North Regional Trail from Rice Creek Chain of Lakes Park Reserve in Lino Lakes to the Ramsey County trail system in Shoreview.

\$225,000 is for a grant to Clara City to design and construct a walking path in Clara City.

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\$500,000 is for a grant to the city of Coon Rapids to predesign, design, and construct a bicycle and pedestrian trail connecting the city of Fridley bicycle and pedestrian trail along 85th Avenue to the Mississippi Regional Trail Corridor in the city of Coon Rapids.

\$2,000,000 is for a grant to the city of Minneapolis to purchase, install, and replace lighting fixtures along the nonmotorized routes of the Grand Rounds. Any outdoor lighting fixtures installed, replaced, maintained, or operated with these funds must be a full cutoff luminaire, as defined in Minnesota Statutes, section 16B.328, subdivision 1, if the rated output of the outdoor lighting fixture is greater than 1,800 lumens, and be the minimum illuminance adequate for the intended purpose with consideration given to nationally recognized standards. Full consideration must be given to energy conservation and savings, reduction of glare, minimization of light pollution, and preservation of the natural night environment. This appropriation is not available until the commissioner of finance determines that at least an equal amount has been committed to the project from nonstate sources.

\$100,000 is for a grant to the city of Inver Grove Heights for the Mississippi River Bridge 5600 between Inver Grove Heights and St. Paul Park.

\$100,000 is for a grant to the city of Mora for construction of pedestrian and bicycle trails, bridge restoration and renovation, and other improvements of a capital nature for the Spring Lake Trail, located in the city of Mora.

\$372,000 is for a grant to the city of Rockville to design and construct the Rocori Trail from Richmond through Cold Spring to Rockville, connecting with the Glacial Lakes Trail, the Beaver Island Trail, and the Lake Wobegon Trail.

For any project listed in this subdivision that the commissioner determines is not ready to proceed, the commissioner may allocate that project's money to another state trail project identified in this subdivision. The chairs of the house and senate committees with jurisdiction over the environment and natural resources and legislators from the affected legislative districts must be notified of any changes.

**Subd. 30. Old Cedar Avenue Bridge****2,000,000**

For a grant to the city of Bloomington to renovate the old Cedar Avenue bridge to serve as a hiking and bicycling trail connection.



**APPROPRIATIONS****Subd. 31. Fort Snelling Upper Bluff Emergency Building Stabilization**500,000

For a grant to Hennepin County to conduct emergency building stabilization at Fort Snelling Upper Bluff. This appropriation is not available until the commissioner of finance has determined that Hennepin County has entered into appropriate agreements to use Sentence to Serve labor for the project that will train the Sentence to Serve laborers in the skills needed for the work.

**Subd. 32. Bell Museum Landscaping**1,000,000

To design and construct an environmental landscape at the new Bell Museum of Natural History.

**Subd. 33. Diseased Shade Tree Removal and Replacement**1,000,000

For grants to cities, counties, townships, and park and recreation boards in cities of the first class for the identification, removal, disposal, and replacement of dead or dying shade trees lost to forest pests or disease. For purposes of this appropriation, "shade tree" means a woody perennial grown primarily for aesthetic or environmental purposes with minimal to residual timber value. The commissioner shall consult with municipalities, park and recreation boards in cities of the first class, nonprofit organizations, and other interested parties in developing eligibility criteria.

**Subd. 34. Lake Zumbro**175,000

For a grant to Olmsted and Wabasha Counties to design and engineer the restoration of Lake Zumbro. The design must include public access.

**Sec. 8. POLLUTION CONTROL AGENCY****Subdivision 1. Total Appropriation****\$32,500,000**

To the Pollution Control Agency for the purposes specified in this section.

**Subd. 2. Closed Landfill Cleanup Revenue Bonds**25,000,000

From the bond proceeds account in the remediation fund under new Minnesota Statutes, section 116.156.

**APPROPRIATIONS**

This appropriation is for action at qualified closed landfill facilities in Albert Lea, Mille Lacs County, Washington County, the Western Lake Superior Sanitary District, and other locations as determined by the commissioner of the Pollution Control Agency. If the dig and fill option is chosen for remediation of the Washington County landfill, the landfill must have a triple liner.

By January 15, 2009, the commissioner of the Pollution Control Agency shall report to the house and senate Finance Committees and divisions with jurisdiction over the environment on whether the remediation fund needs additional revenue in order to provide timely cleanup of closed landfills in the state without depleting the remediation fund.

**Subd. 3. Remedial Systems; Albert Lea**2,500,000

To design and construct remedial systems at the Albert Lea Landfill, including relocating and incorporating waste from the former Albert Lea Dump owned by the city of Albert Lea pursuant to Minnesota Statutes, section 115B.403, which action may be taken by the Pollution Control Agency notwithstanding the provisions of Minnesota Statutes, section 115B.403, paragraphs (a) and (b).

**Subd. 4. Beneficial Reuse of Wastewater Grant Program**5,000,000

For grants to political subdivisions for up to 50 percent of the costs to predesign, design, and implement capital projects that demonstrate the beneficial use of wastewater under Minnesota Statutes, section 116.195.

**Sec. 9. BOARD OF WATER AND SOIL RESOURCES****Subdivision 1. Total Appropriation****\$39,275,000**

To the Board of Water and Soil Resources for the purposes specified in this section.

The board must record in a central location each project, funded in whole or in part with funds from this appropriation, that is expected to have carbon sequestration value in anticipation of guidelines written by an interagency committee in conjunction with the University of Minnesota for assessing changes in carbon budgets resulting from bonded restoration projects, including identification of relevant carbon pools, time frames, and measurement protocols.

**APPROPRIATIONS**

To the extent possible, prairie restorations, funded in whole or in part with funds from this appropriation, must be made using best management practices for native prairie restoration as defined under Minnesota Statutes, section 84.02, subdivision 2.

Funds previously appropriated and waivers previously authorized to the Board of Water and Soil Resources for DR-1717 flood relief and recovery in Minnesota Laws 2007, First Special Session chapter 2, are available and applicable until June 30, 2010.

**Subd. 2. RIM Reserve Program****35,000,000**

To acquire conservation easements from landowners to preserve, restore, create, and enhance wetlands, restore and enhance rivers and streams, riparian lands, and associated uplands in order to protect soil and water quality, support fish and wildlife habitat, reduce flood damages, and other public benefits. The provisions of Minnesota Statutes, section 103F.515, apply to this appropriation, except that the board may establish alternative payment rates for easements and practices to establish restored native prairies, as defined in Minnesota Statutes, section 84.02, subdivision 7, and to protect uplands. Of this appropriation, up to ten percent may be used to administer the program.

\$5,000,000 of this amount is to be available for use in the area designated for relief and recovery from the flooding that occurred on or after August 18, 2007, in the area of Southeast Minnesota designated under Presidential Declaration of Major Disaster, DR-1717.

At least \$3,000,000 of this amount is available for use by the Cedar River and Turtle Creek Watershed Districts in Freeborn, Mower, and Steele Counties to restore wetlands and reduce flooding in the Austin area.

At least \$10,000,000 of this amount is available for use in Becker, Clay, Kittson, Mahnomon, Marshall, Norman, Pennington, Polk, Red Lake, Roseau, and Wilkin Counties to restore wetlands and reduce flooding in the Red River Valley area.

The board is authorized to enter into new agreements and amend past agreements with landowners as required by Minnesota Statutes, section 103F.515, subdivision 5, to allow for restoration, including overseeding and harvesting, of native prairie vegetation for use for energy production in a manner that does not devalue the natural habitat, water quality benefits, or carbon sequestration functions of the area enrolled in the easement. This shall occur after seed production and minimize impacts on wildlife. Of this appropriation, up to five percent may be used for restoration, including overseeding.

**APPROPRIATIONS****Subd. 3. Wetland Replacement Due to Public Road Projects**3,000,000

To acquire land for wetland restoration or preservation to replace wetlands drained or filled as a result of the repair or rehabilitation, reconstruction, or replacement of existing public roads as required by Minnesota Statutes, section 103G.222, subdivision 1, paragraphs (l) and (m). The provisions of Minnesota Statutes, section 103F.515, apply to this appropriation, except that the board may establish alternative payment rates for easements and practices to establish restored native prairies, as defined in Minnesota Statutes, section 84.02, subdivision 7, and to protect uplands. Up to ten percent may be used to administer the program.

The purchase price paid for acquisition of land, in fee or perpetual easement, must be the fair market value as determined by the board. The board may enter into agreements with the federal government, other state agencies, political subdivisions, and nonprofit organizations or fee owners to acquire land and restore and create wetlands or to acquire wetland banking credits. Acquisition of or the conveyance of land may be in the name of the political subdivision.

**Subd. 4. Clean Water Legacy**1,275,000

\$1,275,000 is for improving water quality. The board may expend this amount for the following purposes:

(1) \$800,000 for a grant to Kandiyohi County to acquire conservation easements, design and construct water control structures and pumping infrastructure, and plant native prairie species of a local ecotype as defined in Minnesota Statutes, section 84.02, subdivision 6, in order to restore the Grass Lake prairie wetland basins adjacent to the city of Willmar in Kandiyohi County. This amount must be matched one-to-one by funding from other sources;

(2) \$475,000 for a grant to the city of Gaylord to improve water quality in the Lake Titlow watershed. The funds may be used to predesign and design holding ponds upstream from Lake Titlow. The design must include the best location for the ponds, an estimate of the cost of land acquisition or easements, construction costs of the holding ponds, and the estimated expense of maintaining the structures and who will be responsible for the expense. The funds may also be used to construct and reconstruct storm water sewer drains and related facilities to divert water that currently drains into Lake Titlow into holding ponds south of the city. The cost of reconstructing city streets as part of this diversion, and as outlined in the city of Gaylord's street improvement plan, is the responsibility of the city. This diversion

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will keep phosphorus and other chemicals from entering the lake, and will improve the water quality of Lake Titlow. The city must also coordinate with state and county conservation officials to ensure correct conservation practices and improvements in the watershed. For the purposes of this appropriation, the criteria, limitations, and assessment requirements in Minnesota Statutes, sections 103D.701, 103D.705, and 103D.901, are waived. The information gained from this project must be made available for public use. This appropriation is not available until the commissioner of finance determines that \$200,000 has been committed to the project from other sources.

Sec. 10. **MINNESOTA ZOOLOGICAL GARDEN**

Subdivision 1. **Total Appropriation** **\$9,500,000**

To the Minnesota Zoological Garden for the purposes in this section.

Subd. 2. **Asset Preservation** **8,500,000**

For capital asset preservation improvements and betterments, to be spent in accordance with Minnesota Statutes, section 16A.632.

Subd. 3. **Master Plan** **1,000,000**

For predesign and design to implement the zoo's Master Plan.

Sec. 11. **ADMINISTRATION**

Subdivision 1. **Total Appropriation** **\$15,725,000**

To the commissioner of administration for the purposes specified in this section.

Subd. 2. **Property Acquisition** **2,325,000**

To acquire property at 639 Jackson Street in St. Paul adjacent to the Harold E. Stassen Building, to demolish existing structures on the property, and to develop temporary parking on the site and adjacent areas.

Subd. 3. **State Capitol Building Restoration** **13,400,000**

For asset preservation of the State Capitol Building, including but not limited to: site work to stabilize the plaza; repair, replacement, and stabilization of the building's exterior envelope; replacement of air handling units at risk of failure; projects to improve interior emergency lighting, dome lighting, and catwalks; tuckpointing of the dome; and roof repairs.

**APPROPRIATIONS**Sec. 12. **AMATEUR SPORTS COMMISSION**Subdivision 1. **Total Appropriation****\$5,000,000**

To the Amateur Sports Commission for the purposes specified in this section.

Subd. 2. **National Sports Center, Blaine**1,000,000

For asset preservation at the National Sports Center in Blaine to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. **National Volleyball Center**4,000,000

For a grant to the city of Rochester to design, construct, furnish, and equip the phase II expansion of the National Volleyball Center in Rochester, subject to Minnesota Statutes, section 16A.695.

Sec. 13. **MILITARY AFFAIRS**Subdivision 1. **Total Appropriation****\$6,000,000**

To the adjutant general for the purposes specified in this section.

Subd. 2. **Asset Preservation**3,500,000

For asset preservation improvements and betterments of a capital nature at military affairs facilities statewide, to be spent in accordance with Minnesota Statutes, section 16B.307. This appropriation may be used to repair the roof at the Bemidji National Guard Training and Community Center and to replace the roof at the St. Cloud National Guard Training and Community Center.

Subd. 3. **Facility Life Safety Improvements**1,000,000

For life safety improvements and to correct code deficiencies at military affairs facilities statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 4. **Facility ADA Compliance**1,500,000

For Americans with Disabilities Act (ADA) alterations to existing National Guard Training and Community Centers in locations throughout the state, to be spent in accordance with Minnesota Statutes, section 16B.307.

**APPROPRIATIONS****Subd. 5. Unspent Appropriations**

The unspent portion of an appropriation for a project under this section that has been completed may be used for any other purpose permitted under Minnesota Statutes, section 16B.307.

**Sec. 14. PUBLIC SAFETY****Subdivision 1. Total Appropriation****\$7,655,000**

To the commissioner of administration or other named agency for the purposes specified in this section.

**Subd. 2. Public Safety Training Center - Camp Ripley****4,000,000**

To predesign, design, and construct phase 1 of a tier-3 homeland security and emergency management training and exercise center at Camp Ripley, which includes a classroom facility and several facilities for field response training.

Nonmilitary public safety personnel from Minnesota must be given priority access to the training facilities. Any fees charged to nonmilitary public safety personnel from Minnesota or their employers may not exceed the fees charged to military personnel and units that use the facilities.

**Subd. 3. Southeastern Minnesota Regional Public Safety Training Center - Olmsted County****3,655,000**

To the commissioner of public safety for a grant to Olmsted County to design, construct, furnish, and equip the Southeastern Minnesota Regional Public Safety Training Center in Olmsted County. The facility must include a live burn training simulator adjacent to the existing National Guard facility, a driving range, and a weapons training facility.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed to the project from nonstate sources.

**Subd. 4. Crime Labs Strategic Plan**

The commissioner of public safety must develop a long-term strategic plan for maintenance and staffing of existing state and regional crime labs and creation, maintenance, and staffing of new regional and local crime labs. The strategic plan must include, but is not limited to, the following:

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(1) an assessment and explanation of the state's crime lab needs, including the need for additional regional or local crime labs;

(2) specific recommendations for additional regional or local crime labs, including recommendations for locations for new labs, and a ranking of the specific regions, counties, or cities that need a crime lab in order of urgency;

(3) a long-range plan for the training of state crime lab employees, including the possibility of sharing employee training costs with users of the state lab or entities that operate regional or local labs;

(4) a long-range funding plan for the state crime lab and state owned regional labs;

(5) an assessment of the state crime lab's response times and specific recommendations for improving the lab's response time; and

(6) specific, clearly stated steps for implementing the strategic plan.

The commissioner must submit the strategic plan, as a recommendation, to the house of representatives and senate committees with responsibility for public safety finance by February 1, 2009.

Sec. 15. **TRANSPORTATION**

Subdivision 1. **Total Appropriation**

**\$14,500,000**

To the commissioner of transportation for the purposes specified in this section.

Subd. 2. **Port Development Assistance**

2,500,000

For the port development assistance program, to be spent as grants under Minnesota Statutes, chapter 457A. Any improvements made with the proceeds of these grants must be publicly owned.

Subd. 3. **High-Speed Rail Line**

4,000,000

For the state's share of a high-speed rail line between St. Paul and Chicago. No part of this appropriation may be spent to acquire or better capital improvements that are located outside the state of Minnesota, that may be used from time to time outside the state of Minnesota, or that are part of a rail corridor that is not designated by the Midwest Interstate Passenger Rail Compact.



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The commissioner shall work with the Wisconsin Department of Transportation to coordinate application for federal capital assistance for the high speed rail project.

The commissioner shall develop a comprehensive rail plan, as part of the state transportation plan, including the high speed rail project. The commissioner shall provide to the chairs of the legislative committees with jurisdiction over transportation policy and finance a copy of the draft state transportation plan for review and comment before the plan is adopted.

**Subd. 4. Northshore Express**500,000

For a grant to the St. Louis and Lake Counties Regional Railroad Authority to acquire land, to conduct design, engineering, and environmental studies, and to construct or reconstruct rail lines, railway stations, and other railroad appurtenances necessary to facilitate the return of passenger rail service within Duluth and in the Duluth/Minneapolis rail corridor.

**Subd. 5. Railroad Track Rehabilitation**7,000,000

For a grant to the Minnesota Valley Regional Rail Authority to rehabilitate a portion of railroad track from Norwood-Young America to Hanley Falls. A grant under this subdivision is in addition to any grant, loan, or loan guarantee for this project made by the commissioner under Minnesota Statutes, sections 222.46 to 222.62.

**Subd. 6. Southeast Express**500,000

For predesign, preliminary engineering, and alternatives analysis for a transit corridor between Rochester and St. Paul.

**Sec. 16. METROPOLITAN COUNCIL****Subdivision 1. Total Appropriation****\$111,700,000**

To the Metropolitan Council for the purposes specified in this section.

**Subd. 2. Central Corridor Light Rail Transit**70,000,000

(a) For one or more of the following activities for the Central Corridor light rail transit line that will connect downtown Minneapolis with downtown St. Paul: preliminary engineering, final design, property acquisition, including improvements and betterments of a capital nature, relocation of utilities owned by public entities, and construction. No more than \$20,000,000 of the appropriation may be used for preliminary engineering.

**APPROPRIATIONS**

(b) Hennepin and Ramsey Counties need not spend their matching money to this project at a rate faster than dollar for dollar with the money from this appropriation.

(c) District heating and district cooling nonprofit corporations organized under Minnesota Statutes, chapter 317A, that are exempt organizations under section 501(c)(3) of the United States Internal Revenue Code that are public right-of-way users under Minnesota Rules, chapter 7819, are eligible to receive grants and federal money for costs of relocating facilities from public rights-of-way to prevent interference with public light rail projects, unless eligibility would impact the project's Federal Transit Authority required cost effectiveness index.

**Subd. 3. Urban Partnership Agreement**12,000,000

\$6,000,000 of this appropriation is to acquire land, design, and construct new or expanded park-and-rides or transit stations in the marked Interstate Highway 35W and marked Trunk Highway 77/Cedar Avenue corridors.

\$6,000,000 of this appropriation is for bus lane construction and related street and sidewalk improvements and bus shelters in downtown Minneapolis.

The appropriation under this subdivision is not available until the United States Department of Transportation authorizes funding under the Urban Partnership Agreement.

**Subd. 4. Bottineau Corridor Transit Way**500,000

For a grant to the Hennepin County Regional Rail Authority to prepare an alternatives analysis, draft environmental impact study, and for property acquisition for the Bottineau Corridor Transit Way from the Hiawatha light rail and Northstar transit hub in downtown Minneapolis to the vicinity of the Target development in northern Brooklyn Park.

**Subd. 5. Cedar Avenue Bus Rapid Transit (BRT)**500,000

For environmental studies, preliminary engineering, bus lane improvements, land acquisition, and transit station construction and improvements in the Cedar Avenue Bus Rapid Transit Corridor.

This appropriation may not be spent for capital improvements within a trunk highway right-of-way.

**APPROPRIATIONS****Subd. 6. I-94 Corridor Transit Way**500,000

For a grant to Washington County to work with the Metropolitan Council for predesign, preliminary engineering, and matching federal funds for transit improvements, including busways or rail transit in the marked Interstate Highway 94 Corridor between the Union Depot Concourse Multimodal Transit Hub, located in St. Paul, extending eastward through Washington County to the Minnesota-Wisconsin border.

**Subd. 7. I-494 Corridor Transit Way**500,000

For environmental studies and preliminary engineering of light rail transit along a corridor on or near marked Interstate Highway 494, from Minneapolis-St. Paul International Airport to a transit station located on the proposed Southwest Corridor Transit Way.

**Subd. 8. Red Rock Corridor Transit Way**500,000

For the Red Rock Corridor Transit Way between Hastings and Minneapolis via St. Paul, and extended between Hastings and Red Wing, for the design, construction, and furnishing of park-and-ride lots.

**Subd. 9. Robert Street Corridor Transit Way**500,000

For environmental studies and engineering of bus rapid transit or light rail transit for the Robert Street Corridor Transit Way along a corridor on or parallel to U.S. Highway 52 and Robert Street from within the city of St. Paul to Dakota County Road 42 in Rosemount. This appropriation is added to the appropriation in Laws 2006, chapter 258, section 17, subdivision 6.

**Subd. 10. Rush Line Corridor Transit Way**500,000

For a grant to the Ramsey County Regional Rail Authority to acquire land for, design, and construct park-and-pool or park-and-ride lots located along the Rush Line Corridor along marked Interstate Highway 35E, marked Interstate Highway 35, and marked Trunk Highway 61, from downtown St. Paul to Hinckley.

**Subd. 11. Southwest Corridor Transit Way**500,000

For a grant to the Hennepin County Regional Rail Authority to prepare an environmental impact statement (EIS) and for preliminary engineering for the Southwest Corridor Transit Way, from the Hiawatha light rail transit line in downtown Minneapolis to the vicinity of the Southwest Station transit hub in Eden Prairie.

**APPROPRIATIONS****Subd. 12. Union Depot**4,500,000

For a grant to the Ramsey County Regional Rail Authority to acquire land and structures, to renovate structures, and for design, engineering, and environmental work to revitalize Union Depot for use as a multimodal transit center in St. Paul.

**Subd. 13. Metropolitan Regional Parks Capital Improvements**10,500,000

For the cost of improvements and betterments of a capital nature and acquisition by the council and local government units of regional recreational open-space lands in accordance with the council's policy plan as provided in Minnesota Statutes, section 473.147. These funds shall not be used for the purchase of easements.

**Subd. 14. St. Paul National Great River Park**4,000,000

For a grant to the city of St. Paul to acquire blighted properties, clean up, remediate, and improve properties, predesign and design facilities, and develop a master plan for the National Great River Park along the Mississippi River in St. Paul.

**Subd. 15. Upper Landing Shoreline Protection**3,800,000

For a grant to the city of St. Paul to construct, furnish, and equip river shoreline protection and plan redevelopment infrastructure along the Mississippi River in St. Paul.

**Subd. 16. Springbrook Nature Center**2,500,000

For a grant to the city of Fridley to predesign, design, construct, furnish, and equip the redevelopment and expansion of the Springbrook Nature Center. No nonstate match is required.

**Subd. 17. Father Hennepin Regional Park**400,000

For a grant to the Minneapolis Park and Recreation Board for repair, restoration, and rehabilitation of trails, picnic areas, lighting, signage, and stairs and for bluff and slope stabilization at Father Hennepin Regional Park.

**Sec. 17. HUMAN SERVICES****Subdivision 1. Total Appropriation****\$13,185,000**

To the commissioner of administration for the purposes specified in this section.

**APPROPRIATIONS****Subd. 2. Systemwide Asset Preservation/Safety and Security**4,000,000

To repair, replace, and renew needs specific to the operations of each regional treatment center such as code deficiencies, safety hazards, security deficiencies, and health risks.

**Subd. 3. Systemwide Campus Redevelopment, Reuse, and Demolition**4,000,000

To repair, replace, and improve key building components and basic infrastructure necessary to redevelop and reuse surplus regional treatment center properties and to demolish buildings and campus infrastructure for current or future use.

**Subd. 4. Early Childhood Facilities**1,000,000

For the early childhood learning and child protection facilities grant program under Minnesota Statutes, section 119A.45.

**Subd. 5. Multicounty Regional Chemical Dependency Treatment Facility and Correctional Center**150,000

To the commissioner of human services for predesign of a multicounty regional chemical dependency treatment facility and correctional center in west central Minnesota. The commissioner shall consult with the commissioner of corrections on the predesign of the facility.

**Subd. 6. Hennepin County Medical Center**3,500,000

For a grant to Hennepin County to predesign and design an outpatient clinic and health education facility at Hennepin County Medical Center that includes teaching clinics and an education center.

**Subd. 7. Ah Gwah Ching Regional Treatment Center**400,000

For preparation and site development, including demolition of buildings and infrastructure, to implement the redevelopment and reuse of the Ah Gwah Ching Regional Treatment Center. If the campus is sold or transferred to a local unit of government, unspent portions of this appropriation may be granted to that local unit of government for the purposes stated in this subdivision.

**Subd. 8. Remembering with Dignity**135,000

For grave markers or memorial monuments for unmarked graves of deceased residents of state hospitals or regional treatment centers.

**APPROPRIATIONS**Sec. 18. **VETERANS AFFAIRS**Subdivision 1. **Total Appropriation****\$11,227,000**

To the commissioner of administration for the purposes specified in this section.

Subd. 2. **Asset Preservation**2,800,000

For asset preservation improvements and betterments of a capital nature at veterans homes statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.

Subd. 3. **Kandiyohi County**7,900,000

To design, construct, furnish, and equip a 90-bed facility to provide skilled nursing services to veterans in Kandiyohi County.

Subd. 4. **Silver Bay Campus Renovation**227,000

For the state share of the cost to design, construct, furnish, and equip an addition to and renovation of the nursing care facility. This appropriation is added to the appropriation to the Veterans Homes Board in Laws 2006, chapter 258, section 19, subdivision 7, for this project.

Subd. 5. **Veterans Memorial, Eden Prairie**100,000

For a grant to the city of Eden Prairie to design and construct improvements of a capital nature for a veterans memorial in Purgatory Creek Recreation Area in the city of Eden Prairie.

Subd. 6. **All Veterans Memorial**100,000

For a grant to the city of Richfield to design and construct the All Veterans Memorial in Veterans Memorial Park. The All Veterans Memorial shall acknowledge the six branches of military service at the first American flag raising of the battle of Iwo Jima, and shall feature a bronze bust of Charles "Chuck" W. Lindberg, who helped raise the first flag on February 23, 1945, and was the last flag raiser of both Iwo Jima flag raisings to pass away. It is anticipated that the total cost of the project is \$711,500, with the city and nonprofit organizations contributing \$611,500. This appropriation is not available until the commissioner of finance has determined that at least an equal amount has been committed from nonstate sources.

**APPROPRIATIONS****Subd. 7. Veterans Memorial, Virginia****100,000**

For a grant to the city of Virginia to acquire a bronze statue to complete an Iron Range Veterans Memorial in City Center Park. Any expenditures by the city for development and construction of the veterans memorial and City Center Park shall be considered the city's match for this project.

**Sec. 19. CORRECTIONS****Subdivision 1. Total Appropriation****\$27,000,000**

To the commissioner of administration for the purposes specified in this section.

**Subd. 2. Asset Preservation****11,000,000**

For improvements and betterments of a capital nature at Minnesota correctional facilities statewide, in accordance with Minnesota Statutes, section 16B.307.

**Subd. 3. Minnesota Correctional Facility - Faribault: Phase III Expansion****16,000,000**

To design, construct, furnish, and equip phase 3 of the expansion of the Minnesota Correctional Facility-Faribault. This project is a continuation of the expansion of the Faribault facility to deal with the increasing male offender population. It includes an intake/receiving/warehouse/watch security center building and demolition of two housing units.

**Sec. 20. EMPLOYMENT AND ECONOMIC DEVELOPMENT****Subdivision 1. Total Appropriation****\$133,625,000**

To the commissioner of employment and economic development or other named agency for the purposes specified in this section.

**Subd. 2. Greater Minnesota Business Development Infrastructure Grant Program****5,000,000**

For grants under Minnesota Statutes, section 116J.431.

Notwithstanding Minnesota Statutes, section 116J.431, subdivision 2, at least one-half of this appropriation must be used for grants and loans to Minnesota school districts, municipalities, and counties for building infrastructure improvements that use Minnesota biomass energy products to conserve energy and reduce reliance on electricity, oil, and natural gas.

**APPROPRIATIONS****Subd. 3. Bioscience Business Development Public Infrastructure Grant Program**9,325,000

For grants under Minnesota Statutes, section 116J.435.

Any bioscience or biotechnology project financed in whole or in part by state bond funds or other public subsidies must document how and to what extent the project will provide a benefit to consumers in the form of more affordable pricing of the products or services being publicly subsidized. The documentation must be reported to the committees of the legislature with responsibility for economic development and to committees with responsibility for finance.

\$6,000,000 is for a grant to the city of Minneapolis to acquire land, predesign, design, and construct stormwater and roadway infrastructure for Granary Road.

\$2,000,000 is for a grant to Ramsey County for the preliminary planning, design, and engineering of the Rice Street bridge where it crosses marked Trunk Highway 36 in Ramsey County to provide a better connection for the campuses of St. Jude Medical on both sides of the highway.

\$100,000 is for a grant to St. Cloud for public infrastructure to support an incubator for science-based manufacturing or research.

\$225,000 is for a grant to the city of St. Paul for design and predesign for public infrastructure to support University Enterprise Laboratories.

\$1,000,000 is for a grant to the city of Worthington for public infrastructure to support an agricultural-based bioscience training and testing center for incubator firms developing new agricultural processes and products.

**Subd. 4. Redevelopment Account**5,000,000

For purposes of the redevelopment account under Minnesota Statutes, section 116J.571. Of this, \$1,890,000 is for a grant to Cass County to redevelop the Ah-Gwah-Ching site in Walker. If this project does not proceed prior to January 1, 2009, these funds shall be available for other grants under Minnesota Statutes, section 116J.571. Of this amount, \$500,000 is for a grant to the city of Upsala to construct, furnish, and equip a regional community center in the city of Upsala.



**APPROPRIATIONS****Subd. 5. Bemidji Regional Event Center**20,000,000

For a grant to the city of Bemidji to acquire land, predesign, design, construct, furnish, and equip a regional event center. This appropriation is not available until the commissioner of finance determines that at least \$25,000,000 is committed to the project from nonstate sources.

**Subd. 6. Chisholm - Sewer and Water**750,000

For a grant to St. Louis County to design, construct, and install water and sewer lines from the city of Chisholm to the regional competition and exhibit center.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed from nonstate sources.

**Subd. 7. Duluth Entertainment and Convention Center Expansion**38,000,000

For a grant to the Duluth Entertainment and Convention Center Authority to design, construct, furnish, and equip capital improvements and renovations to the Duluth Entertainment and Convention Center. The capital improvements and renovations must include an arena of at least 200,000 square feet with an ice sheet of at least 200 feet by 85 feet; trade show and concert space; seating capacity of at least 6,500 with suites, club seats, and concessions; updated locker and training facilities; and accessible and expanded media space.

**Subd. 8. Duluth, Lake Superior Zoo**1,200,000

For a grant to the city of Duluth for facility corrections and improvements that are needed to restore accreditation of the Lake Superior Zoo with the Association of Zoos and Aquariums. This appropriation is not available until the commissioner of finance determines that at least an equal amount is committed to the project from nonstate sources.

**Subd. 9. Floodwood; Business Park Development**500,000

For a grant to the city of Floodwood for acquisition of land and site preparation, including public water and wastewater infrastructure and turn lanes, to support development of a business park. This appropriation is not available until the commissioner of finance has determined that at least an equal amount is committed to the project from nonstate sources.

**APPROPRIATIONS****Subd. 10. Hibbing; Memorial Building**250,000

For a grant to the city of Hibbing to design, renovate, furnish, and equip the Memorial Building.

**Subd. 11. Itasca County - Infrastructure**28,000,000

For a grant to Itasca County for public infrastructure needed to support a steel plant in Itasca County and economic development projects in the surrounding area. Grant money may be used by Itasca County to acquire right-of-way and mitigate loss of wetlands and runoff of storm water, to predesign, design, construct, and equip roads and rail lines, and in cooperation with Nashwauk Municipal Utility, to predesign, design, construct, and equip natural gas pipelines, electric infrastructure, water supply systems, and wastewater collection and treatment systems.

**Subd. 12. Minneapolis, Predesign of Orchestra Hall and Peavey Plaza**3,000,000

For a grant to the city of Minneapolis to predesign the redevelopment of Orchestra Hall and Peavey Plaza at its current downtown Minneapolis location, subject to Minnesota Statutes, section 16A.695.

**Subd. 13. Rochester Mayo Civic Center Complex**3,500,000

For a grant to the city of Rochester to design, construct, furnish, and equip the renovation and expansion of the Mayo Civic Center Complex.

**Subd. 14. Roseville; Guidant John Rose Minnesota Oval**600,000

For a grant to the city of Roseville to predesign, design, construct, or install, furnish, and equip multiple improvements to the Guidant John Rose Minnesota Oval including a geothermal heating and cooling system for the facility.

**Subd. 15. St. Cloud Civic Center Expansion**2,000,000

For a grant to the city of St. Cloud to acquire land for and to design, construct, furnish, and equip an expansion of the St. Cloud Civic Center. The expansion includes approximately 66,000 square feet of new space and a 300-stall parking ramp. This appropriation is not available until the commissioner of finance determines that at least \$15,000,000 is committed to the project from nonstate sources.

**APPROPRIATIONS****Subd. 16. St. Paul Asian Pacific Cultural Center**5,000,000

For a grant to the city of St. Paul to construct, furnish, and equip an Asian Pacific Cultural Center, subject to Minnesota Statutes, section 16A.695.

**Subd. 17. St. Paul, Como Zoo**11,000,000

For a grant to the city of St. Paul to predesign, design, construct, furnish, and equip Phase 2 renovation of the polar bear and gorilla exhibits at the Como Zoo.

**Subd. 18. Wildlife Rehabilitation Center**500,000

For a grant to the Wildlife Rehabilitation Center of Minnesota to retire construction loans incurred by the Wildlife Rehabilitation Center of Minnesota for construction of its facility in the city of Roseville, and for completion of educational technology infrastructure at the center. This appropriation is from the general fund.

**Sec. 21. PUBLIC FACILITIES AUTHORITY****Subdivision 1. Total Appropriation****\$56,450,000**

To the Public Facilities Authority for the purposes specified in this section.

**Subd. 2. State Match for Federal USEPA Capitalization Grants**35,000,000

(a) To match federal grants for the clean water revolving fund under Minnesota Statutes, section 446A.07, and the drinking water revolving fund under Minnesota Statutes, section 446A.081.

(b) \$6,000,000 of this appropriation shall provide matching funds for the drinking water revolving fund to match the 2009 and 2010 federal grants, with the balance to be made available to the clean water revolving fund.

(c) This appropriation must be used for qualified capital projects except that, \$475,000 of this appropriation is for a grant to the city of Hallock to design, construct, and install a new water tower. This appropriation is not available until the commissioner of finance determines that at least an equal amount is committed to the project from nonstate sources.

**APPROPRIATIONS****Subd. 3. Wastewater Infrastructure Funding Program**15,300,000

(a) For grants and loans to eligible municipalities under the wastewater infrastructure funding program under Minnesota Statutes, section 446A.072.

To the greatest practical extent, the authority must use the appropriation for projects on the 2008 project priority list in priority order by qualified applicants that submit plans and specifications to the Pollution Control Agency or receive a funding commitment from USDA Rural Economic and Community Development by June 30, 2009, or for projects on the 2009 project priority list in priority order by qualified applicants that submit plans and specifications to the Pollution Control Agency or have received a funding commitment from USDA Rural Economic and Community Development by June 30, 2010.

Of this appropriation, \$300,000 is from the general fund to implement the wastewater infrastructure funding program.

(b) Up to \$2,000,000 may be used for corrective action on wastewater treatment systems listed in Laws 2005, chapter 20, article 1, section 23, subdivision 3, paragraph (b). Grants under this paragraph are not subject to the 2008 or 2009 project priority list nor to the limitations on grant amounts set forth in Minnesota Statutes, section 446A.072, subdivision 5a.

(c) Notwithstanding the limitations and conditions on loans under Minnesota Statutes, section 446A.072, subdivisions 5a, paragraph (b); 9; and 12, from any amounts appropriated for the wastewater infrastructure funding program, the Minnesota Public Facilities Authority shall provide loans not to exceed \$6,000,000 to the city of Litchfield to design and construct wastewater treatment facility improvements to meet more stringent effluent limits required by the Pollution Control Agency, and not to exceed \$7,000,000 to the city of Willmar to design, construct, furnish, and equip a new wastewater treatment facility. Loans under this paragraph are in addition to any other grants and loans for which the cities of Litchfield and Willmar qualify for from the Public Facilities Authority.

**Subd. 4. Total Maximum Daily Load (TMDL) Grants**2,000,000

To the Public Facilities Authority for total maximum daily load (TMDL) grants under Minnesota Statutes, section 446A.073.

**APPROPRIATIONS****Subd. 5. Phosphorus Reduction Grants****2,000,000**

To the Public Facilities Authority for the phosphorus reduction grant program for grants under Minnesota Statutes, section 446A.074. A grant must not exceed \$500,000 per project.

**Subd. 6. Small Community Wastewater Grants****2,000,000**

To the Public Facilities Authority for the small community wastewater treatment account for loans and grants under Minnesota Statutes, section 446A.075.

**Subd. 7. Bayport Storm Sewer.****150,000**

For a grant to the city of Bayport for the Middle St. Croix River Watershed Management Organization to complete the sewer system extending from Minnesota Department of Natural Resources pond 82-310P (the prison pond) in Bayport through the Stillwater prison grounds to the St. Croix River. This appropriation is in addition to the appropriations in Laws 2000, chapter 492, article 1, section 21, subdivision 8, to the commissioner of corrections and in Laws 2005, chapter 20, article 1, section 23, subdivision 3, to the Public Facilities Authority, for the same project.

**Sec. 22. MINNESOTA HOUSING FINANCE AGENCY****\$2,000,000**

To the Minnesota Housing Finance Agency for transfer to the housing development fund for the purposes specified in this section. This appropriation is for loans or grants: (1) for publicly owned emergency shelter; (2) for publicly owned temporary or transitional housing under Minnesota Statutes, section 462A.202, subdivision 2; and (3) for publicly owned permanent rental housing under Minnesota Statutes, section 462A.202, subdivision 3a, for persons who have been without a permanent residence either for at least 12 months or on at least four occasions in the last three years, or who were at significant risk of lacking a permanent residence for at least 12 months or on at least four occasions in the last three years. Loans or grants under Minnesota Statutes, section 462A.202, subdivision 3a, must be for housing that provides or coordinates with linkages to services necessary for residents to maintain housing stability and maximize opportunities for education and employment.

**Sec. 23. MINNESOTA HISTORICAL SOCIETY****Subdivision 1. Total Appropriation****\$9,300,000**

To the Minnesota Historical Society for the purposes specified in this section.

**APPROPRIATIONS****Subd. 2. Historic Sites Asset Preservation****5,000,000**

For capital improvements and betterments at state historic sites, buildings, landscaping at historic buildings, exhibits, markers, and monuments, to be spent in accordance with Minnesota Statutes, section 16B.307. The society shall determine project priorities as appropriate based on need.

**Subd. 3. Historic Preservation Grants****4,000,000**

For allocation to county and local jurisdictions as matching money for historic preservation projects of a capital nature, including grants to the city of Hokah to renovate the Hokah City Hall building; the Houston County Historical Society to renovate existing space and to predesign, design, and construct an addition to the Houston County Historical Society building located in the city of Caledonia; and the city of Chatfield to predesign, design, construct, furnish, and equip a community center that will, among other uses, house the Chatfield Brass Band Music Lending Library. Grant recipients must be public entities and must match state funds on at least an equal basis.

**Subd. 4. Oliver H. Kelley Farm Historic Site****300,000**

For predesign and design for the revitalization of the Oliver H. Kelley Farm Historic Site. Any unexpended funds may be used for the construction of visitor amenities including restroom and picnic facilities.

**Sec. 24. BOND SALE EXPENSES****\$961,000**

To the commissioner of finance for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8.

**Sec. 25. BOND SALE SCHEDULE.**

The commissioner of finance shall schedule the sale of state general obligation bonds so that during the biennium ending June 30, 2009, no more than \$872,008,000 will need to be transferred from the general fund to the state bond fund to pay principal and interest due and to become due on outstanding state general obligation bonds. During the biennium, before each sale of state general obligation bonds, the commissioner of finance shall calculate the amount of debt service payments needed on bonds previously issued and shall estimate the amount of debt service payments that will be needed on the bonds scheduled to be sold. The commissioner shall adjust the amount of bonds scheduled to be sold so as to remain within the limit set by this section. The amount needed to make debt service payments is appropriated from the general fund as provided in Minnesota Statutes, section 16A.641.

**Sec. 26. BOND SALE AUTHORIZATION.**

Subdivision 1. Bond proceeds fund. To provide the money appropriated in this act from the bond proceeds fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$1,027,751,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 2. **Maximum effort school loan fund.** To provide the money appropriated in this act from the maximum effort school loan fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$32,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the maximum effort school loan fund.

**Sec. 27. BOND SALE AUTHORIZATION CANCELLATIONS; REDUCTIONS.**

(a) \$17,262,000 of the appropriation in Laws 2002, chapter 393, section 19, subdivision 2, to the Metropolitan Council for the Northwest busway, is canceled. The bond sale authorization in Laws 2002, chapter 393, section 30, is reduced by \$17,262,000.

(b) \$2,571,000 of the appropriation in Laws 2003, First Special Session chapter 20, article 1, section 2, subdivision 2, paragraph (c), for the teaching and technology center, is canceled. The bond sale authorization in Laws 2003, First Special Session chapter 20, article 1, section 16, is reduced by \$2,571,000.

(c) The bond sale authorization in Laws 2003, First Special Session chapter 20, article 1, section 16, is reduced by \$1,500,000.

(d) The bond sale authorization in Laws 2005, chapter 20, article 1, section 28, subdivision 1, is reduced by \$2,000,000.

(e) The bond sale authorization in Laws 2006, chapter 258, section 25, subdivision 1, is reduced by \$3,282,000.

Sec. 28. Minnesota Statutes 2007 Supplement, section 16A.695, subdivision 3, is amended to read:

Subd. 3. **Sale of property.** (a) A public officer or agency shall not sell any state bond financed property unless the public officer or agency determines by official action that the property is no longer usable or needed by the public officer or agency to carry out the governmental program for which it was acquired or ~~constructed~~ bettered, the sale is made as authorized by law, the sale is made for fair market value, and the sale is approved by the commissioner.

(b) If any state bonds issued to purchase or better the state bond financed property that is sold remain outstanding on the date of sale, the net proceeds of sale must be applied as follows:

(1) if the state bond financed property was acquired and bettered solely with state bond proceeds, the net proceeds of sale must be paid to the commissioner and deposited in the state treasury; or

(2) if the state bond financed property was acquired or bettered partly with state bond proceeds and partly with other money, the net proceeds of sale must be used: first, to pay to the state the amount of state bond proceeds used to acquire or better the property; second, to pay in full any outstanding public or private debt incurred to acquire or better the property; third, to pay interested public and private entities, other than any public officer or agency or any private lender already paid in full, the amount of money contributed to the acquisition or betterment of the property; and fourth, any excess over the amount needed for those purposes must be divided in proportion to the shares contributed to the acquisition or betterment of the property and paid to the interested public and private entities, other than any private lender already paid in full, and the proceeds are appropriated for this purpose. In calculating the share contributed by each entity, the amount to be attributed to the owner of the property shall be the fair market value of the property that was bettered by state bond proceeds at the time the betterment began.

(c) If no state bonds issued to purchase or better the state bond financed property that is sold remain outstanding on the date of sale, the net proceeds of the sale must be applied as provided in paragraph (b) except as provided in this paragraph. If the state bond financed property was acquired or bettered partly with state bond proceeds totaling not more than \$100,000, and partly with other money and was owned and directly operated and managed by a political subdivision, the net proceeds of the sale must be paid to the political subdivision and are appropriated for that purpose.

(d) When all of the net proceeds of sale have been applied as provided in this subdivision, this section no longer applies to the property.

Sec. 29. Minnesota Statutes 2006, section 16B.32, is amended by adding a subdivision to read:

Subd. 1a. **Onsite energy generation from renewable sources.** A state agency that prepares a predesign for a new building must consider meeting at least two percent of the energy needs of the building from renewable sources located on the building site. For purposes of this subdivision, "renewable sources" are limited to wind and the sun. The predesign must include an explicit cost and price analysis of complying with the two-percent requirement compared with the present and future costs of energy supplied by a public utility from a location away from the building site and the present and future costs of controlling carbon emissions. If the analysis concludes that the building should not meet at least two-percent of its energy needs from renewable sources located on the building site, the analysis must provide explicit reasons why not. The building may not receive further state appropriations for design or construction unless at least two percent of its energy needs are designed to be met from renewable sources, unless the commissioner finds that the reasons given by the agency for not meeting the two-percent requirement were supported by evidence in the record.

Sec. 30. Minnesota Statutes 2006, section 16B.325, is amended to read:

#### **16B.325 SUSTAINABLE BUILDING GUIDELINES.**

Subdivision 1. **Development of sustainable building guidelines.** The Department of Administration and the Department of Commerce, with the assistance of other agencies, shall develop sustainable building design guidelines for all new state buildings by January 15, 2003, and for all major renovations of state buildings by February 1, 2009. The primary objectives of these guidelines are to ensure that all new state buildings, and major renovations of state buildings, initially exceed ~~existing~~ the state energy code, as established in Minnesota Rules, chapter 7676, by at least 30 percent.

Subd. 2. **Lowest possible cost; energy conservation.** The guidelines must focus on achieving the lowest possible lifetime cost for new buildings and major renovations, and allow for changes in the guidelines that encourage continual energy conservation improvements in new buildings, and major renovations. The guidelines must define "major renovations" for purposes of this section. The definition may not allow "major renovations" to encompass less than 10,000 square feet or to encompass less than the complete replacement of the mechanical, ventilation, or cooling system of the building or a section of the building. The design guidelines must establish sustainability guidelines that include air quality and lighting standards and that create and maintain a healthy environment and facilitate productivity improvements; specify ways to reduce material costs; and must consider the long-term operating costs of the building, including the use of renewable energy sources and distributed electric energy generation that uses a renewable source or natural gas or a fuel that is as clean or cleaner than natural gas.

Subd. 3. **Development of guidelines; applicability.** (a) In developing the guidelines, the departments shall use an open process, including providing the opportunity for public comment. The guidelines established under this section are mandatory for all new buildings receiving funding from the bond proceeds fund after January 1, 2004, and for all major renovations receiving funding from the bond proceeds fund after February 1, 2009.



(b) The commissioners of administration and commerce shall review the guidelines periodically and incorporate performance standards developed under section 216B.241, subdivision 9, into the guidelines as soon as practicable.

Sec. 31. Minnesota Statutes 2006, section 16B.335, subdivision 2, is amended to read:

Subd. 2. **Other projects.** All other capital projects for which a specific appropriation is made must not proceed until the recipient undertaking the project has notified the chair of the senate Finance Committee, the chair of the house Capital Investment Committee, and the chair of the house Ways and Means Committee that the work is ready to begin. Notice is not required for capital projects needed to comply with the Americans with Disabilities Act, for asset preservation projects to which section 16A.307 applies, or for projects funded by an agency's operating budget or by a capital asset preservation and replacement account under section 16A.632, or a higher education ~~capital~~ asset preservation and ~~renewal~~ replacement account under section 135A.046.

Sec. 32. Minnesota Statutes 2006, section 103D.335, subdivision 17, is amended to read:

Subd. 17. **Borrowing funds.** The managers may borrow funds from an agency of the federal government, a state agency, a county where the watershed district is located in whole or in part, or a financial institution authorized under chapter 47 to do business in this state. A county board may lend the amount requested by a watershed district. A watershed district may not have more than a total of ~~\$200,000~~ \$600,000 in loans from counties and financial institutions under this subdivision outstanding at any time.

Sec. 33. Minnesota Statutes 2007 Supplement, section 103G.222, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** (a) Wetlands must not be drained or filled, wholly or partially, unless replaced by restoring or creating wetland areas of at least equal public value under a replacement plan approved as provided in section 103G.2242, a replacement plan under a local governmental unit's comprehensive wetland protection and management plan approved by the board under section 103G.2243, or, if a permit to mine is required under section 93.481, under a mining reclamation plan approved by the commissioner under the permit to mine. Mining reclamation plans shall apply the same principles and standards for replacing wetlands by restoration or creation of wetland areas that are applicable to mitigation plans approved as provided in section 103G.2242. Public value must be determined in accordance with section 103B.3355 or a comprehensive wetland protection and management plan established under section 103G.2243. Sections 103G.221 to 103G.2372 also apply to excavation in permanently and semipermanently flooded areas of types 3, 4, and 5 wetlands.

(b) Replacement must be guided by the following principles in descending order of priority:

- (1) avoiding the direct or indirect impact of the activity that may destroy or diminish the wetland;
- (2) minimizing the impact by limiting the degree or magnitude of the wetland activity and its implementation;
- (3) rectifying the impact by repairing, rehabilitating, or restoring the affected wetland environment;
- (4) reducing or eliminating the impact over time by preservation and maintenance operations during the life of the activity;
- (5) compensating for the impact by restoring a wetland; and
- (6) compensating for the impact by replacing or providing substitute wetland resources or environments.

For a project involving the draining or filling of wetlands in an amount not exceeding 10,000 square feet more than the applicable amount in section 103G.2241, subdivision 9, paragraph (a), the local government unit may make an on-site sequencing determination without a written alternatives analysis from the applicant.

(c) If a wetland is located in a cultivated field, then replacement must be accomplished through restoration only without regard to the priority order in paragraph (b), provided that a deed restriction is placed on the altered wetland prohibiting nonagricultural use for at least ten years.

(d) If a wetland is drained under section 103G.2241, subdivision 2, paragraphs (b) and (e), the local government unit may require a deed restriction that prohibits nonagricultural use for at least ten years unless the drained wetland is replaced as provided under this section. The local government unit may require the deed restriction if it determines the wetland area drained is at risk of conversion to a nonagricultural use within ten years based on the zoning classification, proximity to a municipality or full service road, or other criteria as determined by the local government unit.

(e) Restoration and replacement of wetlands must be accomplished in accordance with the ecology of the landscape area affected and ponds that are created primarily to fulfill stormwater management, and water quality treatment requirements may not be used to satisfy replacement requirements under this chapter unless the design includes pretreatment of runoff and the pond is functioning as a wetland.

(f) Except as provided in paragraph (g), for a wetland or public waters wetland located on nonagricultural land, replacement must be in the ratio of two acres of replaced wetland for each acre of drained or filled wetland.

(g) For a wetland or public waters wetland located on agricultural land or in a greater than 80 percent area, replacement must be in the ratio of one acre of replaced wetland for each acre of drained or filled wetland.

(h) Wetlands that are restored or created as a result of an approved replacement plan are subject to the provisions of this section for any subsequent drainage or filling.

(i) Except in a greater than 80 percent area, only wetlands that have been restored from previously drained or filled wetlands, wetlands created by excavation in nonwetlands, wetlands created by dikes or dams along public or private drainage ditches, or wetlands created by dikes or dams associated with the restoration of previously drained or filled wetlands may be used in a statewide banking program established in rules adopted under section 103G.2242, subdivision 1. Modification or conversion of nondegraded naturally occurring wetlands from one type to another are not eligible for enrollment in a statewide wetlands bank.

(j) The Technical Evaluation Panel established under section 103G.2242, subdivision 2, shall ensure that sufficient time has occurred for the wetland to develop wetland characteristics of soils, vegetation, and hydrology before recommending that the wetland be deposited in the statewide wetland bank. If the Technical Evaluation Panel has reason to believe that the wetland characteristics may change substantially, the panel shall postpone its recommendation until the wetland has stabilized.

(k) This section and sections 103G.223 to 103G.2242, 103G.2364, and 103G.2365 apply to the state and its departments and agencies.

(l) For projects involving draining or filling of wetlands associated with a new public ~~transportation road~~ project, and for public road projects expanded solely for additional traffic capacity, public ~~transportation road~~ authorities may purchase credits from the board at the cost to the board to establish credits. Proceeds from the sale of credits provided under this paragraph are appropriated to the board for the purposes of this paragraph. For purposes of this paragraph, public road authorities include: the state of Minnesota, counties, cities, and townships.

(m) A replacement plan for wetlands is not required for individual projects that result in the filling or draining of wetlands for the repair, rehabilitation, reconstruction, or replacement of a currently serviceable existing state, city, county, or town public road necessary, as determined by the public transportation authority, to meet state or federal design or safety standards or requirements, excluding new roads or roads expanded solely for additional traffic capacity lanes. This paragraph only applies to authorities for public transportation projects that:

(1) minimize the amount of wetland filling or draining associated with the project and consider mitigating important site-specific wetland functions on-site;

(2) except as provided in clause (3), submit project-specific reports to the board, the Technical Evaluation Panel, the commissioner of natural resources, and members of the public requesting a copy at least 30 days prior to construction that indicate the location, amount, and type of wetlands to be filled or drained by the project or, alternatively, convene an annual meeting of the parties required to receive notice to review projects to be commenced during the upcoming year; and

(3) for minor and emergency maintenance work impacting less than 10,000 square feet, submit project-specific reports, within 30 days of commencing the activity, to the board that indicate the location, amount, and type of wetlands that have been filled or drained.

Those required to receive notice of public transportation projects may appeal minimization, delineation, and on-site mitigation decisions made by the public transportation authority to the board according to the provisions of section 103G.2242, subdivision 9. The Technical Evaluation Panel shall review minimization and delineation decisions made by the public transportation authority and provide recommendations regarding on-site mitigation if requested to do so by the local government unit, a contiguous landowner, or a member of the Technical Evaluation Panel.

Except for state public transportation projects, for which the state Department of Transportation is responsible, the board must replace the wetlands, and wetland areas of public waters if authorized by the commissioner or a delegated authority, drained or filled by public transportation projects on existing roads.

Public transportation authorities at their discretion may deviate from federal and state design standards on existing road projects when practical and reasonable to avoid wetland filling or draining, provided that public safety is not unreasonably compromised. The local road authority and its officers and employees are exempt from liability for any tort claim for injury to persons or property arising from travel on the highway and related to the deviation from the design standards for construction or reconstruction under this paragraph. This paragraph does not preclude an action for damages arising from negligence in construction or maintenance on a highway.

(n) If a landowner seeks approval of a replacement plan after the proposed project has already affected the wetland, the local government unit may require the landowner to replace the affected wetland at a ratio not to exceed twice the replacement ratio otherwise required.

(o) A local government unit may request the board to reclassify a county or watershed on the basis of its percentage of presettlement wetlands remaining. After receipt of satisfactory documentation from the local government, the board shall change the classification of a county or watershed. If requested by the local government unit, the board must assist in developing the documentation. Within 30 days of its action to approve a change of wetland classifications, the board shall publish a notice of the change in the Environmental Quality Board Monitor.

(p) One hundred citizens who reside within the jurisdiction of the local government unit may request the local government unit to reclassify a county or watershed on the basis of its percentage of presettlement wetlands remaining. In support of their petition, the citizens shall provide satisfactory documentation to the local government unit. The local government unit shall consider the petition and forward the request to the board under paragraph (o) or provide a reason why the petition is denied.

Sec. 34. Minnesota Statutes 2006, section 116.155, subdivision 2, is amended to read:

Subd. 2. **Appropriation.** (a) Money in the general portion of the remediation fund is appropriated to the agency and the commissioners of agriculture and natural resources for the following purposes:

(1) to take actions related to releases of hazardous substances, or pollutants or contaminants as provided in section 115B.20;

(2) to take actions related to releases of hazardous substances, or pollutants or contaminants, at and from qualified landfill facilities as provided in section 115B.42, subdivision 2;

(3) to provide technical and other assistance under sections 115B.17, subdivision 14, 115B.175 to 115B.179, and 115C.03, subdivision 9;

(4) for corrective actions to address incidents involving agricultural chemicals, including related administrative, enforcement, and cost recovery actions pursuant to chapter 18D; ~~and~~

(5) to make debt service payments on revenue bonds issued under section 116.156; and

(6) together with any amount approved for transfer to the agency from the petroleum tank fund by the commissioner of finance, to take actions related to releases of petroleum as provided under section 115C.08.

(b) The commissioner of finance shall allocate the amounts available in any biennium to the agency, and the commissioners of agriculture and natural resources for the purposes provided in this subdivision based upon work plans submitted by the agency and the commissioners of agriculture and natural resources, and may adjust those allocations upon submittal of revised work plans. Copies of the work plans shall be submitted to the chairs of the senate and house committees having jurisdiction over environment and environment finance.

(c) Priority for appropriations from the general portion of the remediation fund must be given to debt service payments under paragraph (a), clause (5).

Sec. 35. Minnesota Statutes 2006, section 116.155, subdivision 3, is amended to read:

Subd. 3. **Revenues.** The following revenues shall be deposited in the general portion of the remediation fund:

(1) response costs and natural resource damages related to releases of hazardous substances, or pollutants or contaminants, recovered under sections 115B.17, subdivisions 6 and 7, 115B.443, 115B.444, or any other law;

(2) money paid to the agency or the Agriculture Department by voluntary parties who have received technical or other assistance under sections 115B.17, subdivision 14, 115B.175 to 115B.179, and 115C.03, subdivision 9;

(3) money received in the form of gifts, grants, reimbursement, or appropriation from any source for any of the purposes provided in subdivision 2, except federal grants; ~~and~~

(4) money received from revenue bonds sold under section 116.156 and placed in a special bond proceeds account; and

(5) interest accrued on the fund.

Sec. 36. **[116.156] CLOSED LANDFILL CLEANUP REVENUE BONDS.**

Subdivision 1. **Bonding authority.** (a) The commissioner of finance, if requested by the commissioner of the Pollution Control Agency, shall sell and issue state revenue bonds for the following purposes:

(1) to take actions related to hazardous substances, pollutants, or contaminants at and from qualified landfill facilities as provided in section 115B.42, subdivision 2;

(2) to pay the costs of issuance, debt service, and bond insurance or other credit enhancements and to fund reserves; and

(3) to refund bonds issued under this section.

(b) The amount of bonds that may be issued for the purposes of paragraph (a), clause (1), may not exceed \$25,000,000. The amount of bonds that may be issued for the purposes of paragraph (a), clauses (2) and (3), is not limited.

Subd. 2. **Procedure.** The commissioner of finance may sell and issue the bonds on the terms and conditions the commissioner of finance determines to be in the best interests of the state. The bonds may be sold at public or private sale. The commissioner of finance may enter any agreements or pledges the commissioner of finance determines necessary or useful to sell the bonds that are not inconsistent with this section. Sections 16A.672 to 16A.675 apply to the bonds. The proceeds of the bonds issued under this section must be credited to a special bond proceeds account in the remediation fund and are appropriated to the commissioner of the Pollution Control Agency for the purposes specified in subdivision 1.

Subd. 3. **Revenue sources.** The debt service on the bonds is payable only from the following sources:

(1) the remediation fund; and

(2) other revenues pledged to the payment of the bonds.

Subd. 4. **Refunding bonds.** The commissioner of finance may issue bonds to refund outstanding bonds issued under subdivision 1, including the payment of any redemption premiums on the bonds and any interest accrued or to accrue to the first redemption date after delivery of the refunding bonds. The proceeds of the refunding bonds may, in the discretion of the commissioner of finance, be applied to the purchases or payment at maturity of the bonds to be refunded, or the redemption of the outstanding bonds on the first redemption date after delivery of the refunding bonds and may, until so used, be placed in escrow to be applied to the purchase, retirement, or redemption. Refunding bonds issued under this subdivision must be issued and secured in the manner provided by the commissioner of finance.

Subd. 5. **Not a general or moral obligation.** Bonds issued under this section are not public debt, and the full faith, credit, and taxing powers of the state are not pledged for their payment. The bonds may not be paid, directly in whole or in part from a tax of statewide application on any class of property, income, transaction, or privilege. Payment of the bonds is limited to the revenues explicitly authorized to be pledged under this section. The state neither makes nor has a moral obligation to pay the bonds if the pledged revenues and other legal security for them is insufficient.

Subd. 6. **Trustee.** The commissioner of finance may contract with and appoint a trustee for bondholders. The trustee has the powers and authority vested in it by the commissioner of finance under the bond and trust indentures.

Subd. 7. **Pledges.** Any pledge made by the commissioner of finance is valid and binding from the time the pledge is made. The money or property pledged and later received by the commissioner of finance is immediately subject to the lien of the pledge without any physical delivery of the property or money or further act, and the lien of any pledge is valid and binding as against all parties having claims of any kind in tort, contract, or otherwise against the commissioner of finance, whether or not those parties have notice of the lien or pledge. Neither the order nor any other instrument by which a pledge is created need be recorded.

Subd. 8. **Bonds; purchase and cancellation.** The commissioner of finance, subject to agreements with bondholders that may then exist, may, out of any money available for the purpose, purchase bonds of the commissioner of finance at a price not exceeding (1) if the bonds are then redeemable, the redemption price then applicable plus accrued interest to the next interest payment date thereon, or (2) if the bonds are not redeemable, the redemption price applicable on the first date after the purchase upon which the bonds become subject to redemption plus accrued interest to that date.

Subd. 9. **State pledge against impairment of contracts.** The state pledges and agrees with the holders of any bonds that the state will not limit or alter the rights vested in the commissioner of finance to fulfill the terms of any agreements made with the bondholders, or in any way impair the rights and remedies of the holders until the bonds, together with interest on them, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceeding by or on behalf of the bondholders, are fully met and discharged. The commissioner of finance may include this pledge and agreement of the state in any agreement with the holders of bonds issued under this section.

Sec. 37. **[116.195] BENEFICIAL USE OF WASTEWATER; CAPITAL GRANTS FOR DEMONSTRATION PROJECTS.**

Subdivision 1. **Definitions.** (a) For the purposes of this section, the following terms have the meanings given them.

(b) "Agency" means the Pollution Control Agency.

(c) "Beneficial use of wastewater" means use of the effluent from a wastewater treatment plant that replaces use of groundwater.

(d) "Capital project" means the acquisition or betterment of public land, buildings, and other public improvements of a capital nature for the treatment of wastewater intended for beneficial use. Capital project includes projects to retrofit, expand, or construct new treatment facilities.

Subd. 2. **Grants for capital project design.** The agency shall make grant awards to political subdivisions for up to 50 percent of the costs to predesign and design capital projects that demonstrate the beneficial use of wastewater. The maximum amount for a grant under this subdivision is \$500,000. The grant agreement must provide that the predesign and design work being funded is public information and available to anyone without charge. The agency must make the predesign and design work available on its Web site.

Subd. 3. **Grants for capital project implementation.** The agency shall make grant awards to political subdivisions for up to 50 percent of the costs to acquire, construct, install, furnish, and equip capital projects that demonstrate the beneficial use of wastewater. The political subdivision must submit design plans and specifications to the agency as part of the application.

The agency must consult with the Public Facilities Authority and the commissioner of natural resources in reviewing and ranking applications for grants under this section.

The application must identify the uses of the treated wastewater and greater weight will be given to applications that include a binding commitment to participate by the user or users.

The agency must give preference to projects that will reduce use of the greatest volume of groundwater from aquifers with the slowest rate of recharge.

**Subd. 4. Application form; procedures.** The agency shall develop an application form and procedures.

**Subd. 5. Reports.** The agency shall report by February 1 of each year to the chairs of the house and senate committees with jurisdiction over environment policy and finance and capital investment on the grants made and projects funded under this section. For each demonstration project funded, the report must include information on the scale of water constraints for the area, the volume of treated wastewater supply, the quality of treated wastewater supplied and treatment implications for the industrial user, impacts to stream flow and downstream users, and any considerations related to water appropriation and discharge permits.

Sec. 38. Minnesota Statutes 2006, section 116J.423, is amended by adding a subdivision to read:

**Subd. 2a. Grants authorized.** Notwithstanding subdivision 2, the commissioner may use money in the fund to make grants to a county, or to a county regional rail authority as appropriate, for public infrastructure needed to support an eligible project under this section. Grant money may be used by the county or regional rail authority to acquire right-of-way and mitigate loss of wetlands and runoff of storm water; to predesign, design, construct, and equip roads and rail lines; and, in cooperation with municipal utilities, to predesign, design, construct, and equip natural gas pipelines, electric infrastructure, water supply systems, and wastewater collection and treatment systems. Grants made under this subdivision are available until expended.

Sec. 39. Minnesota Statutes 2006, section 119A.45, is amended to read:

#### **119A.45 EARLY CHILDHOOD LEARNING AND CHILD PROTECTION FACILITIES.**

**Subdivision 1. Grant authority.** The commissioner may make grants to state agencies and political subdivisions to construct or rehabilitate facilities for early childhood programs, with priority to centers in counties or municipalities with the highest percentage of children living in poverty. The commissioner may also make grants to state agencies and political subdivisions to construct or rehabilitate facilities for crisis nurseries, or parenting time centers. The following requirements apply:

(a) The facilities must be owned by the state or a political subdivision, but may be leased under section 16A.695 to organizations that operate the programs. The commissioner must prescribe the terms and conditions of the leases.

(b) A grant for an individual facility must not exceed \$200,000 \$300,000 for each program that is housed in the facility, up to a maximum of \$500,000 \$750,000 for a facility that houses three programs or more. Programs include Head Start, ~~early childhood and family education programs~~ School Readiness, Early Childhood Family Education, licensed child care, and other early childhood intervention programs.

(c) State appropriations must be matched on a 50 percent basis with nonstate funds. The matching requirement must apply programwide and not to individual grants.

**Subd. 2. Grant priority.** (a) The commissioner must give priority to:

(1) projects in counties or municipalities with the highest percentage of children living in poverty;

(2) grants that involve collaboration among sponsors of programs under this section; and

(3) grants for programs that utilize Youthbuild under sections 116L.361 to 116L.366 for at least 25 percent of each grant awarded or \$50,000 of the labor portion of the construction, whichever is less, if:

(i) the work is appropriate for Youthbuild, as mutually agreed upon by the grantee and the local Youthbuild program, considering safety and skills needed;

(ii) it is demonstrated by Youthbuild that using Youthbuild will not increase the overall cost of the project; and

(iii) eligible programs consult with appropriate labor organizations to deliver education and training.

(b) The commissioner may give priority to:

(1) projects that collaborate with child care providers, including all-day and school-age child care programs, special needs care, sick child care, nontraditional hour care, and programs that include services to refugee and immigrant families. The commissioner may give priority to; and

(2) grants for programs that will increase their child care workers' wages as a result of the grant. If there is work that is appropriate for youthbuild, as mutually agreed upon by the grantee and the local youthbuild program, considering safety and skills needed, and if it is demonstrated by youthbuild that using youthbuild will not increase the overall cost of the project, then priority must be given to grants for programs that utilize youthbuild under sections 116L.361 to 116L.366 for at least 25 percent of each grant awarded or \$50,000, whichever is less, of the labor portion of the construction. Eligible programs must consult with appropriate labor organizations to deliver education and training. State appropriations must be matched on a 50 percent basis with nonstate funds. The matching requirement must apply programwide and not to individual grants.

Sec. 40. **[137.61] PURPOSE.**

(a) Sections 137.61 to 137.64 provide for a biomedical science research funding program to further the investment in biomedical science research facilities in Minnesota to benefit the state's economy, advance the biomedical technology industry, benefit human health, and facilitate research collaboration between the University of Minnesota and other private and public institutions in this state.

(b) For the purposes of the Department of Finance debt management guidelines, appropriations under section 137.64 must be treated the same as appropriations for the stadium under section 137.54.

Sec. 41. **[137.62] DEFINITIONS.**

Subdivision 1. **Applicability.** The definitions in this section apply to sections 137.51 to 137.60.

Subd. 2. **Biomedical science research facility.** "Biomedical science research facility" means a facility located on the campus of the University of Minnesota to be used as a research facility and laboratory for biomedical science and biomedical technology. A hospital licensed under sections 144.50 to 144.56 is not a biomedical science research facility.

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

Subd. 4. **Project costs.** "Project costs" means the sum of all obligations incurred, paid, or to be paid that are reasonably required for the design, construction, and completion of the project, including, but not limited to:

(1) site acquisition;



(2) soil and environmental testing, surveys, estimates, plans and specifications, supervision of construction, and other engineering and architectural services;

(3) payments under construction contracts and payments for performance bonds; and

(4) purchase and installation of furniture, fixtures, and equipment.

Subd. 5. **Project.** "Project" means the acquisition, construction, improvement, expansion, repair, or rehabilitation of all or part of a structure, facility, infrastructure, or equipment necessary for a biomedical science research facility approved by the Board of Regents.

**Sec. 42. [137.63] BIOMEDICAL SCIENCE RESEARCH FACILITIES FUNDING PROGRAM.**

Subdivision 1. **Program established.** A biomedical science research facilities funding program is established to provide appropriations to the Board of Regents of the University of Minnesota for up to two-thirds of the project costs for each of four projects approved by the Board of Regents under section 137.64.

Subd. 2. **Project requirements.** The Board of Regents of the University of Minnesota, either acting on its own or in collaboration with another private or public entity, must pay at least one-third of the project costs for each of four projects. The board must not use tuition revenue to pay for the university's share of the costs for the projects approved under section 137.64.

**Sec. 43. [137.64] CONDITIONS FOR PAYMENTS TO UNIVERSITY.**

Subdivision 1. **Certifications.** Before the commissioner may make any payments authorized in this section to the Board of Regents for a biomedical science research facility project, the commissioner must certify that the board has, by board resolution, approved the maximum project cost for the project and complied with the requirements of section 137.63, subdivision 2. For each project approved by the board, the board must certify to the commissioner the amount of the annual payments of principal and interest required to service each series of bonds issued by the University of Minnesota for the project, and the actual amount of the state's annual payment to the University of Minnesota under subdivision 2. The annual payment must not exceed the state's share of the amount required to service the bonds issued for the project costs.

Subd. 2. **Payments.** On July 1 of each year after the certification under subdivision 1, but no earlier than July 1, 2009, and for so long thereafter as any bonds issued by the board for the construction of a project are outstanding, the state must transfer to the board annual payments as certified under subdivision 1, up to the maximum amounts in the appropriation schedule under subdivision 3. Payments under this section are to reimburse the Board of Regents for the state's share of the project costs for the biomedical science research facility projects provided that the bonds issued to pay the state's share of such costs shall not exceed \$195,600,000.

Subd. 3. **Appropriations.** Annual appropriations are made from the general fund to the commissioner of finance for transfer to the Board of Regents, as follows:

(1) up to \$1,000,000 is appropriated in fiscal year 2010;

(2) up to \$4,000,000 is appropriated in fiscal year 2011;

(3) up to \$9,000,000 is appropriated in fiscal year 2012;

(4) up to \$14,000,000 is appropriated in fiscal year 2013;

(5) up to \$16,000,000 is appropriated in fiscal year 2014; and

(6) up to \$16,575,000 is appropriated in fiscal year 2015 and each year thereafter, up to 25 years following the certification of the last project by the commissioner.

Subd. 4. **Report to legislature.** The Board of Regents must report to the committees of the legislature with responsibility for capital investment by January 15 of each even-numbered year on the biomedical science research facility projects authorized under this section. The report must at a minimum include for each project, the total cost, the number of researchers, research grants, and the amount of debt issued by the Board.

Subd. 5. **Reinvestment.** The Board of Regents must, to the extent permitted under federal law, place a priority on reducing the state's share of project costs by dedicating a share of the proceeds from any commercialization or licensing revenues attributable to research conducted in the biomedical science facilities to reduce the state's payment of debt service.

Subd. 6. **Services to individuals and firms.** Consistent with its mission and governing policies and the requirements for tax exempt bonds, the university shall make available laboratory and other services on a fee-for-service basis to individuals and firms in the bioscience industry in Minnesota. The university will not assert patent rights when providing services that do not involve its innovative intellectual contributions.

Sec. 44. **[137.65] NO FULL FAITH AND CREDIT.**

Any bonds or other obligations issued by the board under this act, are not public debt of the state, and the full faith and credit and taxing powers of the state are not pledged for their payment, or of any payments that the state agrees to make under this act.

Sec. 45. Minnesota Statutes 2006, section 462A.21, is amended by adding a subdivision to read:

Subd. 32. **Nonprofit housing bonds account.** The agency may establish a nonprofit housing bond account as a separate account within the housing development fund. Proceeds of nonprofit housing bonds and payments made by the state pursuant to section 462A.36 may be deposited in the account. The agency may transfer the proceeds of nonprofit housing bonds to another account within the housing development fund that it determines appropriate to accomplish the purposes for which the bonds are authorized under section 462A.36.

Sec. 46. **[462A.36] NONPROFIT HOUSING BONDS; AUTHORIZATION; STANDING APPROPRIATION.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given them.

(b) "Debt service" means the amount payable in any fiscal year of principal of, premium, if any, and interest on nonprofit housing bonds and the fees, charges, and expenses related to the bonds.

(c) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended.

(d) "Nonprofit housing bonds" means bonds issued by the agency under this chapter that are "qualified 501(c)(3) bonds" (within the meaning of Section 145(a) of the Internal Revenue Code) or are not "private activity bonds" (within the meaning of Section 141(a) of the Internal Revenue Code) for the purpose of financing or refinancing affordable housing authorized under this chapter.

Subd. 2. **Appropriation of debt service; payment to agency or trustee.** (a) Up to \$2,400,000 annually is appropriated from the general fund for deposit in the nonprofit housing bond account established in section 462A.21, subdivision 32, to pay the debt service on nonprofit housing bonds. The appropriation may be made for no more than 20 years, commencing with the fiscal year beginning July 1, 2009.

(b) On July 1 of each year, but no earlier than July 1, 2009, and for so long as any nonprofit housing bonds are outstanding, the state must transfer from the general fund to the nonprofit housing bond account established under section 462A.21, subdivision 32, the amount of debt service payable in the fiscal year certified by the agency to the commissioner of finance, not to exceed \$2,400,000 annually.

(c) The agency may pledge to the payment of the nonprofit housing bonds the payments to be made by the state pursuant to this section.

**Subd. 3. No full faith and credit.** The nonprofit housing bonds are not public debt of the state, and the full faith and credit and taxing powers of the state are not pledged to the payment of the nonprofit housing bonds or to any payment that the state agrees to make under this section. The bonds must contain a conspicuous statement to such effect.

**Subd. 4. Authorization.** The agency may issue up to \$30 million of nonprofit housing bonds in one or more series to which the payments made pursuant to this section may be pledged. The nonprofit housing bonds authorized in this subdivision may be issued for the purpose of making loans, on terms and conditions the agency deems appropriate, to finance the costs of the construction, acquisition, preservation, and rehabilitation of permanent supportive housing for individuals and families who: (1) either have been without a permanent residence for at least 12 months or at least four times in the last three years; or (2) are at significant risk of lacking a permanent residence for 12 months or at least four times in the last three years. An insubstantial portion of the bond proceeds may be used for permanent supportive housing for individuals and families experiencing homelessness who do not meet the criteria of the previous sentence. For purposes of this subdivision, "permanent supportive housing" means housing that is not time-limited and provides or coordinates with linkages to services necessary for residents to maintain housing stability and maximize opportunities for education and employment.

Sec. 47. Laws 1997, chapter 21, section 1, is amended to read:

**Section 1. NASHWAUK GAS UTILITY.**

The city of Nashwauk may construct and own one gas distribution line connecting an area recently acquired by the city, and not currently served by a natural gas utility, with a natural gas pipeline serving the region. ~~Solely for the purpose of operating this gas line, and distributing gas to customers located in the recently acquired area,~~ The city may establish a municipal gas utility without the election required under Minnesota Statutes, section 412.321, subdivision 2, for the purpose of constructing, owning, and operating this and other gas pipelines, and distributing gas to customers located within the municipal boundaries of Nashwauk and to customers located within neighboring municipalities.

**EFFECTIVE DATE.** This section is effective the day after compliance by the city of Nashwauk with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 48. Laws 2003, First Special Session chapter 20, article 1, section 12, subdivision 3, is amended to read:

**Subd. 3. Wastewater Infrastructure Funding Program**

~~45,000,000~~ 13,500,000

To the public facilities authority for grants to eligible municipalities under the wastewater infrastructure program established in Minnesota Statutes, section 446A.072.

To the greatest practical extent, the authority should use the grants for projects on the 2002 project priority list in priority order to qualified applicants that submit plans and specifications to the pollution control agency or receive a funding commitment from USDA rural development before December 1, 2003.

~~\$1,500,000 is for grants to the Larsmont portion of the Knife River Larsmont sanitary district. This appropriation must be used to reduce the amount of the municipality's loan from the water pollution revolving fund that exceeds five percent of the market value of the properties in the project service area. This appropriation is in addition to grants from other appropriations.~~

Sec. 49. Laws 2005, chapter 20, article 1, section 7, subdivision 21, is amended to read:

Subd. 21. **State Park and Recreation Area Acquisition**

2,500,000

For acquisition of land under Minnesota Statutes, section 86A.05, subdivisions 2 and 3, from willing sellers of private lands within state park and recreation area boundaries established by law.

\$500,000 is to purchase land within the boundaries of Greenleaf Lake state ~~park~~ recreation area in Meeker county.

Sec. 50. Laws 2005, chapter 20, article 1, section 17, is amended to read:

Sec. 17. **PUBLIC SAFETY**

642,000

To the commissioner of public safety for a grant to the Economic Development Authority in and for the city of Blue Earth to acquire land for and to predesign, design, construct, furnish, and equip a fire and police station. This appropriation is not available until the commissioner of finance has determined that at least an equal amount has been committed to the project from nonstate sources.

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

Sec. 51. Laws 2005, chapter 20, article 1, section 23, subdivision 8, is amended to read:

Subd. 8. **Lewis and Clark Rural Water System, Inc.**

2,000,000

~~This appropriation is from the general fund to the Public Facilities Authority for grants to the city of Luverne, city of Worthington Public Utilities, Lincoln Pipestone rural water system, and Rock County rural water system~~ Lewis and Clark Joint Powers Board to acquire land, predesign, design, construct, furnish, and equip ~~one or more~~ water transmission and storage facilities ~~to accommodate the connection with~~ of the Lewis and Clark Rural Water System, Inc. that will serve southwestern Minnesota.

~~The grants~~ Payment to the Lewis and Clark Rural Water System, Inc., must be awarded to projects approved by the Lewis and Clark Joint Powers Board.

This appropriation is available only to the extent that each \$1 of state money is matched by at least \$1 of local money paid to the Lewis and Clark Rural Water System, Inc. ~~for each \$1 of state money to be used to reimburse costs incurred on eligible projects.~~

This appropriation is the first phase of the state share for the Lewis and Clark Rural Water System, Inc. project as defined in the federal Lewis and Clark Rural Water System Act of 2000.

Sec. 52. Laws 2005, chapter 20, article 1, section 23, subdivision 11, as amended by Laws 2006, chapter 171, section 1, is amended to read:

**Subd. 11. Redevelopment Account**

15,000,000

For purposes of the redevelopment account created in Minnesota Statutes, section 116J.571.

\$5,000,000 cumulatively is for grants to the counties of Ramsey and Anoka for public improvements to the portions of County Road J located within each county, including predesign and design, the acquisition of interests in land, and the repayment of loans the proceeds of which were used for the public improvements. The grants to the individual counties shall be in amounts proportionate to the individual counties' costs associated with the public improvements. This grant is exempt from the requirements of Minnesota Statutes, sections 116J.572 to 116J.575.

\$1,000,000 is for a grant to the city of Willmar to pay part of the cost of acquiring land for the new city airport and to construct, furnish, and equip hangars and a precision lighting system at the airport, to relocate RCO communications equipment from the old airport to the new airport, to design and construct ramp and taxiway expansions, and security fencing. Notwithstanding Minnesota Statutes, section 116J.575, no match is required for this project.

\$600,000 is for a grant to the city of Rushford to acquire real property for, and to design, construct, and renovate, furnish, and equip a facility for the Institute of Nanotechnology.

Sec. 53. Laws 2005, chapter 20, article 1, section 23, subdivision 16, is amended to read:

**Subd. 16. Minneapolis**

(a) Minnesota Planetarium

22,000,000

For a grant to ~~the city of Minneapolis,~~ Hennepin County to complete design and to construct, furnish, and equip a new Minnesota planetarium and space discovery center in conjunction with the Minneapolis downtown library.

## (b) Heritage Park

Any unspent balance remaining on December 31, 2004, in the appropriation made by Laws 2000, chapter 492, article 1, section 22, subdivision 10, for a grant to the city of Minneapolis, may be used by the city for improvements to the Heritage Park project.

## (c) Minnesota Shubert Center

1,000,000

For a grant to the city of Minneapolis to predesign and design and provide for related capital costs for an associated atrium to create the Minnesota Shubert Center.

Sec. 54. Laws 2006, chapter 258, section 7, subdivision 7, is amended to read:

Subd. 7. **Lake Superior safe harbors**

3,000,000

To design and construct capital improvements to public accesses and small craft harbors on Lake Superior in accordance with Minnesota Statutes, sections 86A.20 to 86A.24, and in cooperation with the United States Army Corps of Engineers.

This appropriation may be used to develop the harbor of refuge and marina at Two Harbors and is added to the appropriations in Laws 1998, chapter 404, section 7, subdivision 24; and Laws 2000, chapter 492, article 1, section 7, subdivision 21, as amended by Laws 2005, chapter 20, article 1, section 42. Notwithstanding those laws, the commissioner may proceed with the Two Harbors project by providing up to \$625,000 to complete the design specifications and environmental work currently underway and proceed with the remaining money for the project upon securing an agreement with the U.S. Army Corps of Engineers that commits federal expenditures of at least \$4,000,000 to the project.

Sec. 55. Laws 2006, chapter 258, section 7, subdivision 11, is amended to read:

Subd. 11. **Water control structures**

1,000,000

To rehabilitate or replace water control structures used to manage shallow lakes and wetlands for waterfowl habitat on wildlife management areas under Minnesota Statutes, section 86A.05, subdivision 8, or for the purposes of public water reserves under Minnesota Statutes, section 97A.101.

Sec. 56. Laws 2006, chapter 258, section 7, subdivision 22, is amended to read:

Subd. 22. **Regional trails**

1,133,000

For matching grants under Minnesota Statutes, section 85.019, subdivision 4b.

\$648,000 is for the Agassiz Recreational ATV Trail. Snowmobile trail grant money received under Minnesota Statutes, section 84.83, subdivision 3, and all-terrain vehicle trail grant money received under Minnesota Statutes, section 84.927, subdivision 2, may be counted as part of the county's required 50 percent nonstate match.

\$485,000 is for a grant to the Central Minnesota Regional Parks and Trails Coordination Board to design, engineer, and construct 6.3 miles of trail and two parking areas along the Mississippi River in Sherburne County, to be known as Xcel Energy Great River Woodland Trail.

Sec. 57. Laws 2006, chapter 258, section 16, subdivision 5, is amended to read:

Subd. 5. **Northeast Minnesota rail initiative**

1,300,000

(a) Heritage and Arts Center

400,000

For a grant to St. Louis County to renovate the St. Louis County Heritage and Arts Center (the Duluth Depot).

(b) Passenger Rail Service

900,000

~~and to match federal money for~~ For a grant to the St. Louis and Lake County Regional Rail Authority for Phase 1 of preliminary engineering, environmental studies, and construction of the rail line, railway stations, park-and-ride lots, and other railroad appurtenances necessary to facilitate the return of intercity and commuter/passenger rail service within Duluth and the Duluth/Twin Cities rail corridor.

Sec. 58. Laws 2006, chapter 258, section 21, subdivision 6, is amended to read:

Subd. 6. **Redevelopment Account**

9,000,000

For purposes of the redevelopment account under Minnesota Statutes, section 116J.571.

\$800,000 is for a grant to the city of Worthington to remediate contaminated soil and redevelop the site of the former Campbell Soup factory. This grant is exempt from the requirements of Minnesota Statutes, sections 116J.572 to 116J.575.

\$250,000 is for a grant to the city of Winona to predesign facilities for a multipurpose events center and arena to be used for the Shakespeare Festival as part of the riverfront redevelopment plan, Beethoven Festival, and Winona State University events. This grant is exempt from the requirements of Minnesota Statutes, sections 116J.572 to 116J.575.

Sec. 59. Laws 2006, chapter 258, section 21, subdivision 14, is amended to read:

Subd. 14. **Itasca County - infrastructure**

12,000,000

For a grant to Itasca County for public infrastructure needed to support a steel plant in Itasca County ~~or an innovative energy project in Itasca County under Minnesota Statutes, section 216B.1694, that uses clean energy technology as defined in Minnesota Statutes, section 216B.1693, or both~~ and economic development projects in the surrounding area. Grant money may be used by Itasca County to acquire right-of-way and mitigate loss of wetlands and runoff of storm water, to predesign, design, construct, and equip roads and rail lines, and, in cooperation with ~~municipal public utilities~~ Nashwauk Municipal Utility, to predesign, design, construct, and equip natural gas pipelines, electric infrastructure, water supply systems, and wastewater collection and treatment systems.

Up to \$4,000,000 of this appropriation may be spent before the full financing for either project has been closed.

Sec. 60. Laws 2006, chapter 258, section 21, subdivision 15, is amended to read:

Subd. 15. **Lewis and Clark Rural Water System, Inc.**

3,282,000

This appropriation is from the general fund to the Public Facilities Authority for grants to the city of Luverne, city of Worthington Public Utilities, Lincoln Pipestone rural water system, and Rock County rural water system Lewis and Clark Joint Powers Board to acquire land, predesign, design, construct, furnish, and equip ~~one or more~~ water transmission and storage facilities ~~to accommodate the connection with~~ of the Lewis and Clark Rural Water System, Inc. that will serve southwestern Minnesota.

~~The grants~~ Payment to the Lewis and Clark Rural Water System, Inc. must be awarded to projects approved by the Lewis and Clark Joint Powers Board.

This appropriation is available to the extent that each \$1 of state money is matched by at least \$1 of local money paid to the Lewis and Clark Rural Water System, Inc. ~~to reimburse the system for costs incurred on eligible projects.~~

Sec. 61. Laws 2006, chapter 258, section 23, subdivision 3, is amended to read:

Subd. 3. **Historic Fort Snelling Museum and Visitor Center**

1,100,000

To design ~~the restoration and renovation of the 1904 Cavalry Barracks Building for~~ the historic Fort Snelling Museum and Visitor Center and other site improvements to revitalize historic Fort Snelling.



Sec. 62. Laws 2006, chapter 282, article 11, section 2, subdivision 6, is amended to read:

Subd. 6. **Itasca County infrastructure**

11,500,000

For transfer to the Minnesota minerals 21st century fund for a grant to Itasca County to design, construct, and equip roads, rail lines, and in cooperation with Nashwauk Municipal Utility to predesign, design, construct, and equip electric infrastructure, natural gas pipelines, water supply systems, or wastewater collection and treatment systems for a steel plant in Itasca County. Of this amount, up to \$500,000 may be used for other mineral related projects in the taconite relief area. This is a onetime appropriation.

Sec. 63. **STAKEHOLDER CONSULTATION; REPORT.**

(a) The Minnesota Housing Finance Agency shall meet with the stakeholders described in paragraph (b) for the following purposes:

(1) to consider the use of 501(c)(3) bonds as a means to prevent residential mortgage foreclosures and to address the effects of widespread residential mortgage foreclosures;

(2) to consider means to make community activity set aside (CASA) mortgages more accessible to neighborhood land trusts; and

(3) to consider alternative tax classifications for neighborhood land trust properties to make taxation of such properties more equitable and to provide an incentive for greater utilization of neighborhood land trusts.

(b) The stakeholders referenced in paragraph (a) must include individuals with experience in community land trusts, providers of mortgage foreclosure prevention services, bankers, individuals who have experienced mortgage foreclosure, legal aid attorneys, and a representative of the property tax division of the Department of Revenue.

(c) The Minnesota Housing Finance Agency shall report the results and recommendations of the meetings under paragraph (a) to the legislative committees with jurisdiction over housing policy and finance by January 1, 2009.

Sec. 64. **REPORT ON EAST PHILLIPS CULTURAL AND COMMUNITY CENTER.**

The Metropolitan Council shall report by January 1, 2009, to the legislative committees with jurisdiction over capital investment on the terms of the grant agreement and progress on design and construction of the East Phillips Cultural and Community Center by the Minneapolis Park and Recreation Board with the appropriation in Laws 2006, chapter 258, section 17, subdivision 8.

Sec. 65. **PUBLIC FACILITIES AUTHORITY.**

To the greatest practical extent, projects on the Public Facilities Authority's 2008 intended use plan, the listings for which were based on the Pollution Control Agency's 2006 project priority list, shall be carried over to the 2009 intended use plan for potential funding from the clean water revolving fund.

Sec. 66. **EFFECTIVE DATE.**

Except as otherwise provided, this act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to capital improvements; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; establishing new programs and modifying existing programs; authorizing the sale of state bonds; canceling and modifying previous appropriations; appropriating money; amending Minnesota Statutes 2006, sections 16B.32, by adding a subdivision; 16B.325; 16B.335, subdivision 2; 103D.335, subdivision 17; 116.155, subdivisions 2, 3; 116J.423, by adding a subdivision; 119A.45; 462A.21, by adding a subdivision; Minnesota Statutes 2007 Supplement, sections 16A.695, subdivision 3; 103G.222, subdivision 1; Laws 1997, chapter 21, section 1; Laws 2003, First Special Session chapter 20, article 1, section 12, subdivision 3; Laws 2005, chapter 20, article 1, sections 7, subdivision 21; 17; 23, subdivisions 8, 11, as amended, 16; Laws 2006, chapter 258, sections 7, subdivisions 7, 11, 22; 16, subdivision 5; 21, subdivisions 6, 14, 15; 23, subdivision 3; Laws 2006, chapter 282, article 11, section 2, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 116; 137; 462A."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Ways and Means.

The report was adopted.

Mullery from the Committee on Public Safety and Civil Justice to which was referred:

H. F. No. 1262, A bill for an act relating to family law; creating a presumption of joint physical custody; requiring the use of parenting plans in certain cases; modifying custody designations for parenting plans that use alternative terminology; amending Minnesota Statutes 2006, sections 518.003, subdivision 3; 518.17, subdivisions 1, 2; 518.1705, subdivisions 3, 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **COMPREHENSIVE FAMILY COURT PROCESS STUDY.**

The Supreme Court shall convene a study group to conduct an evaluation of family court processes in Minnesota. The evaluation must consider the processes, programs, and legal mechanisms available to individuals involved in family disputes, and include consideration of best practice models from other states. In appointing members to the study group, the Supreme Court must ensure that the viewpoint of academics and policy analysts, judges, court administrators, litigants, attorneys, relevant state and local agencies, and other interested parties are represented. The study group must report to the legislature on its recommendations for improving the efficiency, functionality, and accessibility of family court processes no later than January 15, 2009."

Delete the title and insert:

"A bill for an act relating to family law; providing for a comprehensive family court process study."

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

The report was adopted.

Mullery from the Committee on Public Safety and Civil Justice to which was referred:

H. F. No. 2627, A bill for an act relating to public nuisances; making changes to public nuisance law affecting evidentiary thresholds and numbers of triggering incidents required for specific offenses; amending Minnesota Statutes 2006, section 617.81, subdivision 2.

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

The report was adopted.

Mariani from the Committee on E-12 Education to which was referred:

H. F. No. 2657, A bill for an act relating to education; requiring school boards to seek information from prospective employees and the Board of Teaching about disciplinary actions against the employees; amending Minnesota Statutes 2006, section 123B.03, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 123B.03, is amended by adding a subdivision to read:

Subd. 1a. **Requiring information about disciplinary actions taken against prospective employees.** At the time a school hiring authority conducts a criminal history background check on an individual offered employment as a teacher at the school, and consistent with section 13.43, the school hiring authority also must use the Web site provided by the department's educator licensing division to determine whether an asterisk appears in proximity with other licensure information. An asterisk indicates that the individual has had disciplinary action taken against his or her teaching license relating to sexual misconduct with a student. Sexual misconduct is defined as sexual contact or attempted sexual contact between a teacher and a student, which may include physical contact or verbal, written, or pictorial interactions. When an asterisk appears, the school hiring authority must contact the state Board of Teaching before it hires the individual to determine the substance of the disciplinary actions taken against that individual. In addition, the school hiring authority, as part of the employment application, must require the individual to provide information about all current and previous disciplinary actions in Minnesota and elsewhere taken against the individual's teaching license as a result of sexual misconduct with a student and, notwithstanding other law to the contrary, indicate to the individual that intentionally submitting false or incomplete information is a ground for dismissal.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to any disciplinary action taken against a teacher after July 1, 2008."

With the recommendation that when so amended the bill pass.

The report was adopted.

Hilstrom from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 2753, A bill for an act relating to local government; authorizing establishment of the White Community Hospital District; authorizing hospital district to levy property taxes.

Reported the same back with the following amendments:

Page 1, line 10, delete everything after the period, and insert "The proposed resolution to establish the hospital district must be published and is subject to referendum as provided in section 447.31, subdivision 2."

Page 1, delete lines 11 to 13

Page 2, line 9, delete "... " and insert "51"

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

The report was adopted.

Hilstrom from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 2780, A bill for an act relating to the city of Duluth; authorizing the city of Duluth to increase the rate of tax on sales of food and beverages; authorizing use of the proceeds of the tax for certain improvements; amending Laws 1980, chapter 511, section 1, subdivision 2, as amended.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Taxes without further recommendation.

The report was adopted.

Mariani from the Committee on E-12 Education to which was referred:

H. F. No. 2783, A bill for an act relating to education; establishing a P-20 education partnership; proposing coding for new law in Minnesota Statutes, chapter 127A.

Reported the same back with the following amendments:

Page 2, line 13, delete "or public"

Page 2, line 14, after "providers" insert "and one member of an organization that represents public early childhood providers"

Page 2, line 17, before the period, insert "or the chief executive's designee"

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

The report was adopted.

Hilstrom from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 2816, A bill for an act relating to Nicollet County; providing a process for making certain offices appointive in Nicollet County.

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

The report was adopted.

Hilstrom from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 2827, A bill for an act relating to local government; amending county historical society funding; amending Minnesota Statutes 2006, section 138.053.

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

The report was adopted.

Hilstrom from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 2896, A bill for an act relating to public buildings; removing a requirement that a city hold a referendum before building, equipping, or maintaining a memorial for war veterans; amending Minnesota Statutes 2006, section 416.01.

Reported the same back with the following amendments:

Page 1, line 7, strike "WAR"

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Mullery from the Committee on Public Safety and Civil Justice to which was referred:

H. F. No. 2898, A bill for an act relating to insurance; regulating claim denials under aviation liability coverage; amending Minnesota Statutes 2006, section 60A.081, subdivision 1; Minnesota Statutes 2007 Supplement, section 360.59, subdivision 10.

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

The report was adopted.

Hilstrom from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 2906, A bill for an act relating to animals; changing provisions regulating dangerous dogs; imposing penalties; amending Minnesota Statutes 2006, sections 347.50, by adding a subdivision; 347.51, subdivisions 2, 2a, 3, 4, 7, 9; 347.52; 347.53; 347.54, subdivisions 1, 3; 347.55; 347.56; proposing coding for new law in Minnesota Statutes, chapter 347.

Reported the same back with the following amendments:

Page 2, line 3, reinstate the stricken language

Page 2, line 5, delete "and"

Page 2, lines 6 to 10, delete the new language

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

The report was adopted.

Hilstrom from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 2907, A bill for an act relating to Yellow Medicine County; providing a process for making certain offices appointive in Yellow Medicine County.

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

The report was adopted.

Hilstrom from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 2932, A bill for an act relating to town cemeteries; specifying uses of certain cemetery funds; amending Minnesota Statutes 2006, sections 365.29; 365.30; 365.31; 365.33, subdivision 4; 365.35; 365.36, subdivisions 2, 3.

Reported the same back with the following amendments:

Page 1, line 11, reinstate the stricken language and delete the new language

Page 1, line 12, delete "board with the" and before the period, insert "as directed by the town board"

Page 1, line 17, strike everything after "SHARE" and insert "; USE OF FUNDS."

Page 2, line 2, strike "INTEREST" and insert "FUNDS"

Page 2, line 9, strike "interest" and insert "money"

With the recommendation that when so amended the bill pass.

The report was adopted.

Lieder from the Transportation Finance Division to which was referred:

H. F. No. 3124, A bill for an act relating to transportation; clarifying that coffee shop qualifies as restaurant in determining eligibility for specific service sign; amending Minnesota Statutes 2006, sections 160.292, subdivision 19; 160.295, subdivision 3.

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

The report was adopted.

Mullery from the Committee on Public Safety and Civil Justice to which was referred:

H. F. No. 3175, A bill for an act relating to public safety; increasing penalty for attempted robbery; creating the crime of robbery involving a motor vehicle; amending Minnesota Statutes 2006, sections 609.24; 609.245; proposing coding for new law in Minnesota Statutes, chapter 609.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Finance.

The report was adopted.

Mariani from the Committee on E-12 Education to which was referred:

H. F. No. 3181, A bill for an act relating to education; clarifying, amending, and repealing certain education provisions; analyzing state and district reporting systems; amending Minnesota Statutes 2006, sections 205A.03, subdivision 1; 205A.06, subdivision 1a; Minnesota Statutes 2007 Supplement, section 123B.143, subdivision 1; repealing Minnesota Statutes 2006, section 120A.40.

Reported the same back with the following amendments:

Page 3, line 12, delete "2008" and insert "2009"

Page 3, delete section 5

Amend the title as follows:

Page 1, line 2, delete the first comma and insert "and" and delete ", and repealing"

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations, Reform, Technology and Elections.

The report was adopted.

Hilstrom from the Committee on Local Government and Metropolitan Affairs to which was referred:

H. F. No. 3225, A bill for an act relating to taxes; authorizing the city of Medford to impose a local sales and use tax.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Taxes without further recommendation.

The report was adopted.

Mullery from the Committee on Public Safety and Civil Justice to which was referred:

H. F. No. 3228, A bill for an act relating to crime; modifying trespassing on critical public service property; amending Minnesota Statutes 2006, section 609.6055, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 609.6055, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the meanings given.

(b) "Critical public service facility" includes buildings and other physical structures, and fenced in or otherwise enclosed property, of railroad yards and stations, bus stations, airports, and other mass transit facilities; oil refineries; and storage areas or facilities for hazardous materials, hazardous substances, or hazardous wastes. The term also includes nonpublic portions of bridges. The term does not include railroad tracks extending beyond a critical public service facility.

(c) "Pipeline" includes an aboveground pipeline, a below ground pipeline housed in an underground structure, and any equipment, facility, or building located in this state that is used to transport natural or synthetic gas, crude petroleum or petroleum fuels or oil or their derivatives, or hazardous liquids, to or within a distribution, refining, manufacturing, or storage facility that is located inside or outside of this state. Pipeline does not include service lines.

(d) "Utility" includes:

(1) any organization defined as a utility in section 216C.06, subdivision 18;

(2) any telecommunications carrier or telephone company regulated under chapter 237; and

(3) any local utility or enterprise formed for the purpose of providing electrical or gas heating and power, telephone, water, sewage, wastewater, or other related utility service, which is owned, controlled, or regulated by a town, a statutory or home rule charter city, a county, a port development authority, the Metropolitan Council, a district heating authority, a regional commission or other regional government unit, or a combination of these governmental units.

The term does not include property located above buried power or telecommunications lines or property located below suspended power or telecommunications lines, unless the property is fenced in or otherwise enclosed.

**EFFECTIVE DATE.** This section is effective August 1, 2008, and applies to offenses committed on or after that date.

Sec. 2. Minnesota Statutes 2006, section 609.6055, subdivision 2, is amended to read:

Subd. 2. **Prohibited conduct; penalty.** (a) Whoever enters or is found upon property containing a critical public service facility, utility, or pipeline, without claim of right or consent of one who has the right to give consent to be on the property, is guilty of a gross misdemeanor, if:

(1) the person refuses to depart from the property on the demand of one who has the right to give consent;

(2) within the past six months, the person had been told by one who had the right to give consent to leave the property and not to return, unless a person with the right to give consent has given the person permission to return; or

(3) the property is posted.

(b) Whoever enters an underground structure that (i) contains a utility or pipeline and (ii) is not open to the public for pedestrian use, without claim of right or consent of one who has the right to give consent to be in the underground structure, is guilty of a gross misdemeanor. The underground structure does not need to be posted for this paragraph to apply.



**EFFECTIVE DATE.** This section is effective August 1, 2008, and applies to offenses committed on or after that date."

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

Mariani from the Committee on E-12 Education to which was referred:

H. F. No. 3262, A bill for an act relating to education; providing an alternative school start date in 2009 and 2010.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Finance.

The report was adopted.

Mullery from the Committee on Public Safety and Civil Justice to which was referred:

H. F. No. 3331, A bill for an act relating to public safety; adding the definitions of retail property and retail establishment under theft; creating new penalties for retail theft and possession or use of shoplifting gear; amending Minnesota Statutes 2006, sections 609.52, subdivisions 1, 2, by adding a subdivision; 609.521; Minnesota Statutes 2007 Supplement, section 609.52, subdivision 3.

Reported the same back with the following amendments:

Page 9, after line 28, insert:

"Sec. 6. Minnesota Statutes 2006, section 609.53, subdivision 1, is amended to read:

Subdivision 1. **Penalty.** Except as otherwise provided in section 609.526, any person who receives, possesses, transfers, buys, or conceals any stolen property or property obtained by robbery, or facilitates any of the foregoing, knowing or having reason to know the property was stolen or obtained by robbery, may be sentenced in accordance with the provisions of section 609.52, subdivision 3.

**EFFECTIVE DATE.** This section is effective August 1, 2008, and applies to crimes committed on or after that date."

Page 9, line 29, delete "6." and insert "7."

Correct the title numbers accordingly

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

The report was adopted.

Thissen from the Committee on Health and Human Services to which was referred:

H. F. No. 3391, A bill for an act relating to public health; increasing affordability and continuity of care for state health care programs; modifying health care provisions; establishing a public health access fund; increasing the tobacco impact fees; providing subsidies for employee share of employer-subsidized insurance; establishing the Minnesota Health Insurance Exchange; requiring certain employers to offer Section 125 Plan; creating an affordability standard; requiring mandated reports; authorizing rulemaking; appropriating money; amending Minnesota Statutes 2006, sections 16A.725, subdivision 1; 62A.65, subdivision 3; 62E.141; 62L.12, subdivisions 2, 4; 256.01, by adding a subdivision; 256.9658, subdivisions 3, 9; 256B.061; 256B.69, by adding a subdivision; 256D.03, by adding a subdivision; 256L.05, by adding a subdivision; 256L.06, subdivision 3; 256L.07, subdivision 3; 256L.15, by adding a subdivision; Minnesota Statutes 2007 Supplement, sections 13.46, subdivision 2; 256B.056, subdivision 10; 256L.03, subdivisions 3, 5; 256L.04, subdivisions 1, 7; 256L.05, subdivision 3a; 256L.07, subdivision 1; 256L.15, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 16A; 145; 256B; proposing coding for new law as Minnesota Statutes, chapter 62U; repealing Minnesota Statutes 2006, section 256L.15, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

#### "ARTICLE 1

#### HEALTH CARE HOMES

##### Section 1. **[256B.0431] ENROLLEE REQUIREMENTS RELATED TO HEALTH CARE HOMES.**

Subdivision 1. **Selection of primary care clinic.** Beginning January 1, 2009, the commissioner shall require state health care program enrollees eligible for services under the fee-for-service system to select a primary care clinic or medical group, within two months of enrollment. Beginning July 1, 2009, the commissioner shall encourage enrollees who have a complex or chronic condition to select a primary care clinic or medical group with clinicians who have been certified as health care homes under section 256B.0751, subdivision 3. The commissioner and county social service agencies shall provide enrollees with lists of primary care clinics, medical groups, and clinicians certified as health care homes, and shall establish a toll-free number to provide enrollees with assistance in choosing a clinic, medical group, or health care home.

Subd. 2. **Initial health assessment.** The commissioner shall encourage state health care program enrollees eligible for services under the fee-for-service system to complete an initial health assessment at their selected primary care clinic or medical group, within one month of selection, in order to identify individuals with, or who are at risk of developing, complex or chronic health conditions, and to identify preventative health care needs.

Subd. 3. **Education and outreach.** Beginning January 1, 2009, the commissioner shall provide patient education and outreach to state health care program enrollees and potential applicants related to the importance of choosing a primary care clinic or medical group and a health care home. Education and outreach must be targeted to underserved or special populations. The commissioner shall also develop and implement an outreach program to enroll eligible persons in state health care programs, by providing a per enrollee bonus to licensed producers under chapter 60K and nonprofit health care or social service organizations who provide assistance in enrolling applicants.

Subd. 4. **State health care program.** For purposes of this section, "state health care program" means the medical assistance, MinnesotaCare, and general assistance medical care programs.

Sec. 2. **[256B.0751] HEALTH CARE HOMES; DEFINITIONS; ESTABLISHMENT.**

Subdivision 1. **Definitions.** (a) For purposes of sections 256B.0751 to 256B.0754, the definitions in this subdivision apply.

(b) "Commissioner" means the commissioner of human services.

(c) "Commissioners" means the commissioner of human services and the commissioner of health acting jointly.

(d) "State health care program" means the medical assistance, MinnesotaCare, and general assistance medical care programs.

Subd. 2. **Establishment of health care homes.** The commissioners shall establish health care homes for all state health care program enrollees, beginning first with enrollees who have, or are at risk of developing, complex or chronic health conditions. In establishing health care homes, the commissioners shall consider, and when appropriate incorporate, features of the medical home model developed for the provider-directed care coordination program authorized under section 256B.0625, subdivision 51.

Subd. 3. **Certification.** By July 1, 2009, the commissioners shall begin certification of individual clinicians, who participate as providers in state health care programs and meet the requirements of section 256B.0752, as health care homes. Clinicians may enter into collaborative agreements with other clinicians to develop the components of a health care home. Clinician certification as a health care home is voluntary. Clinicians certified as health care homes shall renew their certification annually, in order to maintain their status as health care homes.

Sec. 3. **[256B.0752] HEALTH CARE HOME REQUIREMENTS.**

Subdivision 1. **Requirement.** In order to be certified as a health care home, a clinician shall meet the criteria specified in this section.

Subd. 2. **Patient-provider relationship; care teams.** Each patient of a health care home shall have an ongoing, long-term relationship with a provider trained as a personal clinician to provide first contact, continuous, and comprehensive care for all of a patient's health care needs. Appropriate specialists and other health care professionals who do not practice in a traditional primary care field, and advanced practice registered nurses, shall be allowed to serve as personal clinicians, if they provide care according to this section.

Subd. 3. **Care coordination.** The personal clinician, in coordination with other health care providers, is responsible for providing for all the patient's health care needs or for arranging appropriate care with other qualified professionals. Health care must be coordinated across all provider types, all care locations, and the greater community. This requirement applies to care for all stages of life, including preventive care, acute care, chronic care, and end-of-life care. Care coordination must include ongoing planning to prepare for patient transitions across different types of care and provider types. The primary care team shall also coordinate with those providing for the social service needs of the individual, if this is necessary to ensure a successful health outcome.

Subd. 4. **Care delivery.** (a) A health care home must provide or arrange for access to care 24 hours a day, seven days a week.

(b) Health care homes must encourage the patient, and when authorized and appropriate, the family, to actively participate in decision making and in health care home quality improvement initiatives, as a full member of the primary care team. Health care homes must consider patients and families as partners in decision making, and must provide access to a patient-directed, decision-making process, including appropriate decision aids, when available.

(c) Care delivery must be facilitated by the use of health information technology and through systematic patient follow-up using internal clinic patient registries, according to minimum standards specified by the commissioners.

(d) Care must be provided in a culturally and linguistically appropriate manner.

(e) Within the context of a system of continuous quality improvement, care delivery, whenever possible, must be based on evidence-based medicine and use clinical decision-support tools.

(f) A health care home must provide enhanced access to care, using methods such as open scheduling, expanded hours, and new communication methods, such as e-mail, phone consultations, and e-consults.

Subd. 5. **Quality of care.** Health care homes must meet process, outcome, and quality standards as developed and specified by the commissioners. Health care homes must measure and publicly report all data necessary for the commissioners to monitor compliance with these standards.

Subd. 6. **Comprehensive health assessment.** Health care homes must complete a comprehensive health assessment for each enrollee determined, by the initial health assessment required under section 256B.0431, subdivision 2, to have, or be at risk of developing, a complex or chronic health condition. The comprehensive health assessment must be completed within 90 days of the initial health assessment. Health care homes must develop and implement a comprehensive care plan to manage complex or chronic conditions based upon the comprehensive health assessment and other information. The comprehensive care plans must meet criteria specified by the commissioners.

Subd. 7. **Care coordinators.** Health care homes must employ care coordinators to manage the care provided to patients with complex or chronic conditions. Care coordinators may be social workers, nurses, or other clinicians. Care coordinators are responsible for:

- (1) identifying patients with complex or chronic conditions eligible for care coordination;
- (2) assisting primary care providers in care coordination and education;
- (3) helping patients coordinate their care or access needed services, including preventative care;
- (4) communicating the care needs and concerns of the patient to the health care home; and
- (5) collecting data on process and outcome measures.

Sec. 4. **[256B.0753] CARE COORDINATION FEE.**

Subdivision 1. **Care coordination fee.** (a) The commissioner shall pay each health care home a per-person per-month care coordination fee for providing care coordination services. The fee must be paid for each fee-for-service state health care program enrollee eligible for a health care home, who is served by a personal clinician certified as a health care home.

(b) Payment of the care coordination fee is contingent on the health care home meeting the certification standards for health care homes. The care coordination fee is in addition to reimbursement received by a health care home under the medical assistance fee-for-service payment system for health care services.

Subd. 2. **Amount of fee.** The care coordination fee must not exceed an average of \$50 per person per month. The care coordination fee must be determined by the commissioner, and must vary by thresholds of care complexity, with the highest fees being paid for care provided to individuals requiring the most intensive care coordination, such as those with very complex health care needs or several chronic conditions.

Subd. 3. **Cost neutrality.** The commissioner may reduce payment rates for nonprimary care services, if initial savings from implementation of health care homes are not sufficient to allow implementation of the care coordination fee in a cost-neutral manner.

Sec. 5. **[256B.0754] DUTIES OF THE COMMISSIONERS.**

Subdivision 1. **Establishment of certification standards and other criteria.** (a) By January 1, 2009, the commissioners shall establish certification standards for health care homes consistent with the criteria in section 256B.0752.

(b) By January 1, 2009, the commissioners shall develop care complexity thresholds and payment amounts for the care coordination fee established under section 256B.0753.

(c) By January 1, 2009, the commissioners shall identify criteria to determine enrollees eligible for and in need of care coordination, and who would benefit from having a comprehensive care plan for their condition.

(d) By January 1, 2009, the commissioners shall establish criteria and data collection procedures for evaluating health care homes.

(e) By January 1, 2009, the commissioners shall develop health care home requirements for managed care plan contracts, performance incentives, and withholds, and shall develop the methodology for identifying and recapturing managed care savings resulting from implementation of the health care home model.

Subd. 2. **Monitoring and evaluation.** The commissioners shall ensure the collection from health care homes of data necessary to monitor implementation of the health care home model, measure and evaluate quality of care and outcomes, measure and evaluate patient experience, and determine cost savings from implementation of the health care home model. The commissioners shall collect and evaluate this data directly, but may contract with an appropriate private sector entity for technical assistance. The commissioners shall provide health care homes with practice profiles measuring utilization, cost, and quality.

Subd. 3. **Care Coordination Advisory Committee.** By July 1, 2008, the commissioners shall establish a Care Coordination Advisory Committee to assist the Departments of Human Services and Health in administering the health care home model, developing the criteria and standards required under subdivision 1, collecting data, and measuring and evaluating health outcomes and cost savings. The commissioners may satisfy this requirement by continuing the advisory committee established for the provider-directed care coordination program. If newly established, the committee must include representatives of: primary care and specialist physicians, advanced practice registered nurses, patients and their families, health plans, the Institute for Clinical Systems Improvement, Minnesota Community Measurement, and other relevant entities.

Subd. 4. **Health care home collaborative.** By July 1, 2009, the commissioners shall establish a health care home collaborative to provide an opportunity for health care homes and state agencies to exchange information related to quality improvement and best practices.

Subd. 5. **Patient-directed, decision-making process.** By January 1, 2009, the commissioners, in consultation with the Care Coordination Advisory Committee and the Institute of Clinical Systems Improvement, shall develop a patient-directed, decision-making support model to be used by health care homes. The commissioners shall:

(1) establish protocols that include identifying the use of a patient-directed, decision-making process and incorporating effectively the use of patient-decision aids, when appropriate;

(2) ensure the quality of the patient-decision aids available to the patient;

(3) ensure accessibility of the patient-decision aids, including the use of translators, when necessary; and

(4) ensure that providers are trained to use patient-decision aids effectively.

Subd. 6. **Annual reports.** The commissioners shall report annually to the legislature on the implementation and administration of the health care home model for state health care program enrollees in the fee-for-service, managed care, and county-based purchasing sectors, beginning December 15, 2009, and each December 15 thereafter. The report must include information on the number of state health care program enrollees in health care homes, the number and characteristics of enrollees with complex or chronic conditions, the number and geographic distribution of health care home providers, the performance and quality of care of health care homes, measures of preventative care, costs related to implementation and payment of care coordination fees, health care home payment arrangements, and estimates of savings from implementation of the health care home model for the fee-for-service, managed care, and county-based purchasing sectors relative to the health care spending baseline calculated under section 62U.07.

Sec. 6. Minnesota Statutes 2006, section 256B.69, is amended by adding a subdivision to read:

Subd. 29. **Health care home model.** (a) The commissioner shall require demonstration providers, as a condition of contract, to adopt by July 1, 2009, a health care home model for providing care to state health care program enrollees. The health care home model must meet the criteria specified in this section and section 256B.0752. The commissioner, in consultation with the commissioner of health, may waive or modify criteria for demonstration providers if the commissioners of health and human services determine that performance and quality standards would still be met.

(b) The commissioner, as a condition of contract, shall require demonstration providers, as part of their implementation of the health care home model, to pay providers a care coordination fee. The care coordination fee must meet the requirements of section 256B.0753. Demonstration providers shall fund the care coordination fee through savings that result from implementation of the health care home model and, if necessary, through reductions in administrative costs and provider payment rates for nonprimary care services. The commissioner shall not adjust current or future capitation rates for costs related to payment of the care coordination fee.

(c) The commissioners of health and human services shall require demonstration providers to: (1) collect from health care homes the data necessary to monitor implementation of the health care home model, measure and evaluate quality of care and outcomes, measure and evaluate patient experience, and determine cost savings from implementation of the health care home model; and (2) submit this data to the commissioners. The commissioners of health and human services shall provide demonstration providers and health care homes with practice profiles measuring utilization, cost, and quality.

(d) Savings from the use of health care homes must be split among the state, health care providers, and demonstration providers. The state must retain one-half of the savings, the demonstration providers may retain up to one-fourth of the savings, and at least one-fourth of the savings must be passed on to health care providers in the form of higher payment rates.

(e) Beginning July 1, 2009, the commissioner shall provide a performance incentive for expenses related to the operation of health care homes that would reimburse upfront costs related to implementation of health care homes after a one-year lag. The commissioners of health and human services shall establish quality and performance standards for health care homes, and beginning July 1, 2009, these standards shall be subject to the capitation rate withhold under subdivision 5a, paragraph (c).

(f) Demonstration providers must require state health care program enrollees to complete an initial health assessment within three months from the time of enrollment, in order to identify individuals with, or who are at risk of developing, complex or chronic health conditions, and to identify preventative health care needs.

(g) Beginning July 1, 2009, the commissioner shall require demonstration providers to complete a comprehensive health assessment for each enrollee determined, by the initial health assessment required under section 256B.0431, subdivision 2, to have, or be at risk of developing, a complex or chronic health condition. The commissioner shall pay demonstration providers a one-time health assessment fee for each enrollee who completes a comprehensive health assessment. Comprehensive health assessments must meet the criteria established for health care homes under section 256B.0752, subdivision 6.

(h) Beginning July 1, 2009, the commissioner shall implement financial arrangements for demonstration providers to ensure that plans require each enrollee to choose a provider to serve as a health care home.

**Sec. 7. PAYMENT OF CARE COORDINATION FEE UNDER STATE MANAGED CARE PROGRAMS.**

The commissioner of human services shall study the feasibility of paying the care coordination fee required under Minnesota Statutes, section 256B.69, subdivision 29, paragraph (b), directly to health care providers under contract with demonstration providers to serve state health care program enrollees, and shall present recommendations to the legislature by December 15, 2008.

## ARTICLE 2

### INCREASING ACCESS; CONTINUITY OF CARE

Section 1. Minnesota Statutes 2006, section 256.01, is amended by adding a subdivision to read:

Subd. 27. **Automation and coordination for state health care programs.** (a) For purposes of this subdivision, "state health care program" means the medical assistance, MinnesotaCare, or general assistance medical care programs.

(b) By July 1, 2009, the commissioner shall improve coordination between state health care programs and social service programs including but not limited to WIC, free and reduced school lunch programs, and food stamps, and shall develop and use automated systems to identify persons served by social service programs who may be eligible for, but are not enrolled in, a state health care program. The system must also permit enrollees to renew state health care program enrollment through these social services programs. By January 15, 2009, the commissioner shall, as necessary, identify and recommend to the legislature statutory changes to state health care and social service programs necessary to improve coordination and automation of outreach and enrollment efforts.

(c) By January 15, 2009, the commissioner shall establish and implement an automated process to send out state health care program renewal forms in the most common foreign languages to those state health care program enrollees who request renewal forms in those foreign languages. The commissioner, as part of the initial enrollment process, shall inform applicants of the availability of this option.

(d) Beginning July 1, 2008, the commissioner, county social service agencies, and health care providers shall update state health care program enrollee addresses and related contact information at the time of each enrollee contact.

**EFFECTIVE DATE.** This section is effective July 1, 2008.

Sec. 2. Minnesota Statutes 2007 Supplement, section 256B.056, subdivision 10, is amended to read:

Subd. 10. **Eligibility verification.** (a) The commissioner shall require women who are applying for the continuation of medical assistance coverage following the end of the 60-day postpartum period to update their income and asset information and to submit any required income or asset verification.

(b) The commissioner shall determine the eligibility of private-sector health care coverage for infants less than one year of age eligible under section 256B.055, subdivision 10, or 256B.057, subdivision 1, paragraph (d), and shall pay for private-sector coverage if this is determined to be cost-effective.

(c) The commissioner shall verify ~~assets and~~ income for all applicants, and for all recipients upon renewal. The commissioner shall verify liquid assets for applicants, and for recipients upon renewal, only if the applicant or recipient is within ten percent of the applicable asset limit. The commissioner may verify nonliquid assets, but is not required to do so.

(d) An enrollee who fails to submit renewal forms and related documentation necessary for verification of continued eligibility in a timely manner shall remain eligible for one additional month beyond the end of the current eligibility period, before being disenrolled.

(e) If there is no change in an enrollee's income or asset information, the enrollee may renew eligibility at designated locations that include community clinics and health care providers' offices. These designated sites shall forward the renewal forms to the commissioner.

**EFFECTIVE DATE.** The amendment to paragraph (c) is effective January 1, 2009. The amendment to paragraph (d) is effective January 1, 2010, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 3. Minnesota Statutes 2006, section 256B.061, is amended to read:

**256B.061 ELIGIBILITY; RETROACTIVE EFFECT; RESTRICTIONS; DELAYED VERIFICATION.**

(a) If any individual has been determined to be eligible for medical assistance, it will be made available for care and services included under the plan and furnished in or after the third month before the month in which the individual made application for such assistance, if such individual was, or upon application would have been, eligible for medical assistance at the time the care and services were furnished. The commissioner may limit, restrict, or suspend the eligibility of an individual for up to one year upon that individual's conviction of a criminal offense related to application for or receipt of medical assistance benefits.

(b) On the basis of information provided on the completed application, an applicant who meets the following criteria must be determined eligible beginning in the month of application:

(1) gross income is less than 90 percent of the applicable income standard;

(2) total liquid assets are less than 90 percent of the asset limit;

(3) does not reside in a long-term care facility; and

(4) meets all other eligibility requirements, including compliance at the time of application with citizenship or nationality documentation requirements under section 256B.06, subdivision 4.



The applicant shall provide all required verifications within 60 days' notice of the eligibility determination or eligibility shall be terminated. Applicants who are terminated for failure to provide all required verifications are not eligible to apply for coverage using the delayed verification procedures specified in this paragraph for 12 months.

**EFFECTIVE DATE.** This section is effective January 1, 2010.

Sec. 4. Minnesota Statutes 2006, section 256D.03, is amended by adding a subdivision to read:

Subd. 7a. **Additional duties of the commissioner.** In administering the general assistance medical care program, the commissioner shall: (1) apply the delayed verification procedure specified in section 256B.061, paragraph (b), to general assistance medical care applicants; and (2) provide general assistance medical care enrollees who fail to submit renewal forms and related documentation necessary to verify continued eligibility with an additional month of eligibility beyond the end of the current eligibility period.

**EFFECTIVE DATE.** This section is effective January 1, 2010.

Sec. 5. Minnesota Statutes 2007 Supplement, section 256L.03, subdivision 3, is amended to read:

Subd. 3. **Inpatient hospital services.** (a) Covered health services shall include inpatient hospital services, including inpatient hospital mental health services and inpatient hospital and residential chemical dependency treatment, subject to those limitations necessary to coordinate the provision of these services with eligibility under the medical assistance spenddown. The inpatient hospital benefit for adult enrollees who qualify under section 256L.04, subdivision 7, or who qualify under section 256L.04, subdivisions 1 and 2, with family gross income that exceeds 200 percent of the federal poverty guidelines or 215 percent of the federal poverty guidelines on or after July 1, 2009, and who are not pregnant, is subject to an annual limit of ~~\$10,000~~ \$20,000.

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

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

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

**EFFECTIVE DATE.** This section is effective January 1, 2009, for enrollees for whom federal funding is not available, and is effective January 1, 2009, or upon federal approval, whichever is later, for enrollees for whom federal funding is available. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 6. Minnesota Statutes 2007 Supplement, section 256L.03, subdivision 5, is amended to read:

Subd. 5. **Co-payments and coinsurance.** (a) Except as provided in paragraphs (b) and (c), the MinnesotaCare benefit plan shall include the following co-payments and coinsurance requirements for all enrollees:

(1) ten percent of the paid charges for inpatient hospital services for adult enrollees, subject to an annual inpatient out-of-pocket maximum of \$1,000 per individual and \$3,000 per family;

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

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

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

(5) \$6 for nonemergency visits to a hospital-based emergency room.

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

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

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

(e) Adult enrollees with family gross income that exceeds 200 percent of the federal poverty guidelines or 215 percent of the federal poverty guidelines on or after July 1, 2009, and who are not pregnant shall be financially responsible for the coinsurance amount, if applicable, and amounts which exceed the ~~\$10,000~~ \$20,000 inpatient hospital benefit limit.

(f) When a MinnesotaCare enrollee becomes a member of a prepaid health plan, or changes from one prepaid health plan to another during a calendar year, any charges submitted towards the ~~\$10,000~~ \$20,000 annual inpatient benefit limit, and any out-of-pocket expenses incurred by the enrollee for inpatient services, that were submitted or incurred prior to enrollment, or prior to the change in health plans, shall be disregarded.

**EFFECTIVE DATE.** This section is effective January 1, 2009, for enrollees for whom federal funding is not available, and is effective January 1, 2009, or upon federal approval, whichever is later, for enrollees for whom federal funding is available. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 7. Minnesota Statutes 2007 Supplement, section 256L.04, subdivision 1, is amended to read:

Subdivision 1. **Families with children.** (a) Families with children with family income equal to or less than ~~275~~ 300 percent of the federal poverty guidelines for the applicable family size shall be eligible for MinnesotaCare according to this section. All other provisions of sections 256L.01 to 256L.18, including the insurance-related barriers to enrollment under section 256L.07, shall apply unless otherwise specified.

(b) Parents who enroll in the MinnesotaCare program must also enroll their children, if the children are eligible. Children may be enrolled separately without enrollment by parents. However, if one parent in the household enrolls, both parents must enroll, unless other insurance is available. If one child from a family is enrolled, all children must be enrolled, unless other insurance is available. If one spouse in a household enrolls, the other spouse in the household must also enroll, unless other insurance is available. Families cannot choose to enroll only certain uninsured members.

(c) Beginning October 1, 2003, the dependent sibling definition no longer applies to the MinnesotaCare program. These persons are no longer counted in the parental household and may apply as a separate household.

(d) ~~Beginning July 1, 2003, or upon federal approval, whichever is later, parents are not eligible for MinnesotaCare if their gross income exceeds \$50,000.~~

(e) Children formerly enrolled in medical assistance and automatically deemed eligible for MinnesotaCare according to section 256B.057, subdivision 2c, are exempt from the requirements of this section until renewal.

**EFFECTIVE DATE.** This section is effective January 1, 2009, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 8. Minnesota Statutes 2007 Supplement, section 256L.04, subdivision 7, is amended to read:

Subd. 7. **Single adults and households with no children.** The definition of eligible persons includes all individuals and households with no children who have gross family incomes that are equal to or less than 200 percent of the federal poverty guidelines. Effective ~~July~~ January 1, 2009, the definition of eligible persons includes all individuals and households with no children who have gross family incomes that are equal to or less than ~~245~~ 300 percent of the federal poverty guidelines.

**EFFECTIVE DATE.** This section is effective January 1, 2009.

Sec. 9. Minnesota Statutes 2007 Supplement, section 256L.05, subdivision 3a, is amended to read:

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

(b) Each new period of eligibility must take into account any changes in circumstances that impact eligibility and premium amount. An enrollee must provide all the information needed to redetermine eligibility by the first day of the month that ends the eligibility period. If there is no change in circumstances, the enrollee may renew eligibility at designated locations that include community clinics and health care providers' offices. The designated sites shall forward the renewal forms to the commissioner. The premium for the new period of eligibility must be received as provided in section 256L.06 in order for eligibility to continue.

(c) For single adults and households with no children formerly enrolled in general assistance medical care and enrolled in MinnesotaCare according to section 256D.03, subdivision 3, the first period of eligibility begins the month the enrollee submitted the application or renewal for general assistance medical care.

(d) An enrollee who fails to submit renewal forms and related documentation necessary for verification of continued eligibility in a timely manner shall remain eligible for one additional month beyond the end of the current eligibility period before being disenrolled. The enrollee remains responsible for MinnesotaCare premiums for the additional month.

**EFFECTIVE DATE.** This section is effective January 1, 2010, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 10. Minnesota Statutes 2006, section 256L.05, is amended by adding a subdivision to read:

Subd. 6. **Delayed verification.** On the basis of information provided on the completed application, an applicant whose gross income is less than 90 percent of the applicable income standard and meets all other eligibility requirements, including compliance at the time of application with citizenship or nationality documentation requirements under section 256L.04, subdivision 10, must be determined eligible beginning in the month of application. The applicant shall provide all required verifications within 60 days' notice of the eligibility determination, or eligibility shall be terminated. Applicants who are terminated for failure to provide all required verifications are not eligible to apply for coverage using the delayed verification procedures specified in this subdivision for 12 months.

**EFFECTIVE DATE.** This section is effective January 1, 2010, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 11. Minnesota Statutes 2006, section 256L.06, subdivision 3, is amended to read:

Subd. 3. **Commissioner's duties and payment.** (a) Premiums are dedicated to the commissioner for MinnesotaCare.

(b) The commissioner shall develop and implement procedures to: (1) require enrollees to report changes in income; (2) adjust sliding scale premium payments, based upon both increases and decreases in enrollee income, at the time the change in income is reported; and (3) disenroll enrollees from MinnesotaCare for failure to pay required premiums. Failure to pay includes payment with a dishonored check, a returned automatic bank withdrawal, or a refused credit card or debit card payment. The commissioner may demand a guaranteed form of payment, including a cashier's check or a money order, as the only means to replace a dishonored, returned, or refused payment.

(c) Premiums are calculated on a calendar month basis and may be paid on a monthly, quarterly, or semiannual basis, with the first payment due upon notice from the commissioner of the premium amount required. The commissioner shall inform applicants and enrollees of these premium payment options. Premium payment is required before enrollment is complete and to maintain eligibility in MinnesotaCare. Premium payments received before noon are credited the same day. Premium payments received after noon are credited on the next working day.

(d) Nonpayment of the premium will result in disenrollment from the plan effective ~~for the first day of the calendar month following~~ the calendar month for which the premium was due. Persons disenrolled for nonpayment or who voluntarily terminate coverage from the program may not reenroll until four calendar months have elapsed. ~~Persons disenrolled for nonpayment who pay all past due premiums as well as current premiums due, including premiums due for the period of disenrollment, within 20 days of disenrollment, shall be reenrolled retroactively to the first day of disenrollment.~~ The commissioner shall waive premiums for coverage provided under this paragraph to persons disenrolled for nonpayment who reapply under section 256L.05, subdivision 3b. Persons disenrolled for nonpayment or who voluntarily terminate coverage from the program may not reenroll for four calendar months unless the person demonstrates good cause for nonpayment. Good cause does not exist if a person chooses to pay other family expenses instead of the premium. The commissioner shall define good cause in rule.

**EFFECTIVE DATE.** This section is effective January 1, 2010, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 12. Minnesota Statutes 2007 Supplement, section 256L.07, subdivision 1, is amended to read:

Subdivision 1. **General requirements.** (a) Children enrolled in the original children's health plan as of September 30, 1992, children who enrolled in the MinnesotaCare program after September 30, 1992, pursuant to Laws 1992, chapter 549, article 4, section 17, and children who have family gross incomes that are equal to or less than 150 percent of the federal poverty guidelines are eligible without meeting the requirements of subdivision 2 ~~and the four-month requirement in subdivision 3~~, as long as they maintain continuous coverage in the MinnesotaCare program or medical assistance. Children who apply for MinnesotaCare on or after the implementation date of the employer-subsidized health coverage program as described in Laws 1998, chapter 407, article 5, section 45, who have family gross incomes that are equal to or less than 150 percent of the federal poverty guidelines, must meet the requirements of subdivision 2 to be eligible for MinnesotaCare.

Families enrolled in MinnesotaCare under section 256L.04, subdivision 1, whose income increases above ~~275~~ 300 percent of the federal poverty guidelines, are no longer eligible for the program and shall be disenrolled by the commissioner. Beginning January 1, 2008, individuals enrolled in MinnesotaCare under section 256L.04, subdivision 7, whose income increases above 200 percent of the federal poverty guidelines or ~~245~~ 300 percent of the federal poverty guidelines on or after ~~July~~ January 1, 2009, are no longer eligible for the program and shall be disenrolled by the commissioner. For persons disenrolled under this subdivision, MinnesotaCare coverage terminates the last day of the calendar month following the month in which the commissioner determines that the income of a family or individual exceeds program income limits.

(b) Notwithstanding paragraph (a), children may remain enrolled in MinnesotaCare if ten percent of their gross individual or gross family income as defined in section 256L.01, subdivision 4, is less than the annual premium for a policy with a \$500 deductible available through the Minnesota Comprehensive Health Association. Children who are no longer eligible for MinnesotaCare under this clause shall be given a 12-month notice period from the date that ineligibility is determined before disenrollment. The premium for children remaining eligible under this clause shall be the maximum premium determined under section 256L.15, subdivision 2, paragraph (b).

~~(c) Notwithstanding paragraphs (a) and (b), parents are not eligible for MinnesotaCare if gross household income exceeds \$50,000 for the 12 month period of eligibility.~~

**EFFECTIVE DATE.** This section is effective January 1, 2009, or upon federal approval, whichever is later, except that the amendment to paragraph (a) related to the four-month requirement is effective January 1, 2010, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 13. Minnesota Statutes 2006, section 256L.07, subdivision 3, is amended to read:

Subd. 3. **Other health coverage.** (a) Families and individuals enrolled in the MinnesotaCare program must have no health coverage while enrolled ~~or for at least four months prior to application and renewal.~~ Children enrolled in the original children's health plan and children in families with income equal to or less than 150 percent of the federal poverty guidelines, who have other health insurance, are eligible if the coverage:

(1) lacks two or more of the following:

(i) basic hospital insurance;

(ii) medical-surgical insurance;

(iii) prescription drug coverage;

(iv) dental coverage; or

(v) vision coverage;

(2) requires a deductible of \$100 or more per person per year; or

(3) lacks coverage because the child has exceeded the maximum coverage for a particular diagnosis or the policy excludes a particular diagnosis.

The commissioner may change this eligibility criterion for sliding scale premiums in order to remain within the limits of available appropriations. The requirement of no health coverage does not apply to newborns.

~~(b) Medical assistance, general assistance medical care, and the Civilian Health and Medical Program of the Uniformed Service, CHAMPUS, or other coverage provided under United States Code, title 10, subtitle A, part II, chapter 55, are not considered insurance or health coverage for purposes of the four-month requirement described in this subdivision.~~

~~(c)~~ For purposes of this subdivision, an applicant or enrollee who is entitled to Medicare Part A or enrolled in Medicare Part B coverage under title XVIII of the Social Security Act, United States Code, title 42, sections 1395c to 1395w-152, is considered to have health coverage. An applicant or enrollee who is entitled to premium-free Medicare Part A may not refuse to apply for or enroll in Medicare coverage to establish eligibility for MinnesotaCare.

~~(d)~~ (c) Applicants who were recipients of medical assistance or general assistance medical care within one month of application must meet the provisions of this subdivision and subdivision 2.

~~(e) Cost effective health insurance that was paid for by medical assistance is not considered health coverage for purposes of the four month requirement under this section, except if the insurance continued after medical assistance no longer considered it cost effective or after medical assistance closed.~~

**EFFECTIVE DATE.** This section is effective January 1, 2010, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 14. Minnesota Statutes 2007 Supplement, section 256L.15, subdivision 2, is amended to read:

Subd. 2. **Sliding fee scale; monthly gross individual or family income.** (a) The commissioner shall establish a sliding fee scale to determine the percentage of monthly gross individual or family income that households at different income levels must pay to obtain coverage through the MinnesotaCare program. The sliding fee scale must be based on the enrollee's monthly gross individual or family income. The sliding fee scale must contain separate tables based on enrollment of one, two, or three or more persons. Until December 31, 2008, the sliding fee scale begins with a premium of 1.5 percent of monthly gross individual or family income for individuals or families with incomes below the limits for the medical assistance program for families and children in effect on January 1, 1999, and proceeds through the following evenly spaced steps: 1.8, 2.3, 3.1, 3.8, 4.8, 5.9, 7.4, and 8.8 percent. These percentages are matched to evenly spaced income steps ranging from the medical assistance income limit for families and children in effect on January 1, 1999, to 275 percent of the federal poverty guidelines for the applicable family size, up to a family size of five. The sliding fee scale for a family of five must be used for families of more than five. The sliding fee scale and percentages are not subject to the provisions of chapter 14. If a family or individual reports increased income after enrollment, premiums shall be adjusted at the time the change in income is reported.

(b) ~~Families~~ Children whose gross income is above ~~275~~ 300 percent of the federal poverty guidelines shall pay the maximum premium. The maximum premium is defined as a base charge for one, two, or three or more enrollees so that if all MinnesotaCare cases paid the maximum premium, the total revenue would equal the total cost of MinnesotaCare medical coverage and administration. In this calculation, administrative costs shall be assumed to equal ten percent of the total. The costs of medical coverage for pregnant women and children under age two and the enrollees in these groups shall be excluded from the total. The maximum premium for two enrollees shall be twice the maximum premium for one, and the maximum premium for three or more enrollees shall be three times the maximum premium for one.

(c) Beginning January 1, 2009, MinnesotaCare enrollees shall pay premiums according to the affordability scale established in section 62U.08 with the exception that children in families with income at or below 150 percent of the federal poverty guidelines shall pay a monthly premium of \$4.

**EFFECTIVE DATE.** This section is effective January 1, 2009, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 15. Minnesota Statutes 2006, section 256L.15, is amended by adding a subdivision to read:

Subd. 5. **First month premium exemption.** New enrollee households are exempt from premiums for the first month of MinnesotaCare enrollment. For purposes of this exemption, a "new enrollee household" is a household which has not been enrolled in MinnesotaCare for at least one year prior to application.

**EFFECTIVE DATE.** This section is effective January 1, 2010, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 16. **INSURANCE COVERAGE FOR LONG-TERM CARE WORKERS.**

(a) By December 15, 2008, the commissioner of human services shall study and report to the legislature with recommendations for a rate increase to long-term care employers dedicated to the purchase of employee health insurance in the private market. The commissioner shall collect necessary actuarial data, employment data, current coverage data, and other needed information.

(b) The commissioner shall develop cost estimates for three levels of insurance coverage for long-term care workers:

(1) the coverage provided to state employees;

(2) the coverage provided to MinnesotaCare enrollees; and

(3) the benefits provided under an average private market insurance product, but with a deductible limited to \$100 per person.

Premium cost sharing, waiting periods for eligibility, definitions of full- and part-time employment, and other parameters under the three options must be identical to those under the state employees' health plan.

(c) For purposes of this section, a long-term care worker is a person employed by a nursing facility, an intermediate care facility for persons with developmental disabilities, or a service provider that:

(1) is eligible under Laws 2007, chapter 147, article 7, section 71; and

(2) provides long-term care services.

The commissioner may recommend a different definition of long-term care worker if this definition presents insurmountable implementation issues.

(d) The recommendations must include measures to:

(1) ensure equitable treatment between employers that currently have different levels of expenditure for employee health insurance costs; and

(2) enforce the requirement that the rate increase be expended for the intended purpose.

Sec. 17. **REPEALER.**

Minnesota Statutes 2006, section 256L.15, subdivision 3, is repealed.

**EFFECTIVE DATE.** This section is effective January 1, 2009, or upon federal approval of the amendments to section 14, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

ARTICLE 3

INSURANCE REFORM

Section 1. **UNIFORM OUTCOME MEASURES WORKING GROUP.**

(a) The Health Care Transformation Commission, established under Minnesota Statutes, section 62U.04, shall establish an informal working group to create a standardized limited set of measures by which to measure performance of health care providers for use in establishing statewide health improvement goals and in measuring progress on these goals. The group shall focus first on the most common areas of data collection for pay-for-performance systems.

(b) The working group must be known as the Uniform Outcome Measures Working Group. The commission shall determine its members and the number of members. The working group must include representatives of health care providers, health care purchasers, health insurers, public health agencies, and consumers.

(c) The working group shall attempt to determine uniform definitions, measures, and forms for submission of data, to the greatest extent possible.

(d) The working group shall seek to reduce the administrative burden on health care providers and health care purchasers.

(e) The working group shall invite and use the expertise of existing organizations experienced in health care quality measurement.

(f) The working group shall encourage participation by the public.

(g) The commission shall encourage use of the working group recommendations.

(h) By December 15, 2008, the commission shall provide to the legislature a written report under Minnesota Statutes, section 3.195, summarizing the work of the working group. The report must include recommendations for: (1) a standardized set of health care provider performance measures to be enacted by the legislature; and (2) a payment methodology to reduce capitation rates paid by the commissioner of human services under Minnesota Statutes, section 256B.69, to demonstration providers that use provider performance measures other than those included in the standardized set under clause (1).

(i) The working group expires on June 30, 2009, unless the commission determines that the group's continued existence would be beneficial.

**Sec. 2. COMMUNITY BENEFIT STANDARDS AND REPORTING; NONPROFIT HEALTH PLAN COMPANIES; RECOMMENDATIONS.**

(a) By December 15, 2008, the commissioner of health shall recommend to the legislature community benefit standards to be required by law of nonprofit health plan companies doing business in the state. The expectations of the community benefits provided and reported should be related to the statutory expectations in Minnesota Statutes, sections 62C.01 and 62D.01, and thus focus on advocating public health, improving the art and science of medical care, and addressing the need for financial assistance to access ongoing coverage, and not related to general philanthropic endeavors. The commissioner shall seek public input regarding the range of options to be explored and the accountability measures.

(b) The recommendations must include a procedure by which each nonprofit health plan company would periodically and uniformly report to the state and to the public regarding the company's compliance with the requirements.

(c) The commissioner shall recommend a fair and effective enforcement and remediation mechanism.



## ARTICLE 4

## HEALTH INSURANCE PURCHASING AND AFFORDABILITY

Section 1. Minnesota Statutes 2007 Supplement, section 13.46, subdivision 2, is amended to read:

Subd. 2. **General.** (a) Unless the data is summary data or a statute specifically provides a different classification, data on individuals collected, maintained, used, or disseminated by the welfare system is private data on individuals, and shall not be disclosed except:

(1) according to section 13.05;

(2) according to court order;

(3) according to a statute specifically authorizing access to the private data;

(4) to an agent of the welfare system, including a law enforcement person, attorney, or investigator acting for it in the investigation or prosecution of a criminal or civil proceeding relating to the administration of a program;

(5) to personnel of the welfare system who require the data to verify an individual's identity; determine eligibility, amount of assistance, and the need to provide services to an individual or family across programs; evaluate the effectiveness of programs; assess parental contribution amounts; and investigate suspected fraud;

(6) to administer federal funds or programs;

(7) between personnel of the welfare system working in the same program;

(8) to the Department of Revenue to assess parental contribution amounts for purposes of section 252.27, subdivision 2a, administer and evaluate tax refund or tax credit programs and to identify individuals who may benefit from these programs. The following information may be disclosed under this paragraph: an individual's and their dependent's names, dates of birth, Social Security numbers, income, addresses, and other data as required, upon request by the Department of Revenue. Disclosures by the commissioner of revenue to the commissioner of human services for the purposes described in this clause are governed by section 270B.14, subdivision 1. Tax refund or tax credit programs include, but are not limited to, the dependent care credit under section 290.067, the Minnesota working family credit under section 290.0671, the property tax refund and rental credit under section 290A.04, and the Minnesota education credit under section 290.0674;

(9) between the Department of Human Services, the Department of Employment and Economic Development, and when applicable, the Department of Education, for the following purposes:

(i) to monitor the eligibility of the data subject for unemployment benefits, for any employment or training program administered, supervised, or certified by that agency;

(ii) to administer any rehabilitation program or child care assistance program, whether alone or in conjunction with the welfare system;

(iii) to monitor and evaluate the Minnesota family investment program or the child care assistance program by exchanging data on recipients and former recipients of food support, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, or medical programs under chapter 256B, 256D, or 256L; and

(iv) to analyze public assistance employment services and program utilization, cost, effectiveness, and outcomes as implemented under the authority established in Title II, Sections 201-204 of the Ticket to Work and Work Incentives Improvement Act of 1999. Health records governed by sections 144.291 to 144.298 and "protected health information" as defined in Code of Federal Regulations, title 45, section 160.103, and governed by Code of Federal Regulations, title 45, parts 160-164, including health care claims utilization information, must not be exchanged under this clause;

(10) to appropriate parties in connection with an emergency if knowledge of the information is necessary to protect the health or safety of the individual or other individuals or persons;

(11) data maintained by residential programs as defined in section 245A.02 may be disclosed to the protection and advocacy system established in this state according to Part C of Public Law 98-527 to protect the legal and human rights of persons with developmental disabilities or other related conditions who live in residential facilities for these persons if the protection and advocacy system receives a complaint by or on behalf of that person and the person does not have a legal guardian or the state or a designee of the state is the legal guardian of the person;

(12) to the county medical examiner or the county coroner for identifying or locating relatives or friends of a deceased person;

(13) data on a child support obligor who makes payments to the public agency may be disclosed to the Minnesota Office of Higher Education to the extent necessary to determine eligibility under section 136A.121, subdivision 2, clause (5);

(14) participant Social Security numbers and names collected by the telephone assistance program may be disclosed to the Department of Revenue to conduct an electronic data match with the property tax refund database to determine eligibility under section 237.70, subdivision 4a;

(15) the current address of a Minnesota family investment program participant may be disclosed to law enforcement officers who provide the name of the participant and notify the agency that:

(i) the participant:

(A) is a fugitive felon fleeing to avoid prosecution, or custody or confinement after conviction, for a crime or attempt to commit a crime that is a felony under the laws of the jurisdiction from which the individual is fleeing; or

(B) is violating a condition of probation or parole imposed under state or federal law;

(ii) the location or apprehension of the felon is within the law enforcement officer's official duties; and

(iii) the request is made in writing and in the proper exercise of those duties;

(16) the current address of a recipient of general assistance or general assistance medical care may be disclosed to probation officers and corrections agents who are supervising the recipient and to law enforcement officers who are investigating the recipient in connection with a felony level offense;

(17) information obtained from food support applicant or recipient households may be disclosed to local, state, or federal law enforcement officials, upon their written request, for the purpose of investigating an alleged violation of the Food Stamp Act, according to Code of Federal Regulations, title 7, section 272.1(c);

(18) the address, Social Security number, and, if available, photograph of any member of a household receiving food support shall be made available, on request, to a local, state, or federal law enforcement officer if the officer furnishes the agency with the name of the member and notifies the agency that:

(i) the member:

(A) is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime or attempt to commit a crime that is a felony in the jurisdiction the member is fleeing;

(B) is violating a condition of probation or parole imposed under state or federal law; or

(C) has information that is necessary for the officer to conduct an official duty related to conduct described in subitem (A) or (B);

(ii) locating or apprehending the member is within the officer's official duties; and

(iii) the request is made in writing and in the proper exercise of the officer's official duty;

(19) the current address of a recipient of Minnesota family investment program, general assistance, general assistance medical care, or food support may be disclosed to law enforcement officers who, in writing, provide the name of the recipient and notify the agency that the recipient is a person required to register under section 243.166, but is not residing at the address at which the recipient is registered under section 243.166;

(20) certain information regarding child support obligors who are in arrears may be made public according to section 518A.74;

(21) data on child support payments made by a child support obligor and data on the distribution of those payments excluding identifying information on obligees may be disclosed to all obligees to whom the obligor owes support, and data on the enforcement actions undertaken by the public authority, the status of those actions, and data on the income of the obligor or obligee may be disclosed to the other party;

(22) data in the work reporting system may be disclosed under section 256.998, subdivision 7;

(23) to the Department of Education for the purpose of matching Department of Education student data with public assistance data to determine students eligible for free and reduced price meals, meal supplements, and free milk according to United States Code, title 42, sections 1758, 1761, 1766, 1766a, 1772, and 1773; to allocate federal and state funds that are distributed based on income of the student's family; and to verify receipt of energy assistance for the telephone assistance plan;

(24) the current address and telephone number of program recipients and emergency contacts may be released to the commissioner of health or a local board of health as defined in section 145A.02, subdivision 2, when the commissioner or local board of health has reason to believe that a program recipient is a disease case, carrier, suspect case, or at risk of illness, and the data are necessary to locate the person;

(25) to other state agencies, statewide systems, and political subdivisions of this state, including the attorney general, and agencies of other states, interstate information networks, federal agencies, and other entities as required by federal regulation or law for the administration of the child support enforcement program;

(26) to personnel of public assistance programs as defined in section 256.741, for access to the child support system database for the purpose of administration, including monitoring and evaluation of those public assistance programs;

(27) to monitor and evaluate the Minnesota family investment program by exchanging data between the Departments of Human Services and Education, on recipients and former recipients of food support, cash assistance under chapter 256, 256D, 256J, or 256K, child care assistance under chapter 119B, or medical programs under chapter 256B, 256D, or 256L;

(28) to evaluate child support program performance and to identify and prevent fraud in the child support program by exchanging data between the Department of Human Services, Department of Revenue under section 270B.14, subdivision 1, paragraphs (a) and (b), without regard to the limitation of use in paragraph (c), Department of Health, Department of Employment and Economic Development, and other state agencies as is reasonably necessary to perform these functions; ~~or~~

(29) counties operating child care assistance programs under chapter 119B may disseminate data on program participants, applicants, and providers to the commissioner of education; or

(30) according to section 256.01, subdivision 27, between the welfare system and the Minnesota Health Insurance Exchange under section 62U.02, in order to collect premiums from individuals in the medical assistance employed persons with disabilities program and the MinnesotaCare program under chapters 256B and 256L, and to administer the individual's and the individual's families' participation in the exchange.

(b) Information on persons who have been treated for drug or alcohol abuse may only be disclosed according to the requirements of Code of Federal Regulations, title 42, sections 2.1 to 2.67.

(c) Data provided to law enforcement agencies under paragraph (a), clause (15), (16), (17), or (18), or paragraph (b), are investigative data and are confidential or protected nonpublic while the investigation is active. The data are private after the investigation becomes inactive under section 13.82, subdivision 5, paragraph (a) or (b).

(d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but is not subject to the access provisions of subdivision 10, paragraph (b).

For the purposes of this subdivision, a request will be deemed to be made in writing if made through a computer interface system.

Sec. 2. Minnesota Statutes 2006, 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) Except for policies issued under section 62U.03, subdivision 5, paragraph (b), 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 separate geographic regions determined by the health carrier and to establish separate index rates for each such region. The commissioner shall grant approval if the following conditions are met:

(1) the geographic regions must be applied uniformly by the health carrier;

(2) each geographic region must be composed of no fewer than seven counties that create a contiguous region; and

(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 minimum lifetime 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).

Sec. 3. Minnesota Statutes 2006, section 62E.141, is amended to read:

**62E.141 INCLUSION IN EMPLOYER-SPONSORED PLAN.**

No employee of an employer that offers a group health plan, under which the employee is eligible for coverage, is eligible to enroll, or continue to be enrolled, in the comprehensive health association, except for enrollment or continued enrollment necessary to cover conditions that are subject to an unexpired preexisting condition limitation, preexisting condition exclusion, or exclusionary rider under the employer's health plan. This section does not apply to persons enrolled in the Comprehensive Health Association as of June 30, 1993. With respect to persons eligible to enroll in the health plan of an employer that has more than 29 current employees, as defined in section 62L.02, this section does not apply to persons enrolled in the Comprehensive Health Association as of December 31, 1994.

Sec. 4. Minnesota Statutes 2006, 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.3099 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 or through the Minnesota Health Insurance Exchange under section 62U.02 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. Except as provided in section 62U.03, subdivision 5, paragraph (b), 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 or to the Minnesota Health Insurance Exchange under section 62U.02. Except for coverage under section 62A.65, subdivision 5, paragraph (b), or 62E.16, at the request of an employee, the health carrier or the Minnesota Health Insurance Exchange under section 62U.02 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 or the Minnesota Health Insurance Exchange, as applicable, 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 or the Minnesota Health Insurance Exchange, as applicable, stating that the employer is not contributing directly or indirectly to the employee's premiums. The Minnesota Health Insurance Exchange under section 62U.02 shall provide all health carriers with enrolled employees of the employer with a copy of the employer's statement. 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, except as required under section 62U.03, subdivision 5, paragraph (b).

Sec. 5. Minnesota Statutes 2006, section 62L.12, subdivision 4, is amended to read:

Subd. 4. **Employer prohibition.** A small employer offering a health benefit plan shall not encourage or direct an employee or applicant to:

(1) refrain from filing an application for health coverage when other similarly situated employees may file an application for health coverage;

(2) file an application for health coverage during initial eligibility for coverage, the acceptance of which is contingent on health status, when other similarly situated employees may apply for health coverage, the acceptance of which is not contingent on health status;

(3) seek coverage from another health carrier, including, but not limited to, MCHA; or

(4) cause coverage to be issued on different terms because of the health status or claims experience of that person or the person's dependents.

Sec. 6. **[62U.01] DEFINITIONS.**

Subdivision 1. **Applicability.** For purposes of this chapter, the terms defined in this section have the meanings given, unless otherwise specified.

Subd. 2. **Advisory committee.** "Advisory committee" means the Health Benefit Set and Design Advisory Committee established in section 62U.055.

Subd. 3. **Clinically effective.** "Clinically effective" means that the use of a particular health technology improves patient clinical status, as measured by medical condition, survival rates, and other variables, and that the use of the particular technology demonstrates a clinical advantage over alternative technologies.

Subd. 4. **Commission.** "Commission" means the Health Care Transformation Commission established in section 62U.04.

Subd. 5. **Cost effective.** "Cost effective" means that the economic costs of using a particular service, device, or health technology to achieve improvement in a patient's health outcome are justified given the comparison to both the economic costs and the improvement in patient health outcome resulting from the use of an alternative service, device, or technology, or from not providing the service, device, or technology.

Subd. 6. **Exchange.** "Exchange" means the Minnesota Health Insurance Exchange established in section 62U.02.

Subd. 7. **Health plan.** "Health plan" means a health plan as defined in section 62A.011.

Subd. 8. **Health plan company.** "Health plan company" has the meaning provided in section 62Q.01, subdivision 4.

Subd. 9. **Health technology.** "Health technology" means medical and surgical devices and procedures, medical equipment, and diagnostic tests.

Subd. 10. **Section 125 Plan.** "Section 125 Plan" means a cafeteria or premium-only plan under section 125 of the Internal Revenue Code that allows employees to pay for health insurance premiums with pretax dollars.

Subd. 11. **State health care program.** "State health care program" means the medical assistance, MinnesotaCare, and general assistance medical care programs.

Subd. 12. **Third-party administrators.** "Third-party administrators" means a vendor of risk-management services or an entity administering a self-insurance or health insurance plan under section 60A.23.

Sec. 7. **[62U.02] MINNESOTA HEALTH INSURANCE EXCHANGE.**

Subdivision 1. **Title; citation.** This section may be cited as the "Minnesota Health Insurance Exchange."

Subd. 2. **Creation; tax exemption.** The Minnesota Health Insurance Exchange is created for the limited purpose of providing individuals with greater access, choice, portability, and affordability of health insurance products. The Minnesota Health Insurance Exchange is created as an unincorporated association and shall promptly incorporate as a nonprofit corporation under chapter 317A and apply for qualification under section 501(c) of the Internal Revenue Code.

Subd. 3. **Definitions.** For purposes of this section, the following terms have the meanings given them.

(a) "Board" means the Board of Directors of the Minnesota Health Insurance Exchange under subdivision 13.

(b) "Commissioner" means:

(1) the commissioner of commerce for health plan companies subject to the jurisdiction of the Department of Commerce;



(2) the commissioner of health for health plan companies subject to the jurisdiction of the Department of Health; or

(3) either commissioner's designated representative.

(c) "HIPAA" means the Health Insurance Portability and Accountability Act of 1996.

(d) "Individual market health plan" means a health plan as defined in section 62A.011, that is designed for sale in the individual market and that may cover either an individual or an individual and the individual's dependents.

(e) "Small employer" means a small employer as defined in section 62L.02, subdivision 26.

(f) "Small employer health benefit plan" means a health benefit plan as defined in section 62L.02, subdivision 15.

**Subd. 4. Health plan company and health plan participation and availability.** (a) Only individual market health plans and small employer health benefit plans offered by a health plan company licensed to issue health plans in Minnesota may be made available for purchase through the exchange.

(b) Each health plan made available by a health plan company through the exchange must meet the minimum benefit set and design requirements provided under section 62U.04, subdivision 5.

(c) Any health plan company that issues health plans in the individual or small employer market in this state must offer through the exchange at least one health plan that meets the benefit set and design established by the Health Care Transformation Commission under section 62U.04.

(d) Health plans offered through the Minnesota Comprehensive Health Association as defined in section 62E.10 must be available for sale through the exchange as determined by the Minnesota Comprehensive Health Association.

(e) Health plans offered through the MinnesotaCare program must be available through the exchange to individuals and families who meet the eligibility requirements for MinnesotaCare, as determined by the commissioner of human services, and who pay premiums through an employer Section 125 Plan.

(f) Nothing in this section restricts the sale of individual market health plans and small employer health benefit plans outside of the exchange. The requirements applicable to issuance, renewal, cancellation, and pricing of coverage are the same for health plans purchased inside and outside the exchange, except as described under section 62U.03, subdivision 5, paragraph (b).

**Subd. 5. Comparison of health plans.** The exchange shall help consumers understand and compare the standardized health plan options established under section 62U.04. The exchange shall also make consumers aware of eligibility for premium assistance under section 62U.09 based on the employer's contribution and the employee's income. Within each standardized plan grouping, the exchange shall provide easy ways for consumers to select among the offerings by comparing quality ratings, searching for a particular provider in its network, or by cost factors. This information must be made available via the Internet as well as by toll-free telephone assistance and written materials.

**Subd. 6. Individual participation and eligibility.** (a) Individuals are eligible to purchase health plans directly through the exchange or through an employer Section 125 Plan under section 62U.03.

(b) Nothing in this section requires guaranteed issue of individual market health plans offered through the exchange except as provided under section 62U.03, subdivision 5, paragraph (b).

(c) Individuals are eligible to purchase individual market health plans through the exchange by meeting one or more of the following qualifications:

(1) the individual is a Minnesota resident, meaning the individual is physically residing on a permanent basis in a place in this state that is the person's principal residence and from which the person is absent only for temporary purposes;

(2) the individual is a student attending an institution outside of Minnesota and maintains Minnesota residency;

(3) the individual is not a Minnesota resident but is employed by an employer physically located within the state and the individual's employer is required to offer a Section 125 Plan under section 62U.03; or

(4) the individual is a dependent as defined in section 62L.02, of another individual who is eligible to participate in the exchange.

(d) A self-employed individual, including a partner of a partnership, a member of a limited liability company, or other owner of a business, who may not be eligible to participate in a Section 125 plan, may obtain coverage through the exchange either as an individual under paragraph (c) or as an employee covered under a small employer health benefit plan if permitted under chapter 62L.

Subd. 7. **Small employer participation and eligibility.** Small employers, as defined in section 62L.02, may purchase small employer health benefit plans through the exchange.

Subd. 8. **Responsibilities of the exchange.** The exchange may serve as a coordinating entity for enrollment and collection and transfer of premium payments for health plans sold to individuals and small employers through the exchange. The exchange must be responsible for the following functions:

(1) publicize the exchange, including, but not limited to, its functions, eligibility rules, and enrollment procedures;

(2) provide assistance to employers to establish Section 125 Plans under section 62U.03;

(3) provide education and assistance to employers to help them understand the requirements of Section 125 Plans and compliance with applicable regulations;

(4) create a system to allow individuals to compare and enroll in health plans offered through the exchange, including a system of comparative rating of health plans and benefits set;

(5) create a system to collect and transmit to the applicable health plan companies all premium payments made by individuals and small employers, including developing mechanisms to receive and process automatic payroll deductions for individuals who purchase coverage through employer Section 125 Plans;

(6) for participating employers, bill the employer for the premiums payable by the employer for a small employer health benefit plan;

(7) for individuals purchasing individual market health plans through a Section 125 Plan, bill the individual's employer for premiums payable by the employee, provided that the employer is not liable for payment except from payroll deductions for that purpose;

(8) provide information on public insurance programs to individuals who may qualify for these programs, and provide application assistance if needed on applying for these programs;

(9) establish a mechanism with the Department of Human Services to transfer premiums paid by Minnesota health care program enrollees from Section 125 Plans;

(10) establish procedures to account for all funds received and disbursed by the exchange; and

(11) make available to the public, within 90 days after the end of each fiscal year, a report of an independent audit of the exchange's accounts.

**Subd. 9. State not liable.** The state of Minnesota is not liable for the actions of the exchange.

**Subd. 10. Powers of the exchange.** The exchange shall have the power to:

(1) contract with insurance producers licensed in accident and health insurance under chapter 60K and vendors to perform one or more of the functions specified in subdivision 8;

(2) contract with employers to collect premiums for small employer health benefit plans and for individual market health plans purchased through a Section 125 Plan;

(3) establish and assess fees on health plan premiums of small employer health benefit plans and individual market health plans to fund the cost of administering the exchange;

(4) seek and directly receive grant funding from government agencies or private philanthropic organizations, other than those connected with Minnesota-based nonprofit health providers or health plan companies, to defray the costs of operating the exchange;

(5) establish and administer rules and procedures governing the operations of the exchange;

(6) establish one or more service centers within Minnesota;

(7) sue or be sued or otherwise take any necessary or proper legal action;

(8) establish bank accounts and borrow money; and

(9) enter into agreements with the commissioners of commerce, health, human services, revenue, employment and economic development, and other state agencies as necessary for the exchange to implement the provisions of this section.

**Subd. 11. Dispute resolution.** The exchange shall establish procedures for resolving disputes with respect to the eligibility of an individual to participate in the exchange. The exchange shall not have the authority or responsibility to intervene in or resolve disputes between an individual and a health plan or health plan company. If the exchange receives complaints involving such disputes from individuals participating in the exchange, the exchange shall inform the individual about the right to make such complaints to the commissioner to be resolved according to sections 62Q.68 to 62Q.73.

**Subd. 12. Governance.** The exchange shall be governed by a board of directors with 11 members. The board shall convene on or before July 1, 2008, after the initial board members have been selected. The initial board membership consists of the following:

(1) the commissioner of commerce;

(2) the commissioner of human services;

(3) the commissioner of health; and

(4) eight members with knowledge and experience related to health insurance and health insurance markets, appointed to serve three-year terms as follows: two members appointed by the Subcommittee on Committees of the Committee on Rules and Administration of the senate; two members appointed by the speaker of the house of representatives; and four members appointed by the governor.

**Subd. 13. Subsequent board membership.** (a) Effective July 1, 2011, ongoing membership of the exchange consists of the following:

(1) the commissioner of commerce;

(2) the commissioner of human services;

(3) the commissioner of health;

(4) two members appointed as follows: one member appointed by the Subcommittee on Committees of the Committee on Rules and Administration of the senate; and one member appointed by the speaker of the house of representatives to serve two-year terms. These appointed members are eligible to be reappointed for one additional term; and

(5) four members elected by the membership of the exchange of which two are elected to serve a two-year term and two are elected to serve a three-year term.

(b) Elected members may serve more than one term. At least one of the elected members must represent a small employer and at least one member must be a person who purchases an individual market health plan through the exchange.

**Subd. 14. Operations of the board.** Officers of the board of directors are elected by members of the board and serve one-year terms. Six members of the board constitute a quorum, and the affirmative vote of six members of the board is necessary and sufficient for any action taken by the board. Board members serve without pay, but are reimbursed for actual expenses incurred in the performance of their duties. Board meetings must be open to the public, except as specified in the bylaws of the exchange.

**Subd. 15. Operations of the exchange.** The board of directors shall appoint an exchange director who shall:

(1) be a full-time employee of the exchange;

(2) administer all of the activities and contracts of the exchange; and

(3) hire and supervise the staff of the exchange.

**Subd. 16. Investment of assets.** The exchange must certify to the State Board of Investment that a portion of the assets of the exchange which, in the judgment of the exchange director, are not required for immediate use. Investment earnings on assets transferred to the State Board of Investment under this subdivision must be maintained in an account in the state treasury. Money in the account may be spent, as appropriated by law, for purposes related to assisting individuals in paying health insurance premiums, and for making health insurance products more affordable.

Subd. 17. **Audit.** The legislative auditor must audit the exchange, as provided in sections 3.971 and 3.972.

Subd. 18. **Insurance producers.** An individual has the right to choose any insurance producer licensed in accident and health insurance under chapter 60K to assist the individual in purchasing an individual market health plan through the exchange. When a producer licensed in accident and health insurance under chapter 60K enrolls an eligible individual in the exchange, the health plan company chosen by the individual may pay the producer a commission.

Subd. 19. **Implementation.** Health plan coverage through the exchange begins on July 1, 2009. The exchange must be operational to assist employers and individuals by January 1, 2009, and be prepared for enrollment by June 1, 2009.

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

Sec. 8. **[62U.03] SECTION 125 PLANS.**

Subdivision 1. **Definitions.** The following terms have the meanings given them.

(a) "Current employee" means an employee currently on an employer's payroll other than a retiree or disabled former employee.

(b) "Employer" means a person, firm, corporation, partnership, association, business trust, or other entity employing one or more persons, including a political subdivision of the state, filing payroll tax information on such employed person or persons.

(c) "Exchange" means the Minnesota Health Insurance Exchange in section 62U.02.

(d) "Exchange director" means the appointed director under section 62U.02, subdivision 15.

Subd. 2. **Section 125 Plan requirement.** (a) Effective January 1, 2010, each employer that has three or more current employees shall establish a Section 125 Plan to either allow its employees to purchase individual market health plan coverage or allow its employees to pay the employee's share of premiums for employer-based health plan coverage with pretax dollars. Nothing in this section requires an employer to offer or purchase group health insurance coverage for its employees. An employer that has no employees who are eligible to participate in a Section 125 Plan is exempt from this requirement.

(b) An employer that offers a Section 125 Plan may enter into an agreement with the exchange to administer the employer's Section 125 Plan.

Subd. 3. **Tracking compliance.** By July 1, 2010, the exchange, in consultation with the commissioners of commerce, health, employment and economic development, and revenue shall establish a method for tracking employer compliance with the Section 125 Plan requirement.

Subd. 4. **Employer requirements.** (a) Employers that do not offer a group health insurance plan as defined in section 62A.10 and that are required to offer or choose to offer a Section 125 Plan shall:

(1) allow employees to purchase an individual market health plan for themselves and their dependents;

(2) allow employees to choose any insurance producer licensed in accident and health insurance under chapter 60K to assist them in purchasing an individual market health plan;

(3) upon an employee's request, deduct premium amounts on a pretax basis in an amount not to exceed an employee's wages, and remit these employee payments to the health plan company or the exchange; and

(4) provide notice to employees that individual market health plans purchased by employees through payroll deduction are not employer-sponsored or administered. Employers shall be held harmless from any and all liability claims related to the individual market health plans purchased by employees under a Section 125 Plan.

(b) Employees earning less than \$30,000 per year may choose to opt in to Section 125 plan participation after being provided, by their employer, information developed by the exchange on the potential negative impact on their Social Security retirement benefits. Employers may not in any way attempt to influence those employees in their decision on whether or not to participate in the Section 125 plan pretax premium payment. Those not choosing to opt in to Section 125 plan participation shall still remain eligible for premium collection and payment via the exchange. This also applies to anyone who may not be eligible for Section 125 plan benefits due to federal definitions of eligibility. Persons with dependents who differ in their eligibility must have their participation in the Section 125 pretax benefit plan proportionately established.

Subd. 5. **Health plan company requirements.** (a) Individuals who are eligible to use an employer Section 125 Plan may use it to pay for an individual market health plan for which the individual is eligible and purchase it through the exchange, including an individual market health plan, MinnesotaCare, and the Minnesota Comprehensive Health Association.

(b) Individuals who purchase an individual market health plan through a Section 125 Plan may purchase coverage on a guaranteed issue basis during an annual open enrollment period that coincides with the open enrollment period for their employer's Section 125 Plan or upon experiencing a qualifying event as defined in United States Code, title 43, section 4980B. Nothing in this section precludes a health plan company from issuing coverage with preexisting condition limitations as allowed elsewhere in law. Health plans may not charge higher or lower premiums based on health status for individuals who purchase coverage on a guaranteed issue basis under this section, except for variations in premium that are allowable based on tobacco use.

Sec. 9. **[62U.04] HEALTH CARE TRANSFORMATION COMMISSION.**

Subdivision 1. **Creation.** The Health Care Transformation Commission is created for the purpose of coordinating the health care transformation activities within Minnesota.

Subd. 2. **Members.** (a) The Health Care Transformation Commission shall consist of ten members who are appointed as follows:

(1) three members appointed by the Subcommittee on Committees of the Committee on Rules and Administration of the senate;

(2) three members appointed by the speaker of the house of representatives; and

(3) four members appointed by the governor, two of whom shall be state commissioners from the agencies listed in section 15.01.

(b) The appointed members who are not commissioners must have expertise in health care financing, health care delivery, health care quality improvement, health economics, actuarial science, business operations, social services funded through medical assistance and property tax resources, or be an informed consumer representative.

(c) If a member is no longer able or eligible to perform the required duties, a new member shall be appointed by the entity that appointed the outgoing member.

Subd. 3. **Operations of the commission.** (a) The commission shall convene on or before July 1, 2008, following the initial appointment of the members.

(b) The commission shall elect a chair among its members.

(c) The commission members shall not be compensated for commission activities except for actual expenses incurred in the performance of their duties. Expenses shall be compensated according to section 15.0575.

Subd. 4. **Immunity of liability.** No member of the commission shall be held civilly liable for an act or omission by that member if the act or omission was in good faith and within the scope of the member's responsibilities under this chapter.

Subd. 5. **Responsibilities of the commission.** The Health Care Transformation Commission shall:

(1) collect data from providers on health care prices and quality, including measures of process, outcomes, and patient satisfaction, and publish comparative price and quality information in a manner that is easily understandable and accessible to consumers;

(2) develop a design and implementation plan for health care payment system reform as required under sections 62U.11 and 62U.12;

(3) establish a uniform definition for total cost of care for a patient group, including risk adjustment mechanisms that address at least the following factors:

(i) the health status of the individual in the year the individual enters the provider's care;

(ii) a worsening of the patient's health condition that was not reasonably preventable by action that the provider could have taken;

(iii) socioeconomic and cultural factors that bear directly on the cost of care; and

(iv) the percentage of individuals served by the provider or care system whose care is paid for by public health insurance programs;

(4) provide education, technical assistance, and materials necessary for providers to participate in the restructured payment system;

(5) implement and administer the payment system reform;

(6) make recommendations to the governor and legislature as to additional actions that are needed in order to successfully achieve health care transformation in Minnesota;

(7) consult and coordinate with the commissioners of health and human services, health care providers, health plan companies, organizations that work to improve health care quality in Minnesota, consumers, and employers;

(8) convene a health technology advisory committee as required under section 62U.05;

(9) establish a Uniform Outcome Measures Working Group and make recommendations on community benefit standards, as required under article 3, section 1; and

(10) carry out other duties assigned in this chapter and this act.

Subd. 6. **Powers of the commission.** The commission shall have the power to:

(1) advise the commissioner of human services to negotiate with the Centers for Medicare and Medicaid Services and work with the Minnesota congressional delegation to gain approval for any demonstration programs or changes in federal policy necessary to enable transformation of Minnesota's health care system; and

(2) contract with other organizations to carry out all or part of its responsibilities.

Subd. 7. **Rulemaking; exemption from administrative procedures.** To carry out the purposes of this section and sections 62U.05 and 62U.055, the commission may adopt rules under chapter 14. The commission is exempt from rulemaking requirements to the extent rules are necessary to establish the benefit set and design described in subdivision 8 and section 62U.055. The commission may use the provisions of section 14.386, paragraph (a), clauses (1) and (3). Rules adopted are exempt from section 14.386, paragraph (b).

Subd. 8. **Standard benefit set and design.** (a) Based on the recommendations submitted by the Health Benefit Set and Design Advisory Committee, the commission shall establish a standard benefit set and design by July 1, 2009.

(b) The standard health benefit set and design must meet the requirements described in section 62U.055.

(c) Prior to establishing the standard benefit set and design, the commission shall convene public hearings throughout the state.

Subd. 9. **Reports.** Beginning January 15, 2010, and each January 15 thereafter, the commission shall submit an annual report to the governor and legislature on the following:

(1) the extent to which health care providers have reduced their costs and fees;

(2) the extent to which costs and cost growth are likely to be maintained or reduced in future years;

(3) the extent to which the quality of health care services has improved;

(4) the extent to which all Minnesotans have access to quality, affordable health care; and

(5) recommendations on additional actions that are needed in order to successfully achieve health care transformation in Minnesota.

Subd. 10. **Expiration.** The commission shall expire December 31, 2011. Upon expiration, the duties of the commission shall transfer to the board of directors of the Minnesota Health Insurance Exchange.

Sec. 10. **[62U.05] HEALTH TECHNOLOGY ASSESSMENT.**

Subdivision 1. **Technology Advisory Committee.** (a) The Health Care Transformation Commission shall convene an advisory committee to make recommendations to the commission regarding the inclusion of new and existing health technologies to the standard benefit set and design.

(b) The advisory committee shall be made up of 11 members appointed by the commission, in consultation with the Institute for Clinical Systems Improvement, the Health Services Advisory Council, and the University of Minnesota. The members shall consist of:

(1) six practicing physicians licensed under chapter 147; and



(2) five other practicing health care professionals who use health technology in their scope of practice.

(c) No member of the advisory committee shall have a substantial financial interest in a health technology company or be employed by or under contract with a health technology manufacturer during their term or for 18 months before their appointment.

(d) The members shall be immune from civil liability for any official acts performed in good faith as members of the committee.

(e) The advisory committee shall be governed under section 15.059, except that the committee shall not expire. Upon the expiration of the Health Care Transformation Commission, the Health Technology Assessment Committee shall continue to exist under the oversight of the Minnesota Health Insurance Exchange.

Subd. 2. **Technology selection process.** The commission, in consultation with the advisory committee, shall select existing and new health technologies to be reviewed by the committee. In making a selection, priority must be given to any technology for which:

(1) there are concerns about its safety, efficacy, or cost effectiveness;

(2) actual or expected expenditures are high due to demand for the technology, its cost, or both; and

(3) there is adequate evidence available to conduct a complete review.

Subd. 3. **Technology review.** (a) Upon the selection of a health technology for review, the committee shall contract for a systematic evidence-based assessment of the technology's safety, efficacy, and cost effectiveness. The contract must be with an evidence-based practice center designated as such by the federal agency for health care research and quality, or another appropriate entity as designated by the commission.

(b) The committee shall provide notification to the public when a health technology has been selected for review. The notification must indicate when that review is to be initiated and how an interested party may submit evidence or provide public comment for consideration during the review.

Subd. 4. **Committee determination.** (a) Upon reviewing the completed assessment and any other evidence submitted regarding the safety, efficacy, and cost effectiveness of the technology, the committee shall recommend to the commission:

(1) the conditions, if any, under which the health technology should be included as a covered benefit; and

(2) if covered, the criteria to be used to decide whether the technology is medically necessary, or proper and necessary treatment.

(b) The commissioners of human services, employee relations, and corrections may use the committee's recommendation in making coverage and reimbursement decisions, unless the recommendation conflicts with an applicable federal statute or regulation.

#### Sec. 11. **[62U.055] STANDARD BENEFIT SET AND DESIGN.**

Subdivision 1. **Creation.** The Health Care Transformation Commission shall convene a health benefit set and design advisory committee to make recommendations to the commission on a standard benefit set and design. The advisory committee shall consist of seven members. The members shall be appointed by the commission and must have expertise in benefit design and development, actuarial analysis, or knowledge relating to the analysis of the cost impact of coverage of specified benefits.

Subd. 2. **Operations of the committee.** (a) The advisory committee shall convene on or before September 1, 2008, upon the appointment of the initial committee and must meet at least once a year, and at other times as necessary.

(b) The commission shall provide office space, equipment and supplies, and technical support to the committee.

(c) The committee shall be governed by section 15.059, except the committee shall not expire. Upon the expiration of the Health Care Transformation Commission, the Health Benefit Set and Design Advisory Committee shall continue to exist under the oversight of the Minnesota Health Insurance Exchange.

Subd. 3. **Immunity of liability.** No member of the committee shall be held civilly liable for an act or omission by that member if the act or omission was in good faith and within the scope of the member's responsibilities under this chapter.

Subd. 4. **Duties of the committee.** (a) By January 1, 2009, the committee shall develop and submit to the commission a benefit set and design that provides individuals access to a broad range of health care services, including preventive health care, without incurring severe financial loss as a result of serious illness or injury. The benefit set must include necessary health care services, procedures, and diagnostic tests that are scientifically proven to be both clinically effective and cost effective. In establishing the benefit set, the committee may contract with the Institute for Clinical Systems Improvement (ICSI) to assemble existing scientifically based practice standards. The committee shall consider cultural, ethnic, and religious values and beliefs to ensure that the health care needs of all Minnesota residents will be addressed in the benefit set.

(b) The benefit set must identify and include preventive services, chronic care coordination services, and early diagnostic tests that, if included in the benefit set, with minimal or no cost-sharing requirements, would result in savings that are equal to or greater than the cost of providing the services.

(c) The benefit set must include evidence-based outpatient care for asthma, heart disease, diabetes, and depression with no cost-sharing requirements, or with minimal cost-sharing requirements that would not impose an economic barrier to accessing the care. The committee may consult with ICSI in identifying standards for care.

(d) The benefit design must be used as a minimum requirement for health plans offered throughout the exchange and be the only benefit plan eligible for premium subsidies under section 62U.09. The benefit design must establish a limited number of maximum cost-sharing variations based upon deductibles and maximum out-of-pocket costs. There must be no maximum lifetime benefit.

Subd. 5. **Continued review.** The committee shall review the benefit set and design on an ongoing periodic basis and shall adjust the benefit set and design as necessary, to ensure that the benefit set and design continues to be safe, effective, and scientifically based.

Sec. 12. **[62U.06] GOALS FOR UNIVERSAL COVERAGE; CONTINGENT INDIVIDUAL RESPONSIBILITY REQUIREMENT.**

Subdivision 1. **Phase-in goals.** The state's phase-in goals for progress toward universal health coverage for Minnesota residents are:

(1) 94 percent insured by end of fiscal year 2009;

(2) 96 percent insured by end of fiscal year 2011;

(3) 97 percent insured by end of fiscal year 2012; and

(4) 98 percent insured by end of fiscal year 2013 and thereafter.

Subd. 2. **Measurement of percent insured.** The determination of the percent of Minnesota residents insured must be based on an annual survey of the Minnesota population younger than age 65 to be conducted or contracted for by the commissioner of health which must include questions related to the type of insurance, amount of cost-sharing, and potential barriers to public program enrollment.

Subd. 3. **Contingent individual responsibility requirement.** (a) If the increased affordability, cost containment, insurance reform, and voluntary efforts provided for under this act fail to achieve universal coverage, an individual responsibility requirement must have been proven to be necessary.

(b) If any one of the phase-in goals specified in subdivision 1 for fiscal year 2011 or later is not met, as determined by the commissioner of health, in spite of implementation of the increased affordability, cost containment, insurance reform, and voluntary efforts provided for under sections 62U.01 to 62U.09, an individual responsibility requirement, requiring every Minnesota resident to obtain and maintain health coverage from a public or private sector source of the person's choice, must become effective 12 months after the end of that fiscal year, provided that the commissioner certifies that health plans that meet the affordability standard under section 62U.08 are available to Minnesotans.

(c) Failure to comply with the individual responsibility requirement is not a crime, but must subject the person to a financial penalty to be specified in law.

Sec. 13. **[62U.07] SAVINGS RECAPTURE ASSESSMENT.**

Subdivision 1. **Projected spending baseline.** (a) The commissioner of health shall calculate the annual projected total health care spending for the state and establish a health care spending baseline beginning for the year 2008 and for the next five years based on the annual projected growth in spending.

(b) In establishing the health care spending baseline, the commissioner shall use the Center of Medicare and Medicaid Services forecast for total growth in national health care expenditures, and adjust this forecast to reflect the demographics, health status, and other factors deemed necessary by the commissioner. The commissioner shall contract with an actuarial consultant to make recommendations as to the adjustments needed to specifically reflect projected spending for Minnesota residents.

(c) The commissioner may adjust the projected baseline as necessary to reflect any updated federal projections or account for unanticipated changes in federal policy.

Subd. 2. **Actual spending.** (a) By February 15 of each year, beginning February 15, 2010, the commissioner shall determine the actual private and public health care spending for the calendar year preceding the current calendar year and shall determine the difference between the projected spending as determined under subdivision 1 and the actual spending for that year. The actual spending must be certified by an independent actuarial consultant. If the actual spending is less than the projected spending, the commissioner shall determine an aggregate savings offset amount not to exceed 40 percent of the difference.

(b) Based on this calculation, the commissioner shall determine annually a savings offset amount to be paid by health plan companies and third-party administrators. The aggregate savings offset amount may not exceed 40 percent of the aggregate savings reflected in the difference between the actual spending and the projected spending.

Subd. 3. **Publication of spending.** By February 15 of each year, beginning February 15, 2010, the commissioner shall publish in the State Register the projected spending baseline, including any adjustments, and the actual spending for the preceding year.

Subd. 4. **Savings offset assessments.** (a) Each health plan company and third-party administrator shall pay a savings offset assessment. The commissioner shall calculate the savings offset assessments as a percentage of paid claims as follows:

(1) for health plan companies, the savings offset assessment may not exceed four percent of annual paid health care claims on policies that insure residents of this state; and

(2) for third-party administrators, the savings offset assessment may not exceed four percent of annual paid claims for health care for residents of this state.

(b) A health plan company may not be required to pay a savings offset assessment on policies or contracts insuring federal employees.

(c) Savings offset assessments apply to claims paid for plan years beginning on or after January 1, 2010.

(d) Savings offset assessments must be made quarterly to the commissioner of revenue within 60 days of the close of each quarter, beginning April 15, 2010.

Subd. 5. **Deposit of assessments.** The commissioner of revenue shall deposit the revenue derived from the assessments into the health care access fund.

Sec. 14. **[62U.08] AFFORDABILITY STANDARD.**

Subdivision 1. **Definition of affordability.** For purposes of this section, coverage is "affordable" if the sum of premiums, deductibles, and other out-of-pocket costs paid by an individual or family for health coverage does not exceed the applicable percentage of the individual or family's gross monthly income specified in subdivision 2.

Subd. 2. **Affordability standard.** The following affordability standard is established for individuals and households with gross family incomes of 400 percent of the federal poverty guidelines or less:

**AFFORDABILITY STANDARD**

<u>Federal Poverty Guideline Range</u>	<u>Percent of Average Gross Monthly Income</u>
<u>0-33%</u>	<u>minimum</u>
<u>33-54%</u>	<u>1.1%</u>
<u>55-81%</u>	<u>1.2%</u>
<u>82-109%</u>	<u>1.6%</u>
<u>110-136%</u>	<u>2.4%</u>
<u>137-164%</u>	<u>2.9%</u>
<u>165-191%</u>	<u>3.9%</u>
<u>192-219%</u>	<u>4.6%</u>
<u>220-248%</u>	<u>5.4%</u>
<u>248-274%</u>	<u>6.0%</u>
<u>275-300%</u>	<u>6.0%</u>
<u>301-324%</u>	<u>6.5%</u>

<u>325-349%</u>	<u>7.2%</u>
<u>350-374%</u>	<u>7.8%</u>
<u>375-400%</u>	<u>8.0%</u>

Sec. 15. **[62U.09] EMPLOYEE SUBSIDIES FOR EMPLOYER-SUBSIDIZED HEALTH COVERAGE.**

Subdivision 1. Establishment of subsidy program. The commissioner of human services shall establish a subsidy program for eligible employees and dependents with access to employer-subsidized health coverage. For purposes of this section, employer-subsidized health coverage has the meaning provided in section 256L.07, subdivision 2, paragraph (c).

Subd. 2. Eligible employees and dependents. In order to be eligible for a subsidy under this section, an employee or dependent shall:

(1) be covered by employer-subsidized health coverage that meets the benefits set and design requirements established under section 62U.04 and is purchased through the Health Insurance Exchange established under section 62U.02; and

(2) meet all eligibility criteria for the MinnesotaCare program established under chapter 256L, except for the requirements related to:

(i) no access to employer-subsidized coverage under section 256L.07, subdivision 2; and

(ii) no other health coverage under section 256L.07, subdivision 3.

Subd. 3. Amount of subsidy. The subsidy must equal the amount the employee is required to pay for health coverage for the employee and any dependents, including premiums, deductibles, and other cost sharing, minus an amount based on the affordability standard specified in section 62U.08. The maximum subsidy must not exceed the amount of the subsidy that would have been provided under the MinnesotaCare program, if the employee and any dependents were eligible for that program.

Subd. 4. Payment of subsidy. The commissioner shall pay the subsidy amount for an employee and any dependents to the Minnesota Health Insurance Exchange, and this payment shall be credited toward the employee's share of premium. Any additional amount paid by the commissioner to the Minnesota Health Insurance Exchange that exceeds the employee's share of premium must be credited first toward the employee deductible and then toward any employee cost-sharing obligation.

**EFFECTIVE DATE.** This section is effective July 1, 2010.

Sec. 16. **[62U.11] PAYMENT RESTRUCTURING; PAYMENTS BASED ON QUALITY AND EFFICIENCY OF CARE.**

Subdivision 1. Development. By November 1, 2008, the Health Care Transformation Commission shall develop a payment system that links the level of payments to providers to the quality and efficiency of care. The payment system must incorporate payments to primary care physicians, specialty care physicians, health care clinics, hospitals, and other providers who provide services included in the evidence-based benefit set and design developed under section 62U.04.

Subd. 2. **Payment system criteria.** The payment system must meet the following criteria:

(1) providers meeting specified targets, or who demonstrate a significant amount of improvement over time, must be eligible for quality and efficiency-based payments that are in addition to existing payment levels;

(2) priority must be placed on measures of health care outcomes, rather than process measures, wherever possible;

(3) quality measures for primary care providers must focus on preventive services, coronary artery and heart disease, diabetes, asthma, chronic obstructive pulmonary disease, depression, and other conditions or procedures for which, in the determination of the commission, improved outcomes will lead to significant cost savings;

(4) quality measures for specialty care must be designated by the commission, and initially based on quality indicators measured and reported publicly by specialty societies;

(5) hospital payments must be adjusted for quality and efficiency using existing measures where available, which focus on health conditions or procedures for which, in the determination of the commission, improved outcomes will lead to significant cost savings; and

(6) other indicators of care quality and efficiency must be incorporated where appropriate. These indicators may include care infrastructure, collection and reporting of results, measures of efficiency for specific procedures, and measures of overall cost of care for individuals.

Subd. 3. **Uniform measures required.** Once the payment system required by this section is established, health plan companies shall not require providers to use and report health plan company-specific quality and outcome measures.

Subd. 4. **Implementation.** (a) By January 1, 2009, the commissioner of human services shall implement this payment system for all state health care program enrollees served under fee-for-service, and shall require demonstration providers serving state health care program enrollees to implement this payment system by January 1, 2009, for all state health care program enrollees served under managed care and county-based purchasing.

(b) By January 1, 2009, the commissioner of employee relations shall implement this payment system for all participants in the State Employee Group Insurance Program.

(c) By January 1, 2009, all health plan companies shall implement this payment system for all participating providers.

Sec. 17. **[62U.12] PAYMENT RESTRUCTURING; CARE COORDINATION PAYMENTS FOR HEALTH CARE HOMES.**

Subdivision 1. **Development.** The Health Care Transformation Commission, in cooperation with the commissioners of health and human services, shall develop a payment system that provides care coordination payments to health care providers. In order to be eligible for a care coordination payment, a health care provider must be certified as a health care home by the commissioners of human services and health based on the certification standards for health care homes established under section 256B.0754.

Subd. 2. **Care coordination fee.** (a) Under the payment system, health care homes must receive a per-person per-month care coordination fee for providing care coordination services and employing care coordinators, as specified in section 256B.0752, subdivisions 3 and 7.

(b) The care coordination fee must not exceed an average of \$50 per-person per-month. The care coordination fee must be determined by the commission, and must vary by thresholds of care complexity, with the highest fees being paid for care provided to individuals requiring the most intensive care coordination, such as those with very complex health care needs or several chronic conditions.

(c) In setting care coordination fees, the commission shall consider the additional time and resources needed by patients with limited English-language skills, cultural differences, or other barriers to health care.

(d) Care coordination fees must be phased in, and must be applied first to persons who have, or are at risk of developing, complex or chronic health conditions.

Subd. 3. **Quality and efficiency-based payments.** The quality and efficiency-based payments under section 62U.11 must also be included in the care coordination payment system. Providers whose quality or efficiency does not allow them to qualify for payments under section 62U.11 are not eligible to receive care coordination fees.

Subd. 4. **Implementation.** (a) By July 1, 2009, the commissioner of human services shall implement this payment system for all state health care program enrollees served under fee-for-service as provided under section 256B.0753 and shall require demonstration providers serving state health care program enrollees to implement this payment system by July 1, 2009, for all state health care program enrollees served under managed care and county-based purchasing.

(b) By July 1, 2009, the commissioner of employee relations shall implement this payment system for all participants in the State Employee Group Insurance Program.

(c) By July 1, 2009, all health plan companies shall implement this payment system for all participating providers.

**Sec. 18. [62U.13] COORDINATION WITH THE PRIVATE SECTOR.**

In developing the payment systems required under sections 62U.11 and 62U.12, the Health Care Transformation Commission shall consult and coordinate with the commissioners of human services and health, organizations that work to improve health care quality in Minnesota, health care providers, health plan companies, consumers, and employers and other payors. The commissioners shall publicize and promote the payment systems required under sections 62U.11 and 62U.12, and shall make technical assistance available to entities adopting the payment systems.

Sec. 19. Minnesota Statutes 2006, section 256.01, is amended by adding a subdivision to read:

Subd. 28. **Exchange of data.** An entity that is part of the welfare system as defined in section 13.46, subdivision 1, paragraph (c), and the Minnesota Health Insurance Exchange under section 62U.02 may exchange private data about individuals without the individual's consent in order to collect premiums from individuals in the medical assistance employed persons with disabilities program and the MinnesotaCare program under chapters 256B and 256L. This subdivision only applies if the entity that is part of the welfare system and the Minnesota Health Insurance Exchange have entered into an agreement that complies with the requirements in Code of Federal Regulations, title 45, section 164.314.

**Sec. 20. AMENDMENTS TO CURRENT HEALTH BENEFIT SETS.**

The commissioners of health, commerce, and employee relations shall report to the legislature under Minnesota Statutes, section 3.195, on necessary changes to current mandated benefit sets to align these with the standard benefit set and design developed by the Health Care Transformation Commission established in Minnesota Statutes, section 62U.04.

Sec. 21. **RISK SHARING.**

The Risk Sharing Advisory Council shall review Minnesota Comprehensive Health Association financing and whether the affordability needs of persons with health problems can be addressed through guaranteed issue, with no premium penalty for health history and not allowing preexisting condition limitations. This must include assessing whether stability of the insurance market could be managed through risk sharing that transfers funds between health plan companies. The goal is to discontinue Minnesota Comprehensive Health Association assessment and replace it with a broader and fairer funding mechanism, preferably one that does not involve a fee-based mechanism. The council shall make recommendations to the Legislative Commission on Health Care Access by November 1, 2009. The Risk Sharing Advisory Council shall include representatives of insurance companies, the Minnesota Comprehensive Health Association's board of directors, safety net providers, and consumer representatives. It shall be convened by the commissioner of commerce with staffing from that agency and the Minnesota Department of Health.

Sec. 22. **APPROPRIATION.**

\$...... is appropriated in fiscal year 2009 from the health care access fund to the Health Care Transformation Commission. This is a onetime appropriation."

Delete the title and insert:

"A bill for an act relating to health care reform; increasing affordability and continuity of care for state health care programs; modifying health care provisions; providing subsidies for employee share of employer-subsidized insurance; establishing the Minnesota Health Insurance Exchange; requiring certain employers to offer Section 125 Plan; establishing the Health Care Transformation Commission; creating an affordability standard; requiring mandated reports; appropriating money; amending Minnesota Statutes 2006, sections 62A.65, subdivision 3; 62E.141; 62L.12, subdivisions 2, 4; 256.01, by adding subdivisions; 256B.061; 256B.69, by adding a subdivision; 256D.03, by adding a subdivision; 256L.05, by adding a subdivision; 256L.06, subdivision 3; 256L.07, subdivision 3; 256L.15, by adding a subdivision; Minnesota Statutes 2007 Supplement, sections 13.46, subdivision 2; 256B.056, subdivision 10; 256L.03, subdivisions 3, 5; 256L.04, subdivisions 1, 7; 256L.05, subdivision 3a; 256L.07, subdivision 1; 256L.15, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 256B; proposing coding for new law as Minnesota Statutes, chapter 62U; repealing Minnesota Statutes 2006, section 256L.15, subdivision 3."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations, Reform, Technology and Elections.

The report was adopted.

Otremba from the Committee on Agriculture, Rural Economies and Veterans Affairs to which was referred:

H. F. No. 3392, A bill for an act relating to farm wineries; allowing farm wineries to sell product at farmer's markets and to manufacture cognacs and brandies; amending Minnesota Statutes 2006, section 340A.315, by adding a subdivision.

Reported the same back with the following amendments:

Amend the title as follows:

Page 1, line 2, delete "to sell product at farmer's"



Page 1, line 3, delete "markets and"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Commerce and Labor.

The report was adopted.

Hilstrom from the Committee on Local Government and Metropolitan Affairs to which was referred:

S. F. No. 357, A bill for an act relating to housing; regulating transactions between certain low-income and moderate-income housing developers and local units of government; proposing coding for new law in Minnesota Statutes, chapter 462A.

Reported the same back with the following amendments:

Page 1, line 6, delete "COUNTY OR"

Page 1, line 9, delete "or rehabilitate" and delete ". and a county, a city, or" and insert "in the city of Minneapolis"

Page 1, line 10, delete "an agency of a county or" and insert "and if the" and after "transferring" insert "vacant"

Page 1, line 11, delete "county or"

Page 1, line 12, delete "county or"

Page 1, line 13, delete "county or"

Page 1, after line 14 insert:

**"EFFECTIVE DATE.** This section is effective the day after compliance by the governing body of the city of Minneapolis with Minnesota Statutes, section 645.021, subdivision 3."

Amend the title as follows:

Page 1, line 3, delete "local units of government" and insert "the city of Minneapolis"

With the recommendation that when so amended the bill pass and be re-referred to the Housing Policy and Finance and Public Health Finance Division.

The report was adopted.

## SECOND READING OF HOUSE BILLS

H. F. Nos. 2627, 2657, 2816, 2827, 2896, 2898, 2907, 2932, 3124 and 3228 were read for the second time.

**INTRODUCTION AND FIRST READING OF HOUSE BILLS**

The following House Files were introduced:

Thissen and Murphy, M., introduced:

H. F. No. 3744, A bill for an act relating to retirement; amending local police and firefighters relief association amortization provisions; allocating state aid; amending Minnesota Statutes 2006, section 423A.02, subdivision 1b.

The bill was read for the first time and referred to the Committee on Governmental Operations, Reform, Technology and Elections.

Mariani introduced:

H. F. No. 3745, A bill for an act relating to education; requiring life plans for students; repealing involuntary career tracking prohibition; proposing coding for new law in Minnesota Statutes, chapter 120B; repealing Minnesota Statutes 2006, section 120B.125.

The bill was read for the first time and referred to the Committee on E-12 Education.

Scalze introduced:

H. F. No. 3746, A bill for an act relating to local government; authorizing cities to impose a transportation utility fee; proposing coding for new law in Minnesota Statutes, chapter 275.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Heidgerken introduced:

H. F. No. 3747, A bill for an act relating to capital improvements; appropriating money for a regional adult and wellness center in Melrose; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Finance.

Fritz and Thissen introduced:

H. F. No. 3748, A bill for an act relating to human services; allowing counties to contract with hospitals to provide chemical use assessments; amending Minnesota Statutes 2007 Supplement, section 254A.19, subdivision 3, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Juhnke, Doty and Rukavina introduced:

H. F. No. 3749, A bill for an act relating to veterans; authorizing and regulating state veterans cemeteries; amending Minnesota Statutes 2006, section 197.236.

The bill was read for the first time and referred to the Committee on Agriculture, Rural Economies and Veterans Affairs.

Morrow, Hamilton, Magnus and Juhnke introduced:

H. F. No. 3750, A bill for an act relating to motor carriers; modifying provision relating to hours of service of drivers; amending Minnesota Statutes 2006, section 221.0314, subdivision 9a.

The bill was read for the first time and referred to the Transportation Finance Division.

Zellers, DeLaForest and Emmer introduced:

H. F. No. 3751, A bill for an act relating to taxation; tobacco taxes; decreasing the rate; establishing a maximum tax for cigars; providing for tax adjustment; amending Minnesota Statutes 2006, section 297F.05, subdivisions 3, 4, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

Hortman; Rukavina; Norton; Liebling; Welti; Kalin; Peterson, S., and Hornstein introduced:

H. F. No. 3752, A bill for an act relating to higher education; providing equal access to instructional materials for blind students; providing civil remedies; proposing coding for new law in Minnesota Statutes, chapter 135A.

The bill was read for the first time and referred to the Committee on Finance.

Eastlund, Erickson and Mahoney introduced:

H. F. No. 3753, A bill for an act relating to commerce; enhancing protection of subcontractors' right to payment for work performed on real property owned by the general contractor; requiring developers and general contractors to maintain a trust account and lot-specific accounting to protect subcontractors; amending Minnesota Statutes 2006, section 514.02, subdivision 1, by adding a subdivision; Minnesota Statutes 2007 Supplement, section 326.91, subdivision 1.

The bill was read for the first time and referred to the Committee on Commerce and Labor.

Hamilton introduced:

H. F. No. 3754, A bill for an act relating to human services; increasing payment rates for a nursing facility in Jackson County; amending Minnesota Statutes 2006, section 256B.441, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Finance.

Gardner introduced:

H. F. No. 3755, A bill for an act relating to regulation of trade; prohibiting the sale of certain plastics that do not meet a specification; providing for penalties; proposing coding for new law in Minnesota Statutes, chapter 325E.

The bill was read for the first time and referred to the Committee on Commerce and Labor.

Marquart; Hilstrom; Moe; Davnie; Peterson, S.; Koenen; Lesch; Eken; Knuth and Thao introduced:

H. F. No. 3756, A bill for an act relating to local government aid; modifying the distribution of local government aid; increasing appropriation limit; providing for a study; amending Minnesota Statutes 2006, sections 477A.011, subdivisions 34, 36, by adding subdivisions; 477A.013, subdivisions 8, 9, by adding a subdivision; 477A.03, subdivision 2a.

The bill was read for the first time and referred to the Committee on Taxes.

Lesch, Hilstrom, Rukavina and Thao introduced:

H. F. No. 3757, A bill for an act relating to consumer protection; limiting customer liability for the unauthorized use of lost or stolen cellular phones; proposing coding for new law in Minnesota Statutes, chapter 325F.

The bill was read for the first time and referred to the Committee on Commerce and Labor.

Bigham and McNamara introduced:

H. F. No. 3758, A bill for an act relating to transportation; allowing placement of signs within certain roundabouts on marked Trunk Highway 61.

The bill was read for the first time and referred to the Transportation Finance Division.

Gunther and Hamilton introduced:

H. F. No. 3759, A bill for an act relating to human services; increasing payment rates for a nursing facility in Faribault County; amending Minnesota Statutes 2006, section 256B.441, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Finance.

Gunther and Hamilton introduced:

H. F. No. 3760, A bill for an act relating to human services; increasing payment rates for a nursing facility in Martin County; amending Minnesota Statutes 2006, section 256B.441, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Finance.

Bigham, Smith and Hilstrom introduced:

H. F. No. 3761, A bill for an act relating to public safety; modifying sentences for repeat sex offenders; amending Minnesota Statutes 2006, section 609.3455, subdivision 4.

The bill was read for the first time and referred to the Committee on Public Safety and Civil Justice.

Murphy, E.; Severson; Haws and Wardlow introduced:

H. F. No. 3762, A bill for an act relating to state government; creating the Veterans Health Care Advisory Council; proposing coding for new law in Minnesota Statutes, chapter 196.

The bill was read for the first time and referred to the Committee on Agriculture, Rural Economies and Veterans Affairs.

Juhnke, Haws, Wardlow and Severson introduced:

H. F. No. 3763, A bill for an act relating to veterans; transferring functions of the Veterans Homes Board of Directors to commissioner of veterans affairs; amending Minnesota Statutes 2006, sections 196.021; 196.03; 198.32, subdivision 1; repealing Minnesota Statutes 2006, sections 198.001, subdivisions 6, 9; 198.002, subdivisions 1, 3, 6; 198.003, subdivisions 5, 6; 198.004, subdivision 2; Minnesota Statutes 2007 Supplement, sections 198.002, subdivision 2; 198.004, subdivision 1; Minnesota Rules, part 9050.0040, subpart 15.

The bill was read for the first time and referred to the Committee on Agriculture, Rural Economies and Veterans Affairs.

Thisen introduced:

H. F. No. 3764, A bill for an act relating to retirement; modifying the investment-related postretirement adjustment of the Minneapolis firefighters relief association by correcting; providing an additional cost-of-living unit to members of the Minneapolis firefighters relief association upon achieving 110 percent funding; amending Minnesota Statutes 2006, sections 423C.05, by adding subdivisions; 423C.06, subdivision 2; repealing Laws 2007, chapter 134, article 9, section 2.

The bill was read for the first time and referred to the Committee on Governmental Operations, Reform, Technology and Elections.

Moe, Clark, Jaros, Rukavina, Bly and Greiling introduced:

H. F. No. 3765, A bill for an act relating to state government; establishing a task force for language immersion programs for Dakota and Ojibwe language preservation.

The bill was read for the first time and referred to the Committee on Governmental Operations, Reform, Technology and Elections.

Tillberry and Atkins introduced:

H. F. No. 3766, A bill for an act relating to horse racing; modifying certain medication regulations; amending Minnesota Statutes 2006, section 240.24, subdivision 2.

The bill was read for the first time and referred to the Committee on Commerce and Labor.

Olin introduced:

H. F. No. 3767, A bill for an act relating to public safety; permitting written verification of predatory offender residence in another state; amending Minnesota Statutes 2006, section 243.166, subdivision 3.

The bill was read for the first time and referred to the Committee on Public Safety and Civil Justice.

Laine and Clark introduced:

H. F. No. 3768, A bill for an act relating to health; amending the Patient's Bill of Rights to include continuous doula support and information about evidence-based nonpharmacological pain relief; amending Minnesota Statutes 2007 Supplement, section 144.651, subdivision 9.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Mariani introduced:

H. F. No. 3769, A bill for an act relating to education; increasing the age of compulsory attendance from 16 to 18; amending Minnesota Statutes 2006, section 120A.22, subdivision 5; repealing Minnesota Statutes 2006, section 120A.22, subdivision 8.

The bill was read for the first time and referred to the Committee on E-12 Education.

Winkler, Simon, Kahn, Bunn, Norton and Liebling introduced:

H. F. No. 3770, A bill for an act relating to state government; requiring the Office of Enterprise Technology to report to the legislature regarding its approval process for state agency technology requests and assistance provided to state agencies in developing agency information systems plans; amending Minnesota Statutes 2006, sections 16E.01, subdivision 3; 16E.04, subdivision 2.

The bill was read for the first time and referred to the Committee on Governmental Operations, Reform, Technology and Elections.

Berns; Winkler; Kahn; Thao; DeLaForest; Howes; Anderson, B.; Tingelstad; Olin; Lieder; Lillie; Swails; Anderson, S.; Zellers and Gunther introduced:

H. F. No. 3771, A bill for an act relating to state government; designating ice hockey as the official sport of the state; proposing coding for new law in Minnesota Statutes, chapter 1.

The bill was read for the first time and referred to the Committee on Governmental Operations, Reform, Technology and Elections.

Bunn, Simon, Scalze, Hortman, Winkler, Kahn, Norton, Loeffler, Solberg, Carlson and Wollschlager introduced:

H. F. No. 3772, A bill for an act relating to finance; requiring disclosure of status of fiscal note requests; providing for appeal of fiscal note conclusions; providing for appeal of revenue estimates; amending Minnesota Statutes 2006, sections 3.98, subdivision 4, by adding a subdivision; 270C.11, subdivision 5.

The bill was read for the first time and referred to the Committee on Finance.

Dominguez, Mullery, Haws, Clark and Davnie introduced:

H. F. No. 3773, A bill for an act relating to crime; increasing penalties for gang-related crimes; amending Minnesota Statutes 2006, section 609.229, subdivisions 3, 4.

The bill was read for the first time and referred to the Committee on Public Safety and Civil Justice.

Dominguez, Walker, Clark, Hornstein and Loeffler introduced:

H. F. No. 3774, A bill for an act relating to commerce; clarifying the application of the Minnesota Residential Mortgage Originator and Servicer Licensing Act; clarifying the investment authority of certain insurers; amending Minnesota Statutes 2006, sections 58.02, subdivisions 18, 21; 60A.11, subdivision 9.

The bill was read for the first time and referred to the Committee on Commerce and Labor.

Olin, Ward, Mullery, Paymar and Lesch introduced:

H. F. No. 3775, A bill for an act relating to crimes; modifying law protecting victims of sexual assault; amending Minnesota Statutes 2006, sections 609.342, subdivision 1; 609.343, subdivision 1; 628.26; Minnesota Statutes 2007 Supplement, section 609.341, subdivision 11.

The bill was read for the first time and referred to the Committee on Public Safety and Civil Justice.

Hornstein introduced:

H. F. No. 3776, A bill for an act relating to metropolitan government; providing for the additional financing of metropolitan area transit and paratransit capital expenditures; authorizing the issuance of certain obligations; limiting the maximum additional amount authorized after July 1, 2007, and after each July 1 thereafter; amending Minnesota Statutes 2006, section 473.39, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Finance.

Lieder introduced:

H. F. No. 3777, A bill for an act relating to human services; increasing payment rates for a nursing facility in Red Lake County; amending Minnesota Statutes 2006, section 256B.441, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Finance.

Doty, Olin, Gunther, Hamilton and Lieder introduced:

H. F. No. 3778, A bill for an act relating to human services; increasing nursing facility payment rates to offset property tax payments; amending Minnesota Statutes 2006, section 256B.441, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Finance.

Thissen introduced:

H. F. No. 3779, A bill for an act relating to health; establishing a task force on youth violence prevention; requiring reports; proposing coding for new law in Minnesota Statutes, chapter 145.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Hornstein introduced:

H. F. No. 3780, A bill for an act relating to education; clarifying the definition of comprehensive, scientifically based reading instruction; making requirements of prekindergarten through grade 6 teachers; appropriating money; amending Minnesota Statutes 2006, sections 122A.06, subdivision 4; 122A.18, subdivisions 2, 2a, by adding a subdivision.

The bill was read for the first time and referred to the Committee on E-12 Education.

Jaros, Hornstein and Murphy, E., introduced:

H. F. No. 3781, A bill for an act relating to transportation; ensuring that unrefunded gasoline taxes remain in highway user tax distribution fund to be used for highway purposes; removing requirement that dedicated funds be used for other purposes; amending Minnesota Statutes 2006, sections 84.794, subdivision 1; 84.803, subdivision 1; 84.83, subdivision 2; 84.927, subdivision 1; 86B.706, subdivision 3; Minnesota Statutes 2007 Supplement, section 86B.706, subdivision 2; repealing Minnesota Statutes 2006, section 296A.18, subdivisions 2, 3, 4, 5, 6.

The bill was read for the first time and referred to the Committee on Finance.

Mahoney, Winkler, Norton, Masin and Bunn introduced:

H. F. No. 3782, A bill for an act relating to economic development; establishing an Office of Science and Technology in the Department of Employment and Economic Development; providing for small business assistance and development; appropriating money.

The bill was read for the first time and referred to the Committee on Finance.

Atkins introduced:

H. F. No. 3783, A bill for an act relating to commerce; regulating insurance fees, coverages, contracts, filings, and forms; regulating financial planners, real estate appraisers, domestic mutual insurance companies, and collection agencies; making technical and clarifying changes; amending Minnesota Statutes 2006, sections 60A.71, subdivision



7; 62A.149, subdivision 1; 62A.152, subdivision 2; 62E.10, subdivision 2; 62M.02, subdivision 21; 62Q.47; 62Q.64; 62S.01, by adding subdivisions; 62S.13, subdivision 4; 62S.15; 62S.18, subdivision 2; 62S.20, subdivision 6, by adding subdivisions; 62S.26, subdivision 2; 62S.266, subdivisions 4, 10; 62S.29, by adding subdivisions; 65A.37; 66A.02, subdivision 4; 66A.07, by adding a subdivision; 72A.51, subdivision 2; 82B.23, subdivision 1; 256B.0571, subdivision 8; Minnesota Statutes 2007 Supplement, sections 62A.30, subdivision 2; 72A.52, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 62S; 332; repealing Minnesota Statutes 2006, section 62A.149, subdivision 2; Laws 2006, chapter 255, section 26.

The bill was read for the first time and referred to the Committee on Commerce and Labor.

Madore introduced:

H. F. No. 3784, A bill for an act relating to health occupations; providing for a Nurse Licensure Compact; providing for appointments; proposing coding for new law in Minnesota Statutes, chapter 148.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Doty introduced:

H. F. No. 3785, A bill for an act relating to human services; increasing payment rates for a nursing facility in Morrison County; amending Minnesota Statutes 2006, section 256B.441, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Finance.

Olin introduced:

H. F. No. 3786, A bill for an act relating to natural resources; reinstating an exemption from the Wetland Conservation Act for approved development; amending Minnesota Statutes 2006, section 103G.2241, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Simon introduced:

H. F. No. 3787, A bill for an act relating to data practices; modifying provisions governing civil investigative data and licensing data; amending Minnesota Statutes 2006, section 13.41; proposing coding for new law in Minnesota Statutes, chapter 13; repealing Minnesota Statutes 2006, section 13.39, subdivision 1.

The bill was read for the first time and referred to the Committee on Public Safety and Civil Justice.

Fritz introduced:

H. F. No. 3788, A bill for an act relating to state lands; authorizing conveyance of certain surplus state land.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Gardner introduced:

H. F. No. 3789, A bill for an act relating to agriculture; requiring wholesalers of lawn fertilizer containing phosphorous to provide retail signage; amending Minnesota Statutes 2006, section 18C.60, by adding a subdivision; repealing Minnesota Statutes 2006, section 18C.60, subdivision 4.

The bill was read for the first time and referred to the Committee on Agriculture, Rural Economies and Veterans Affairs.

Lesch introduced:

H. F. No. 3790, A bill for an act relating to real property; providing for electronic recording; proposing coding for new law in Minnesota Statutes, chapter 507.

The bill was read for the first time and referred to the Committee on Commerce and Labor.

Thissen, Mahoney and Gunther introduced:

H. F. No. 3791, A bill for an act relating to labor; authorizing on-site testing for alcohol use by employees; amending Minnesota Statutes 2006, sections 181.950, subdivisions 5, 8, 10; 181.951, subdivision 1; 181.953, subdivisions 1, 7, 9, by adding a subdivision; 181.954, subdivisions 1, 2; 181.956, subdivisions 2, 3; 181.957, subdivision 2.

The bill was read for the first time and referred to the Committee on Commerce and Labor.

Hortman introduced:

H. F. No. 3792, A bill for an act relating to commuter rail; clarifying the commissioner of transportation's authority; providing for the operation and maintenance of commuter rail lines located in whole or in part within the metropolitan area; proposing coding for new law in Minnesota Statutes, chapters 174; 473.

The bill was read for the first time and referred to the Committee on Finance.

Davnie, Brynaert, Mariani and Peterson, S., introduced:

H. F. No. 3793, A bill for an act relating to education; clarifying a student policy on cooperating and providing educators with information about school matters; amending Minnesota Statutes 2006, section 121A.55.

The bill was read for the first time and referred to the Committee on E-12 Education.

Carlson, Rukavina and Kelliher introduced:

H. F. No. 3794, A bill for an act relating to higher education; establishing the power of you program; report to legislature; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 136F.

The bill was read for the first time and referred to the Committee on Finance.

Hosch and Haws introduced:

H. F. No. 3795, A bill for an act relating to taxation; property tax classification; amending Minnesota Statutes 2006, section 273.13, subdivisions 23, 33.

The bill was read for the first time and referred to the Committee on Taxes.

Hosch, Moe, Severson, Haws, Doty and Ruud introduced:

H. F. No. 3796, A bill for an act relating to state government; proposing an amendment to the Minnesota Constitution, article III, by adding a section; article IV, section 9; article V, section 4; establishing a council to prescribe salaries for legislators and constitutional officers; abolishing the compensation council; amending Minnesota Statutes 2006, sections 15A.083, subdivision 6a; 43A.17, subdivision 9; 116S.03, subdivision 1; 352.029, subdivision 2a; 353.017, subdivision 7; 354.41, subdivision 4a; 480A.02, subdivision 7; repealing Minnesota Statutes 2006, section 15A.082.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Seifert introduced:

H. F. No. 3797, A bill for an act relating to local government; prohibiting unfunded mandates; proposing coding for new law in Minnesota Statutes, chapter 471.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Murphy, M., by request, introduced:

H. F. No. 3798, A bill for an act relating to retirement; Minnesota State Retirement System; Public Employees Retirement Association; Teachers Retirement Association; restricting state employee postretirement program to conform with federal in-service distribution restrictions; increasing Teachers Retirement Association reemployed annuitant exempt income limit; revising reemployed annuitant account holding period in various plans to permit earlier receipt; revising Teachers Retirement Association strike period and leave of absence service credit purchase procedure; revising Minnesota State Retirement System and Public Employees Retirement Association leave of absence service credit purchase procedure; prohibiting Public Employees Retirement Association reemployed disabilitant from earning service credit unless disability payments are waived; clarifying correctional state employees retirement plan transfer of service credit procedures; making various other revisions of an administrative nature; amending Minnesota Statutes 2006, sections 352.22, subdivision 10; 352D.075, subdivision 2a; 353.01, subdivisions 10, 11a; 353.27, by adding a subdivision; 353D.05, subdivision 2; 354.05, subdivision 37; 354.33, subdivision 5; 354.44, subdivision 5; 356.47, subdivision 3; 356.551, subdivision 2; Minnesota Statutes 2007 Supplement, sections 43A.346, subdivision 2; 352.017, subdivision 2; 352.955, subdivisions 3, 5; 353.01, subdivision 2b; 353.0161, subdivision 2; 353.27, subdivision 14; 353F.02, subdivision 4; 354.096, subdivision 2; 354.72, subdivision 2; Laws 2002, chapter 392, article 2, section 4; Laws 2006, chapter 271, article 5, section 5; proposing coding for new law in Minnesota Statutes, chapter 353F; repealing Minnesota Statutes 2006, sections 354.44, subdivision 6a; 354.465; 354.51, subdivision 4; 354.55, subdivisions 2, 3, 6, 12, 15; 354A.091, subdivisions 1a, 1b; 355.629; Laws 2005, First Special Session chapter 8, article 1, section 23.

The bill was read for the first time and referred to the Committee on Governmental Operations, Reform, Technology and Elections.

Murphy, M., by request, introduced:

H. F. No. 3799, A bill for an act relating to retirement; authorizing certain voluntary deductions from persons entitled to receive an annuity from certain public pension funds; proposing coding for new law in Minnesota Statutes, chapter 356.

The bill was read for the first time and referred to the Committee on Governmental Operations, Reform, Technology and Elections.

Hornstein, Lieder, Fritz, Masin, Nelson, Walker, Holberg and Erhardt introduced:

H. F. No. 3800, A bill for an act relating to motor vehicles; permitting sale of impounded vehicles and contents after voluntary title transfer; providing for notice of impound, right to reclaim contents, and waiver of right; establishing right to retrieve contents without charge in certain cases; limiting deficiency claim; providing for permit for oversize and overweight tow trucks in certain cases; amending Minnesota Statutes 2006, sections 168B.051, subdivision 2; 168B.06, subdivisions 1, 3; 168B.07, by adding a subdivision; 168B.08, subdivision 1; 168B.087, subdivision 1; 169.86, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Finance.

Murphy, E.; Abeler and Slawik introduced:

H. F. No. 3801, A bill for an act relating to human services; increasing the appropriation for child support enforcement; requiring an annual appropriation for child support incentives; amending Minnesota Statutes 2006, section 256.979, subdivision 11; Laws 2007, chapter 147, article 19, section 3, subdivision 4.

The bill was read for the first time and referred to the Committee on Finance.

Ruud and Murphy, E., introduced:

H. F. No. 3802, A bill for an act relating to occupations and professions; adding an exception to the complementary and alternative health care client bill of rights for in-patient hospital setting and hospice care; amending Minnesota Statutes 2007 Supplement, section 146A.11, subdivision 1.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Tschumper; Fritz; Murphy, E.; Thissen and Peterson, N., introduced:

H. F. No. 3803, A bill for an act relating to health-related licensing; requiring licensing for assisted living administrators; amending Minnesota Statutes 2006, section 144A.19, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 144A.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Walker and Laine introduced:

H. F. No. 3804, A bill for an act relating to homelessness; requiring certain data for the Homeless Management Information System.

The bill was read for the first time and referred to the Housing Policy and Finance and Public Health Finance Division.

Morrow introduced:

H. F. No. 3805, A bill for an act relating to traffic regulations; modifying provisions regulating farm vehicles on highways; providing for size, weight, and load restrictions on highways; amending Minnesota Statutes 2006, sections 169.01, subdivision 55; 169.18, subdivision 5; 169.67, subdivision 3; 169.801; 169.82, subdivision 3; 169.826, subdivision 1a; repealing Minnesota Statutes 2006, section 169.145.

The bill was read for the first time and referred to the Transportation Finance Division.

Solberg, Carlson, Rukavina, Sertich, Lenczewski and Kelliher introduced:

H. F. No. 3806, A bill for an act relating to state finance; requiring the commissioner of finance to adjust for projected inflation in forecasting state expenditures; amending Minnesota Statutes 2006, section 16A.103, subdivisions 1a, 1b.

The bill was read for the first time and referred to the Committee on Ways and Means.

Hortman; Loeffler; Simon; Peterson, S.; Kalin; Norton; Bunn and Scalze introduced:

H. F. No. 3807, A bill for an act relating to state government; providing additional whistleblower protection to state executive branch employees; amending Minnesota Statutes 2007 Supplement, section 181.932, subdivision 1.

The bill was read for the first time and referred to the Committee on Governmental Operations, Reform, Technology and Elections.

Benson, Bly, Ruud, Greiling and Peterson, S., introduced:

H. F. No. 3808, A bill for an act relating to education; appropriating money to the Department of Education for a grant to the Minnesota Historical Society to provide professional development for teachers.

The bill was read for the first time and referred to the Committee on Finance.

Huntley introduced:

H. F. No. 3809, A bill for an act relating to human services; improving management of state health care programs; modifying managed care contracting; limiting managed care administrative expenses; modifying county-based purchasing; requiring mandated reports; amending Minnesota Statutes 2006, sections 13.461, by adding a subdivision; 256B.69, subdivision 5a, by adding subdivisions; 256B.692, subdivision 2, by adding subdivisions; 256L.12, subdivision 9; Laws 2005, First Special Session chapter 4, article 8, section 84, as amended.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Gardner introduced:

H. F. No. 3810, A bill for an act relating to health; creating a self-directed health care pilot option to MinnesotaCare; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256L.

The bill was read for the first time and referred to the Committee on Finance.

Laine, Bly, Greiling, Liebling, Hausman, Hilty, Johnson, Slocum, Ward, Faust, Doty, Lesch, Kahn, Tillberry, Hornstein, Walker, Benson, Dittrich, Brynaert, Anzelc, Tschumper, Jaros, Madore and Clark introduced:

H. F. No. 3811, A bill for an act relating to insurance; specifying maximum financial reserves for nonprofit health plan companies; creating the Minnesota health fund; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 16A; 60A.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Thissen, Brod, Erhardt and Winkler introduced:

H. F. No. 3812, A bill for an act relating to health; requiring public pools and spas to be equipped with anti-entrapment devices or systems; amending Minnesota Statutes 2006, sections 144.1222, subdivision 1a, by adding subdivisions; 157.16, as amended.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Eastlund, Gottwalt, Nornes, Demmer and Wardlow introduced:

H. F. No. 3813, A bill for an act relating to education; modifying prekindergarten exploratory projects eligibility; amending Laws 2007, chapter 147, article 2, section 62; article 19, section 3, subdivision 4.

The bill was read for the first time and referred to the Committee on E-12 Education.

Greiling and Urdahl introduced:

H. F. No. 3814, A bill for an act relating to education; repealing a state board of teaching rule allowing science teachers to obtain a science endorsement licensure by examination; repealing Minnesota Rules, part 8710.4770.

The bill was read for the first time and referred to the Committee on E-12 Education.

Mariani introduced:

H. F. No. 3815, A bill for an act relating to data practices; permitting certain educational data sharing; amending Minnesota Statutes 2006, section 13.32, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Public Safety and Civil Justice.

Mariani introduced:

H. F. No. 3816, A bill for an act relating to education; allowing two state education agencies to share educational data in order to improve school instruction; amending Minnesota Statutes 2006, section 13.32, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Public Safety and Civil Justice.

Peterson, S., introduced:

H. F. No. 3817, A bill for an act relating to insurance; requiring health insurers to honor the patient's assignment of benefits; amending Minnesota Statutes 2006, section 72A.201, subdivision 4.

The bill was read for the first time and referred to the Committee on Health and Human Services.

### **MESSAGES FROM THE SENATE**

The following message was received from the Senate:

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 2861.

PATRICE DWORAK, First Assistant Secretary of the Senate

### **FIRST READING OF SENATE BILLS**

S. F. No. 2861, A bill for an act relating to public safety; changing the due date of the Gang and Drug Oversight Council's annual report to the legislature; amending Minnesota Statutes 2006, section 299A.641, subdivision 12.

The bill was read for the first time and referred to the Committee on Public Safety and Civil Justice.

### **MOTIONS AND RESOLUTIONS**

Thissen moved that the name of Peterson, A., be added as an author on H. F. No. 1189. The motion prevailed.

Atkins moved that the names of Morrow and Brynaert be added as authors on H. F. No. 2061. The motion prevailed.

Kahn moved that the name of DeLaForest be added as an author on H. F. No. 2168. The motion prevailed.

Brod moved that the names of Seifert and Hamilton be added as authors on H. F. No. 2172. The motion prevailed.

Paulsen moved that the name of Berns be added as an author on H. F. No. 2670. The motion prevailed.

Mullery moved that the name of Bigham be added as an author on H. F. No. 2696. The motion prevailed.

Dominguez moved that the name of Berns be added as an author on H. F. No. 2721. The motion prevailed.

Mullery moved that the name of Bigham be added as an author on H. F. No. 2735. The motion prevailed.

Paymar moved that the name of Berns be added as an author on H. F. No. 2877. The motion prevailed.

Murphy, E., moved that the name of Tschumper be added as an author on H. F. No. 3016. The motion prevailed.

Bigham moved that the name of Loeffler be added as an author on H. F. No. 3138. The motion prevailed.

Hausman moved that the name of Berns be added as an author on H. F. No. 3166. The motion prevailed.

Peterson, N., moved that his name be stricken as an author on H. F. No. 3324. The motion prevailed.

Tingelstad moved that the name of Lieder be added as an author on H. F. No. 3371. The motion prevailed.

Marquart moved that the name of Berns be added as an author on H. F. No. 3386. The motion prevailed.

Dill moved that the name of Berns be added as an author on H. F. No. 3433. The motion prevailed.

Emmer moved that his name be stricken as an author on H. F. No. 3534. The motion prevailed.

Juhnke moved that the name of Knuth be added as an author on H. F. No. 3574. The motion prevailed.

Madore moved that the name of Atkins be added as an author on H. F. No. 3589. The motion prevailed.

Mullery moved that the name of Lesch be added as an author on H. F. No. 3598. The motion prevailed.

Brod moved that the name of Wardlow be added as an author on H. F. No. 3605. The motion prevailed.

Hosch moved that the name of Cornish be added as an author on H. F. No. 3635. The motion prevailed.

Hosch moved that the names of Heidgerken and Cornish be added as authors on H. F. No. 3636. The motion prevailed.

Zellers moved that the name of Berns be added as an author on H. F. No. 3650. The motion prevailed.

Liebling moved that the name of Paymar be added as an author on H. F. No. 3655. The motion prevailed.

Berns moved that his name be stricken as an author on H. F. No. 3681. The motion prevailed.

Severson moved that the name of Wardlow be added as an author on H. F. No. 3706. The motion prevailed.

Huntley moved that the name of Bunn be shown as chief author on H. F. No. 3710. The motion prevailed.



Dittrich moved that the name of Tillberry be added as an author on H. F. No. 3721. The motion prevailed.

Paulsen moved that the names of Wardlow and Berns be added as authors on H. F. No. 3728. The motion prevailed.

Urdahl moved that H. F. No. 2671 be recalled from the Committee on Governmental Operations, Reform, Technology and Elections and be re-referred to the Committee on Finance. The motion prevailed.

Knuth moved that H. F. No. 3154 be recalled from the Committee on Health and Human Services and be re-referred to the Committee on Commerce and Labor. The motion prevailed.

Pelowski moved that H. F. No. 3367 be recalled from the Committee on Public Safety and Civil Justice and be re-referred to the Committee on Governmental Operations, Reform, Technology and Elections. The motion prevailed.

Loeffler moved that H. F. No. 3610 be recalled from the Committee on Health and Human Services and be re-referred to the Committee on Commerce and Labor. The motion prevailed.

Koenen moved that H. F. No. 3617 be recalled from the Committee on Health and Human Services and be re-referred to the Committee on Agriculture, Rural Economies and Veterans Affairs. The motion prevailed.

#### MOTION TO SUSPEND RULES

Garofalo moved that the rules of the House be so far suspended that H. F. No. 3488 be recalled from the Committee on Finance/Capital Investment Finance Division, be given its second and third readings and be placed upon its final passage.

A roll call was requested and properly seconded.

The question was taken on the Garofalo motion and the roll was called. There were 52 yeas and 74 nays as follows:

Those who voted in the affirmative were:

Abeler	DeLaForest	Garofalo	Kohls	Ozment	Smith
Anderson, B.	Demmer	Gottwalt	Kranz	Peppin	Swails
Beard	Dittrich	Gunther	Lanning	Peterson, N.	Tingelstad
Berns	Drazkowski	Hackbarth	Magnus	Ruth	Urdahl
Brod	Eastlund	Hamilton	McFarlane	Ruud	Wardlow
Buesgens	Emmer	Heidgerken	McNamara	Seifert	Westrom
Bunn	Erhardt	Holberg	Nornes	Severson	Zellers
Cornish	Erickson	Hoppe	Norton	Shimanski	
Dean	Finstad	Howes	Olson	Simpson	

Those who voted in the negative were:

Anzelc	Bly	Clark	Doty	Gardner	Haws
Atkins	Brown	Davnie	Eken	Greiling	Hilstrom
Benson	Brynaert	Dill	Faust	Hansen	Hilty
Bigham	Carlson	Dominguez	Fritz	Hausman	Hornstein

Hortman	Koenen	Mariani	Otremba	Sertich	Wagenius
Hosch	Laine	Marquart	Paymar	Simon	Ward
Huntley	Lenczewski	Masin	Pelowski	Slawik	Welti
Jaros	Lesch	Moe	Peterson, A.	Slocum	Winkler
Johnson	Liebling	Mullery	Peterson, S.	Solberg	Spk. Kelliher
Juhnke	Lieder	Murphy, E.	Poppe	Thao	
Kahn	Lillie	Murphy, M.	Rukavina	Thissen	
Kalin	Loeffler	Nelson	Sailer	Tillberry	
Knuth	Mahoney	Olin	Scalze	Tschumper	

The motion did not prevail.

#### ADJOURNMENT

Sertich moved that when the House adjourns today it adjourn until 12:00 noon, Wednesday, March 5, 2008. The motion prevailed.

Sertich moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:00 noon, Wednesday, March 5, 2008.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives