

STATE OF MINNESOTA

EIGHTY-FIFTH SESSION — 2007

 THIRTY-SECOND DAY

SAINT PAUL, MINNESOTA, TUESDAY, MARCH 20, 2007

The House of Representatives convened at 11:30 a.m. and was called to order by Margaret Anderson Kelliher, Speaker of the House.

Prayer was offered by the Reverend Paul Rogers, House Chaplain.

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

The Speaker called Pelowski to the Chair.

The roll was called and the following members were present:

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

A quorum was present.

Paulsen was excused.

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

REPORTS OF CHIEF CLERK

S. F. No. 1019 and H. F. No. 1549, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Johnson moved that the rules be so far suspended that S. F. No. 1019 be substituted for H. F. No. 1549 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1294 and H. F. No. 1678, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Johnson moved that the rules be so far suspended that S. F. No. 1294 be substituted for H. F. No. 1678 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1311 and H. F. No. 905, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Scalze moved that S. F. No. 1311 be substituted for H. F. No. 905 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES AND DIVISIONS

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

H. F. No. 175, A bill for an act relating to health; excluding aid and attendance benefits from the MinnesotaCare definition of income; amending Minnesota Statutes 2006, section 256L.01, subdivision 5.

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

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 274, A bill for an act relating to the Rural Finance Authority; providing for sale of bonds; appropriating money.

Reported the same back with the following amendments:

Page 1, lines 6 and 22, delete "\$15,000,000" and insert "\$30,000,000"

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.

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

H. F. No. 284, A bill for an act relating to the military; authorizing deferment of special assessments for certain members of the armed forces; amending Minnesota Statutes 2006, section 435.193.

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

The report was adopted.

Hilty from the Energy Finance and Policy Division to which was referred:

H. F. No. 375, A bill for an act relating to the environment; enacting Global Warming Mitigation Act; setting goals and requiring plan to reduce greenhouse gas emissions; requiring Public Utilities Commission to consider greenhouse gas emissions in generation resource acquisitions; proposing coding for new law as Minnesota Statutes, chapter 216H.

Reported the same back with the following amendments:

Page 2, line 26, after "2007" insert ", but does not include a facility that (1) uses natural gas as a primary fuel, (2) is designed to provide peaking, emergency backup, or contingency services, (3) uses a simple cycle turbine technology, (4) is capable of achieving full load operations within 45 minutes of startup, and (5) has received a certificate of need under section 216B.243"

Page 4, line 10, delete "126H.05" and insert "216H.05"

Page 5, line 7, delete "the system" and insert "other emerging regional systems with states"

Page 5, delete line 8

Page 5, line 9, delete "Initiative"

Page 6, line 15, delete "contribute to" and insert "increase"

Page 7, line 2, after "subdivision" insert "and emissions exempted under subdivision 3"

Page 7, after line 4, insert:

"Subd. 3. Exception for new steel production facility. The prohibitions in subdivision 1 do not apply to increases in statewide power sector carbon dioxide emissions from that portion of a new large energy facility or new long-term power purchase agreement that supplies electricity to a new steel production project located in a taconite

tax relief area that has applied for an air quality permit from the Pollution Control Agency prior to January 1, 2007, provided that the commission determines that the new steel production project is designed to meet the highest energy efficiency standards in its industry."

Page 7, line 5, delete "3" and insert "4"

Page 7, line 13, after "estimate" insert "which may be made in a commission order."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 501, A bill for an act relating to health; changing the expiration date for radiation therapy facility construction limitations; amending Minnesota Statutes 2006, section 144.5509.

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

The report was adopted.

Atkins from the Committee on Commerce and Labor to which was referred:

H. F. No. 556, A bill for an act relating to aeronautics; clarifying disclosure requirements for transfers of real property in certain airport safety zones; amending Minnesota Statutes 2006, section 360.065, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 82.22, subdivision 8, is amended to read:

Subd. 8. **Material facts.** (a) Licensees shall disclose to any prospective purchaser all material facts of which the licensees are aware, which could adversely and significantly affect an ordinary purchaser's use or enjoyment of the property, or any intended use of the property of which the licensees are aware.

(b) It is not a material fact relating to real property offered for sale the fact or suspicion that the property:

(1) is or was occupied by an owner or occupant who is or was suspected to be infected with human immunodeficiency virus or diagnosed with acquired immunodeficiency syndrome;

(2) was the site of a suicide, accidental death, natural death, or perceived paranormal activity; or

(3) is located in a neighborhood containing any adult family home, community-based residential facility, or nursing home.

(c) A licensee or employee of the licensee has no duty to disclose information regarding an offender who is required to register under section 243.166, or about whom notification is made under that section, if the broker or salesperson, in a timely manner, provides a written notice that information about the predatory offender registry and persons registered with the registry may be obtained by contacting local law enforcement where the property is located or the Department of Corrections.

(d) A licensee or employee of the licensee has no duty to disclose information regarding airport zoning regulations if the broker or salesperson, in a timely manner, provides a written notice that a copy of the airport zoning regulations as adopted can be reviewed or obtained at the office of the county recorder where the zoned area is located.

(e) A licensee is not required to disclose, except as otherwise provided in paragraph ~~(e)~~ (f), information relating to the physical condition of the property or any other information relating to the real estate transaction, if a written report that discloses the information has been prepared by a qualified third party and provided to the person. For the purposes of this paragraph, "qualified third party" means a federal, state, or local governmental agency, or any person whom the broker, salesperson, or a party to the real estate transaction reasonably believes has the expertise necessary to meet the industry standards of practice for the type of inspection or investigation that has been conducted by the third party in order to prepare the written report and who is acceptable to the person to whom the disclosure is being made.

~~(e)~~ (f) A licensee shall disclose to the parties to a real estate transaction any facts known by the broker or salesperson that contradict any information included in a written report, if a copy of the report is provided to the licensee, described in paragraph ~~(d)~~ (e).

~~(f)~~ (g) The limitation on disclosures set forth in paragraphs (b) and (c) shall modify any common law duties with respect to disclosure of material facts.

Sec. 2. Minnesota Statutes 2006, section 513.56, subdivision 3, is amended to read:

Subd. 3. **Inspections.** (a) Except as provided in paragraph (b), a seller is not required to disclose information relating to the real property if a written report that discloses the information has been prepared by a qualified third party and provided to the prospective buyer. For purposes of this paragraph, "qualified third party" means a federal, state, or local governmental agency, or any person whom the seller, or prospective buyer, reasonably believes has the expertise necessary to meet the industry standards of practice for the type of inspection or investigation that has been conducted by the third party in order to prepare the written report.

(b) A seller shall disclose to the prospective buyer material facts known by the seller that contradict any information included in a written report under paragraph (a) if a copy of the report is provided to the seller.

(c) The seller has no duty to disclose information regarding airport zoning regulations if the seller, in a timely manner, provides a written notice that a copy of the airport zoning regulations as adopted can be reviewed or obtained at the office of the county recorder where the zoned area is located.

Sec. 3. **REPEALER.**

Minnesota Statutes 2006, section 360.065, subdivision 3, is repealed."

Delete the title and insert:

"A bill for an act relating to airport zoning regulations; establishing disclosure duties regarding airport zoning; amending Minnesota Statutes 2006, sections 82.22, subdivision 8; 513.56, subdivision 3; repealing Minnesota Statutes 2006, section 360.065, subdivision 3."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 601, A bill for an act relating to human services; establishing a crisis nursery grant program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256F.

Reported the same back with the recommendation that 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. 605, A bill for an act relating to human services; modifying several MFIP and child care provisions; amending Minnesota Statutes 2006, sections 119B.09, subdivision 1; 119B.12, by adding a subdivision; 256J.24, subdivision 5; 256J.425, subdivisions 3, 4; 256J.49, subdivision 13; 256J.53, subdivision 2; repealing Minnesota Statutes 2006, sections 256B.0631; 256J.24, subdivision 6; 256J.37, subdivisions 3a, 3b.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

PROGRAM INTEGRITY

Section 1. Minnesota Statutes 2006, section 256.01, subdivision 4, is amended to read:

Subd. 4. **Duties as state agency.** (a) The state agency shall:

(1) supervise the administration of assistance to dependent children under Laws 1937, chapter 438, by the county agencies in an integrated program with other service for dependent children maintained under the direction of the state agency;

~~(2) may subpoena witnesses and administer oaths, make rules, and take such action as may be necessary, or desirable for carrying out the provisions of Laws 1937, chapter 438. All rules made by the state agency shall be binding on the counties and shall be complied with by the respective county agencies;~~

~~(3)~~ (2) establish adequate standards for personnel employed by the counties and the state agency in the administration of Laws 1937, chapter 438, and make the necessary rules to maintain such standards;

~~(4)~~ (3) prescribe the form of and print and supply to the county agencies blanks for applications, reports, affidavits, and such other forms as it may deem necessary and advisable;

~~(5)~~ (4) cooperate with the federal government and its public welfare agencies in any reasonable manner as may be necessary to qualify for federal aid for temporary assistance for needy families and in conformity with title I of Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 and successor amendments, including the making of such reports and such forms and containing such information as the Federal Social Security Board may from time to time require, and comply with such provisions as such board may from time to time find necessary to assure the correctness and verification of such reports;

~~(6)~~ may cooperate with other state agencies in establishing reciprocal agreements in instances where a child receiving Minnesota family investment program assistance moves or contemplates moving into or out of the state, in order that such child may continue to receive supervised aid from the state moved from until the child shall have resided for one year in the state moved to;

~~(7)~~ (5) on or before October 1 in each even-numbered year make a biennial report to the governor concerning the activities of the agency;

~~(8)~~ (6) enter into agreements with other departments of the state as necessary to meet all requirements of the federal government; and

~~(9)~~ (7) cooperate with the commissioner of education to enforce the requirements for program integrity and fraud prevention for investigation for child care assistance under chapter 119B.

(b) The state agency may:

(1) subpoena witnesses and administer oaths, make rules, and take such action as may be necessary or desirable for carrying out the provisions of Laws 1937, chapter 438. All rules made by the state agency shall be binding on the counties and shall be complied with by the respective county agencies;

(2) cooperate with other state agencies in establishing reciprocal agreements in instances where a child receiving Minnesota family investment program assistance moves or contemplates moving into or out of the state, in order that the child may continue to receive supervised aid from the state moved from until the child has resided for one year in the state moved to; and

(3) administer oaths and affirmations, take depositions, certify to official acts, and issue subpoenas to compel the attendance of individuals and the production of documents and other personal property necessary in connection with the administration of programs administered by the Department of Human Services.

(c) The fees for service of a subpoena in paragraph (b), clause (3), must be paid in the same manner as prescribed by law for a service of process issued by a district court. Witnesses must receive the same fees and mileage as in civil actions.

(d) The subpoena in paragraph (b), clause (3), shall be enforceable through the district court in the district where the subpoena is issued.

Sec. 2. Minnesota Statutes 2006, section 256.015, subdivision 7, is amended to read:

Subd. 7. **Cooperation required.** Upon the request of the Department of Human Services, any state agency or third party payer shall cooperate with the department in furnishing information to help establish a third party liability. Upon the request of the Department of Human Services or county child support or human service agencies, any employer or third party payer shall cooperate in furnishing information about group health insurance plans or medical benefit plans available to its employees. For purposes of section 176.191, subdivision 4, the Department of Labor and Industry may allow the Department of Human Services and county agencies direct access and data matching on information relating to workers' compensation claims in order to determine whether the claimant has reported the fact of a pending claim and the amount paid to or on behalf of the claimant to the Department of Human Services. The Department of Human Services and county agencies shall limit its use of information gained from agencies, third party payers, and employers to purposes directly connected with the administration of its public assistance and child support programs. The provision of information by agencies, third party payers, and employers to the department under this subdivision is not a violation of any right of confidentiality or data privacy.

Sec. 3. Minnesota Statutes 2006, section 256.0471, subdivision 1, is amended to read:

Subdivision 1. **Qualifying overpayment.** Any overpayment for assistance granted under chapter 119B, the MFIP program formerly codified under sections 256.031 to 256.0361, and the AFDC program formerly codified under sections 256.72 to 256.871; chapters 256B, 256D, 256I, 256J, ~~and 256K,~~ and 256L; and the food stamp or food support program, except agency error claims, become a judgment by operation of law 90 days after the notice of overpayment is personally served upon the recipient in a manner that is sufficient under rule 4.03(a) of the Rules of Civil Procedure for district courts, or by certified mail, return receipt requested. This judgment shall be entitled to full faith and credit in this and any other state.

Sec. 4. Minnesota Statutes 2006, section 256.984, subdivision 1, is amended to read:

Subdivision 1. **Declaration.** Every application for public assistance under this chapter or chapters 256B, 256D, 256J, and 256L; child care programs under chapter 119B; and food stamps or food support under chapter 393 shall be in writing or reduced to writing as prescribed by the state agency and shall contain the following declaration which shall be signed by the applicant:

"I declare under the penalties of perjury that this application has been examined by me and to the best of my knowledge is a true and correct statement of every material point. I understand that a person convicted of perjury may be sentenced to imprisonment of not more than five years or to payment of a fine of not more than \$10,000, or both."

ARTICLE 2

CHILDREN AND ECONOMIC ASSISTANCE

Section 1. Minnesota Statutes 2006, section 119B.011, is amended by adding a subdivision to read:

Subd. 13a. **Family stabilization services program.** "Family stabilization services program" means the program under section 256J.575.

Sec. 2. Minnesota Statutes 2006, section 119B.05, subdivision 1, is amended to read:

Subdivision 1. **Eligible participants.** Families eligible for child care assistance under the MFIP child care program are:

- (1) MFIP participants who are employed or in job search and meet the requirements of section 119B.10;

(2) persons who are members of transition year families under section 119B.011, subdivision 20, and meet the requirements of section 119B.10;

(3) families who are participating in employment orientation or job search, or other employment or training activities that are included in an approved employability development plan under section 256J.95;

(4) MFIP families who are participating in work job search, job support, employment, or training activities as required in their employment plan, or in appeals, hearings, assessments, or orientations according to chapter 256J;

(5) MFIP families who are participating in social services activities under chapter 256J as required in their employment plan approved according to chapter 256J;

(6) families who are participating in services or activities that are included in an approved family stabilization plan under section 256J.575;

(7) families who are participating in programs as required in tribal contracts under section 119B.02, subdivision 2, or 256.01, subdivision 2; and

~~(7)~~ (8) families who are participating in the transition year extension under section 119B.011, subdivision 20a.

Sec. 3. Minnesota Statutes 2006, section 119B.09, subdivision 1, is amended to read:

Subdivision 1. **General eligibility requirements for all applicants for child care assistance.** (a) Child care services must be available to families who need child care to find or keep employment or to obtain the training or education necessary to find employment and who:

~~(1) have household income less than or equal to 250 percent of the federal poverty guidelines, adjusted for family size, and meet the requirements of section 119B.05; receive MFIP assistance; and are participating in employment and training services under chapter 256J or 256K; or~~

~~(2) have household income less than or equal to 175 percent of the federal poverty guidelines, adjusted for family size, at program entry and less than 250 percent of the federal poverty guidelines, adjusted for family size, at program exit~~ 75 percent of the state median income.

(b) Child care services must be made available as in-kind services.

(c) All applicants for child care assistance and families currently receiving child care assistance must be assisted and required to cooperate in establishment of paternity and enforcement of child support obligations for all children in the family as a condition of program eligibility. For purposes of this section, a family is considered to meet the requirement for cooperation when the family complies with the requirements of section 256.741.

Sec. 4. Minnesota Statutes 2006, section 119B.09, is amended by adding a subdivision to read:

Subd. 11. Payment of other child care expenses. Payment, by a source other than the family, of part or all of a family's child care expenses not payable under this chapter does not affect the family's eligibility for child care assistance, and the amount paid is excluded from the family's income if the funds are paid directly to the family's child care provider on behalf of the family. Child care providers who accept third-party payments must maintain family-specific documentation of payment source, amount, type of expenses, and time period covered.

Sec. 5. Minnesota Statutes 2006, section 119B.12, subdivision 2, is amended to read:

Subd. 2. **Parent fee.** A family must be assessed a parent fee for each service period according to the schedule under subdivision 3. ~~A family's parent fee must be a fixed percentage of its annual gross income.~~ Parent fees must apply to families eligible for child care assistance under sections 119B.03 and 119B.05. Income must be as defined in section 119B.011, subdivision 15. The fixed percent is based on the relationship of the family's annual gross income to ~~100 percent of the annual federal poverty guidelines.~~ Parent fees must begin at 75 percent of the poverty level. ~~The minimum~~ the state median income; however, for incomes below 100 percent of the poverty level, there are no fees for incomes at 74 percent of the poverty level and below, and the parent fees for families between 75 percent and 100 percent of poverty level must be \$10 \$5 per month. Parent fees ~~must provide for graduated movement to full payment~~ for incomes above 100 percent of the poverty level must be assessed according to the schedule under subdivision 3. Payment of part or all of a family's parent fee directly to the family's child care provider on behalf of the family by a source other than the family shall not affect the family's eligibility for child care assistance, and the amount paid shall be excluded from the family's income. Child care providers who accept third-party payments must maintain family specific documentation of payment source, amount, and time period covered by the payment.

Sec. 6. Minnesota Statutes 2006, section 119B.12, is amended by adding a subdivision to read:

Subd. 3. **Co-payment fee for families with annual incomes that exceed the federal poverty level.** The monthly family co-payment fee for families with annual incomes greater than the federal poverty level, adjusted for family size, is determined as follows:

(a) The family's annual gross income is converted into a percentage of state median income (SMI) for a family of four, adjusted for family size, by dividing the family's annual gross income by 100 percent of the SMI for a family of four, adjusted for family size. The percentage must be carried out to the nearest 100th of a percent.

(b) If the family's annual gross income is less than or equal to 75 percent of the SMI for a family of four, adjusted for family size, the family's monthly co-payment fee is the fixed percentage established for the family's income range in clauses (1) to (60), multiplied by the highest possible income within that income range, divided by 12, and rounded to the nearest whole dollar.

(1) Less than 35.01 percent of SMI is 2.20%;

(2) 35.01 to 42.00 percent of SMI is 2.70%;

(3) 42.01 to 43.00 percent of SMI is 3.75%;

(4) 43.01 to 44.00 percent of SMI is 4.00%;

(5) 44.01 to 45.00 percent of SMI is 4.25%;

(6) 45.01 to 46.00 percent of SMI is 4.50%;

(7) 46.01 to 47.00 percent of SMI is 4.75%;

(8) 47.01 to 48.00 percent of SMI is 5.00%;

(9) 48.01 to 49.00 percent of SMI is 5.25%;

- (10) 49.01 to 50.00 percent of SMI is 5.50%;
- (11) 50.01 to 50.50 percent of SMI is 5.75%;
- (12) 50.51 to 51.00 percent of SMI is 6.00%;
- (13) 51.01 to 51.50 percent of SMI is 6.25%;
- (14) 51.51 to 52.00 percent of SMI is 6.50%;
- (15) 52.01 to 52.50 percent of SMI is 6.75%;
- (16) 52.51 to 53.00 percent of SMI is 7.00%;
- (17) 53.01 to 53.50 percent of SMI is 7.25%;
- (18) 53.51 to 54.00 percent of SMI is 7.50%;
- (19) 54.01 to 54.50 percent of SMI is 7.75%;
- (20) 54.51 to 55.00 percent of SMI is 8.00%;
- (21) 55.01 to 55.50 percent of SMI is 8.30%;
- (22) 55.51 to 56.00 percent of SMI is 8.60%;
- (23) 56.01 to 56.50 percent of SMI is 8.90%;
- (24) 56.51 to 57.00 percent of SMI is 9.20%;
- (25) 57.01 to 57.50 percent of SMI is 9.50%;
- (26) 57.51 to 58.00 percent of SMI is 9.80%;
- (27) 58.01 to 58.50 percent of SMI is 10.10%;
- (28) 58.51 to 59.00 percent of SMI is 10.40%;
- (29) 59.01 to 59.50 percent of SMI is 10.70%;
- (30) 59.51 to 60.00 percent of SMI is 11.00%;
- (31) 60.01 to 60.50 percent of SMI is 11.30%;
- (32) 60.51 to 61.00 percent of SMI is 11.60%;
- (33) 61.01 to 61.50 percent of SMI is 11.90%;
- (34) 61.51 to 62.00 percent of SMI is 12.20%;

- (35) 62.01 to 62.50 percent of SMI is 12.50%;
- (36) 62.51 to 63.00 percent of SMI is 12.80%;
- (37) 63.01 to 63.50 percent of SMI is 13.10%;
- (38) 63.51 to 64.00 percent of SMI is 13.40%;
- (39) 64.01 to 64.50 percent of SMI is 13.70%;
- (40) 64.51 to 65.00 percent of SMI is 14.00%;
- (41) 65.01 to 65.50 percent of SMI is 14.30%;
- (42) 65.51 to 66.00 percent of SMI is 14.60%;
- (43) 66.01 to 66.50 percent of SMI is 14.90%;
- (44) 66.51 to 67.00 percent of SMI is 15.20%;
- (45) 67.01 to 67.50 percent of SMI is 15.50%;
- (46) 67.51 to 68.00 percent of SMI is 15.80%;
- (47) 68.01 to 68.50 percent of SMI is 16.10%;
- (48) 68.51 to 69.00 percent of SMI is 16.40%;
- (49) 69.01 to 69.50 percent of SMI is 16.70%;
- (50) 69.51 to 70.00 percent of SMI is 17.00%;
- (51) 70.01 to 70.50 percent of SMI is 17.30%;
- (52) 70.51 to 71.00 percent of SMI is 17.60%;
- (53) 71.01 to 71.50 percent of SMI is 17.90%;
- (54) 71.51 to 72.00 percent of SMI is 18.20%;
- (55) 72.01 to 72.50 percent of SMI is 18.50%;
- (56) 72.51 to 73.00 percent of SMI is 18.80%;
- (57) 73.01 to 73.50 percent of SMI is 19.10%;
- (58) 73.51 to 74.00 percent of SMI is 19.40%;
- (59) 74.01 to 74.50 percent of SMI is 19.70%; and
- (60) 74.51 to 75.00 percent of SMI is 20.00%.

Sec. 7. **[256D.0516] EXPIRATION OF FOOD SUPPORT BENEFITS AND REPORTING REQUIREMENTS.**

Subdivision 1. Expiration of food support benefits. Food support benefits shall not be stored off line or expunged from a recipient's account unless the benefits have not been accessed for 12 months after the month they were issued.

Subd. 2. Food support reporting requirements. The Department of Human Services shall implement simplified reporting as permitted under the Food Stamp Act of 1977, as amended, and the food stamp regulations in Code of Federal Regulations, title 7, part 273. Food support recipient households required to report periodically shall not be required to report more often than one time every six months. This provision shall not apply to households receiving food benefits under the Minnesota family investment program waiver.

Sec. 8. Minnesota Statutes 2006, section 256J.01, is amended by adding a subdivision to read:

Subd. 6. Legislative approval to move programs or activities. The commissioner shall not move programs or activities funded with MFIP or TANF maintenance of effort funds to other funding sources without legislative approval.

Sec. 9. Minnesota Statutes 2006, section 256J.02, subdivision 1, is amended to read:

Subdivision 1. Commissioner's authority to administer block grant funds. The commissioner of human services is authorized to receive, administer, and expend funds available under the TANF block grant authorized under title I of Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, and under Public Law 109-171, the Deficit Reduction Act of 2005.

Sec. 10. Minnesota Statutes 2006, section 256J.02, subdivision 4, is amended to read:

Subd. 4. Authority to transfer. Subject to limitations of title I of Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, as amended, and under Public Law 109-171, the Deficit Reduction Act of 2005, the legislature may transfer money from the TANF block grant to the child care fund under chapter 119B, or the Title XX block grant.

Sec. 11. Minnesota Statutes 2006, section 256J.021, is amended to read:

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

(a) Until October 1, ~~2006~~ 2007, the commissioner of human services must treat MFIP expenditures made to or on behalf of any minor child under section 256J.02, subdivision 2, clause (1), who is a resident of this state under section 256J.12, and who is part of a two-parent eligible household as expenditures under a ~~separately funded state program and report those expenditures to the federal Department of Health and Human Services as separate state program expenditures under Code of Federal Regulations, title 45, section 263.5~~ funded with state nonmaintenance of effort funds.

(b) Beginning October 1, ~~2006~~ 2007, and each year thereafter, the commissioner of human services must treat MFIP expenditures made to or on behalf of any minor child under section 256J.02, subdivision 2, clause (1), who is a resident of this state under section 256J.12, and who is part of a two-parent eligible household, as expenditures under a separately funded state program. These expenditures shall not count toward the state's maintenance of effort (MOE) requirements under the federal Temporary Assistance to Needy Families (TANF) program except if counting certain families would allow the commissioner to avoid a federal penalty. Families receiving assistance under this section must comply with all applicable requirements in this chapter.

Sec. 12. Minnesota Statutes 2006, section 256J.08, subdivision 65, is amended to read:

Subd. 65. **Participant.** (a) "Participant" means includes any of the following:

~~(1) a person who is currently receiving cash assistance or the food portion available through MFIP. A person who fails to withdraw or access electronically any portion of the person's cash and food assistance payment by the end of the payment month, who makes a written request for closure before the first of a payment month and repays cash and food assistance electronically issued for that payment month within that payment month, or who returns any uncashed assistance check and food coupons and withdraws from the program is not a participant;~~

~~(2) a person who withdraws a cash or food assistance payment by electronic transfer or receives and cashes an MFIP assistance check or food coupons and is subsequently determined to be ineligible for assistance for that period of time is a participant, regardless whether that assistance is repaid. The term "participant" includes;~~

~~(3) the caregiver relative and the minor child whose needs are included in the assistance payment;~~

~~(4) a person in an assistance unit who does not receive a cash and food assistance payment because the case has been suspended from MFIP is a participant;~~

~~(5) a person who receives cash payments under the diversionary work program under section 256J.95 is a participant; and~~

~~(6) a person who receives cash payments under the family stabilization services program under section 256J.575.~~

(b) "Participant" does not include a person who fails to withdraw or access electronically any portion of the person's cash and food assistance payment by the end of the payment month, who makes a written request for closure before the first of a payment month and repays cash and food assistance electronically issued for that payment month within that payment month, or who returns any uncashed assistance check and food coupons and withdraws from the program.

Sec. 13. Minnesota Statutes 2006, section 256J.20, subdivision 3, is amended to read:

Subd. 3. **Other property limitations.** To be eligible for MFIP, the equity value of all nonexcluded real and personal property of the assistance unit must not exceed \$2,000 for applicants and \$5,000 for ongoing participants. The value of assets in clauses (1) to (19) must be excluded when determining the equity value of real and personal property:

~~(1) a licensed vehicle up to a loan value of less than or equal to \$7,500. The county agency shall apply any excess loan value as if it were equity value to the asset limit described in this section. If the assistance unit owns more than one licensed vehicle, the county agency shall determine the vehicle with the highest loan value and count only the loan value over \$7,500, excluding: (i) the value of one vehicle per physically disabled person when the vehicle is needed to transport the disabled unit member; this exclusion does not apply to mentally disabled people; (ii) the value of special equipment for a disabled member of the assistance unit; and (iii) also exclude any vehicle used for long-distance travel, other than daily commuting, for the employment of a unit member.~~

The county agency shall count the ~~loan~~ value of all other vehicles and apply this amount as if it were equity value to the asset limit described in this section. To establish the ~~loan~~ value of vehicles, a county agency must use the N.A.D.A. Official Used Car Guide, Midwest Edition, for newer model cars. When a vehicle is not listed in the guidebook, or when the applicant or participant disputes the ~~loan~~ value listed in the guidebook as unreasonable given the condition of the particular vehicle, the county agency may require the applicant or participant document the ~~loan~~ value by securing a written statement from a motor vehicle dealer licensed under section 168.27, stating the amount that the dealer would pay to purchase the vehicle. The county agency shall reimburse the applicant or participant for the cost of a written statement that documents a lower ~~loan~~ value;

- (2) the value of life insurance policies for members of the assistance unit;
- (3) one burial plot per member of an assistance unit;
- (4) the value of personal property needed to produce earned income, including tools, implements, farm animals, inventory, business loans, business checking and savings accounts used at least annually and used exclusively for the operation of a self-employment business, and any motor vehicles if at least 50 percent of the vehicle's use is to produce income and if the vehicles are essential for the self-employment business;
- (5) the value of personal property not otherwise specified which is commonly used by household members in day-to-day living such as clothing, necessary household furniture, equipment, and other basic maintenance items essential for daily living;
- (6) the value of real and personal property owned by a recipient of Supplemental Security Income or Minnesota supplemental aid;
- (7) the value of corrective payments, but only for the month in which the payment is received and for the following month;
- (8) a mobile home or other vehicle used by an applicant or participant as the applicant's or participant's home;
- (9) money in a separate escrow account that is needed to pay real estate taxes or insurance and that is used for this purpose;
- (10) money held in escrow to cover employee FICA, employee tax withholding, sales tax withholding, employee worker compensation, business insurance, property rental, property taxes, and other costs that are paid at least annually, but less often than monthly;
- (11) monthly assistance payments for the current month's or short-term emergency needs under section 256J.626, subdivision 2;
- (12) the value of school loans, grants, or scholarships for the period they are intended to cover;
- (13) payments listed in section 256J.21, subdivision 2, clause (9), which are held in escrow for a period not to exceed three months to replace or repair personal or real property;
- (14) income received in a budget month through the end of the payment month;
- (15) savings from earned income of a minor child or a minor parent that are set aside in a separate account designated specifically for future education or employment costs;
- (16) the federal earned income credit, Minnesota working family credit, state and federal income tax refunds, state homeowners and renters credits under chapter 290A, property tax rebates and other federal or state tax rebates in the month received and the following month;
- (17) payments excluded under federal law as long as those payments are held in a separate account from any nonexcluded funds;

(18) the assets of children ineligible to receive MFIP benefits because foster care or adoption assistance payments are made on their behalf; and

(19) the assets of persons whose income is excluded under section 256J.21, subdivision 2, clause (43).

Sec. 14. Minnesota Statutes 2006, section 256J.21, subdivision 2, is amended to read:

Subd. 2. **Income exclusions.** The following must be excluded in determining a family's available income:

(1) payments for basic care, difficulty of care, and clothing allowances received for providing family foster care to children or adults under Minnesota Rules, parts 9555.5050 to 9555.6265, 9560.0521, and 9560.0650 to 9560.0655, and payments received and used for care and maintenance of a third-party beneficiary who is not a household member;

(2) reimbursements for employment training received through the Workforce Investment Act of 1998, United States Code, title 20, chapter 73, section 9201;

(3) reimbursement for out-of-pocket expenses incurred while performing volunteer services, jury duty, employment, or informal carpooling arrangements directly related to employment;

(4) all educational assistance, except the county agency must count graduate student teaching assistantships, fellowships, and other similar paid work as earned income and, after allowing deductions for any unmet and necessary educational expenses, shall count scholarships or grants awarded to graduate students that do not require teaching or research as unearned income;

(5) loans, regardless of purpose, from public or private lending institutions, governmental lending institutions, or governmental agencies;

(6) loans from private individuals, regardless of purpose, provided an applicant or participant documents that the lender expects repayment;

(7)(i) state income tax refunds; and

(ii) federal income tax refunds;

(8)(i) federal earned income credits;

(ii) Minnesota working family credits;

(iii) state homeowners and renters credits under chapter 290A; and

(iv) federal or state tax rebates;

(9) funds received for reimbursement, replacement, or rebate of personal or real property when these payments are made by public agencies, awarded by a court, solicited through public appeal, or made as a grant by a federal agency, state or local government, or disaster assistance organizations, subsequent to a presidential declaration of disaster;

(10) the portion of an insurance settlement that is used to pay medical, funeral, and burial expenses, or to repair or replace insured property;

- (11) reimbursements for medical expenses that cannot be paid by medical assistance;
- (12) payments by a vocational rehabilitation program administered by the state under chapter 268A, except those payments that are for current living expenses;
- (13) in-kind income, including any payments directly made by a third party to a provider of goods and services;
- (14) assistance payments to correct underpayments, but only for the month in which the payment is received;
- (15) payments for short-term emergency needs under section 256J.626, subdivision 2;
- (16) funeral and cemetery payments as provided by section 256.935;
- (17) nonrecurring cash gifts of \$30 or less, not exceeding \$30 per participant in a calendar month;
- (18) any form of energy assistance payment made through Public Law 97-35, Low-Income Home Energy Assistance Act of 1981, payments made directly to energy providers by other public and private agencies, and any form of credit or rebate payment issued by energy providers;
- (19) Supplemental Security Income (SSI), including retroactive SSI payments and other income of an SSI recipient, except as described in section 256J.37, subdivision 3b;
- (20) Minnesota supplemental aid, including retroactive payments;
- (21) proceeds from the sale of real or personal property;
- (22) state adoption assistance payments under section 259.67, and up to an equal amount of county adoption assistance payments;
- (23) state-funded family subsidy program payments made under section 252.32 to help families care for children with developmental disabilities, consumer support grant funds under section 256.476, and resources and services for a disabled household member under one of the home and community-based waiver services programs under chapter 256B;
- (24) interest payments and dividends from property that is not excluded from and that does not exceed the asset limit;
- (25) rent rebates;
- (26) income earned by a minor caregiver, minor child through age 6, or a minor child who is at least a half-time student in an approved elementary or secondary education program;
- (27) income earned by a caregiver under age 20 who is at least a half-time student in an approved elementary or secondary education program;
- (28) MFIP child care payments under section 119B.05;
- (29) all other payments made through MFIP to support a caregiver's pursuit of greater economic stability;
- (30) income a participant receives related to shared living expenses;

(31) reverse mortgages;

(32) benefits provided by the Child Nutrition Act of 1966, United States Code, title 42, chapter 13A, sections 1771 to 1790;

(33) benefits provided by the women, infants, and children (WIC) nutrition program, United States Code, title 42, chapter 13A, section 1786;

(34) benefits from the National School Lunch Act, United States Code, title 42, chapter 13, sections 1751 to 1769e;

(35) relocation assistance for displaced persons under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, United States Code, title 42, chapter 61, subchapter II, section 4636, or the National Housing Act, United States Code, title 12, chapter 13, sections 1701 to 1750jj;

(36) benefits from the Trade Act of 1974, United States Code, title 19, chapter 12, part 2, sections 2271 to 2322;

(37) war reparations payments to Japanese Americans and Aleuts under United States Code, title 50, sections 1989 to 1989d;

(38) payments to veterans or their dependents as a result of legal settlements regarding Agent Orange or other chemical exposure under Public Law 101-239, section 10405, paragraph (a)(2)(E);

(39) income that is otherwise specifically excluded from MFIP consideration in federal law, state law, or federal regulation;

(40) security and utility deposit refunds;

(41) American Indian tribal land settlements excluded under Public Laws 98-123, 98-124, and 99-377 to the Mississippi Band Chippewa Indians of White Earth, Leech Lake, and Mille Lacs reservations and payments to members of the White Earth Band, under United States Code, title 25, chapter 9, section 331, and chapter 16, section 1407;

(42) all income of the minor parent's parents and stepparents when determining the grant for the minor parent in households that include a minor parent living with parents or stepparents on MFIP with other children;

(43) income of the minor parent's parents and stepparents equal to 200 percent of the federal poverty guideline for a family size not including the minor parent and the minor parent's child in households that include a minor parent living with parents or stepparents not on MFIP when determining the grant for the minor parent. The remainder of income is deemed as specified in section 256J.37, subdivision 1b;

(44) payments made to children eligible for relative custody assistance under section 257.85;

(45) vendor payments for goods and services made on behalf of a client unless the client has the option of receiving the payment in cash; ~~and~~

(46) the principal portion of a contract for deed payment; and

(47) cash payments to individuals enrolled for full-time service as a volunteer under AmeriCorps programs including AmeriCorps VISTA, AmeriCorps State, AmeriCorps National, and AmeriCorps NCCC.

Sec. 15. Minnesota Statutes 2006, section 256J.24, subdivision 5, is amended to read:

Subd. 5. **MFIP transitional standard.** (a) The MFIP transitional standard is based on the number of persons in the assistance unit eligible for both food and cash assistance unless the restrictions in subdivision 6 on the birth of a child apply. The following table represents the transitional standards effective October 1, 2004.

Number of Eligible People	Transitional Standard	Cash Portion	Food Portion
1	\$379:	\$250	\$129
2	\$675:	\$437	\$238
3	\$876:	\$532	\$344
4	\$1,036:	\$621	\$415
5	\$1,180:	\$697	\$483
6	\$1,350:	\$773	\$577
7	\$1,472:	\$850	\$622
8	\$1,623:	\$916	\$707
9	\$1,772:	\$980	\$792
10	\$1,915:	\$1,035	\$880
over 10 per additional member.	add \$142:	\$53	\$89

The commissioner shall annually publish in the State Register the transitional standard for an assistance unit sizes 1 to 10 including a breakdown of the cash and food portions.

(b) The commissioner shall increase the existing transitional standard by ten percent effective July 1, 2007, to be distributed in the cash portion of the grant.

Sec. 16. Minnesota Statutes 2006, section 256J.24, subdivision 10, is amended to read:

Subd. 10. **MFIP exit level.** The commissioner shall adjust the MFIP earned income disregard to ensure that most participants do not lose eligibility for MFIP until their income reaches at least ~~44~~ 175 percent of the federal poverty guidelines in effect in October of each fiscal year. The adjustment to the disregard shall be based on a household size of three, and the resulting earned income disregard percentage must be applied to all household sizes. The adjustment under this subdivision must be implemented at the same time as the October food stamp or food support cost-of-living adjustment is reflected in the food portion of MFIP transitional standard as required under subdivision 5a.

Sec. 17. Minnesota Statutes 2006, section 256J.30, subdivision 5, is amended to read:

Subd. 5. **Monthly MFIP household reports.** Each assistance unit with a member who has earned income ~~or a recent work history~~, and each assistance unit that has income deemed to it from a financially responsible person, must complete ~~a monthly~~ an MFIP household report form ~~every six months~~. ~~"Recent work history" means the individual received earned income in the report month or any of the previous three calendar months even if the earnings are excluded.~~ To be complete, the MFIP household report form must be signed and dated by the caregivers no earlier than the last day of the reporting period. All questions required to determine assistance payment eligibility must be answered, and documentation of earned income must be included.

Sec. 18. Minnesota Statutes 2006, section 256J.39, is amended by adding a subdivision to read:

Subd. 1a. **Prohibited purchases.** MFIP recipients are prohibited from using MFIP monthly cash assistance payments issued in the form of an electronic benefits transfer to purchase tobacco products, alcoholic beverages, or lottery tickets.

Sec. 19. Minnesota Statutes 2006, section 256J.42, subdivision 1, is amended to read:

Subdivision 1. **Time limit.** (a) Except as otherwise provided for in this section, an assistance unit in which any adult caregiver has received 60 months of cash assistance funded in whole or in part by the TANF block grant in this or any other state or United States territory, or from a tribal TANF program, MFIP, the AFDC program formerly codified in sections 256.72 to 256.87, or the family general assistance program formerly codified in sections 256D.01 to 256D.23, funded in whole or in part by state appropriations, is ineligible to receive MFIP. Any cash assistance funded with TANF dollars in this or any other state or United States territory, or from a tribal TANF program, or MFIP assistance funded in whole or in part by state appropriations, that was received by the unit on or after the date TANF was implemented, including any assistance received in states or United States territories of prior residence, counts toward the 60-month limitation. Months during which any cash assistance is received by an assistance unit with a mandatory member who is disqualified for wrongfully obtaining public assistance under section 256.98, subdivision 8, counts toward the time limit for the disqualified member. The 60-month limit applies to a minor caregiver except under subdivision 5. The 60-month time period does not need to be consecutive months for this provision to apply.

(b) The months before July 1998 in which individuals received assistance as part of the field trials as an MFIP, MFIP-R, or MFIP or MFIP-R comparison group family are not included in the 60-month time limit.

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

Sec. 20. Minnesota Statutes 2006, section 256J.425, subdivision 3, is amended to read:

Subd. 3. **Hard-to-employ participants.** An assistance unit subject to the time limit in section 256J.42, subdivision 1, is eligible to receive months of assistance under a hardship extension if the participant who reached the time limit belongs to any of the following groups:

(1) a person who is diagnosed by a licensed physician, psychological practitioner, or other qualified professional, as developmentally disabled or mentally ill, and that condition prevents the person from obtaining or retaining unsubsidized employment;

(2) a person who:

(i) has been assessed by a vocational specialist or the county agency to be unemployable for purposes of this subdivision; or

(ii) has an IQ below 80 who has been assessed by a vocational specialist or a county agency to be employable, but not at a level that makes the participant eligible for an extension under subdivision 4. The determination of IQ level must be made by a qualified professional. In the case of a non-English-speaking person: (A) the determination must be made by a qualified professional with experience conducting culturally appropriate assessments, whenever possible; (B) the county may accept reports that identify an IQ range as opposed to a specific score; (C) these reports must include a statement of confidence in the results;

(3) a person who is determined by a qualified professional to be learning disabled, and the disability severely limits the person's ability to obtain, perform, or maintain suitable employment. For purposes of the initial approval of a learning disability extension, the determination must have been made or confirmed within the previous 12 months. In the case of a non-English-speaking person: (i) the determination must be made by a qualified professional with experience conducting culturally appropriate assessments, whenever possible; and (ii) these reports must include a statement of confidence in the results. If a rehabilitation plan for a participant extended as learning disabled is developed or approved by the county agency, the plan must be incorporated into the employment plan. However, a rehabilitation plan does not replace the requirement to develop and comply with an employment plan under section 256J.521; ~~or~~

(4) a person who has been granted a family violence waiver, and who is complying with an employment plan under section 256J.521, subdivision 3; or

(5) a participant under section 256J.561, subdivision 2, paragraph (d), who is complying with an employment plan tailored to recognize the special circumstances of the caregivers and family, including limitations due to illness or disability, and caregiving needs.

Sec. 21. Minnesota Statutes 2006, section 256J.425, subdivision 4, is amended to read:

Subd. 4. **Employed participants.** (a) An assistance unit subject to the time limit under section 256J.42, subdivision 1, is eligible to receive assistance under a hardship extension if the participant who reached the time limit belongs to:

(1) a one-parent assistance unit in which the participant is participating in work activities for at least 30 hours per week, ~~of which an average of at least 25 hours per week every month are spent participating in employment;~~

(2) a two-parent assistance unit in which the participants are participating in work activities for at least 55 hours per week, ~~of which an average of at least 45 hours per week every month are spent participating in employment;~~ or

(3) an assistance unit in which a participant is participating in employment for fewer hours than those specified in clause (1) or (2), and the participant submits verification from a qualified professional, in a form acceptable to the commissioner, stating that the number of hours the participant may work is limited due to illness or disability, as long as the participant is participating in employment for at least the number of hours specified by the qualified professional. The participant must be following the treatment recommendations of the qualified professional providing the verification. The commissioner shall develop a form to be completed and signed by the qualified professional, documenting the diagnosis and any additional information necessary to document the functional limitations of the participant that limit work hours. If the participant is part of a two-parent assistance unit, the other parent must be treated as a one-parent assistance unit for purposes of meeting the work requirements under this subdivision.

(b) ~~For purposes of this section, employment means:~~

~~(1) unsubsidized employment under section 256J.49, subdivision 13, clause (1);~~

~~(2) subsidized employment under section 256J.49, subdivision 13, clause (2);~~

~~(3) on-the-job training under section 256J.49, subdivision 13, clause (2);~~

~~(4) an apprenticeship under section 256J.49, subdivision 13, clause (1);~~

~~(5) supported work under section 256J.49, subdivision 13, clause (2);~~

~~(6) a combination of clauses (1) to (5); or~~

~~(7) child care under section 256J.49, subdivision 13, clause (7), if it is in combination with paid employment.~~

~~(e)~~ If a participant is complying with a child protection plan under chapter 260C, the number of hours required under the child protection plan count toward the number of hours required under this subdivision.

~~(d)~~ ~~(c)~~ The county shall provide the opportunity for subsidized employment to participants needing that type of employment within available appropriations.

~~(e)~~ ~~(d)~~ To be eligible for a hardship extension for employed participants under this subdivision, a participant must be in compliance for at least ten out of the 12 months the participant received MFIP immediately preceding the participant's 61st month on assistance. If ten or fewer months of eligibility for TANF assistance remain at the time the participant from another state applies for assistance, the participant must be in compliance every month.

~~(f)~~ ~~(e)~~ The employment plan developed under section 256J.521, subdivision 2, for participants under this subdivision must contain at least the minimum number of hours specified in paragraph (a) for the purpose of meeting the requirements for an extension under this subdivision. The job counselor and the participant must sign the employment plan to indicate agreement between the job counselor and the participant on the contents of the plan.

~~(g)~~ ~~(f)~~ Participants who fail to meet the requirements in paragraph (a), without good cause under section 256J.57, shall be sanctioned or permanently disqualified under subdivision 6. Good cause may only be granted for that portion of the month for which the good cause reason applies. Participants must meet all remaining requirements in the approved employment plan or be subject to sanction or permanent disqualification.

~~(h)~~ ~~(g)~~ If the noncompliance with an employment plan is due to the involuntary loss of employment, the participant is exempt from the hourly employment requirement under this subdivision for one month. Participants must meet all remaining requirements in the approved employment plan or be subject to sanction or permanent disqualification. This exemption is available to each participant two times in a 12-month period.

Sec. 22. Minnesota Statutes 2006, section 256J.49, subdivision 13, is amended to read:

Subd. 13. **Work activity.** "Work activity" means any activity in a participant's approved employment plan that leads to employment. For purposes of the MFIP program, this includes activities that meet the definition of work activity under the participation requirements of TANF. Work activity includes:

(1) unsubsidized employment, including work study and paid apprenticeships or internships;

(2) subsidized private sector or public sector employment, including grant diversion as specified in section 256J.69, on-the-job training as specified in section 256J.66, the self-employment investment demonstration program (SEID) as specified in section 256J.65, paid work experience, and supported work when a wage subsidy is provided;

(3) unpaid work experience, including community service, volunteer work, the community work experience program as specified in section 256J.67, unpaid apprenticeships or internships, and supported work when a wage subsidy is not provided. Unpaid work performed in return for cash assistance is prohibited and does not count as a work activity, unless the participant voluntarily agrees, in writing, to engage in unpaid work in return for cash assistance. The participant may terminate the unpaid work arrangement, in writing, at any time;

(4) job search including job readiness assistance, job clubs, job placement, job-related counseling, and job retention services;

(5) job readiness education, including English as a second language (ESL) or functional work literacy classes as limited by the provisions of section 256J.531, subdivision 2, general educational development (GED) course work, high school completion, and adult basic education as limited by the provisions of section 256J.531, subdivision 1;

(6) job skills training directly related to employment, including education and training that can reasonably be expected to lead to employment, as limited by the provisions of section 256J.53;

(7) providing child care services to a participant who is working in a community service program;

(8) activities included in the employment plan that is developed under section 256J.521, subdivision 3; and

(9) preemployment activities including chemical and mental health assessments, treatment, and services; learning disabilities services; child protective services; family stabilization services; or other programs designed to enhance employability.

Sec. 23. Minnesota Statutes 2006, section 256J.521, subdivision 1, is amended to read:

Subdivision 1. **Assessments.** (a) For purposes of MFIP employment services, assessment is a continuing process of gathering information related to employability for the purpose of identifying both participant's strengths and strategies for coping with issues that interfere with employment. The job counselor must use information from the assessment process to develop and update the employment plan under subdivision 2 or 3, as appropriate, ~~and~~ to determine whether the participant qualifies for a family violence waiver including an employment plan under subdivision 3, and to determine whether the participant should be referred to the family stabilization services program under section 256J.575.

(b) The scope of assessment must cover at least the following areas:

(1) basic information about the participant's ability to obtain and retain employment, including: a review of the participant's education level; interests, skills, and abilities; prior employment or work experience; transferable work skills; child care and transportation needs;

(2) identification of personal and family circumstances that impact the participant's ability to obtain and retain employment, including: any special needs of the children, the level of English proficiency, family violence issues, and any involvement with social services or the legal system;

(3) the results of a mental and chemical health screening tool designed by the commissioner and results of the brief screening tool for special learning needs. Screening tools for mental and chemical health and special learning needs must be approved by the commissioner and may only be administered by job counselors or county staff trained in using such screening tools. The commissioner shall work with county agencies to develop protocols for referrals and follow-up actions after screens are administered to participants, including guidance on how employment plans may be modified based upon outcomes of certain screens. Participants must be told of the purpose of the screens and how the information will be used to assist the participant in identifying and overcoming barriers to employment. Screening for mental and chemical health and special learning needs must be completed by participants who are unable to find suitable employment after six weeks of job search under subdivision 2, paragraph (b), and participants who are determined to have barriers to employment under subdivision 2, paragraph (d). Failure to complete the screens will result in sanction under section 256J.46; and

(4) a comprehensive review of participation and progress for participants who have received MFIP assistance and have not worked in unsubsidized employment during the past 12 months. The purpose of the review is to determine the need for additional services and supports, including placement in subsidized employment or unpaid work experience under section 256J.49, subdivision 13, or referral to the family stabilization services program under section 256J.575.

(c) Information gathered during a caregiver's participation in the diversionary work program under section 256J.95 must be incorporated into the assessment process.

(d) The job counselor may require the participant to complete a professional chemical use assessment to be performed according to the rules adopted under section 254A.03, subdivision 3, including provisions in the administrative rules which recognize the cultural background of the participant, or a professional psychological assessment as a component of the assessment process, when the job counselor has a reasonable belief, based on objective evidence, that a participant's ability to obtain and retain suitable employment is impaired by a medical condition. The job counselor may assist the participant with arranging services, including child care assistance and transportation, necessary to meet needs identified by the assessment. Data gathered as part of a professional assessment must be classified and disclosed according to the provisions in section 13.46.

Sec. 24. Minnesota Statutes 2006, section 256J.521, subdivision 2, is amended to read:

Subd. 2. **Employment plan; contents.** (a) Based on the assessment under subdivision 1, the job counselor and the participant must develop an employment plan that includes participation in activities and hours that meet the requirements of section 256J.55, subdivision 1. The purpose of the employment plan is to identify for each participant the most direct path to unsubsidized employment and any subsequent steps that support long-term economic stability. The employment plan should be developed using the highest level of activity appropriate for the participant. Activities must be chosen from clauses (1) to (6), which are listed in order of preference. Notwithstanding this order of preference for activities, priority must be given for activities related to a family violence waiver when developing the employment plan. The employment plan must also list the specific steps the participant will take to obtain employment, including steps necessary for the participant to progress from one level of activity to another, and a timetable for completion of each step. Levels of activity include:

- (1) unsubsidized employment;
- (2) job search;
- (3) subsidized employment or unpaid work experience;
- (4) unsubsidized employment and job readiness education or job skills training;
- (5) unsubsidized employment or unpaid work experience and activities related to a family violence waiver or preemployment needs; and
- (6) activities related to a family violence waiver or preemployment needs.

(b) Participants who are determined to possess sufficient skills such that the participant is likely to succeed in obtaining unsubsidized employment must job search at least 30 hours per week for up to six weeks and accept any offer of suitable employment. The remaining hours necessary to meet the requirements of section 256J.55, subdivision 1, may be met through participation in other work activities under section 256J.49, subdivision 13. The participant's employment plan must specify, at a minimum: (1) whether the job search is supervised or unsupervised; (2) support services that will be provided; and (3) how frequently the participant must report to the job counselor. Participants who are unable to find suitable employment after six weeks must meet with the job counselor to determine whether other activities in paragraph (a) should be incorporated into the employment plan. Job search activities which are continued after six weeks must be structured and supervised.

(c) Beginning July 1, 2004, activities and hourly requirements in the employment plan may be adjusted as necessary to accommodate the personal and family circumstances of participants identified under section 256J.561, subdivision 2, paragraph (d). Participants who no longer meet the provisions of section 256J.561, subdivision 2, paragraph (d), must meet with the job counselor within ten days of the determination to revise the employment plan.

(d) Participants who are determined to have barriers to obtaining or retaining employment that will not be overcome during six weeks of job search under paragraph (b) must work with the job counselor to develop an employment plan that addresses those barriers by incorporating appropriate activities from paragraph (a), clauses (1) to (6). The employment plan must include enough hours to meet the participation requirements in section 256J.55, subdivision 1, unless a compelling reason to require fewer hours is noted in the participant's file.

(e) The job counselor and the participant must sign the employment plan to indicate agreement on the contents. Failure to develop or comply with activities in the plan, or voluntarily quitting suitable employment without good cause, will result in the imposition of a sanction under section 256J.46.

(f) Employment plans must be reviewed at least every three months to determine whether activities and hourly requirements should be revised. The job counselor is encouraged to allow participants who are participating in at least 20 hours of work activities to also participate in employment and training activities in order to meet the federal hourly participation rates.

Sec. 25. Minnesota Statutes 2006, section 256J.521, is amended by adding a subdivision to read:

Subd. 7. Employment plan; nonmaintenance of effort; single caregivers. (a) When a single caregiver is moved to the nonmaintenance of effort state-funded program under section 256J.021, paragraphs (a) and (b), the single caregiver shall develop or revise the employment plan as specified in this subdivision with a job counselor or county. The plan must address issues interfering with employment, including physical and mental health, substance use, and social service issues of the caregiver and the caregiver's family. Job search and employment must also be included in the plan to the extent possible.

(b) Counties must coordinate services by ensuring that all workers involved with the family communicate on a regular basis, and that expectations for the family across service areas lead to common goals.

(c) Activities and hourly requirements in the employment plan may be adjusted as necessary to accommodate the personal and family circumstances of the participant. Participants who no longer meet the criteria for the nonmaintenance of effort state-funded program shall meet with the job counselor or county within ten days of the determination to revise the employment plan.

Sec. 26. Minnesota Statutes 2006, section 256J.53, subdivision 2, is amended to read:

Subd. 2. Approval of postsecondary education or training. (a) ~~In order for a postsecondary education or training program to be an approved activity in an employment plan, the participant must be working in unsubsidized employment at least 20 hours per week.~~

~~(b)~~ Participants seeking approval of a postsecondary education or training plan must provide documentation that:

(1) the employment goal can only be met with the additional education or training;

(2) there are suitable employment opportunities that require the specific education or training in the area in which the participant resides or is willing to reside;

(3) the education or training will result in significantly higher wages for the participant than the participant could earn without the education or training;

(4) the participant can meet the requirements for admission into the program; and

(5) there is a reasonable expectation that the participant will complete the training program based on such factors as the participant's MFIP assessment, previous education, training, and work history; current motivation; and changes in previous circumstances.

~~(c) The hourly unsubsidized employment requirement does not apply for intensive education or training programs lasting 12 weeks or less when full-time attendance is required.~~

~~(d)~~ (b) Participants with an approved employment plan in place on July 1, 2003, which includes more than 12 months of postsecondary education or training shall be allowed to complete that plan provided that hourly requirements in section 256J.55, subdivision 1, and conditions specified in paragraph ~~(b)~~ (a), and subdivisions 3 and 5 are met. A participant whose case is subsequently closed for three months or less for reasons other than noncompliance with program requirements and who returns to MFIP shall be allowed to complete that plan provided that hourly requirements in section 256J.55, subdivision 1, and conditions specified in paragraph ~~(b)~~ (a) and subdivisions 3 and 5 are met.

Sec. 27. Minnesota Statutes 2006, section 256J.531, is amended to read:

256J.531 BASIC EDUCATION; ENGLISH AS A SECOND LANGUAGE.

Subdivision 1. **Approval of adult basic education.** With the exception of classes related to obtaining a general educational development credential (GED), a participant must have reading or mathematics proficiency below a ninth grade level in order for adult basic education classes to be an approved work activity. ~~The employment plan must also specify that the participant fulfill no more than one half of the participation requirements in section 256J.55, subdivision 1, through attending adult basic education or general educational development classes.~~

Subd. 2. **Approval of English as a second language.** In order for English as a second language (ESL) classes to be an approved work activity in an employment plan, a participant must be below a spoken language proficiency level of SPL6 or its equivalent, as measured by a nationally recognized test. In approving ESL as a work activity, the job counselor must give preference to enrollment in a functional work literacy program, if one is available, over a regular ESL program. A participant may not be approved for more than a combined total of 24 months of ESL classes while participating in the diversionary work program and the employment and training services component of MFIP. ~~The employment plan must also specify that the participant fulfill no more than one half of the participation requirements in section 256J.55, subdivision 1, through attending ESL classes. For participants enrolled in functional work literacy classes, no more than two thirds of the participation requirements in section 256J.55, subdivision 1, may be met through attending functional work literacy classes.~~

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

Sec. 28. Minnesota Statutes 2006, section 256J.55, subdivision 1, is amended to read:

Subdivision 1. **Participation requirements.** (a) All caregivers must participate in employment services under sections 256J.515 to 256J.57 concurrent with receipt of MFIP assistance.

(b) Until July 1, 2004, participants who meet the requirements of section 256J.56 are exempt from participation requirements.

(c) Participants under paragraph (a) must develop and comply with an employment plan under section 256J.521 or section 256J.54 in the case of a participant under the age of 20 who has not obtained a high school diploma or its equivalent.

(d) With the exception of participants under the age of 20 who must meet the education requirements of section 256J.54, all participants must meet the hourly participation requirements of TANF or the hourly requirements listed in clauses (1) to (3), whichever is higher.

(1) In single-parent families with no children under six years of age, the job counselor and the caregiver must develop an employment plan that includes 30 ~~to 35~~ hours per week of work activities.

(2) In single-parent families with a child under six years of age, the job counselor and the caregiver must develop an employment plan that includes 20 ~~to 35~~ hours per week of work activities.

(3) In two-parent families, the job counselor and the caregivers must develop employment plans which result in a combined total of at least 55 hours per week of work activities.

(e) Failure to participate in employment services, including the requirement to develop and comply with an employment plan, including hourly requirements, without good cause under section 256J.57, shall result in the imposition of a sanction under section 256J.46.

Sec. 29. **[256J.575] FAMILY STABILIZATION SERVICES PROGRAM.**

Subdivision 1. Purpose. (a) The family stabilization services program is Minnesota's cash assistance program to serve families who are not making significant progress within the Minnesota family investment program (MFIP) due to a variety of barriers to employment.

(b) The goal of this program is to stabilize and improve the lives of families at risk of long-term welfare dependency or family instability due to employment barriers such as physical disability, mental disability, age, or providing care for a disabled household member. This program provides services to promote and support families to achieve the greatest possible degree of self-sufficiency.

Subd. 2. Definitions. The terms used in this section have the meanings given them in paragraphs (a) to (d).

(a) "Family stabilization services program" means the program established under this section.

(b) "Case management" means the services provided by or through the county agency to participating families, including assessment, information, referrals, and assistance in the preparation and implementation of a family stabilization plan under subdivision 5.

(c) "Family stabilization plan" means a plan developed by a case manager and the participant, which identifies the participant's most appropriate path to unsubsidized employment, family stability, and barrier reduction, taking into account the family's circumstances.

(d) "Family stabilization services" means programs, activities, and services in this section that provide participants and their family members with assistance regarding, but not limited to:

(1) obtaining and retaining unsubsidized employment;

(2) family stability;

(3) economic stability; and

(4) barrier reduction.

The goal of the program is to achieve the greatest degree of economic self-sufficiency and family well-being possible for the family under the circumstances.

Subd. 3. **Eligibility.** (a) The following MFIP or diversionary work program (DWP) participants are eligible for the program under this section:

(1) a participant identified under section 256J.561, subdivision 2, paragraph (d), who has or is eligible for an employment plan developed under section 256J.521, subdivision 2, paragraph (c);

(2) a participant identified under section 256J.95, subdivision 12, paragraph (b), as unlikely to benefit from the DWP;

(3) a participant who meets the requirements for or has been granted a hardship extension under section 256J.425, subdivision 2 or 3;

(4) a participant who is applying for supplemental security income or Social Security disability insurance; and

(5) a participant who is a noncitizen who has been in the state for six or fewer months.

(b) Families must meet all other eligibility requirements for MFIP established in this chapter. Families are eligible for financial assistance to the same extent as if they were participating in MFIP.

Subd. 4. **Universal participation.** All caregivers must participate in family stabilization services as defined in subdivision 2.

Subd. 5. **Case management; family stabilization plans; coordinated services.** (a) The county agency shall provide family stabilization services to families through a case management model. A case manager shall be assigned to each participating family within 30 days after the family begins to receive financial assistance as a participant of the family stabilization services program. The case manager, with the full involvement of the family, shall recommend, and the county agency shall establish and modify as necessary, a family stabilization plan for each participating family. If a participant is already assigned to a county case manager or a county-contracted case manager in social services or disability services, that case manager already assigned is the case manager for purposes of this program.

(b) The family stabilization plan must include:

(1) each participant's plan for long-term self-sufficiency, including an employment goal where applicable;

(2) an assessment of each participant's strengths and barriers, and any special circumstances of the participant's family that impact, or are likely to impact, the participant's progress towards the goals in the plan; and

(3) an identification of the services, supports, education, training, and accommodations needed to reduce or overcome any barriers to enable the family to achieve self-sufficiency and to fulfill each caregiver's personal and family responsibilities.

(c) The case manager and the participant shall meet within 30 days of the family's referral to the case manager. The initial family stabilization plan must be completed within 30 days of the first meeting with the case manager. The case manager shall establish a schedule for periodic review of the family stabilization plan that includes personal contact with the participant at least once per month. In addition, the case manager shall review and, if necessary, modify the plan under the following circumstances:

- (1) there is a lack of satisfactory progress in achieving the goals of the plan;
- (2) the participant has lost unsubsidized or subsidized employment;
- (3) a family member has failed or is unable to comply with a family stabilization plan requirement;
- (4) services, supports, or other activities required by the plan are unavailable;
- (5) changes to the plan are needed to promote the well-being of the children; or
- (6) the participant and case manager determine that the plan is no longer appropriate for any other reason.

Subd. 6. **Cooperation with program requirements.** (a) To be eligible, a participant shall comply with paragraphs (b) to (e).

(b) Participants shall engage in family stabilization plan services for the appropriate number of hours per week that the activities are scheduled and available, unless good cause exists for not doing so, as defined in section 256J.57, subdivision 1. The appropriate number of hours must be based on the participant's plan.

(c) The case manager shall review the participant's progress toward the goals in the family stabilization plan every six months to determine whether conditions have changed, including whether revisions to the plan are needed.

(d) When the participant has increased participation in work-related activities sufficient to meet the federal participation requirements of TANF, the county agency shall refer the participant to the MFIP program and assign the participant to a job counselor. The participant and the job counselor shall meet within 15 days of referral to the MFIP program to develop an employment plan under section 256J.521. No reapplication is necessary and financial assistance continues without interruption.

(e) A participant's requirement to comply with any or all family stabilization plan requirements under this subdivision is excused when the case management services, training and educational services, and family support services identified in the participant's family stabilization plan are unavailable for reasons beyond the control of the participant, including when money appropriated is not sufficient to provide the services.

Subd. 7. **Sanctions.** (a) The financial assistance grant of a participating family is reduced according to section 256J.46 if a participating adult fails without good cause to comply or continue to comply with the family stabilization plan requirements in this subdivision, unless compliance has been excused under subdivision 6, paragraph (e).

(b) Given the purpose of the family stabilization services program in this section and the nature of the underlying family circumstances that act as barriers to both employment and full compliance with program requirements, sanctions are appropriate only when it is clear that there is both the ability to comply and willful noncompliance by the participant, as confirmed by a behavioral health or medical professional.

(c) Prior to the imposition of a sanction, the county agency shall review the participant's case to determine if the family stabilization plan is still appropriate and meet with the participant face-to-face. The participant may bring an advocate to the face-to-face meeting. During the face-to-face meeting, the county agency must:

(1) determine whether the continued noncompliance can be explained and mitigated by providing a needed family stabilization service, as defined in subdivision 2, paragraph (d);

(2) determine whether the participant qualifies for a good cause exemption under section 256J.57, or if the sanction is for noncooperation with child support requirements, determine if the participant qualifies for a good cause exemption under section 256.741, subdivision 10;

(3) determine whether activities in the family stabilization plan are appropriate based on the family's circumstances;

(4) explain the consequences of continuing noncompliance;

(5) identify other resources that may be available to the participant to meet the needs of the family; and

(6) inform the participant of the right to appeal under section 256J.40.

If the lack of an identified activity or service can explain the noncompliance, the county shall work with the participant to provide the identified activity.

(d) If the participant fails to come to the face-to-face meeting, the case manager or a designee shall attempt at least one home visit. If a face-to-face meeting is not conducted, the county agency shall send the participant a written notice that includes the information under paragraph (c).

(e) After the requirements of paragraphs (c) and (d) are met and prior to imposition of a sanction, the county agency shall provide a notice of intent to sanction under section 256J.57, subdivision 2, and, when applicable, a notice of adverse action under section 256J.31.

(f) Section 256J.57 applies to this section except to the extent that it is modified by this subdivision.

Sec. 30. [256J.621] WORK PARTICIPATION TRANSITIONAL ASSISTANCE PAYMENT.

(a) Upon exiting the diversionary work program (DWP) or upon terminating MFIP cash assistance with earnings, a participant who is employed and working 24 hours per week may be eligible for transitional assistance of \$100 per month to assist in meeting the family's basic needs as the participant continues to move toward self-sufficiency.

(b) To be eligible for a transitional assistance payment, the participant shall not receive MFIP cash assistance or diversionary work program assistance during the month and shall be employed an average of at least 24 hours per week to be determined prospectively. If a holiday falls on a day during a participant's normal work shift, that holiday counts as a work shift for purposes of calculating hours. When determining a monthly average, the week that contains the first of the month is counted in the month in which the following Friday falls. Transitional assistance is available for a maximum of 12 months from the date the participant exited the diversionary work program or terminated MFIP cash assistance.

(c) The commissioner shall establish minimal policies and develop forms to verify eligibility for transitional assistance. The commissioner is authorized to change or modify the provisions of this section in order to comply with federal rules or regulations promulgated as a result of federal legislation passed in February 2006.

(d) Expenditures on the transitional assistance program are maintenance of effort state funds. Months in which a participant receives transitional assistance under this section do not count toward the participant's MFIP 60-month time limit.

Sec. 31. Minnesota Statutes 2006, section 256J.626, subdivision 1, is amended to read:

Subdivision 1. **Consolidated fund.** The consolidated fund is established to support counties and tribes in meeting their duties under this chapter. Counties and tribes must use funds from the consolidated fund to develop programs and services that are designed to improve participant outcomes as measured in section 256J.751, subdivision 2. Counties may use the funds for any allowable expenditures under subdivision 2, and to provide case management services to participants of the family stabilization services program. Tribes may use the funds for any allowable expenditures under subdivision 2, except those in subdivision 2, paragraph (a), clauses (1) and (6).

Sec. 32. Minnesota Statutes 2006, section 256J.626, subdivision 2, is amended to read:

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

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

(2) transportation needed to obtain or retain employment or to participate in other approved work activities or activities under a family stabilization plan;

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

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

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

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

(7) services to parenting and pregnant teens;

(8) supported work;

(9) wage subsidies;

(10) child care needed for MFIP ~~or~~ the diversionary work program, or the family stabilization services program participants to participate in social services;

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

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

(13) services to help families participating in the family stabilization services program achieve the greatest possible degree of self-sufficiency.

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

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

Sec. 33. Minnesota Statutes 2006, section 256J.626, subdivision 3, is amended to read:

Subd. 3. **Eligibility for services.** Families with a minor child, a pregnant woman, or a noncustodial parent of a minor child receiving assistance, with incomes below 200 percent of the federal poverty guideline for a family of the applicable size, are eligible for services funded under the consolidated fund. Counties and tribes must give priority to families currently receiving MFIP ~~or~~ the diversionary work program, or the family stabilization services program, and families at risk of receiving MFIP or diversionary work program.

Sec. 34. Minnesota Statutes 2006, section 256J.626, subdivision 4, is amended to read:

Subd. 4. **County and tribal biennial service agreements.** (a) Effective January 1, 2004, and each two-year period thereafter, each county and tribe must have in place an approved biennial service agreement related to the services and programs in this chapter. In counties with a city of the first class with a population over 300,000, the county must consider a service agreement that includes a jointly developed plan for the delivery of employment services with the city. Counties may collaborate to develop multicounty, multitribal, or regional service agreements.

(b) The service agreements will be completed in a form prescribed by the commissioner. The agreement must include:

(1) a statement of the needs of the service population and strengths and resources in the community;

(2) numerical goals for participant outcomes measures to be accomplished during the biennial period. The commissioner may identify outcomes from section 256J.751, subdivision 2, as core outcomes for all counties and tribes;

(3) strategies the county or tribe will pursue to achieve the outcome targets. Strategies must include specification of how funds under this section will be used and may include community partnerships that will be established or strengthened; ~~and~~

(4) strategies the county or tribe will pursue under the family stabilization services program; and

(5) other items prescribed by the commissioner in consultation with counties and tribes.

(c) The commissioner shall provide each county and tribe with information needed to complete an agreement, including: (1) information on MFIP cases in the county or tribe; (2) comparisons with the rest of the state; (3) baseline performance on outcome measures; and (4) promising program practices.

(d) The service agreement must be submitted to the commissioner by October 15, 2003, and October 15 of each second year thereafter. The county or tribe must allow a period of not less than 30 days prior to the submission of the agreement to solicit comments from the public on the contents of the agreement.

(e) The commissioner must, within 60 days of receiving each county or tribal service agreement, inform the county or tribe if the service agreement is approved. If the service agreement is not approved, the commissioner must inform the county or tribe of any revisions needed prior to approval.

(f) The service agreement in this subdivision supersedes the plan requirements of section 116L.88.

Sec. 35. Minnesota Statutes 2006, section 256J.626, subdivision 5, is amended to read:

Subd. 5. **Innovation projects.** Beginning January 1, 2005, no more than \$3,000,000 of the funds annually appropriated to the commissioner for use in the consolidated fund shall be available to the commissioner for projects testing innovative approaches to improving outcomes for MFIP participants, family stabilization services program participants, and persons at risk of receiving MFIP as detailed in subdivision 3, and for providing incentives to counties and tribes that exceed performance. Projects shall be targeted to geographic areas with poor outcomes as specified in section 256J.751, subdivision 5, or to subgroups within the MFIP case load who are experiencing poor outcomes. For purposes of an incentive, a county or tribe exceeds performance if the county or tribe is above the top of the county's or tribe's annualized range of expected performance on the three-year self-support index under section 256J.751, subdivision 2, clause (7), and achieves a 50 percent TANF participation rate under section 256J.751, subdivision 2, clause (7), as averaged across the four quarterly measurements for the most recent year for which the measurements are available.

Sec. 36. Minnesota Statutes 2006, section 256J.626, subdivision 6, is amended to read:

Subd. 6. **Base allocation to counties and tribes; definitions.** (a) For purposes of this section, the following terms have the meanings given.

(1) "2002 historic spending base" means the commissioner's determination of the sum of the reimbursement related to fiscal year 2002 of county or tribal agency expenditures for the base programs listed in clause (6), items (i) through (iv), and earnings related to calendar year 2002 in the base program listed in clause (6), item (v), and the amount of spending in fiscal year 2002 in the base program listed in clause (6), item (vi), issued to or on behalf of persons residing in the county or tribal service delivery area.

(2) "Adjusted caseload factor" means a factor weighted:

(i) 47 percent on the MFIP cases in each county at four points in time in the most recent 12-month period for which data is available multiplied by the county's caseload difficulty factor; and

(ii) 53 percent on the count of adults on MFIP in each county and tribe at four points in time in the most recent 12-month period for which data is available multiplied by the county or tribe's caseload difficulty factor.

(3) "Caseload difficulty factor" means a factor determined by the commissioner for each county and tribe based upon the self-support index described in section 256J.751, subdivision 2, clause (7).

(4) "Initial allocation" means the amount potentially available to each county or tribe based on the formula in paragraphs (b) through (h).

(5) "Final allocation" means the amount available to each county or tribe based on the formula in paragraphs (b) through (h), ~~after adjustment by subdivision 7.~~

(6) "Base programs" means the:

(i) MFIP employment and training services under Minnesota Statutes 2002, section 256J.62, subdivision 1, in effect June 30, 2002;

(ii) bilingual employment and training services to refugees under Minnesota Statutes 2002, section 256J.62, subdivision 6, in effect June 30, 2002;

(iii) work literacy language programs under Minnesota Statutes 2002, section 256J.62, subdivision 7, in effect June 30, 2002;

(iv) supported work program authorized in Laws 2001, First Special Session chapter 9, article 17, section 2, in effect June 30, 2002;

(v) administrative aid program under section 256J.76 in effect December 31, 2002; and

(vi) emergency assistance program under Minnesota Statutes 2002, section 256J.48, in effect June 30, 2002.

(b) The commissioner shall:

(1) beginning July 1, 2003, determine the initial allocation of funds available under this section according to clause (2);

(2) allocate all of the funds available for the period beginning July 1, 2003, and ending December 31, 2004, to each county or tribe in proportion to the county's or tribe's share of the statewide 2002 historic spending base;

(3) determine for calendar year 2005 the initial allocation of funds to be made available under this section in proportion to the county or tribe's initial allocation for the period of July 1, 2003, to December 31, 2004;

(4) determine for calendar year 2006 the initial allocation of funds to be made available under this section based 90 percent on the proportion of the county or tribe's share of the statewide 2002 historic spending base and ten percent on the proportion of the county or tribe's share of the adjusted caseload factor;

(5) determine for calendar year 2007 the initial allocation of funds to be made available under this section based 70 percent on the proportion of the county or tribe's share of the statewide 2002 historic spending base and 30 percent on the proportion of the county or tribe's share of the adjusted caseload factor; and

(6) determine for calendar year 2008 and subsequent years the initial allocation of funds to be made available under this section based 50 percent on the proportion of the county or tribe's share of the statewide 2002 historic spending base and 50 percent on the proportion of the county or tribe's share of the adjusted caseload factor.

(c) With the commencement of a new or expanded tribal TANF program or an agreement under section 256.01, subdivision 2, paragraph (g), in which some or all of the responsibilities of particular counties under this section are transferred to a tribe, the commissioner shall:

(1) in the case where all responsibilities under this section are transferred to a tribal program, determine the percentage of the county's current caseload that is transferring to a tribal program and adjust the affected county's allocation accordingly; and

(2) in the case where a portion of the responsibilities under this section are transferred to a tribal program, the commissioner shall consult with the affected county or counties to determine an appropriate adjustment to the allocation.

~~(d) Effective January 1, 2005, counties and tribes will have their final allocations adjusted based on the performance provisions of subdivision 7.~~

Sec. 37. **[256J.678] INJURY PROTECTION FOR COMMUNITY WORK EXPERIENCE PARTICIPANTS.**

Subdivision 1. **Authority.** The Department of Administration, in consultation with the Department of Human Services, shall contract with an approved insurance carrier to provide coverage for injuries or death resulting from a person's participation in paid and unpaid community work experience programs authorized by the commissioner for persons applying for or receiving DWP, MFIP, or food stamps, and participating in the Minnesota parent's fair share program in a county with an approved community investment program for obligors.

Subd. 2. **Claims.** Claims that are subject to this section must be reported to the insurance carrier in a format approved by the carrier by the department of the state, county agency, or tribal program responsible for supervising the work.

Subd. 3. **Exclusive procedure.** The procedure established by this section is exclusive of all other legal, equitable, and statutory remedies against the state, employees of the state, or the state's political subdivisions. The claimant is not entitled to seek damages from any other state, county, tribal, or reservation insurance policy or self-insurance program.

Subd. 4. **Requirements for worksites.** The department of the state, county agency, or tribal program responsible for supervising the work shall ensure that no participant is assigned to a worksite which is in violation of federal Occupational Safety and Health Administration and state Department of Labor and Industry safety standards or is under investigation to determine if those violations have occurred. All participants must be given the same safety information and training given to a paid employee performing similar work at that worksite.

Sec. 38. Minnesota Statutes 2006, section 256J.751, subdivision 2, is amended to read:

Subd. 2. **Quarterly comparison report.** The commissioner shall report quarterly to all counties on each county's performance on the following measures:

- (1) percent of MFIP caseload working in paid employment;
- (2) percent of MFIP caseload receiving only the food portion of assistance;
- (3) number of MFIP cases that have left assistance;
- (4) median placement wage rate;
- (5) caseload by months of TANF assistance;

(6) percent of MFIP and diversionary work program (DWP) cases off cash assistance or working 30 or more hours per week at one-year, two-year, and three-year follow-up points from a baseline quarter. This measure is called the self-support index. The commissioner shall report quarterly an expected range of performance for each county, county grouping, and tribe on the self-support index. The expected range shall be derived by a statistical methodology developed by the commissioner in consultation with the counties and tribes. The statistical methodology shall control differences across counties in economic conditions and demographics of the MFIP and DWP case load; and

(7) the MFIP TANF work participation rate, defined as the participation requirements specified ~~in title 1 of Public Law 104-193 applied to all MFIP cases except child only cases~~ under Public Law 109-171, the Deficit Reduction Act of 2005.

Sec. 39. Minnesota Statutes 2006, section 256J.751, subdivision 5, is amended to read:

Subd. 5. **Failure to meet federal performance standards.** (a) If sanctions occur for failure to meet the performance standards specified in title 1 of Public Law 104-193 of the Personal Responsibility and Work Opportunity Act of 1996, and under Public Law 109-171, the Deficit Reduction Act of 2005, the state shall pay 88 percent of the sanction. The remaining 12 percent of the sanction will be paid by the counties. The county portion of the sanction will be distributed across all counties in proportion to each county's percentage of the MFIP average monthly caseload during the period for which the sanction was applied.

(b) If a county fails to meet the performance standards specified in title 1 of Public Law 104-193 of the Personal Responsibility and Work Opportunity Act of 1996, and Public Law 109-171, the Deficit Reduction Act of 2005, for any year, the commissioner shall work with counties to organize a joint state-county technical assistance team to work with the county. The commissioner shall coordinate any technical assistance with other departments and agencies including the Departments of Employment and Economic Development and Education as necessary to achieve the purpose of this paragraph.

(c) For state performance measures, a low-performing county is one that:

(1) performs below the bottom of their expected range for the measure in subdivision 2, clause ~~(7)~~ (6), in an annualized measurement reported in October of each year; or

(2) performs below 40 percent for the measure in subdivision 2, clause ~~(8)~~ (7), as averaged across the four quarterly measurements for the year, or the ten counties with the lowest rates if more than ten are below 40 percent.

(d) Low-performing counties under paragraph (c) must engage in corrective action planning as defined by the commissioner. The commissioner may coordinate technical assistance as specified in paragraph (b) for low-performing counties under paragraph (c).

Sec. 40. Minnesota Statutes 2006, section 256J.77, is amended to read:

256J.77 AGING EXPIRATION OF CASH BENEFITS.

Cash benefits under chapters 256D, 256J, and 256K, except food stamp benefits under chapter 256D, by warrants or electronic benefit transfer that have not been accessed within 90 days of issuance shall be canceled. Cash benefits may be replaced after they are canceled, for up to one year after the date of issuance, if failure to do so would place the client or family at risk. For purposes of this section, "accessed" means cashing a warrant or making at least one withdrawal from benefits deposited in an electronic benefit account.

Sec. 41. Minnesota Statutes 2006, section 256J.95, subdivision 3, is amended to read:

Subd. 3. **Eligibility for diversionary work program.** (a) Except for the categories of family units listed below, all family units who apply for cash benefits and who meet MFIP eligibility as required in sections 256J.11 to 256J.15 are eligible and must participate in the diversionary work program. Family units that are not eligible for the diversionary work program include:

(1) child only cases;

(2) a single-parent family unit that includes a child under 12 weeks of age. A parent is eligible for this exception once in a parent's lifetime and is not eligible if the parent has already used the previously allowed child under age one exemption from MFIP employment services;

(3) a minor parent without a high school diploma or its equivalent;

(4) an 18- or 19-year-old caregiver without a high school diploma or its equivalent who chooses to have an employment plan with an education option;

(5) a caregiver age 60 or over;

(6) family units with a caregiver who received DWP benefits in the 12 months prior to the month the family applied for DWP, except as provided in paragraph (c);

(7) family units with a caregiver who received MFIP within the 12 months prior to the month the family unit applied for DWP;

(8) a family unit with a caregiver who received 60 or more months of TANF assistance; and

(9) a family unit with a caregiver who is disqualified from DWP or MFIP due to fraud.

(b) A two-parent family must participate in DWP unless both caregivers meet the criteria for an exception under paragraph (a), clauses (1) through (5), or the family unit includes a parent who meets the criteria in paragraph (a), clause (6), (7), (8), or (9).

(c) Once DWP eligibility is determined, the four months run consecutively. If a participant leaves the program for any reason and reapplies during the four-month period, the county must redetermine eligibility for DWP.

(d) Newly arrived refugees and asylees as defined in Code of Federal Regulations, title 45, chapter IV, section 400.13, who (1) have been assigned to a local refugee resettlement agency, (2) have a case manager, or (3) are enrolled in the federal matching grant program under United States Code, title 8, chapter 12, section 1522, are exempt from participating in the diversionary work program and may enroll directly into the family stabilization services program. Refugees must have the option of being assigned to an agency that has employees who are familiar with their culture, speak their language, and have more than one year of experience in assisting refugees in finding employment.

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

Sec. 42. Minnesota Statutes 2006, section 256J.95, subdivision 13, is amended to read:

Subd. 13. **Immediate referral to employment services.** Within one working day of determination that the applicant is eligible for the diversionary work program, but before benefits are issued to or on behalf of the family unit, the county shall refer all caregivers to employment services. The referral to the DWP employment services must be in writing and must contain the following information:

(1) notification that, as part of the application process, applicants are required to develop an employment plan or the DWP application will be denied;

(2) the employment services provider name and phone number;

~~(3) the date, time, and location of the scheduled employment services interview;~~

~~(4)~~ (3) the immediate availability of supportive services, including, but not limited to, child care, transportation, and other work-related aid; and

~~(5)~~ (4) the rights, responsibilities, and obligations of participants in the program, including, but not limited to, the grounds for good cause, the consequences of refusing or failing to participate fully with program requirements, and the appeal process.

Sec. 43. **MINNESOTA FOOD SUPPORT PROGRAM SIMPLIFIED APPLICATION.**

The Department of Human Services shall create a simplified application for the Minnesota food support program for persons over the age of 60 and persons with disabilities. The application must be no longer than three pages in length.

Sec. 44. **SUPPORTED WORK.**

Funds appropriated to the commissioner under section 45, subdivision 4, must be allocated to counties based on the criteria under this section. Supported work under this section must be modeled after the mental health supported work model, which provides an intensive continuum of employment assistance, including outreach and recruitment, program orientation and intake, testing and assessment, job development and marketing, preworksite training, supported worksite experience, job coaching, and postplacement follow-up in addition to extensive case management and referral services.

A county is eligible to receive an allocation under section 45, subdivision 4, if:

(1) the county is not meeting the federal work participation rate;

(2) the county has participants who are required to perform work activities under Minnesota Statutes, chapter 256J, but are not meeting hourly work requirements; and

(3) the county has assessed participants who have completed six weeks of job search or are required to perform work activities and are not meeting the hourly requirements, and the county has determined that the participant would benefit from working in a supported work environment.

Sec. 45. **APPROPRIATIONS.**

Subdivision 1. **Work study.** \$1,500,000 is appropriated from the TANF reserve account to the Minnesota Office of Higher Education for the biennium beginning July 1, 2007, for work study grants under Minnesota Statutes, section 136A.233, specifically for low-income individuals who receive assistance under Minnesota Statutes, chapter 256J.

Subd. 2. **Car loans and car repairs.** \$3,000,000 is appropriated from the TANF reserve account to the commissioner of human services for the biennium beginning July 1, 2007, for programs that provide car loans and car repairs to individuals who receive assistance under Minnesota Statutes, chapter 256J.

Subd. 3. **Integrated service projects.** \$3,000,000 is appropriated from the TANF reserve account to the commissioner of human services for the biennium beginning July 1, 2007, to fund the integrated services project for MFIP families.

Subd. 4. **Supported work.** \$..... is appropriated from the TANF reserve account to the commissioner of human services for the biennium beginning July 1, 2007, for supported work for MFIP participants. The funds appropriated under this section are specifically for counties that are not meeting the work participation rates and must be allocated according to section 1.

Sec. 46. **REPEALER.**

Minnesota Statutes 2006, sections 256B.0631; 256J.24, subdivision 6; 256J.29; 256J.37, subdivisions 3a and 3b; 256J.626, subdivisions 7 and 9; and 256J.68, are repealed."

Delete the title and insert:

"A bill for an act relating to human services; modifying several MFIP and child care provisions; authorizing subpoena power; modifying eligibility criteria; requiring legislative approval; modifying co-payments; modifying food support benefits; modifying single caregiver employment plans; establishing a family stabilization services program; providing injury protection for community work experience participants; modifying employment assistance; directing the commissioner to simplify the food support program; appropriating money; amending Minnesota Statutes 2006, sections 119B.011, by adding a subdivision; 119B.05, subdivision 1; 119B.09, subdivision 1, by adding a subdivision; 119B.12, subdivision 2, by adding a subdivision; 256.01, subdivision 4; 256.015, subdivision 7; 256.0471, subdivision 1; 256.984, subdivision 1; 256J.01, by adding a subdivision; 256J.02, subdivisions 1, 4; 256J.021; 256J.08, subdivision 65; 256J.20, subdivision 3; 256J.21, subdivision 2; 256J.24, subdivisions 5, 10; 256J.30, subdivision 5; 256J.39, by adding a subdivision; 256J.42, subdivision 1; 256J.425, subdivisions 3, 4; 256J.49, subdivision 13; 256J.521, subdivisions 1, 2, by adding a subdivision; 256J.53, subdivision 2; 256J.531; 256J.55, subdivision 1; 256J.626, subdivisions 1, 2, 3, 4, 5, 6; 256J.751, subdivisions 2, 5; 256J.77; 256J.95, subdivisions 3, 13; proposing coding for new law in Minnesota Statutes, chapters 256D; 256J; repealing Minnesota Statutes 2006, sections 256B.0631; 256J.24, subdivision 6; 256J.29; 256J.37, subdivisions 3a, 3b; 256J.626, subdivisions 7, 9; 256J.68."

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

The report was adopted.

Atkins from the Committee on Commerce and Labor to which was referred:

H. F. No. 712, A bill for an act relating to employee health; establishing the "Safe Patient Handling Act;" requiring safe patient handling programs and committees to be established; requiring training programs on safe patient handling; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 182.

Reported the same back with the following amendments:

Page 2, line 2, delete "January" and insert "July"

Page 3, line 1, delete "January" and insert "July"

Page 3, after line 23, insert:

"Subd. 6. **Enforcement.** This section shall be enforced by the commissioner under section 182.661. A violation of this section is subject to the penalties provided under section 182.666.

Subd. 7. **Grant program.** The commissioner may make grants to health care facilities to acquire safe patient handling equipment and for training on safe patient handling and safe patient handling equipment. Grants to any one facility may not exceed \$40,000. A grant must be matched on a dollar-for-dollar basis by the grantee. The commissioner shall establish a grant application process. The commissioner may give priority for grants to facilities that demonstrate that acquiring safe patient handling equipment will impose a financial hardship on the facility."

Pages 3 to 4, delete sections 4 and 5

Page 4, delete lines 12 to 20 and insert:

"\$2,000,000 is appropriated from the general fund to the commissioner of labor and industry for the fiscal year ending June 30, 2009, for the purpose of making grants under Minnesota Statutes, section 182.6553."

Re-number the sections in sequence

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

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 946, A bill for an act relating to transportation; increasing motor fuel tax rates and providing for annual adjustments; expanding authority of counties to levy wheelage taxes; increasing base tax on passenger automobiles; authorizing counties to impose sales tax for transportation purposes; authorizing cities and counties to impose transportation impact fees; authorizing issuance of state trunk highway bonds for trunk highway improvements; authorizing issuance of state transportation bonds for construction and reconstruction of key local bridges; modifying distribution of county state-aid highway fund; exempting certain criteria from Administrative Procedure Act; making clarifying changes; appropriating money; amending Minnesota Statutes 2006, sections 162.07, subdivision 1, by adding subdivisions; 163.051; 168.013, subdivision 1a; 174.52, subdivision 5; 296A.07, subdivision 3; 296A.08, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 296A; 297A; 426.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

TRANSPORTATION APPROPRIATIONS

Section 1. SUMMARY OF APPROPRIATIONS.

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

	<u>2008</u>	<u>2009</u>	<u>Total</u>
<u>General</u>	<u>\$123,387,000</u>	<u>\$106,734,000</u>	<u>\$230,121,000</u>
<u>Special Revenue</u>	<u>47,950,000</u>	<u>49,038,000</u>	<u>96,988,000</u>
<u>Trunk Highway</u>	<u>1,164,253,000</u>	<u>1,466,021,000</u>	<u>2,630,274,000</u>
<u>Airports</u>	<u>25,524,000</u>	<u>25,592,000</u>	<u>51,116,000</u>
<u>M.S.A.S.</u>	<u>130,521,000</u>	<u>152,066,000</u>	<u>282,587,000</u>

<u>C.S.A.H.</u>	<u>484,975,000</u>	<u>566,506,000</u>	<u>1,051,481,000</u>
<u>H.U.T.D.</u>	<u>8,938,000</u>	<u>9,238,000</u>	<u>18,176,000</u>
<u>Total</u>	<u>\$1,985,548,000</u>	<u>\$2,375,195,000</u>	<u>\$4,360,743,000</u>

Sec. 2. **TRANSPORTATION APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the trunk highway fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2008" and "2009" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. "The first year" is fiscal year 2008. "The second year" is fiscal year 2009. "The biennium" is fiscal years 2008 and 2009. Appropriations for the fiscal year ending June 30, 2007, are effective the day following final enactment.

APPROPRIATIONS
Available for the Year
Ending June 30
2008 **2009**

Sec. 3. **TRANSPORTATION.**

Subdivision 1. **Total appropriation** **\$1,743,337,000** **\$2,143,408,000**

Appropriations by Fund

	<u>2008</u>	<u>2009</u>
<u>General</u>	<u>19,830,000</u>	<u>19,239,000</u>
<u>Trunk Highway</u>	<u>1,082,537,000</u>	<u>1,380,055,000</u>
<u>Airports</u>	<u>25,474,000</u>	<u>25,542,000</u>
<u>C.S.A.H.</u>	<u>484,975,000</u>	<u>566,506,000</u>
<u>M.S.A.S.</u>	<u>130,521,000</u>	<u>152,066,000</u>

(a) This appropriation is to the commissioner of transportation. The amounts that may be spent for each purpose are specified in the following subdivisions.

(b) Of this amount, \$165,385,000 the first year and \$332,750,000 the second year are from additional revenue from changes by this act to the gasoline and special fuels excise taxes, Minnesota Statutes, sections 296A.07, subdivision 3, and 296A.08, subdivision 2.

APPROPRIATIONS	
Available for the Year	
Ending June 30	
2008	2009
<u>19,545,000</u>	<u>19,561,000</u>

Subd. 4. TransitAppropriations by Fund

<u>General</u>	<u>18,812,000</u>	<u>18,814,000</u>
<u>Trunk Highway</u>	<u>733,000</u>	<u>747,000</u>

The commissioner of transportation may spend up to \$5,000,000 from July 1, 2009, through June 30, 2013, in federal transit funds for capital assistance to public transit systems under Minnesota Statutes, section 174.24. This amount is in addition to any appropriations made by law for this purpose.

Subd. 5. Freight

<u>5,337,000</u>	<u>5,431,000</u>
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Appropriations by Fund

<u>General</u>	<u>353,000</u>	<u>360,000</u>
<u>Trunk Highway</u>	<u>4,984,000</u>	<u>5,071,000</u>

Subd. 6. Infrastructure operations and maintenance

<u>245,138,000</u>	<u>277,821,000</u>
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The commissioner of transportation shall reopen when feasible the Culkin safety rest area, located on marked Interstate Highway 35.

Subd. 7. Infrastructure investment support

<u>191,317,000</u>	<u>218,115,000</u>
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(a) \$266,000 the first year and \$266,000 the second year are available for grants to metropolitan planning organizations outside the seven-county metropolitan area.

(b) \$75,000 the first year and \$75,000 the second year are for a transportation research contingent account to finance research projects that are reimbursable from the federal government or from other sources. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(c) \$600,000 the first year and \$600,000 the second year are available for grants for transportation-related activities outside the metropolitan area to identify critical concerns, problems, and issues. These grants are available:

(1) to regional development commissions;

APPROPRIATIONS
Available for the Year
Ending June 30
2008 **2009**

(2) in regions where no regional development commission is functioning, to joint powers boards established under agreement of two or more political subdivisions in the region to exercise the planning functions of a regional development commission; and

(3) in regions where no regional development commission or joint powers board is functioning, to the department's district office for that region.

(d) \$5,000,000 is for a pilot project to demonstrate technologies that will allow for the future replacement of the gas tax with a fuel-neutral mileage charge.

Subd. 8. State road construction

518,599,000

738,585,000

(a) It is estimated that this appropriation will be funded as follows:

Federal Highway

<u>Aid</u>	<u>193,500,000</u>	<u>350,400,000</u>
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Highway User

<u>Taxes</u>	<u>325,099,000</u>	<u>385,185,000</u>
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(b) This appropriation is for the actual construction, reconstruction, and improvement of trunk highways, including design-build contracts and consultant usage to support these activities. This includes the cost of actual payment to landowners for lands acquired for highway rights-of-way, payment to lessees, interest subsidies, and relocation expenses.

(c) The commissioner of transportation shall notify the chair of the Transportation Budget Division of the senate and the chair of the Transportation Finance Division of the house of representatives of any significant events that should cause the estimates in paragraph (a) to change.

(d) \$77,000,000 the second year is a onetime appropriation that is shifted from the first year. It does not subtract from the base appropriation in the first year or add to the base appropriation in the second year.

(e) The commissioner may transfer up to \$15,000,000 each year to the transportation revolving loan fund.

(f) The commissioner may receive money covering other shares of the cost of partnership projects. These receipts are appropriated to the commissioner for these projects.

APPROPRIATIONS	
Available for the Year	
Ending June 30	
2008	2009
<u>57,972,000</u>	<u>75,254,000</u>

Subd. 9. Highway debt service

\$54,312,000 the first year and \$66,175,000 the second year are for transfer to the state bond fund. If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of finance shall notify the Committee on Finance of the senate and the Committee on Ways and Means of the house of representatives of the amount of the deficiency and shall then transfer that amount under the statutory open appropriation. Any excess appropriation cancels to the trunk highway fund.

Subd. 10. Electronic communications5,117,0005,202,000Appropriations by Fund

<u>General</u>	<u>9,000</u>	<u>9,000</u>
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<u>Trunk Highway</u>	<u>5,108,000</u>	<u>5,193,000</u>
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The general fund appropriation is to equip and operate the Roosevelt signal tower for Lake of the Woods weather broadcasting.

Subd. 11. County state-aids484,975,000566,506,000

This appropriation is from the county state-aid highway fund and is available until spent.

Subd. 12. Municipal state-aids130,521,000152,066,000

(a) This appropriation is from the municipal state-aid street fund and is available until spent.

(b) If an appropriation for either county state aids or municipal state aids does not exhaust the balance in the fund from which it is made in the year for which it is made, the commissioner of finance, upon request of the commissioner of transportation, shall notify the chair of the Transportation Finance Division of the house of representatives and the chair of the Transportation Budget Division of the senate of the amount of the remainder and shall then add that amount to the appropriation. The amount added is appropriated for the purposes of county state aids or municipal state aids, as appropriate.

APPROPRIATIONS
Available for the Year
Ending June 30
2008 **2009**

(c) If the appropriation for either county state aids or municipal state aids does exhaust the balance in the fund from which it is made in the year for which it is made, the commissioner of finance shall notify the chair of the Transportation Finance Division of the house of representatives and the chair of the Transportation Budget Division of the senate of the amount by which the appropriation exceeds the balance and shall then reduce that amount from the appropriation.

Subd. 13. Town road sign replacement program

600,000 0

This appropriation is from the general fund to the commissioner of transportation to implement the town road sign replacement program established in Laws 2005, First Special Session chapter 6, article 3, section 89. For the purpose of this appropriation, implementation includes the purchase and installation of new signs. This appropriation may be used to satisfy any local matching requirement for the receipt of federal funds. Designated funds not allocated by July 1, 2009, cancel and revert to the general fund.

Subd. 14. Flexible highway account transfers

The commissioner of finance shall transfer from the flexible account in the county state-aid highway fund \$5,950,000 the first year and \$2,820,000 the second year to the municipal turnback account in the municipal state-aid street fund and \$12,940,000 the first year and \$15,330,000 the second year to the trunk highway fund; and the remainder in each year to the county turnback account in the county state-aid highway fund.

Subd. 15. Department support

40,559,000 41,090,000

Appropriations by Fund

<u>Trunk Highway</u>	<u>40,534,000</u>	<u>41,065,000</u>	
<u>Airports</u>	<u>25,000</u>	<u>25,000</u>	

Subd. 16. Buildings

17,361,000 17,403,000

Appropriations by Fund

<u>General</u>	<u>56,000</u>	<u>56,000</u>	
<u>Trunk Highway</u>	<u>17,305,000</u>	<u>17,347,000</u>	

APPROPRIATIONS
Available for the Year
Ending June 30
2008 **2009**

Subd. 17. **Transfers**

(a) With the approval of the commissioner of finance, the commissioner of transportation may transfer unencumbered balances among the appropriations from the trunk highway fund and the state airports fund made in this section. No transfer may be made from the appropriation for state road construction. No transfer may be made from the appropriations for debt service to any other appropriation. Transfers under this paragraph may not be made between funds. Transfers between programs must be reported immediately to the chair of the Transportation Budget Division of the senate and the chair of the Transportation Finance Committee of the house of representatives.

(b) On or after July 1, 2007, the commissioner of finance shall:

(1) transfer \$4,600,000 from the trunk highway revolving loan account in the transportation revolving loan fund to the trunk highway fund; and

(2) transfer \$1,221,000 from the general fund to the trunk highway fund, to reimburse the fund for transfer of trunk highway land to the city of Mounds View.

Sec. 4. **METROPOLITAN COUNCIL.**

Subdivision 1. **Total appropriation**

\$78,753,000

\$78,753,000

(a) This appropriation is to the metropolitan council from the general fund.

(b) The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Bus transit**

73,453,000

73,453,000

This appropriation is for bus system operations.

Subd. 3. **Rail operations**

5,300,000

5,300,000

(a) This appropriation is for operations of the Hiawatha light rail transit line.

APPROPRIATIONS
Available for the Year
Ending June 30
2008 **2009**

(b) This appropriation is for paying a portion of the Metropolitan Council's 50 percent share of operating costs for the Hiawatha light rail transit line after operating revenue and federal funds are used for light rail transit operations. The remaining 50 percent share of operating costs are to be paid by the Hennepin County Regional Rail Authority, using any or all of these sources:

(1) general tax revenues of Hennepin County;

(2) the authority's reserves; and

(3) taxes levied under Minnesota Statutes, section 398A.04, subdivision 8, notwithstanding any provision in that subdivision that limits amounts that may be levied for light rail transit purposes.

Sec. 5. **PUBLIC SAFETY.**

Subdivision 1. **Total appropriation**

\$145,470,000

\$151,267,000

Appropriations by Fund

	<u>2008</u>	<u>2009</u>
<u>General</u>	<u>7,791,000</u>	<u>7,950,000</u>
<u>Special Revenue</u>	<u>47,950,000</u>	<u>49,038,000</u>
<u>Trunk Highway</u>	<u>80,916,000</u>	<u>85,166,000</u>
<u>H.U.T.D.</u>	<u>8,813,000</u>	<u>9,113,000</u>

(a) This appropriation is to the commissioner of public safety. The amounts that may be spent for each purpose are specified in the following subdivisions.

(b) Of the amount from the general fund, \$133,000 the first year and \$206,000 the second year are for compensation adjustments.

(c) Of the amount from the trunk highway fund, \$4,072,000 the first year and \$6,729,000 the second year are for compensation adjustments.

(d) Of the amount from the special revenue fund, \$57,000 the first year and \$105,000 the second year are for compensation adjustments.

APPROPRIATIONS	
Available for the Year	
Ending June 30	
2008	2009
<u>402,000</u>	<u>417,000</u>

Subd. 2. Office of communicationsAppropriations by Fund

<u>General</u>	<u>39,000</u>	<u>40,000</u>
<u>Trunk Highway</u>	<u>363,000</u>	<u>377,000</u>

Subd. 3. Public safety support

<u>7,942,000</u>	<u>8,122,000</u>
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Appropriations by Fund

<u>General</u>	<u>3,245,000</u>	<u>3,336,000</u>
<u>Trunk Highway</u>	<u>3,331,000</u>	<u>3,420,000</u>
<u>H.U.T.D.</u>	<u>1,366,000</u>	<u>1,366,000</u>

(a) Of the amount from the general fund, \$110,000 the first year is a onetime appropriation and \$28,000 the second year is a onetime appropriation for a security coordinator to coordinate planning efforts for the Republican National Convention.

(b) \$380,000 the first year and \$380,000 the second year are for payment of public safety officer survivor benefits under Minnesota Statutes, section 299A.44. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

(c) \$1,199,000 the first year and \$1,367,000 the second year are to be deposited in the public safety officer's benefit account. This money is available for reimbursements under Minnesota Statutes, section 299A.465.

(d) \$508,000 the first year and \$508,000 the second year are for soft body armor reimbursements under Minnesota Statutes, section 299A.38.

(e) \$792,000 the first year and \$792,000 the second year are appropriated from the general fund for transfer by the commissioner of finance to the trunk highway fund on December 31, 2007, and December 31, 2008, respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts appropriated out of the trunk highway fund for general fund purposes in the administration and related services program.

APPROPRIATIONS
Available for the Year
Ending June 30

	2008	2009
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(b) Of the amount from the trunk highway fund, \$1,335,000 the first year and \$1,335,000 the second year are for fuel costs under this subdivision and subdivision 6.

<u>Subd. 6. Commercial vehicle enforcement</u>	<u>6,945,000</u>	<u>7,196,000</u>
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<u>Subd. 7. Capitol security</u>	<u>2,963,000</u>	<u>3,030,000</u>
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This appropriation is from the general fund.

<u>Subd. 8. Vehicle services</u>	<u>26,032,000</u>	<u>26,609,000</u>
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Appropriations by Fund

<u>Special Revenue</u>	<u>18,696,000</u>	<u>18,973,000</u>
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<u>H.U.T.D.</u>	<u>7,336,000</u>	<u>7,636,000</u>
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(a) The base appropriation from the highway user tax distribution fund is \$7,936,000 for fiscal year 2010 and \$8,236,000 for fiscal year 2011.

(b) The special revenue fund appropriation is from the vehicle services operating account.

(c) Of the amount from the special revenue fund, \$47,000 the first year and \$45,000 the second year are for a driver license and motor vehicle records contract coordinator.

<u>Subd. 9. Driver services</u>	<u>27,940,000</u>	<u>28,712,000</u>
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Appropriations by Fund

<u>Special Revenue</u>	<u>27,939,000</u>	<u>28,711,000</u>
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<u>Trunk Highway</u>	<u>1,000</u>	<u>1,000</u>
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(a) The special revenue fund appropriation is from the driver services operating account.

(b) Of the amount from the special revenue fund, \$25,000 the first year and \$23,000 the second year are for a driver license and motor vehicle records contract coordinator.

APPROPRIATIONS	
Available for the Year	
Ending June 30	
2008	2009
<u>435,000</u>	<u>435,000</u>

Subd. 10. **Traffic safety**

(a) Of this amount, \$111,000 the first year and \$111,000 the second year are for planning and administration of grants from the National Highway Traffic Safety Administration.

(b) The commissioner of public safety shall spend 50 percent of the money available to the state under Public Law 105-206, section 164, and the remaining 50 percent must be transferred to the commissioner of transportation for hazard elimination activities under United States Code, title 23, section 152.

Subd. 11. **Pipeline safety**

<u>1,315,000</u>	<u>1,354,000</u>
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(a) This appropriation is from the pipeline safety account in the special revenue fund.

(b) Of this amount, \$264,000 the first year and \$255,000 the second year are for an increase in funding to carry out the pipeline safety inspection program.

Sec. 6. **GENERAL CONTINGENT ACCOUNTS.**

<u>\$375,000</u>	<u>\$375,000</u>
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Appropriations by Fund

	<u>2008</u>	<u>2009</u>
<u>Airports</u>	<u>50,000</u>	<u>50,000</u>
<u>Trunk Highway</u>	<u>200,000</u>	<u>200,000</u>
<u>H.U.T.D.</u>	<u>125,000</u>	<u>125,000</u>

(a) The appropriations in this section may only be spent with the approval of the governor after consultation with the Legislative Advisory Commission under Minnesota Statutes, section 3.30.

(b) If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Sec. 7. **TORT CLAIMS.**

<u>\$600,000</u>	<u>\$600,000</u>
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(a) This appropriation is to the commissioner of finance.

(b) If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 8. **CONTINGENT TRUNK HIGHWAY APPROPRIATION.**

The commissioner of transportation, with the approval of the governor after review by the Legislative Advisory Commission under Minnesota Statutes, section 3.30, may transfer all or part of the unappropriated balance in the trunk highway fund to an appropriation (1) for trunk highway design, construction, or inspection in order to take advantage of an unanticipated receipt of income to the trunk highway fund or to take advantage of federal advanced construction funding, (2) for trunk highway maintenance in order to meet an emergency, or (3) to pay tort or environmental claims. Any transfer as a result of the use of federal advanced construction funding must include an analysis of the effects on the long-term trunk highway fund balance. The amount transferred is appropriated for the purpose of the account to which it is transferred.

Sec. 9. **USE OF STATE ROAD CONSTRUCTION APPROPRIATIONS.**

Any money appropriated to the commissioner of transportation for state road construction for any fiscal year before fiscal year 2008 is available to the commissioner during fiscal years 2008 and 2009 to the extent that the commissioner spends the money on the state road construction project for which the money was originally encumbered during the fiscal year for which it was appropriated. The commissioner of transportation shall report to the commissioner of finance by August 1, 2007, and August 1, 2008, on a form the commissioner of finance provides, on expenditures made during the previous fiscal year that are authorized by this section.

Sec. 10. **EFFECTIVE DATE.**

Except as specifically provided otherwise, this article is effective July 1, 2007.

ARTICLE 2

TRUNK HIGHWAY BONDS

Section 1. **TRUNK HIGHWAY BOND APPROPRIATIONS.**

The sums shown in the column under "APPROPRIATIONS" are appropriated from the bond proceeds account in the trunk highway 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 XIV.

SUMMARY

<u>Transportation</u>	<u>\$1,000,000,000</u>
<u>Bond Sale Expenses</u>	<u>\$1,000,000</u>
<u>TOTAL</u>	<u>\$1,001,000,000</u>

APPROPRIATIONS

Sec. 2. **TRANSPORTATION.** **\$1,000,000,000**

(a) \$100,000,000 is appropriated on the first day of fiscal years 2008 to 2017 to the commissioner of transportation, for the actual construction, reconstruction, and improvement of trunk highways. This includes the cost of actual payments to landowners for lands acquired for highway rights-of-way, payments to lessees, interest subsidies, and relocation expenses.

APPROPRIATIONS

(b) The commissioner of transportation may use up to \$170,000,000 of this appropriation for program delivery.

(c) The commissioner shall use at least \$50,000,000 of this appropriation for accelerating transit facility improvements on or adjacent to trunk highways.

Sec. 3. **BOND SALE EXPENSES.**

\$1,000,000

This appropriation is to the commissioner of finance for bond sale expenses under Minnesota Statutes, sections 16A.641, subdivision 8, and 167.50, subdivision 4.

Sec. 4. **BOND SALE AUTHORIZATION.**

To provide the money appropriated in this article from the bond proceeds account in the trunk highway fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$1,001,000,000 in the manner, on the terms, and with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota Constitution, article XIV, section 11, at the times and in the amount requested by the commissioner of transportation. The proceeds of the bonds, except accrued interest and any premium received from the sale of the bonds, must be deposited in the bond proceeds account in the trunk highway fund.

Sec. 5. **EFFECTIVE DATE.**

Except as specifically provided otherwise, this article is effective July 1, 2007.

ARTICLE 3

HIGHWAY USER TAXES

Section 1. Minnesota Statutes 2006, section 16A.88, is amended to read:

16A.88 TRANSIT FUNDS ASSISTANCE FUND.

Subdivision 1. **Transit assistance fund.** A transit assistance fund is established within the state treasury. The fund receives money distributed under section 297B.09, subdivision 1, and other money as specified by law. Money in the fund must be allocated to the greater Minnesota transit account under subdivision 2 and the metropolitan area transit account under subdivision 3 in the manner specified, and must be used solely for transit purposes under the Minnesota Constitution, article XIV, section 13.

Subd. 1a. Greater Minnesota transit fund account. The greater Minnesota transit fund account is established within the transit assistance fund in the state treasury. Money in the fund account is annually appropriated to the commissioner of transportation for assistance to transit systems outside the metropolitan area under section 174.24. Beginning in fiscal year 2003, The commissioner may use up to \$400,000 each year \$408,000 in fiscal year 2008 and \$416,000 in fiscal year 2009 and thereafter for administration of the transit program. The commissioner shall use the fund account for transit operations as provided in section 174.24 and related program administration.

Subd. 2. **Metropolitan area transit fund account.** The metropolitan area transit ~~fund~~ account is established within the transit assistance fund in the state treasury. All money in the fund account is annually appropriated to the Metropolitan Council for the funding of transit systems within the metropolitan area under sections 473.384, 473.386, 473.387, 473.388, and 473.405 to 473.449.

~~Subd. 3. **Metropolitan area transit appropriation account.** The metropolitan area transit appropriation account is established within the general fund. Money in the account is to be used for the funding of transit systems in the metropolitan area, subject to legislative appropriation.~~

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

Sec. 2. Minnesota Statutes 2006, section 168.013, subdivision 1a, is amended to read:

Subd. 1a. **Passenger automobile; hearse.** (a) On passenger automobiles as defined in section 168.011, subdivision 7, and hearses, except as otherwise provided, the tax shall be \$10 plus an additional tax equal to 1.25 percent of the base value.

(b) Subject to the classification provisions herein, "base value" means the manufacturer's suggested retail price of the vehicle including destination charge using list price information published by the manufacturer or determined by the registrar if no suggested retail price exists, and shall not include the cost of each accessory or item of optional equipment separately added to the vehicle and the suggested retail price.

(c) If the manufacturer's list price information contains a single vehicle identification number followed by various descriptions and suggested retail prices, the registrar shall select from those listings only the lowest price for determining base value.

(d) If unable to determine the base value because the vehicle is specially constructed, or for any other reason, the registrar may establish such value upon the cost price to the purchaser or owner as evidenced by a certificate of cost but not including Minnesota sales or use tax or any local sales or other local tax.

(e) The registrar shall classify every vehicle in its proper base value class as follows:

FROM	TO
\$0	\$199.99
200	399.99

and thereafter a series of classes successively set in brackets having a spread of \$200 consisting of such number of classes as will permit classification of all vehicles.

(f) The base value for purposes of this section shall be the middle point between the extremes of its class.

(g) The registrar shall establish the base value, when new, of every passenger automobile and hearse registered prior to the effective date of Extra Session Laws 1971, chapter 31, using list price information published by the manufacturer or any nationally recognized firm or association compiling such data for the automotive industry. If unable to ascertain the base value of any registered vehicle in the foregoing manner, the registrar may use any other available source or method. The registrar shall calculate tax using base value information available to dealers and deputy registrars at the time the application for registration is submitted. The tax on all previously registered vehicles shall be computed upon the base value thus determined taking into account the depreciation provisions of paragraph (h).

(h) The annual additional tax computed upon the base value as provided herein, during the first ~~and second years~~ year of vehicle life shall be computed upon 100 percent of the base value; for the second year, 80 percent of such value; for the third ~~and fourth years~~ year, 90 70 percent of such value; for the fourth year, 60 percent of such value; for the fifth ~~and sixth years~~ year, 75 50 percent of such value; for the sixth year, 40 percent of such value; for the seventh year, ~~60 35~~ percent of such value; for the eighth year, ~~40 30~~ percent of such value; for the ninth year, ~~30 20~~ percent of such value; for the tenth year, ten percent of such value; for the 11th and each succeeding year, the sum of \$25.

In no event shall the annual additional tax be less than \$25. ~~The total tax under this subdivision shall not exceed \$189 for the first renewal period and shall not exceed \$99 for subsequent renewal periods. The total tax under this subdivision on any vehicle filing its initial registration in Minnesota in the second year of vehicle life shall not exceed \$189 and shall not exceed \$99 for subsequent renewal periods. The total tax under this subdivision on any vehicle filing its initial registration in Minnesota in the third or subsequent year of vehicle life shall not exceed \$99 and shall not exceed \$99 in any subsequent renewal period.~~ The annual additional tax under this paragraph must not exceed the annual additional tax that was previously paid or due on that vehicle.

~~(i) As used in this subdivision and section 168.017, the following terms have the meanings given: "initial registration" means the 12 consecutive months calendar period from the day of first registration of a vehicle in Minnesota; and "renewal periods" means the 12 consecutive calendar months periods following the initial registration period.~~

Sec. 3. Minnesota Statutes 2006, section 168.017, subdivision 3, is amended to read:

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

(1) the application is an original rather than renewal application; or

(2) the applicant is a licensed motor vehicle lessor under section 168.27, in which case the applicant may apply for initial or renewed registration of a vehicle for a period of four or more months, the month of expiration to be designated by the applicant at the time of registration. However, to qualify for this exemption, the applicant must present the application to the registrar at St. Paul, or at deputy registrar offices as the registrar may designate.

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

(c) As used in this subdivision, the following terms have the meanings given:

(1) "initial registration" means the 12 consecutive months calendar period from the day of first registration of a vehicle in Minnesota; and

(2) "renewal periods" means the 12 consecutive calendar months periods following the initial registration period.

Sec. 4. Minnesota Statutes 2006, section 296A.07, subdivision 3, is amended to read:

Subd. 3. **Rate of tax.** The gasoline excise tax is imposed at the following rates:

(1) E85 is taxed at the rate of ~~14.2~~ 17.75 cents per gallon, and 21.3 cents per gallon after May 31, 2008;

(2) M85 is taxed at the rate of ~~11.4~~ 14.25 cents per gallon, and 17.1 cents per gallon after May 31, 2008; and

(3) all other gasoline is taxed at the rate of ~~20~~ 25 cents per gallon, and 30 cents per gallon after May 31, 2008.

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

Sec. 5. Minnesota Statutes 2006, section 296A.08, subdivision 2, is amended to read:

Subd. 2. **Rate of tax.** The special fuel excise tax is imposed at the following rates:

(a) Liquefied petroleum gas or propane is taxed at the rate of ~~15~~ 18.75 cents per gallon, and 22.5 cents per gallon after May 31, 2008.

(b) Liquefied natural gas is taxed at the rate of ~~12~~ 15 cents per gallon, and 18 cents per gallon after May 31, 2008.

(c) Compressed natural gas is taxed at the rate of ~~\$1.739~~ \$2.174 per thousand cubic feet, or 20 25 cents per gasoline equivalent, and \$2.609 per thousand cubic feet, or 30 cents per gasoline equivalent after May 31, 2008. For purposes of this paragraph, "gasoline equivalent," as defined by the National Conference on Weights and Measures, ~~which~~ is 5.66 pounds of natural gas.

(d) All other special fuel is taxed at the same rate as the gasoline excise tax as specified in section 296A.07, subdivision 2. The tax is payable in the form and manner prescribed by the commissioner.

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

Sec. 6. Minnesota Statutes 2006, section 297B.09, subdivision 1, is amended to read:

Subdivision 1. **Deposit of revenues.** (a) Money collected and received under this chapter must be deposited as provided in this subdivision.

~~(b) From July 1, 2002, to June 30, 2003, 32 percent of the money collected and received must be deposited in the highway user tax distribution fund, 20.5 percent must be deposited in the metropolitan area transit fund under section 16A.88, and 1.25 percent must be deposited in the greater Minnesota transit fund under section 16A.88. The remaining money must be deposited in the general fund.~~

~~(c) From July 1, 2003, to June 30, 2007, 30 percent of the money collected and received must be deposited in the highway user tax distribution fund, 21.5 percent must be deposited in the metropolitan area transit fund under section 16A.88, 1.43 percent must be deposited in the greater Minnesota transit fund under section 16A.88, 0.65 percent must be deposited in the county state aid highway fund, and 0.17 percent must be deposited in the municipal state aid street fund. The remaining money must be deposited in the general fund.~~

~~(d) On and after July 1, 2007, 32 percent of the money collected and received must be deposited in the highway user tax distribution fund, 20.5 percent must be deposited in the metropolitan area transit fund under section 16A.88, and 1.25 percent must be deposited in the greater Minnesota transit fund under section 16A.88. The remaining money must be deposited in the general fund.~~

(b) From July 1, 2007, through June 30, 2008, 38.25 percent must be deposited in the highway user tax distribution fund, 23 percent must be deposited in the metropolitan area transit account, and 2.5 percent must be deposited in the greater Minnesota transit account. The remaining money must be deposited in the general fund.

(c) From July 1, 2008, through June 30, 2009, 44.25 percent must be deposited in the highway user tax distribution fund, 26.75 percent must be deposited in the metropolitan area transit account, and 2.75 percent must be deposited in the greater Minnesota transit account. The remaining money must be deposited in the general fund.

(d) From July 1, 2009, through June 30, 2010, 50.25 percent must be deposited in the highway user tax distribution fund, 30.5 percent must be deposited in the metropolitan area transit account, and three percent must be deposited in the greater Minnesota transit account. The remaining money must be deposited in the general fund.

(e) From July 1, 2010, through June 30, 2011, 56.25 percent must be deposited in the highway user tax distribution fund, 34.25 percent must be deposited in the metropolitan area transit account, and 3.25 percent must be deposited in the greater Minnesota transit account. The remaining money must be deposited in the general fund.

(f) On and after July 1, 2011, 60 percent must be deposited in the highway user tax distribution fund, 36.5 percent must be deposited in the metropolitan area transit account, and 3.5 percent must be deposited in the greater Minnesota transit account.

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

Sec. 7. Minnesota Statutes 2006, section 473.446, subdivision 1, is amended to read:

Subdivision 1. **Metropolitan area transit tax.** (a) For the purposes of sections 473.405 to 473.449 and the metropolitan transit system, except as otherwise provided in this subdivision, the council shall levy each year upon all taxable property within the metropolitan area, defined in section 473.121, subdivision 2, a transit tax consisting of:

(1) an amount necessary to provide full and timely payment of certificates of indebtedness, bonds, including refunding bonds or other obligations issued or to be issued under section 473.39 by the council for purposes of acquisition and betterment of property and other improvements of a capital nature and to which the council has specifically pledged tax levies under this clause; and

(2) an additional amount necessary to provide full and timely payment of certificates of indebtedness issued by the council, after consultation with the commissioner of finance, if revenues to the metropolitan area transit ~~fund~~ account in the fiscal year in which the indebtedness is issued increase over those revenues in the previous fiscal year by a percentage less than the percentage increase for the same period in the revised Consumer Price Index for all urban consumers for the St. Paul-Minneapolis metropolitan area prepared by the United States Department of Labor.

(b) Indebtedness to which property taxes have been pledged under paragraph (a), clause (2), that is incurred in any fiscal year may not exceed the amount necessary to make up the difference between (1) the amount that the council received or expects to receive in that fiscal year from the metropolitan area transit ~~fund~~ account and (2) the amount the council received from that fund in the previous fiscal year multiplied by the percentage increase for the same period in the revised Consumer Price Index for all urban consumers for the St. Paul-Minneapolis metropolitan area prepared by the United States Department of Labor.

Sec. 8. **EFFECTIVE DATE.**

Except as specifically provided otherwise, this article is effective July 1, 2007.

ARTICLE 4

COUNTY STATE-AID HIGHWAY FUND DISTRIBUTION

Section 1. Minnesota Statutes 2006, section 162.06, is amended to read:

162.06 ACCRUALS TO COUNTY STATE-AID HIGHWAY FUND; ACCOUNTS.

Subdivision 1. **Estimate.** (a) By December 15 of each year the commissioner shall estimate the amount of money that will be available to the county state-aid highway fund during that fiscal year. The amount available must be based on actual receipts from July 1 through November 30, the unallocated fund balance, and the projected receipts for the remainder of the fiscal year. ~~The total amount available, except for deductions as provided herein,~~ shall be apportioned by the commissioner to the counties as ~~hereinafter~~ provided in section 162.07.

(b) For purposes of this section, the apportionment sum is the amount calculated in section 162.07, subdivision 1.

Subd. 2. **Administrative costs of department.** Two percent must be deducted from the ~~total amount available in the county state-aid highway fund~~ apportionment sum, set aside in a separate account, and used for administrative costs incurred by the state Transportation Department in carrying out the provisions relating to the county state-aid highway system.

Subd. 3. **Disaster account.** (a) After deducting administrative costs as provided in subdivision 2, the commissioner shall set aside each year ~~a sum of money equal to~~ one percent of the ~~remaining money in the county state-aid highway fund~~ apportionment sum to provide for a disaster account; provided that the total amount of money in the disaster account must never exceed two percent of the total sums to be apportioned to the counties. ~~This sum. The money~~ must be used to provide aid to any county encountering disasters or unforeseen events affecting its county state-aid highway system, and resulting in an undue and burdensome financial hardship.

(b) Any county desiring aid by reason of disaster or unforeseen event shall request the aid in the form required by the commissioner. Upon receipt of the request, the commissioner shall appoint a board consisting of two representatives of the counties, who must be either a county engineer or member of a county board, from counties other than the requesting county, and a representative of the commissioner. The board shall investigate the matter and report its findings and recommendations in writing to the commissioner.

(c) Final determination of the amount of aid, if any, to be paid to the county from the disaster account must be made by the commissioner. Upon determining to aid a requesting county, the commissioner shall certify to the commissioner of finance the amount of the aid, and the commissioner of finance shall then issue a warrant in that amount payable to the county treasurer of the county. Money so paid must be expended on the county state-aid highway system in accordance with the rules of the commissioner.

Subd. 4. **Research account.** (a) Each year the screening board, provided for in section 162.07, subdivision 5, may recommend to the commissioner a sum of money that the commissioner shall set aside from the ~~county state-aid highway fund~~ apportionment sum and credit to a research account. The amount so recommended and set aside shall not exceed one-half of one percent of the preceding year's apportionment sum.

(b) Any money so set aside shall be used by the commissioner for the purpose of:

(1) conducting research for improving the design, construction, maintenance and environmental compatibility of state-aid highways and appurtenances;

(2) constructing research elements and reconstructing or replacing research elements that fail; and

(3) conducting programs for implementing and monitoring research results.

(c) Any balance remaining in the research account at the end of each year from the sum set aside for the year immediately previous, shall be transferred to the county state-aid highway fund.

Subd. 5. **State park road account.** After deducting for administrative costs and for the disaster account and research account as heretofore provided from the remainder of the total sum provided for in subdivision 1, there shall be deducted provided in this section, the commissioner shall deduct a sum equal to the three-quarters of one percent of the remainder apportionment sum. The sum so deducted shall be set aside in a separate account and shall be used for (1) the establishment, location, relocation, construction, reconstruction, and improvement of those roads included in the county state-aid highway system under Minnesota Statutes 1961, section 162.02, subdivision 6, which border and provide substantial access to an outdoor recreation unit as defined in section 86A.04 or which provide access to the headquarters of or the principal parking lot located within such a unit, and (2) the reconstruction, improvement, repair, and maintenance of county roads, city streets, and town roads that provide access to public lakes, rivers, state parks, and state campgrounds. Roads described in clause (2) are not required to meet county state-aid highway standards. At the request of the commissioner of natural resources the counties wherein such roads are located shall do such work as requested in the same manner as on any county state-aid highway and shall be reimbursed for such construction, reconstruction, or improvements from the amount set aside by this subdivision. Before requesting a county to do work on a county state-aid highway as provided in this subdivision, the commissioner of natural resources must obtain approval for the project from the County State-Aid Screening Board. The screening board, before giving its approval, must obtain a written comment on the project from the county engineer of the county requested to undertake the project. Before requesting a county to do work on a county road, city street, or a town road that provides access to a public lake, a river, a state park, or a state campground, the commissioner of natural resources shall obtain a written comment on the project from the county engineer of the county requested to undertake the project. Any sums paid to counties or cities in accordance with this subdivision shall reduce the money needs of said counties or cities in the amounts necessary to equalize their status with those counties or cities not receiving such payments. Any balance of the amount so set aside, at the end of each year shall be transferred to the county state-aid highway fund.

Subd. 6. **County state-aid highway revolving loan account.** A county state-aid highway revolving loan account is created in the transportation revolving loan fund. The commissioner may transfer to the account the amount allocated under section 162.065. Money in the account may be used to make loans. Funds in the county state-aid highway revolving loan account may be used only for aid in the construction, improvement, and maintenance of county state-aid highways. Funds in the account may not be used for any toll facilities project or congestion-pricing project. Repayments and interest from loans from the county state-aid highway revolving loan account must be credited to that account. Money in the account is annually appropriated to the commissioner and does not lapse. Interest earned from investment of money in this account must be deposited in the county state-aid highway revolving loan account.

Sec. 2. Minnesota Statutes 2006, section 162.07, subdivision 1, is amended to read:

Subdivision 1. **Formula Apportionment sum.** ~~After deducting for administrative costs and for the disaster account and research account and state park roads as heretofore provided, the remainder of the total sum provided for in section 162.06, subdivision 1, shall be identified as the apportionment sum and shall be apportioned by the commissioner to the several counties on the basis of the needs of the counties as determined in accordance with the following formula:~~

(a) The commissioner shall reduce the apportionment sum by the deductions provided for in section 162.06 for administrative costs, disaster account, research account, and state park road account. The commissioner shall apportion the remainder to the several counties on the basis of the needs of the counties, as provided in paragraphs (b) to (e).

~~(b)~~ (b) An amount equal to ten percent of the apportionment sum shall be apportioned equally among the 87 counties.

~~(b)~~ (c) An amount equal to ten percent of the apportionment sum shall be apportioned among the several counties so that each county shall receive of such amount the percentage that its motor vehicle registration for the calendar year preceding the one last past, determined by residence of registrants, bears to the total statewide motor vehicle registration.

~~(c)~~ (d) An amount equal to 30 percent of the apportionment sum shall be apportioned among the several counties so that each county shall receive of such amount the percentage that its total lane-miles of approved county state-aid highways bears to the total lane-miles of approved statewide county state-aid highways. In 1997 and subsequent years no county may receive, as a result of an apportionment under this clause based on lane-miles rather than miles of approved county state-aid highways, an apportionment that is less than its apportionment in 1996.

~~(d)~~ (e) An amount equal to 50 percent of the apportionment sum shall be apportioned among the several counties so that each county shall receive of such amount the percentage that its money needs bears to the sum of the money needs of all of the individual counties; provided, that the percentage of such amount that each county is to receive shall be adjusted so that each county shall receive in 1958 a total apportionment at least ten percent greater than its total 1956 apportionments from the state road and bridge fund; and provided further that those counties whose money needs are thus adjusted shall never receive a percentage of the apportionment sum less than the percentage that such county received in 1958.

Sec. 3. Minnesota Statutes 2006, section 162.07, is amended by adding a subdivision to read:

Subd. 1a. **Apportionment sum and excess sum.** (a) For purposes of this subdivision, "amount available" means the amount identified in section 162.06, subdivision 1.

(b) The apportionment sum is calculated by subtracting the excess sum, as calculated in paragraph (c), from the amount available.

(c) The excess sum is calculated as the sum of revenue within the amount available:

(1) attributed to that portion of the gasoline excise tax rate in excess of 20 cents per gallon, and to that portion of the excise tax rate for E85, M85, and special fuels in excess of the energy equivalent of a gasoline tax rate of 20 cents per gallon;

(2) attributed to a change in the passenger vehicle registration tax under section 168.013, imposed on or after July 1, 2007, that exceeds the amount collected in fiscal year 2007 multiplied by the annual average United States Consumer Price Index for all urban consumers, United States city average, as determined by the United States Department of Labor for the previous year, divided by the annual average for calendar year 2006; and

(3) attributed to that portion of the motor vehicle sales tax revenue in excess of the percentage allocated in fiscal year 2007.

Sec. 4. Minnesota Statutes 2006, section 162.07, is amended by adding a subdivision to read:

Subd. 1c. **Excess sum.** The commissioner shall apportion the excess sum to the several counties on the basis of the needs of the counties, as provided in paragraphs (a) and (b).

(a) An amount equal to 40 percent must be apportioned among the several counties so that each county receives of that amount the percentage that its motor vehicle registration for the calendar year preceding the one last past, determined by residence of registrants, bears to the total statewide motor vehicle registration.

(b) An amount equal to 60 percent must be apportioned among the several counties so that each county receives of that amount the percentage that its money needs bears to the sum of the money needs of all of the individual counties.

Sec. 5. **INSTRUCTION TO REVISOR.**

The revisor of statutes shall renumber Minnesota Statutes 2006, section 162.07, subdivision 1, as subdivision 1b.

Sec. 6. **EFFECTIVE DATE.**

Except as specifically provided otherwise, this article is effective July 1, 2007.

ARTICLE 5

LOCAL OPTION TAXES

Section 1. Minnesota Statutes 2006, section 161.04, is amended by adding a subdivision to read:

Subd. 5. **Highway spending in metropolitan transportation area.** In any year during which taxes authorized in section 297A.992, subdivision 2, are imposed, and exclusive of the expenditure of these revenues, the percentage of total trunk highway fund expenditures attributable to projects in the metropolitan transportation area, within the meaning of section 297A.992, subdivision 1, may not decrease more than two percentage points from the average of the previous five years of trunk highway fund metropolitan transportation area expenditures.

Sec. 2. Minnesota Statutes 2006, section 163.051, is amended to read:

163.051 METROPOLITAN COUNTY WHEELAGE TAX.

Subdivision 1. **Tax authorized.** The board of commissioners of each ~~metropolitan~~ county is authorized to levy by resolution a wheelage tax of \$5 for the year 1972 and each subsequent year thereafter by resolution \$20 each year on each motor vehicle, ~~except motorcycles as defined in section 169.01, subdivision 4, which is kept in such county when not in operation and which is that is domiciled in the county and~~ subject to annual registration and taxation under chapter 168. A wheelage tax does not apply to motorcycles as defined in section 169.01, subdivision 4, and motor vehicles registered under section 168.013, subdivision 1e, with a total gross weight of 26,001 pounds or greater. The board may provide by resolution for collection of the wheelage tax by county officials or ~~it may request that the tax be collected~~ by the state registrar of motor vehicles, and the ~~state registrar of motor vehicles~~ shall collect ~~such the~~ tax on behalf of the county if ~~requested, as provided in subdivision 2~~ provided in the board resolution.

Subd. 2. **Collection by registrar of motor vehicles.** The wheelage tax levied by any ~~metropolitan~~ county, if made collectible by the ~~state registrar of motor vehicles~~, shall be certified by the county auditor to the registrar not later than August 1 in the year before ~~the a~~ calendar year ~~or years~~ for which the tax is levied, and the registrar shall collect ~~such the~~ tax with the ~~motor vehicle taxes~~ registration tax on ~~the each~~ affected ~~vehicles~~ vehicle for ~~such that~~ year ~~or years~~. ~~Every An~~ owner ~~and every operator~~ of ~~such a~~ motor vehicle subject to the wheelage tax shall furnish ~~to the registrar~~ all information requested by the registrar relating to the wheelage tax. ~~No state motor A~~ vehicle registration tax ~~on any such motor vehicle for any such year shall~~ may not be received or deemed paid unless the applicable wheelage tax is paid therewith. ~~The proceeds of the wheelage tax levied by any metropolitan county, less any amount retained by the registrar to pay costs of collection of the wheelage tax, shall be paid to the commissioner of finance and deposited in the state treasury to the credit of the county wheelage tax fund of each metropolitan county.~~

Subd. 2a. **Tax proceeds deposited; costs of collection; appropriation.** Notwithstanding ~~the provisions of any other law, the state registrar of motor vehicles shall deposit the proceeds of the wheelage tax imposed by subdivision 2, to the credit of the county wheelage tax road and bridge fund of each metropolitan county that levies the wheelage tax.~~ The amount necessary to pay the costs of ~~collection of said~~ collecting the tax is appropriated to the registrar from the county wheelage tax road and bridge fund of each metropolitan county to the state registrar of motor vehicles that levies the tax.

Subd. 3. **Distribution to metropolitan county; appropriation.** ~~On or before April 1 in 1972 and each subsequent year, the commissioner of finance shall issue a warrant in favor of the treasurer of each metropolitan county for which the registrar has collected a wheelage tax in the amount of such tax then on hand in the county wheelage tax fund. There is hereby appropriated from the county wheelage tax fund each year, to each metropolitan county entitled to payments authorized by this section, sufficient moneys to make such payments.~~

Subd. 4. **Use of tax.** ~~The treasurer of each metropolitan county receiving moneys under subdivision 3 shall deposit such moneys in the county road and bridge fund. The moneys shall be used for purposes authorized by law which are highway purposes within the meaning of the Minnesota Constitution, article 14.~~

Subd. 5. **Effect on road and bridge levy.** ~~The county auditor of each metropolitan county shall reduce the amount of the property taxes levied pursuant to law in 1973 for collection in 1974, by the board of commissioners of such county for the county road and bridge fund, by the following amount: Anoka County, \$341,750; Carver County, \$86,725; Dakota County, \$386,165; Hennepin County, \$2,728,425; Ramsey County, \$1,276,815; Scott County, \$104,805; Washington County, \$227,220, and shall spread only the balance thereof on the tax rolls for collection in 1972. The county auditor shall also reduce the amount of such taxes levied pursuant to law in 1972 and any subsequent year, for collection in the respective ensuing years, by the amount of wheelage taxes received by the county in the 12 months immediately preceding such levy.~~

Subd. 6. **Metropolitan county defined.** ~~"Metropolitan county" means any of the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.~~

Subd. 7. **Offenses; penalties; application of other laws.** Any owner or operator of a motor vehicle who shall willfully ~~give any~~ gives false information relative to the wheelage tax ~~herein authorized to the registrar of motor vehicles or any metropolitan county, or who shall willfully fail fails or refuse refuses to furnish any such information, shall be is~~ guilty of a misdemeanor. Except as otherwise ~~herein provided in this section, the~~ collection and payment of a wheelage tax and all related matters ~~relating thereto shall be are~~ subject to ~~all provisions of law laws~~ relating to collection and payment of motor vehicle taxes so far as applicable.

Sec. 3. Minnesota Statutes 2006, section 168.011, subdivision 6, is amended to read:

Subd. 6. **Tax.** "Tax" means the annual registration tax imposed on vehicles in lieu of all other taxes, except wheelage taxes which may be imposed by any city or county, and gross earnings taxes paid by companies. The annual tax is both a property tax and a highway use tax and shall be on the basis of the calendar year.

Sec. 4. Minnesota Statutes 2006, section 168.013, subdivision 1, is amended to read:

Subdivision 1. **Imposition.** Motor vehicles, except as set forth in section 168.012, using the public streets or highways in the state, and park trailers taxed under subdivision 1j, shall be taxed in lieu of all other taxes thereon, except wheelage taxes, ~~so-called,~~ which may be imposed by any city or county as provided by law, and except gross earnings taxes paid by companies subject or made subject thereto, and shall be privileged to use the public streets and highways, on the basis and at the rate for each calendar year as hereinafter provided.

Sec. 5. Minnesota Statutes 2006, section 297A.94, is amended to read:

297A.94 DEPOSIT OF REVENUES.

(a) Except as provided in this section, the commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed by this chapter in the state treasury and credit them to the general fund.

(b) The commissioner shall deposit taxes in the Minnesota agricultural and economic account in the special revenue fund if:

(1) the taxes are derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project; and

(2) the purchase was made on or after the date on which a conditional commitment was made for a loan guaranty for the project under section 41A.04, subdivision 3.

The commissioner of finance shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account must be reduced by any refunds and by the costs incurred by the Department of Revenue to administer and enforce the assessment and collection of the taxes.

(c) The commissioner shall deposit the revenues, including interest and penalties, derived from the taxes imposed on sales and purchases included in section 297A.61, subdivision 3, paragraph (g), clauses (1) and (4), in the state treasury, and credit them as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance to the general fund.

(d) The commissioner shall deposit the revenues, including interest and penalties, collected under section 297A.64, subdivision 5, in the state treasury and credit them to the general fund. By July 15 of each year the commissioner shall transfer to the highway user tax distribution fund an amount equal to the excess fees collected under section 297A.64, subdivision 5, for the previous calendar year.

(e) For fiscal year 2001, 97 percent; for fiscal years 2002 and 2003, 87 percent; and for fiscal year 2004 and thereafter, 72.43 percent of the revenues, including interest and penalties, transmitted to the commissioner under section 297A.65, must be deposited by the commissioner in the state treasury as follows:

(1) 50 percent of the receipts must be deposited in the heritage enhancement account in the game and fish fund, and may be spent only on activities that improve, enhance, or protect fish and wildlife resources, including conservation, restoration, and enhancement of land, water, and other natural resources of the state;

(2) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only for state parks and trails;

(3) 22.5 percent of the receipts must be deposited in the natural resources fund, and may be spent only on metropolitan park and trail grants;

(4) three percent of the receipts must be deposited in the natural resources fund, and may be spent only on local trail grants; and

(5) two percent of the receipts must be deposited in the natural resources fund, and may be spent only for the Minnesota Zoological Garden, the Como Park Zoo and Conservatory, and the Duluth Zoo.

(f) The revenue dedicated under paragraph (e) may not be used as a substitute for traditional sources of funding for the purposes specified, but the dedicated revenue shall supplement traditional sources of funding for those purposes. Land acquired with money deposited in the game and fish fund under paragraph (e) must be open to public hunting and fishing during the open season, except that in aquatic management areas or on lands where angling easements have been acquired, fishing may be prohibited during certain times of the year and hunting may be prohibited. At least 87 percent of the money deposited in the game and fish fund for improvement, enhancement, or protection of fish and wildlife resources under paragraph (e) must be allocated for field operations.

(g) The revenues, including interest and penalties, collected under sections 297A.992 and 297A.993 must be deposited by the commissioner as provided for in those sections.

Sec. 6. **[297A.992] METROPOLITAN TRANSPORTATION SALES AND USE TAX.**

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

(1) "metropolitan transportation area" means the counties of Anoka, Dakota, Hennepin, Ramsey, and Washington, and may include the counties of Carver and Scott if declared by resolution of its county board to be a part of the metropolitan transportation area; and

(2) "joint powers board" means the Metropolitan Transportation Area Joint Powers Board.

Subd. 2. **Authorization; rates.** (a) Notwithstanding section 297A.99, subdivisions 1, 2, 3, 5, and 13, or 477A.016, or any other law, the boards of the counties acting under a joint powers agreement as specified in this section may impose (1) a transportation sales and use tax within the metropolitan transportation area, at a rate of one-half of one percent on retail sales and uses taxable under this chapter, and (2) an excise tax of \$20 per motor vehicle purchased or acquired from any person engaged in the business of selling motor vehicles at retail, occurring within the jurisdiction of the taxing authority. The taxes authorized are to fund transportation improvements as specified in this section.

(b) The tax imposed under this section is not included in determining if the total tax on lodging in the city of Minneapolis exceeds the maximum allowed tax under Laws 1986, chapter 396, section 5, as amended by Laws 2001, First Special Session chapter 5, article 12, section 87, or in determining a tax that may be imposed under any other limitations.

Subd. 3. **Joint powers board.** (a) Before imposing the taxes authorized under subdivision 2, all of the counties in the metropolitan transportation area shall enter into a joint powers agreement to create the joint powers board. A joint powers agreement under this section:

(1) must provide a process and timeline that allows an eligible county, by resolution of its county board, to join the joint powers board and impose the taxes authorized under subdivision 2;

(2) may provide for withdrawal of participating counties before final termination of the agreement; and

(3) may provide for a weighted-voting system for joint powers board decisions.

(b) The joint powers board must consist of one representative of each county appointed by its county board. The joint powers board has the powers and duties provided in this section and in section 471.59.

(c) The joint powers board shall maximize the availability and use of federal funds in projects funded under this section. The joint powers board may not utilize proceeds of the taxes imposed, or proceeds of bonds or other obligations issued, to reimburse counties for ordinary administrative expenses incurred in carrying out the provisions of this section.

(d) After the deductions allowed in section 297A.99, subdivision 11, the commissioner of revenue shall remit the proceeds of the taxes imposed under this section to the joint powers board.

Subd. 4. Grants for transportation projects. (a) The joint powers board shall by resolution, and in consultation with one elected city official from each county in the metropolitan transportation area appointed by the Association of Metropolitan Municipalities, establish a grant application process and define objective criteria for the award of grants.

(b) Grant applications must be submitted in a form prescribed by the joint powers board. An applicant must provide, in addition to all other information required by the joint powers board, the estimated cost of the project, the amount of the grant sought, possible sources of funding in addition to the grant sought, and identification of any federal funds that will be utilized if the grant is awarded.

(c) Grants must be funded by the proceeds of the taxes imposed under this section, or bonds or other obligations issued by the joint powers board. Grant awards must be made annually by July 1 and funded in the next calendar year.

Subd. 5. Use of grant awards. The joint powers board may only award grants to the state and political subdivisions for the following purposes:

(1) construction or reconstruction of trunk highways or local roads of regional significance;

(2) capital improvements to transit ways;

(3) feasibility studies, planning, alternatives analyses, environmental studies, engineering, and construction of transit ways; and

(4) operating assistance for transit.

Subd. 6. Administration, collection, enforcement. The administration, collection, and enforcement provisions in section 297A.99, subdivisions 4 and 6 to 12, apply to all taxes imposed under this section.

Subd. 7. Report. In each year in which the taxes authorized in this section are imposed, the joint powers board shall report by February 1 to the house of representatives and senate committees having jurisdiction over transportation policy and finance concerning the revenues received and grants awarded.

Sec. 7. [297A.993] GREATER MINNESOTA TRANSPORTATION SALES AND USE TAX.

Subdivision 1. Authorization; rates. Notwithstanding section 297A.99, subdivisions 1, 2, 3, 5, and 13, or 477A.016, or any other law, the board of a county outside the metropolitan transportation area, as defined under section 297A.992, subdivision 1, or more than one county outside the metropolitan transportation area acting under a joint powers agreement, may impose (1) a transportation sales tax at a rate of one-half of one percent on retail sales and uses taxable under this chapter, and (2) an excise tax of \$20 per motor vehicle purchased or acquired from any person engaged in the business of selling motor vehicles at retail, occurring within the jurisdiction of the taxing authority. The taxes imposed under this section are subject to approval by a majority of the voters of the county or counties at a general election who vote on the question to impose the taxes.

Subd. 2. Allocation; termination. The proceeds of the taxes must be dedicated exclusively to payment of the cost of a specific transportation project or improvement. The transportation project or improvement must be designated by the board of the county, or more than one county acting under a joint powers agreement. The taxes must terminate after the project or improvement has been completed.

Subd. 3. Administration, collection, enforcement. The administration, collection, and enforcement provisions in section 297A.99, subdivisions 4 and 6 to 12, apply to all taxes imposed under this section.

Sec. 8. EFFECTIVE DATE.

This article is effective July 1, 2007, except that sections 6 and 7 are effective for sales made on and after January 1, 2008.

ARTICLE 6

TRANSPORTATION FINANCE

Section 1. Minnesota Statutes 2006, section 161.04, subdivision 3, is amended to read:

Subd. 3. Trunk highway revolving loan account. A trunk highway revolving loan account is created in the transportation revolving loan fund under section 446A.085. The commissioner may transfer money from the trunk highway fund to the trunk highway revolving loan account and from the trunk highway revolving loan account to the trunk highway fund. Money in the account may be used to make loans. Funds in the trunk highway revolving loan account may not be used for any toll facilities project or congestion-pricing project and may be used only for trunk highway purposes and repayments and interest from loans of those funds must be credited to the trunk highway revolving loan account in the transportation revolving loan fund. Money in the trunk highway revolving loan account is annually appropriated to the commissioner and does not lapse. Interest earned from investment of money in this account must be deposited in the trunk highway revolving loan account.

Sec. 2. Minnesota Statutes 2006, section 473.388, subdivision 4, is amended to read:

Subd. 4. Financial assistance. (a) The council must grant the requested financial assistance if it determines that the proposed service is intended to replace the service to the applying city or town or combination thereof by the council and that the proposed service will meet the needs of the applicant at least as efficiently and effectively as the existing service.

(b) The amount of assistance which the council must provide to a system under this section may not be less than the sum of the amounts determined for each municipality comprising the system as follows:

(1) the transit operating assistance grants received under this subdivision by the municipality in calendar year 2001 or the tax revenues for transit services levied by the municipality for taxes payable in 2001, including that portion of the levy derived from the areawide pool under section 473F.08, subdivision 3, clause (a), plus the portion of the municipality's aid under section 273.1398, subdivision 2, attributable to the transit levy; times

(2) the ratio of (i) ~~the appropriation from the transit fund to the council for nondebt transit operations~~ an amount equal to 3.623 percent of the state revenues generated from the taxes imposed under section 297A.815 and chapter 297B for the current fiscal year to (ii) ~~the total levy certified by the council under section 473.446 and the opt-out transit operating assistance grants received under this subdivision in calendar year 2001 or the tax revenues for transit services levied by all replacement service municipalities under this section for taxes payable in 2001, including that portion of the levy derived from the areawide pool under section 473F.08, subdivision 3, clause (a), plus the portion of homestead and agricultural credit aid under section 273.1398, subdivision 2, attributable to nondebt transit levies, times~~

(3) the ratio of (i) the municipality's total taxable market value for taxes payable in ~~the most recent year for which data is available~~ 2007 divided by the municipality's total taxable market value for taxes payable in 2001, to (ii) the total taxable market value of all property ~~in the metropolitan area~~ located in replacement service municipalities for taxes payable in ~~the most recent year for which data is available~~ 2007 divided by the total taxable market value of all property ~~in the metropolitan area~~ located in replacement service municipalities for taxes payable in 2001.

(c) The council shall pay the amount to be provided to the recipient from the funds the council ~~would otherwise use to fund its transit operations~~ receives in the metropolitan area transit account under section 16A.88.

Sec. 3. **REPEALER.**

Minnesota Statutes 2006, section 174.32, is repealed.

Sec. 4. **EFFECTIVE DATE.**

Except as specifically provided otherwise, this article is effective July 1, 2007.

ARTICLE 7

DEPARTMENT OF PUBLIC SAFETY SERVICE FEES

Section 1. Minnesota Statutes 2006, section 168.017, subdivision 3, is amended to read:

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

(1) the application is an original rather than renewal application; or

(2) the applicant is a licensed motor vehicle lessor under section 168.27, in which case the applicant may apply for initial ~~or renewed~~ registration of a vehicle for a period of four or more months, the month of expiration to be designated by the applicant at the time of registration. However, to qualify for this exemption, the applicant must pay a \$10 administrative fee and present the application to the registrar at St. Paul, or at a designated deputy registrar offices as the registrar may designate, office. At the end of the initial registration period, the applicant may only renew the registration on the vehicle for the remainder of the period prescribed under subdivision 1 had the applicant not utilized the exception in this subdivision. Upon the renewal of registration, the applicant shall pay 1/12 of the annual tax for each calendar month remaining in the registration period in addition to a \$10 administrative fee. Nothing in this subdivision prohibits the applicant from purchasing registration for an additional full registration period in conjunction with the purchase of the remainder portion.

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

(c) The fee collected under paragraph (a), clause (2), must be deposited in the vehicle services operating account in the special revenue fund as specified in section 299A.705.

Sec. 2. Minnesota Statutes 2006, section 168.12, subdivision 5, is amended to read:

Subd. 5. **Additional fee.** (a) In addition to any fee otherwise authorized or any tax otherwise imposed upon any vehicle, the payment of which is required as a condition to the issuance of any plate or plates, the commissioner shall impose the fee specified in paragraph (b) that is calculated to cover the cost of manufacturing and issuing the

plate or plates, except for plates issued to disabled veterans as defined in section 168.031 and plates issued pursuant to section 168.124, 168.125, or 168.27, subdivisions 16 and 17, for passenger automobiles. ~~The commissioner shall issue graphic design plates only for vehicles registered pursuant to section 168.017 and recreational vehicles registered pursuant to section 168.013, subdivision 1g.~~

(b) Unless otherwise specified or exempted by statute, the following plate and validation sticker fees apply for the original, duplicate, or replacement issuance of a plate in a plate year:

Sequential Regular Double Plate	\$4.25	
Sequential Special Plate Double	\$7.00	
Sequential Regular Single Plate	\$3.00	
Sequential Special Plate Single	\$5.50	
Utility Trailer Self Adhesive Plate	\$2.50	
Nonsequential Double Plate	\$14.00	
Nonsequential Single Plate	\$10.00	
Duplicate Sticker	\$1.00	
<u>License Plate</u>	<u>Single</u>	<u>Double</u>
<u>Regular and Disability</u>	<u>\$4.50</u>	<u>\$6.00</u>
<u>Special</u>	<u>\$8.50</u>	<u>\$10.00</u>
<u>Personalized (Replacement)</u>	<u>\$10.00</u>	<u>\$14.00</u>
<u>Collector Category</u>	<u>\$13.50</u>	<u>\$15.00</u>
<u>Emergency Vehicle Display</u>	<u>\$3.00</u>	<u>\$6.00</u>
<u>Utility Trailer Self-Adhesive Stickers</u>	<u>\$2.50</u>	
<u>Duplicate Year</u>	<u>\$1.00</u>	<u>\$1.00</u>
<u>International Fuel Tax Agreement</u>	<u>\$2.50</u>	

(c) For vehicles that require two of the categories above, the registrar shall only charge the higher of the two fees and not a combined total.

Sec. 3. Minnesota Statutes 2006, section 168A.29, subdivision 1, is amended to read:

Subdivision 1. **Amounts.** (a) The department must be paid the following fees:

(1) for filing an application for and the issuance of an original certificate of title, the sum of ~~\$5.50~~ \$6.25 of which ~~\$2.50~~ \$3.25 must be paid into the vehicle services operating account of the special revenue fund under section 299A.705;

(2) for each security interest when first noted upon a certificate of title, including the concurrent notation of any assignment thereof and its subsequent release or satisfaction, the sum of \$2, except that no fee is due for a security interest filed by a public authority under section 168A.05, subdivision 8;

(3) for the transfer of the interest of an owner and the issuance of a new certificate of title, the sum of \$5.50 of which \$2.50 must be paid into the vehicle services operating account of the special revenue fund under section 299A.705;

(4) for each assignment of a security interest when first noted on a certificate of title, unless noted concurrently with the security interest, the sum of \$1;

(5) for issuing a duplicate certificate of title, the sum of ~~\$6.50~~ \$7.25 of which ~~\$2.50~~ \$3.25 must be paid into the vehicle services operating account of the special revenue fund under section 299A.705.

(b) After June 30, 1994, in addition to each of the fees required under paragraph (a), clauses (1) and (3), the department must be paid \$3.50. The additional \$3.50 fee collected under this paragraph must be deposited in the special revenue fund and credited to the public safety motor vehicle account established in section 299A.70.

Sec. 4. Minnesota Statutes 2006, section 171.02, subdivision 3, is amended to read:

Subd. 3. **Motorized bicycle.** (a) A motorized bicycle may not be operated on any public roadway by any person who does not possess a valid driver's license, unless the person has obtained a motorized bicycle operator's permit or motorized bicycle instruction permit from the commissioner of public safety. The operator's permit may be issued to any person who has attained the age of 15 years and who has passed the examination prescribed by the commissioner. The instruction permit may be issued to any person who has attained the age of 15 years and who has successfully completed an approved safety course and passed the written portion of the examination prescribed by the commissioner.

(b) This course must consist of, but is not limited to, a basic understanding of:

- (1) motorized bicycles and their limitations;
- (2) motorized bicycle laws and rules;
- (3) safe operating practices and basic operating techniques;
- (4) helmets and protective clothing;
- (5) motorized bicycle traffic strategies; and
- (6) effects of alcohol and drugs on motorized bicycle operators.

(c) The commissioner may adopt rules prescribing the content of the safety course, examination, and the information to be contained on the permits. A person operating a motorized bicycle under a motorized bicycle permit is subject to the restrictions imposed by section 169.974, subdivision 2, on operation of a motorcycle under a two-wheel instruction permit.

(d) The fees for motorized bicycle operator's permits are as follows:

- | | |
|---|--------------------------------|
| (1) Examination and operator's permit, valid for one year | \$ 6 <u>6.75</u> |
| (2) Duplicate | \$ 3 <u>3.75</u> |
| (3) Renewal permit before age 21 and valid until age 21 | \$ 9 <u>9.75</u> |
| (4) Renewal permit age 21 or older and valid for four years | \$ 15 <u>15.75</u> |
| (5) Duplicate of any renewal permit | \$ 4.50 <u>5.25</u> |
| (6) Written examination and instruction permit, valid for 30 days | \$ 6 <u>6.75</u> |

Sec. 5. Minnesota Statutes 2006, section 171.06, subdivision 2, is amended to read:

Subd. 2. **Fees.** (a) The fees for a license and Minnesota identification card are as follows:

Classified Driver's License	D-\$21.50	C-\$25.50	B-\$32.50	A-\$40.50
Classified Under-21 D.L.	D-\$21.50	C-\$25.50	B-\$32.50	A-\$20.50
<u>Classified Driver's License</u>	<u>D-\$22.25</u>	<u>C-\$26.25</u>	<u>B-\$33.25</u>	<u>A-\$41.25</u>
<u>Classified Under-21 D.L.</u>	<u>D-\$22.25</u>	<u>C-\$26.25</u>	<u>B-\$33.25</u>	<u>A-\$21.25</u>
Instruction Permit			\$9.50	<u>\$10.25</u>
Provisional License			\$12.50	<u>\$13.25</u>
Duplicate License or duplicate identification card			\$11.00	<u>\$11.75</u>
Minnesota identification card or Under-21 Minnesota identification card, other than duplicate, except as otherwise provided in section 171.07, subdivisions 3 and 3a			\$15.50	<u>\$16.25</u>

(b) Notwithstanding paragraph (a), an individual who holds a provisional license and has a driving record free of (1) convictions for a violation of section 169A.20, 169A.33, 169A.35, or sections 169A.50 to 169A.53, (2) convictions for crash-related moving violations, and (3) convictions for moving violations that are not crash related, shall have a \$3.50 credit toward the fee for any classified under-21 driver's license. "Moving violation" has the meaning given it in section 171.04, subdivision 1.

(c) In addition to the driver's license fee required under paragraph (a), the commissioner shall collect an additional \$4 processing fee from each new applicant or individual renewing a license with a school bus endorsement to cover the costs for processing an applicant's initial and biennial physical examination certificate. The department shall not charge these applicants any other fee to receive or renew the endorsement.

Sec. 6. Minnesota Statutes 2006, section 171.07, subdivision 3a, is amended to read:

Subd. 3a. **Identification cards for seniors.** A Minnesota identification card issued to an applicant 65 years of age or over shall be of a distinguishing color and plainly marked "senior." The fee for the card issued to an applicant 65 years of age or over shall be one-half the required fee for a class D driver's license rounded down to the nearest quarter dollar. A Minnesota identification card or a Minnesota driver's license issued to a person 65 years of age or over shall be valid identification for the purpose of qualifying for reduced rates, free licenses or services provided by any board, commission, agency or institution that is wholly or partially funded by state appropriations.

Sec. 7. Minnesota Statutes 2006, section 171.07, subdivision 11, is amended to read:

Subd. 11. **Standby or temporary custodian.** (a) Upon the written request of the applicant and upon payment of an additional fee of ~~\$3.50~~ \$4.25, the department shall issue a driver's license or Minnesota identification card bearing a symbol or other appropriate identifier indicating that the license holder has appointed an individual to serve as a standby or temporary custodian under chapter 257B.

(b) The request must be accompanied by a copy of the designation executed under section 257B.04.

(c) The department shall maintain a computerized records system of all individuals listed as standby or temporary custodians by driver's license and identification card applicants. This data must be released to appropriate law enforcement agencies under section 13.69. Upon a parent's request and payment of a fee of ~~\$3.50~~ \$4.25, the department shall revise its list of standby or temporary custodians to reflect a change in the appointment.

(d) At the request of the license or cardholder, the department shall cancel the standby or temporary custodian indication without additional charge. However, this paragraph does not prohibit a fee that may be applicable for a duplicate or replacement license or card, renewal of a license, or other service applicable to a driver's license or identification card.

(e) Notwithstanding sections 13.08, subdivision 1, and 13.69, the department and department employees are conclusively presumed to be acting in good faith when employees rely on statements made, in person or by telephone, by persons purporting to be law enforcement and subsequently release information described in paragraph (b). When acting in good faith, the department and department personnel are immune from civil liability and not subject to suit for damages resulting from the release of this information.

(f) The department and its employees:

(1) have no duty to inquire or otherwise determine whether a designation submitted under this subdivision is legally valid and enforceable; and

(2) are immune from all civil liability and not subject to suit for damages resulting from a claim that the designation was not legally valid and enforceable.

(g) Of the fees received by the department under this subdivision:

(1) Up to \$61,000 received must be deposited in the general fund.

(2) All other fees must be deposited in the driver services operating account in the special revenue fund specified in section 299A.705.

Sec. 8. Minnesota Statutes 2006, section 171.20, subdivision 4, is amended to read:

Subd. 4. **Reinstatement fee.** (a) Before the license is reinstated, (1) an individual whose driver's license has been suspended under section 171.16, subdivisions 2 and 3; ~~171.175;~~ 171.18; or 171.182, or who has been disqualified from holding a commercial driver's license under section 171.165, and (2) an individual whose driver's license has been suspended under section 171.186 and who is not exempt from such a fee, must pay a fee of \$20.

(b) Before the license is reinstated, an individual whose license has been suspended under sections 169.791 to 169.798 must pay a \$20 reinstatement fee.

(c) When fees are collected by a licensing agent appointed under section 171.061, a handling charge is imposed in the amount specified under section 171.061, subdivision 4. The reinstatement fee and surcharge must be deposited in an approved state depository as directed under section 171.061, subdivision 4.

(d) Reinstatement fees collected under paragraph (a) for suspensions under sections 171.16, subdivision 3, and 171.18, subdivision 1, clause (10), must be deposited in the special revenue fund and are appropriated to the Peace Officer Standards and Training Board for peace officer training reimbursement to local units of government.

(e) A suspension may be rescinded without fee for good cause.

Sec. 9. Minnesota Statutes 2006, section 299D.09, is amended to read:

299D.09 ESCORT SERVICE; APPROPRIATION; RECEIPTS.

Fees charged for escort services provided by the State Patrol are annually appropriated to the commissioner of public safety to administer and provide these services.

The fees charged for services provided by the State Patrol with a vehicle are \$73.60 an hour in fiscal year 2008 and \$75.76 an hour in fiscal year 2009 and thereafter. The fees charged for services provided without a vehicle are \$54.00 an hour in fiscal year 2008 and \$56.16 an hour in fiscal year 2009 and thereafter.

The fees charged for State Patrol flight services are \$140 an hour for a fixed wing aircraft, \$490 an hour for a helicopter, and \$600 an hour for the Queen Air.

Sec. 10. **EFFECTIVE DATE.**

Except as specifically provided otherwise, this article is effective July 1, 2007."

Delete the title and insert:

"A bill for an act relating to transportation finance; appropriating money for transportation, Metropolitan Council, and public safety activities; providing for fund transfers, general contingent accounts, and tort claims; authorizing sale and issuance of trunk highway bonds for highways and transit facilities; modifying motor fuels and registration taxes; allocating motor vehicle sales tax revenue; modifying county state-aid allocation formula; modifying county wheelage tax; authorizing local transportation sales and use taxes; modifying provisions relating to various transportation-related funds and accounts; modifying fees for license plates, drivers' licenses, identification cards, and state patrol escort and flight services; making technical and clarifying changes; amending Minnesota Statutes 2006, sections 16A.88; 161.04, subdivision 3, by adding a subdivision; 162.06; 162.07, subdivision 1, by adding subdivisions; 163.051; 168.011, subdivision 6; 168.013, subdivisions 1, 1a; 168.017, subdivision 3; 168.12, subdivision 5; 168A.29, subdivision 1; 171.02, subdivision 3; 171.06, subdivision 2; 171.07, subdivisions 3a, 11; 171.20, subdivision 4; 296A.07, subdivision 3; 296A.08, subdivision 2; 297A.94; 297B.09, subdivision 1; 299D.09; 473.388, subdivision 4; 473.446, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 297A; repealing Minnesota Statutes 2006, section 174.32."

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

The report was adopted.

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

H. F. No. 1092, A bill for an act relating to education; modifying the Online Learning Option Act; amending Minnesota Statutes 2006, sections 124D.095, subdivisions 3, 4, 7, 8; 124D.096.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 124D.095, subdivision 2, is amended to read:

Subd. 2. **Definitions.** For purposes of this section, the following terms have the meanings given them.

(a) "Online learning" is an interactive course or program that delivers instruction from a teacher to a student by computer; is combined with other traditional delivery methods that include frequent student assessment and may include actual teacher contact time; and meets or exceeds state academic standards.

(b) "Online learning provider" is a school district, an intermediate school district, an organization of two or more school districts operating under a joint powers agreement, or a charter school located in Minnesota that provides online learning to students.

(c) "Student" is a Minnesota resident enrolled in a school under section 120A.22, subdivision 4, in kindergarten through grade 12.

(d) "Online learning student" is a student enrolled in an online learning course or program delivered by an online provider under paragraph (b).

(e) "Enrolling district" means the school district or charter school in which a student is enrolled under section 120A.22, subdivision 4, for purposes of compulsory attendance.

(f) "Supplemental online learning" means an online course taken in place of a course period during the regular school day at a local district school.

(g) "Full-time online provider" means an enrolling school authorized by the department to deliver comprehensive public education at any or all of the elementary, middle, and high school levels.

Sec. 2. Minnesota Statutes 2006, section 124D.095, subdivision 3, is amended to read:

Subd. 3. **Authorization; notice; limitations on enrollment.** (a) A student may apply to an online learning provider to enroll in online learning. A student age 17 or younger must have the written consent of a parent or guardian to apply. No school district or charter school may prohibit a student from applying to enroll in online learning. ~~An online learning provider that accepts a student under this section must, within ten days, notify the student and the enrolling district if the enrolling district is not the online learning provider. The notice must report the student's course or program and hours of instruction. A full-time online learning provider must comply with the application and notification procedures and timelines under section 124D.03, subdivisions 3 to 7, except for the January 15 notice and subsequent notification dates. Reenrollment to the resident district under open enrollment or open enrollment to another nonresident district must comply with the applicable timelines under section 124D.03, unless waived by the receiving and the enrolling district.~~

~~(b) An online learning student must notify the enrolling district at least 30 days before taking an online learning course or program if the enrolling district is not providing the online learning. An online learning provider must notify the commissioner that it is delivering online learning and report the number of online learning students it is accepting and the online learning courses and programs it is delivering.~~

(c) An online learning provider may limit enrollment if the provider's school board or board of directors adopts by resolution specific standards for accepting and rejecting students' applications.

(d) An enrolling district may reduce an online learning student's regular classroom instructional membership in proportion to the student's membership in online learning courses.

(e) A student may enroll in supplemental online learning courses up to the midpoint of the enrolling district's term. The enrolling district may waive this requirement for special circumstances and upon acceptance by the online learning providers.

Sec. 3. Minnesota Statutes 2006, section 124D.095, subdivision 4, is amended to read:

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

(b) An online learning student may:

(1) enroll in supplemental online learning courses during a single school year in a maximum of 12 semester-long courses or their equivalent delivered by an online learning provider or the enrolling district to a maximum of 50 percent of their full schedule of courses per term. A student may exceed the supplemental online learning enrollment limit if the enrolling district grants permission for supplemental online learning enrollment above the limit, or if an agreement is made between the enrolling district and the online learning provider for instructional services;

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

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

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

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

(e) An online learning provider that is not the enrolling district is subject to the reporting requirements and review criteria under subdivision 7. A teacher with a Minnesota license must assemble and deliver instruction to online learning students. The delivery of instruction occurs when the student interacts with the computer or the teacher and receives ongoing assistance and assessment of learning. The instruction may include curriculum

developed by persons other than a teacher with a Minnesota license. Unless the commissioner grants a waiver, a teacher providing online learning instruction must not instruct more than 40 students in any one online learning course or program.

(f) To enroll in more than 50 percent of the student's full schedule of courses per term in online learning, the student must apply for open enrollment to an approved full-time online learning provider, except as provided in paragraph (b), clause (1).

Sec. 4. Minnesota Statutes 2006, section 124D.095, subdivision 7, is amended to read:

Subd. 7. **Department of Education.** (a) The department must review and certify online learning providers. The online learning courses and programs must be rigorous, aligned with state academic standards, and contribute to grade progression in a single subject. Online learning providers must ~~affirm~~ demonstrate to the commissioner that online learning courses have equivalent standards or instruction, curriculum, and assessment requirements as other courses offered to enrolled students. The online learning provider must also demonstrate expectations for actual teacher contact time or other student-to-teacher communication. Once an online learning provider is approved under this paragraph, all of its online learning course offerings are eligible for payment under this section unless a course is successfully challenged by an enrolling district or the department under paragraph (b).

(b) An enrolling district may challenge the validity of a course offered by an online learning provider. The department must review such challenges based on the certification procedures under paragraph (a). The department may initiate its own review of the validity of an online learning course offered by an online learning provider.

(c) The department may collect a fee not to exceed \$250 for certifying online learning providers or \$50 per course for reviewing a challenge by an enrolling district.

(d) The department must develop, publish, and maintain a list of approved online learning providers and online learning courses and programs that it has reviewed and certified."

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. 1169, A bill for an act relating to human services; changing child welfare provisions; amending Minnesota Statutes 2006, sections 256.01, subdivision 2; 259.24, subdivision 3; 259.53, subdivision 1; 259.57, subdivision 1; 259.67, subdivision 7; 259.75, subdivision 8; 260.012; 260.771, subdivisions 1, 2; 260C.152, subdivision 5; 260C.201, subdivision 11; 260C.212, subdivisions 1, 4; 260C.317, subdivision 3; 626.556, subdivisions 10, 10a, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 260; repealing Laws 1997, chapter 8, section 1; Minnesota Rules, part 9560.0102, subpart 2, item C.

Reported the same back with the following amendments:

Page 1, after line 10, insert:

"ARTICLE 1
CHILD PLACEMENT AND WELFARE"

Page 16, after line 15, insert:

"Sec. 8. Minnesota Statutes 2006, section 260.755, subdivision 12, is amended to read:

Subd. 12. **Indian tribe.** "Indian tribe" means an Indian tribe, band, nation, or other organized group or community of Indians recognized as eligible for the services provided to Indians by the secretary because of their status as Indians, including any ~~band~~ Native group under the Alaska Native Claims Settlement Act, United States Code, title 43, section 1602, ~~and exercising tribal governmental powers.~~

Sec. 9. Minnesota Statutes 2006, section 260.755, subdivision 20, is amended to read:

Subd. 20. **Tribal court.** "Tribal court" means a court with ~~federally recognized~~ jurisdiction over child custody proceedings and which is either a court of Indian offenses, or a court established and operated under the code or custom of an Indian tribe, or ~~the any other~~ administrative body of a tribe which is vested with authority over child custody proceedings. Except as provided in section 260.771, subdivision 5, nothing in this chapter shall be construed as conferring jurisdiction on an Indian tribe.

Sec. 10. Minnesota Statutes 2006, section 260.761, subdivision 7, is amended to read:

Subd. 7. **Identification of extended family members.** Any agency considering placement of an Indian child shall make ~~reasonable~~ active efforts to identify and locate extended family members.

Sec. 11. Minnesota Statutes 2006, section 260.765, subdivision 5, is amended to read:

Subd. 5. **Identification of extended family members.** Any agency considering placement of an Indian child shall make ~~reasonable~~ active efforts to identify and locate extended family members."

Page 16, line 19, strike "such" and insert "the"

Page 16, line 20, before the period, insert ", except where jurisdiction is otherwise vested in the state by existing federal law"

Page 16, delete section 9 and insert:

"Sec. 13. Minnesota Statutes 2006, section 260.771, subdivision 2, is amended to read:

Subd. 2. **Court determination of tribal affiliation of child.** In any child placement proceeding, the court shall establish whether an Indian child is involved and the identity of the Indian child's tribe. This chapter and the federal Indian Child Welfare Act are applicable without exception in any child custody proceeding, as defined in the federal act, involving an Indian child. This chapter applies to child custody proceedings involving an Indian child whether the child is in the physical or legal custody of an Indian parent, Indian custodian, Indian extended family member, or other person at the commencement of the proceedings. A court shall not determine the applicability of this chapter or the federal Indian Child Welfare Act to a child custody proceeding based upon whether an Indian child is part of an existing Indian family or based upon the level of contact a child has with the child's Indian tribe, reservation, society, or off-reservation community."

Page 19, after line 11, insert:

"Sec. 16. Minnesota Statutes 2006, section 260C.163, subdivision 1, is amended to read:

Subdivision 1. **General.** (a) Except for hearings arising under section 260C.425, hearings on any matter shall be without a jury and may be conducted in an informal manner. In all adjudicatory proceedings involving a child alleged to be in need of protection or services, the court shall admit only evidence that would be admissible in a civil trial. To be proved at trial, allegations of a petition alleging a child to be in need of protection or services must be proved by clear and convincing evidence.

(b) Except for proceedings involving a child alleged to be in need of protection or services and petitions for the termination of parental rights, hearings may be continued or adjourned from time to time. In proceedings involving a child alleged to be in need of protection or services and petitions for the termination of parental rights, hearings may not be continued or adjourned for more than one week unless the court makes specific findings that the continuance or adjournment is in the best interests of the child. If a hearing is held on a petition involving physical or sexual abuse of a child who is alleged to be in need of protection or services or neglected and in foster care, the court shall file the decision with the court administrator as soon as possible but no later than 15 days after the matter is submitted to the court. When a continuance or adjournment is ordered in any proceeding, the court may make any interim orders as it deems in the best interests of the minor in accordance with the provisions of sections 260C.001 to 260C.421.

(c) Except as otherwise provided in this paragraph, the court shall exclude the general public from hearings under this chapter and shall admit only those persons who, in the discretion of the court, have a direct interest in the case or in the work of the court.

(d) Adoption hearings shall be conducted in accordance with the provisions of laws relating to adoptions.

(e) In any permanency hearing, including the transition of a child from foster care to independent living, the court shall ensure that any consult with the child is in an age-appropriate manner."

Page 32, after line 29, insert:

"Sec. 21. Minnesota Statutes 2006, section 260C.331, subdivision 1, is amended to read:

Subdivision 1. **Care, examination, or treatment.** (a) Except where parental rights are terminated,

(1) whenever legal custody of a child is transferred by the court to a responsible social services agency,

(2) whenever legal custody is transferred to a person other than the responsible social services agency, but under the supervision of the responsible social services agency, or

(3) whenever a child is given physical or mental examinations or treatment under order of the court, and no provision is otherwise made by law for payment for the care, examination, or treatment of the child, these costs are a charge upon the welfare funds of the county in which proceedings are held upon certification of the judge of juvenile court.

(b) The court shall order, and the responsible social services agency shall require, the parents or custodian of a child, while the child is under the age of 18, to use the total income and resources attributable to the child for the period of care, examination, or treatment, except for clothing and personal needs allowance as provided in section 256B.35, to reimburse the county for the cost of care, examination, or treatment. Income and resources attributable to the child include, but are not limited to, Social Security benefits, supplemental security income (SSI), veterans

benefits, railroad retirement benefits and child support. When the child is over the age of 18, and continues to receive care, examination, or treatment, the court shall order, and the responsible social services agency shall require, reimbursement from the child for the cost of care, examination, or treatment from the income and resources attributable to the child less the clothing and personal needs allowance. Income does not include earnings from a child over 18 who is working as part of a plan under section 260C.212, subdivision 1, paragraph (c), clause (8), to transition from foster care.

(c) If the income and resources attributable to the child are not enough to reimburse the county for the full cost of the care, examination, or treatment, the court shall inquire into the ability of the parents to support the child and, after giving the parents a reasonable opportunity to be heard, the court shall order, and the responsible social services agency shall require, the parents to contribute to the cost of care, examination, or treatment of the child. When determining the amount to be contributed by the parents, the court shall use a fee schedule based upon ability to pay that is established by the responsible social services agency and approved by the commissioner of human services. The income of a stepparent who has not adopted a child shall be excluded in calculating the parental contribution under this section.

(d) The court shall order the amount of reimbursement attributable to the parents or custodian, or attributable to the child, or attributable to both sources, withheld under chapter 518A from the income of the parents or the custodian of the child. A parent or custodian who fails to pay without good reason may be proceeded against for contempt, or the court may inform the county attorney, who shall proceed to collect the unpaid sums, or both procedures may be used.

(e) If the court orders a physical or mental examination for a child, the examination is a medically necessary service for purposes of determining whether the service is covered by a health insurance policy, health maintenance contract, or other health coverage plan. Court-ordered treatment shall be subject to policy, contract, or plan requirements for medical necessity. Nothing in this paragraph changes or eliminates benefit limits, conditions of coverage, co-payments or deductibles, provider restrictions, or other requirements in the policy, contract, or plan that relate to coverage of other medically necessary services."

Page 33, line 23, reinstate the stricken "and"

Page 33, line 28, delete ";and"

Page 33, delete lines 29 to 31

Page 33, line 32, delete everything before the period

Page 37, line 1, after "assessment" insert "or investigation"

Page 37, line 3, before the period, insert "and share not public information with an Indian's tribal social services agency without violating any law of the state that may otherwise impose duties of confidentiality on the local welfare agency in order to implement the tribal state agreement"

Page 39, after line 26, insert:

"Sec. 26. Minnesota Statutes 2006, section 626.556, subdivision 10f, is amended to read:

Subd. 10f. **Notice of determinations.** Within ten working days of the conclusion of a family assessment, the local welfare agency shall notify the parent or guardian of the child of the need for services to address child safety concerns or significant risk of subsequent child maltreatment. The local welfare agency and the family may also jointly agree that family support and family preservation services are needed. Within ten working days of the

conclusion of an investigation, the local welfare agency or agency responsible for assessing or investigating the report shall notify the parent or guardian of the child, the person determined to be maltreating the child, and if applicable, the director of the facility, of the determination and a summary of the specific reasons for the determination. The notice must also include a certification that the information collection procedures under subdivision 10, paragraphs (h), (i), and (j), were followed and a notice of the right of a data subject to obtain access to other private data on the subject collected, created, or maintained under this section. In addition, the notice shall include the length of time that the records will be kept under subdivision 11c. The investigating agency shall notify the parent or guardian of the child who is the subject of the report, and any person or facility determined to have maltreated a child, of their appeal or review rights under this section or section 256.022. The notice must also state that a finding of maltreatment may result in denial of a license application or background study disqualification under chapter 245C related to employment or services that are licensed by the Department of Human Services under chapter 245A, the Department of Health under chapter 144 or 144A, the Department of Corrections under section 241.021, and from providing services related to an unlicensed personal care provider organization under chapter 256B."

Page 40, after line 3, insert:

"ARTICLE 2

LICENSING

Section 1. Minnesota Statutes 2006, section 245A.035, is amended to read:

245A.035 RELATIVE FOSTER CARE; UNLICENSED EMERGENCY LICENSE RELATIVE PLACEMENT.

Subdivision 1. **Grant of Emergency license placement.** Notwithstanding section 245A.03, subdivision 2a, or 245C.13, subdivision 2, a county agency may place a child ~~for foster care~~ with a relative who is not licensed to provide foster care, provided the requirements of ~~subdivision 2~~ this section are met. As used in this section, the term "relative" has the meaning given it under section 260C.007, subdivision 27.

Subd. 2. **Cooperation with emergency licensing placement process.** (a) A county agency that places a child with a relative who is not licensed to provide foster care must ~~begin the process of securing an emergency license for the relative as soon as possible and must~~ conduct the initial inspection required by subdivision 3, clause (1), whenever possible, prior to placing the child in the relative's home, but no later than three working days after placing the child in the home. A child placed in the home of a relative who is not licensed to provide foster care must be removed from that home if the relative fails to cooperate with the county agency ~~in securing an emergency foster care license. The commissioner may issue an emergency foster care license to a relative with whom the county agency wishes to place or has placed a child for foster care, or to a relative with whom a child has been placed by court order.~~

(b) If a child is to be placed in the home of a relative not licensed to provide foster care, either the placing agency or the county agency in the county in which the relative lives shall conduct the emergency ~~licensing~~ placement process as required in this section.

Subd. 3. **Requirements for emergency license placement.** Before an emergency ~~license~~ placement may be ~~issued~~ made, the following requirements must be met:

(1) the county agency must conduct an initial inspection of the premises where the ~~foster care placement~~ placement is to be ~~provided~~ made to ensure the health and safety of any child placed in the home. The county agency shall conduct the inspection using a form developed by the commissioner;

(2) at the time of the inspection or placement, whichever is earlier, the county agency must provide the relative being considered for an emergency license ~~shall receive placement~~ an application form for a child foster care license;

(3) whenever possible, prior to placing the child in the relative's home, the relative being considered for an emergency license placement shall provide the information required by section 245C.05; and

(4) if the county determines, prior to the ~~issuance of an~~ emergency license placement, that anyone requiring a background study ~~may be prior to licensure of the home is~~ disqualified under ~~section 245C.14 and~~ chapter 245C, and the disqualification is one which the commissioner cannot set aside, an emergency license ~~shall placement must~~ not be ~~issued~~ made.

Subd. 4. **Applicant study.** When the county agency has received the information required by section 245C.05, the county agency shall ~~begin an applicant study according to the procedures in chapter 245C. The commissioner may issue an emergency license upon recommendation of the county agency once the initial inspection has been successfully completed and the information necessary to begin the applicant background study has been provided. If the county agency does not recommend that the emergency license be granted, the agency shall notify the relative in writing that the agency is recommending denial to the commissioner; shall remove any child who has been placed in the home prior to licensure; and shall inform the relative in writing of the procedure to request review pursuant to subdivision 6. An emergency license shall be effective until a child foster care license is granted or denied, but shall in no case remain in effect more than 120 days from the date of placement~~ submit the information to the commissioner according to section 245C.05.

Subd. 5. **Child foster care license application.** (a) The ~~relatives with whom the emergency license holder placement has been made~~ shall complete the child foster care license application and necessary paperwork within ten days of the placement. The county agency shall assist the ~~emergency license holder applicant~~ to complete the application. The granting of a child foster care license to a relative shall be under the procedures in this chapter and according to the standards ~~set forth by foster care rule in Minnesota Rules, chapter 2960.~~ In licensing a relative, the commissioner shall consider the importance of maintaining the child's relationship with relatives as an additional significant factor in determining whether ~~to a background study disqualification should be set aside a licensing disqualifier under section 245C.22, or to grant a variance of licensing requirements should be granted under sections 245C.21 to 245C.27~~ section 245C.30.

(b) When the county or private child-placing agency is processing an application for child foster care licensure of a relative as defined in section 260B.007, subdivision 12, or 260C.007, subdivision 27, the county agency or child-placing agency must explain the licensing process to the prospective licensee, including the background study process and the procedure for reconsideration of an initial disqualification for licensure. The county or private child-placing agency must also provide the prospective relative licensee with information regarding appropriate options for legal representation in the pertinent geographic area. If a relative is initially disqualified under section 245C.14, the ~~county or child placing agency commissioner~~ must provide written notice of the reasons for the disqualification and the right to request a reconsideration by the commissioner as required under section 245C.17.

(c) The commissioner shall maintain licensing data so that activities related to applications and licensing actions for relative foster care providers may be distinguished from other child foster care settings.

Subd. 6. **Denial of emergency license.** ~~If the commissioner denies an application for an emergency foster care license under this section, that denial must be in writing and must include reasons for the denial. Denial of an emergency license is not subject to appeal under chapter 14. The relative may request a review of the denial by submitting to the commissioner a written statement of the reasons an emergency license should be granted. The commissioner shall evaluate the request for review and determine whether to grant the emergency license. The commissioner's review shall be based on a review of the records submitted by the county agency and the relative.~~

~~Within 15 working days of the receipt of the request for review, the commissioner shall notify the relative requesting review in written form whether the emergency license will be granted. The commissioner's review shall be based on a review of the records submitted by the county agency and the relative. A child shall not be placed or remain placed in the relative's home while the request for review is pending. Denial of an emergency license shall not preclude an individual from reapplying for an emergency license or from applying for a child foster care license. The decision of the commissioner is the final administrative agency action.~~

Sec. 2. Minnesota Statutes 2006, section 245A.16, subdivision 1, is amended to read:

Subdivision 1. **Delegation of authority to agencies.** (a) County agencies and private agencies that have been designated or licensed by the commissioner to perform licensing functions and activities under section 245A.04 ~~and~~; background studies for adult foster care, family adult day services, and family child care under chapter 245C; to recommend denial of applicants under section 245A.05; to issue correction orders, to issue variances, and recommend a conditional license under section 245A.06, or to recommend suspending or revoking a license or issuing a fine under section 245A.07; shall comply with rules and directives of the commissioner governing those functions and with this section. The following variances are excluded from the delegation of variance authority and may be issued only by the commissioner:

(1) dual licensure of family child care and child foster care, dual licensure of child and adult foster care, and adult foster care and family child care;

(2) adult foster care maximum capacity;

(3) adult foster care minimum age requirement;

(4) child foster care maximum age requirement;

(5) variances regarding disqualified individuals except that county agencies may issue variances under section 245C.30 regarding disqualified individuals when the county is responsible for conducting a consolidated reconsideration according to sections 245C.25 and 245C.27, subdivision 2, clauses (a) and (b), of a county maltreatment determination and a disqualification based on serious or recurring maltreatment; and

(6) the required presence of a caregiver in the adult foster care residence during normal sleeping hours.

(b) County agencies must report:

~~(1) information about disqualification reconsiderations under sections 245C.25 and 245C.27, subdivision 2, clauses paragraphs (a) and (b), and variances granted under paragraph (a), clause (5), to the commissioner at least monthly in a format prescribed by the commissioner; and~~

~~(2) for relative child foster care applicants and license holders, the number of relatives, as defined in section 260C.007, subdivision 27, and household members of relatives who are disqualified under section 245C.14; the disqualifying characteristics under section 245C.15; the number of these individuals who requested reconsideration under section 245C.21; the number of set-asides under section 245C.22; and variances under section 245C.30 issued. This information shall be reported to the commissioner annually by January 15 of each year in a format prescribed by the commissioner.~~

(c) For family day care programs, the commissioner may authorize licensing reviews every two years after a licensee has had at least one annual review.

(d) For family adult day services programs, the commissioner may authorize licensing reviews every two years after a licensee has had at least one annual review.

(e) A license issued under this section may be issued for up to two years.

Sec. 3. Minnesota Statutes 2006, section 245A.16, subdivision 3, is amended to read:

Subd. 3. **Recommendations to the commissioner.** The county or private agency shall not make recommendations to the commissioner regarding licensure without first conducting an inspection, and for adult foster care, family adult day services, and family child care, a background study of the applicant, and evaluation pursuant to under chapter 245C. The county or private agency must forward its recommendation to the commissioner regarding the appropriate licensing action within 20 working days of receipt of a completed application.

Sec. 4. Minnesota Statutes 2006, section 245C.02, is amended by adding a subdivision to read:

Subd. 14a. **Private agency.** "Private agency" has the meaning given in section 245A.02, subdivision 12.

Sec. 5. Minnesota Statutes 2006, section 245C.04, subdivision 1, is amended to read:

Subdivision 1. **Licensed programs.** (a) The commissioner shall conduct a background study of an individual required to be studied under section 245C.03, subdivision 1, at least upon application for initial license for all license types.

(b) The commissioner shall conduct a background study of an individual required to be studied under section 245C.03, subdivision 1, at reapplication for a license for family child care, ~~child foster care, and adult foster care, and family adult day services.~~

(c) The commissioner is not required to conduct a study of an individual at the time of reapplication for a license if the individual's background study was completed by the commissioner of human services for an adult foster care license holder that is also:

(1) registered under chapter 144D; or

(2) licensed to provide home and community-based services to people with disabilities at the foster care location and the license holder does not reside in the foster care residence; and

(3) the following conditions are met:

(i) a study of the individual was conducted either at the time of initial licensure or when the individual became affiliated with the license holder;

(ii) the individual has been continuously affiliated with the license holder since the last study was conducted; and

(iii) the last study of the individual was conducted on or after October 1, 1995.

(d) From July 1, 2007, to June 30, 2009, the commissioner of human services shall conduct a study of an individual required to be studied under section 245C.03 at the time of reapplication for a child foster care license. The county or private agency shall collect and forward to the commissioner the information required under section 245C.05, subdivisions 1, paragraphs (a) and (b), and 5, paragraphs (a) and (b). The background study conducted by the commissioner of human services under this paragraph must include a review of the information required under section 245C.08, subdivisions 1, paragraph (a), clauses (1) to (4), and 3.

(e) The commissioner of human services shall conduct a background study of an individual specified under section 245C.03, subdivision 1, paragraph (a), clauses (2) to (6), who is newly affiliated with a child foster care license holder. The county or private agency shall collect and forward to the commissioner the information required under section 245C.05, subdivisions 1 and 5. The background study conducted by the commissioner of human services under this paragraph must include a review of the information required under section 245C.08, subdivisions 1, paragraph (a), and 3.

(f) Applicants for licensure, license holders, and other entities as provided in this chapter must submit completed background study forms to the commissioner before individuals specified in section 245C.03, subdivision 1, begin positions allowing direct contact in any licensed program.

~~(e)~~ (g) For purposes of this section, a physician licensed under chapter 147 is considered to be continuously affiliated upon the license holder's receipt from the commissioner of health or human services of the physician's background study results.

Sec. 6. Minnesota Statutes 2006, section 245C.05, subdivision 1, is amended to read:

Subdivision 1. **Individual studied.** (a) The individual who is the subject of the background study must provide the applicant, license holder, or other entity under section 245C.04 with sufficient information to ensure an accurate study, including:

- (1) the individual's first, middle, and last name and all other names by which the individual has been known;
- (2) home address, city, and state of residence;
- (3) zip code;
- (4) sex;
- (5) date of birth; and
- (6) Minnesota driver's license number or state identification number.

(b) Every subject of a background study conducted by counties or private agencies under this chapter must also provide the home address, city, county, and state of residence for the past five years.

(c) Every subject of a background study related to child foster care through a private agency shall also provide the commissioner a signed consent for the release of any information received from national crime information databases to the private agency that initiated the background study.

(d) The subject of a background study shall provide fingerprints as required in subdivision 5, paragraph (c).

Sec. 7. Minnesota Statutes 2006, section 245C.05, is amended by adding a subdivision to read:

Subd. 2a. **County or private agency.** For background studies related to child foster care, county and private agencies must collect the information under subdivision 1 and forward it to the commissioner.

Sec. 8. Minnesota Statutes 2006, section 245C.05, subdivision 4, is amended to read:

Subd. 4. **Electronic transmission.** For background studies conducted by the Department of Human Services, the commissioner shall implement a system for the electronic transmission of:

(1) background study information to the commissioner; ~~and~~

(2) background study results to the license holder; and

(3) background study results to county and private agencies for background studies conducted by the commissioner for child foster care.

Sec. 9. Minnesota Statutes 2006, section 245C.05, subdivision 5, is amended to read:

Subd. 5. **Fingerprints.** (a) Except as provided in paragraph (c), for any background study completed under this chapter, when the commissioner has reasonable cause to believe that further pertinent information may exist on the subject of the background study, the subject shall provide the commissioner with a set of classifiable fingerprints obtained from an authorized ~~law enforcement~~ agency.

(b) For purposes of requiring fingerprints, the commissioner has reasonable cause when, but not limited to, the:

(1) information from the Bureau of Criminal Apprehension indicates that the subject is a multistate offender;

(2) information from the Bureau of Criminal Apprehension indicates that multistate offender status is undetermined; or

(3) commissioner has received a report from the subject or a third party indicating that the subject has a criminal history in a jurisdiction other than Minnesota.

(c) Except as specified under section 245C.04, subdivision 1, paragraph (d), for background studies conducted by the commissioner for child foster care, the subject of the background study shall provided the commissioner with a set of classifiable fingerprints obtained from an authorized agency.

Sec. 10. Minnesota Statutes 2006, section 245C.05, subdivision 7, is amended to read:

Subd. 7. **Probation officer and corrections agent.** (a) A probation officer or corrections agent shall notify the commissioner of an individual's conviction if the individual is:

(1) affiliated with a program or facility regulated by the Department of Human Services or Department of Health, a facility serving children or youth licensed by the Department of Corrections, or any type of home care agency or provider of personal care assistance services; and

(2) convicted of a crime constituting a disqualification under section 245C.14.

(b) For the purpose of this subdivision, "conviction" has the meaning given it in section 609.02, subdivision 5.

(c) The commissioner, in consultation with the commissioner of corrections, shall develop forms and information necessary to implement this subdivision and shall provide the forms and information to the commissioner of corrections for distribution to local probation officers and corrections agents.

(d) The commissioner shall inform individuals subject to a background study that criminal convictions for disqualifying crimes will be reported to the commissioner by the corrections system.

(e) A probation officer, corrections agent, or corrections agency is not civilly or criminally liable for disclosing or failing to disclose the information required by this subdivision.

(f) Upon receipt of disqualifying information, the commissioner shall provide the notice required under section 245C.17, as appropriate, to agencies on record as having initiated a background study or making a request for documentation of the background study status of the individual.

(g) This subdivision does not apply to family child care ~~and child foster care~~ programs.

Sec. 11. Minnesota Statutes 2006, section 245C.08, subdivision 1, is amended to read:

Subdivision 1. **Background studies conducted by commissioner of human services.** (a) For a background study conducted by the commissioner, the commissioner shall review:

(1) information related to names of substantiated perpetrators of maltreatment of vulnerable adults that has been received by the commissioner as required under section 626.557, subdivision 9c, paragraph (i);

(2) the commissioner's records relating to the maltreatment of minors in licensed programs, and from ~~county agency~~ findings of maltreatment of minors as indicated through the social service information system;

(3) information from juvenile courts as required in subdivision 4 for individuals listed in section 245C.03, subdivision 1, clauses (2), (5), and (6); ~~and~~

(4) information from the Bureau of Criminal Apprehension; and

(5) for a background study related to a child foster care application for licensure, the commissioner shall also review:

(i) information from the child abuse and neglect registry for any state in which the background study subject has resided in for the past five years; and

(ii) information from national crime information databases.

(b) Notwithstanding expungement by a court, the commissioner may consider information obtained under paragraph (a), clauses (3) and (4), unless the commissioner received notice of the petition for expungement and the court order for expungement is directed specifically to the commissioner.

Sec. 12. Minnesota Statutes 2006, section 245C.08, subdivision 2, is amended to read:

Subd. 2. **Background studies conducted by a county ~~or private~~ agency.** (a) For a background study conducted by a county ~~or private~~ agency for ~~child foster care~~, adult foster care, family adult day services, and family child care homes, the commissioner shall review:

(1) information from the county agency's record of substantiated maltreatment of adults and the maltreatment of minors;

(2) information from juvenile courts as required in subdivision 4 for individuals listed in section 245C.03, subdivision 1, clauses (2), (5), and (6);

(3) information from the Bureau of Criminal Apprehension; and

(4) arrest and investigative records maintained by the Bureau of Criminal Apprehension, county attorneys, county sheriffs, courts, county agencies, local police, the National Criminal Records Repository, and criminal records from other states.

(b) If the individual has resided in the county for less than five years, the study shall include the records specified under paragraph (a) for the previous county or counties of residence for the past five years.

(c) Notwithstanding expungement by a court, the county ~~or private~~ agency may consider information obtained under paragraph (a), clauses (3) and (4), unless the commissioner received notice of the petition for expungement and the court order for expungement is directed specifically to the commissioner.

Sec. 13. Minnesota Statutes 2006, section 245C.10, is amended by adding a subdivision to read:

Subd. 4. Temporary personnel agencies, educational programs, and professional services agencies. The commissioner shall recover the cost of the background studies initiated by temporary personnel agencies, educational programs, and professional services agencies that initiate background studies under section 245C.03, subdivision 4, through a fee of no more than \$20 per study charged to the agency. The fees collected under this subdivision are appropriated to the commissioner for the purpose of conducting background studies.

Sec. 14. Minnesota Statutes 2006, section 245C.11, subdivision 1, is amended to read:

Subdivision 1. **Adult foster care; criminal conviction data.** For individuals who are required to have background studies under section 245C.03, subdivisions 1 and 2, and who have been continuously affiliated with ~~a~~ an adult foster care provider that is licensed in more than one county, criminal conviction data may be shared among those counties in which the adult foster care programs are licensed. A county agency's receipt of criminal conviction data from another county agency shall meet the criminal data background study requirements of this chapter.

Sec. 15. Minnesota Statutes 2006, section 245C.11, subdivision 2, is amended to read:

Subd. 2. **Jointly licensed programs.** A county agency may accept a background study completed by the commissioner under this chapter in place of the background study required under section 245A.16, subdivision 3, in programs with joint licensure as home and community-based services and adult foster care for people with developmental disabilities when the license holder does not reside in the adult foster care residence and the subject of the study has been continuously affiliated with the license holder since the date of the commissioner's study.

Sec. 16. Minnesota Statutes 2006, section 245C.12, is amended to read:

245C.12 BACKGROUND STUDY; TRIBAL ORGANIZATIONS.

(a) For the purposes of background studies completed by tribal organizations performing licensing activities otherwise required of the commissioner under this chapter, after obtaining consent from the background study subject, tribal licensing agencies shall have access to criminal history data in the same manner as county licensing agencies and private licensing agencies under this chapter.

(b) Tribal organizations may contract with the commissioner to obtain background study data on individuals under tribal jurisdiction related to adoptions according to section 245C.34. Tribal organizations may also contract with the commissioner to obtain background study data on individuals under tribal jurisdiction related to child foster care according to section 245C.34.

Sec. 17. Minnesota Statutes 2006, section 245C.16, subdivision 1, is amended to read:

Subdivision 1. **Determining immediate risk of harm.** (a) If the commissioner determines that the individual studied has a disqualifying characteristic, the commissioner shall review the information immediately available and make a determination as to the subject's immediate risk of harm to persons served by the program where the individual studied will have direct contact.

(b) The commissioner shall consider all relevant information available, including the following factors in determining the immediate risk of harm:

- (1) the recency of the disqualifying characteristic;
- (2) the recency of discharge from probation for the crimes;
- (3) the number of disqualifying characteristics;
- (4) the intrusiveness or violence of the disqualifying characteristic;
- (5) the vulnerability of the victim involved in the disqualifying characteristic;

(6) the similarity of the victim to the persons served by the program where the individual studied will have direct contact; and

- (7) whether the individual has a disqualification from a previous background study that has not been set aside.

(c) This section does not apply when the subject of a background study is regulated by a health-related licensing board as defined in chapter 214, and the subject is determined to be responsible for substantiated maltreatment under section 626.556 or 626.557.

(d) This section does not apply to a background study related to an initial application for a child foster care license.

(e) If the commissioner has reason to believe, based on arrest information or an active maltreatment investigation, that an individual poses an imminent risk of harm to persons receiving services, the commissioner may order that the person be continuously supervised or immediately removed pending the conclusion of the maltreatment investigation or criminal proceedings.

Sec. 18. Minnesota Statutes 2006, section 245C.17, is amended by adding a subdivision to read:

Subd. 5. **Notice to county or private agency.** For studies on individuals related to a license to provide child foster care, the commissioner shall also provide a notice of the background study results to the county or private agency that initiated the background study.

Sec. 19. Minnesota Statutes 2006, section 245C.21, is amended by adding a subdivision to read:

Subd. 1a. **Submission of reconsideration request to county or private agency.** (a) For disqualifications related to studies conducted by county agencies, and for disqualifications related to studies conducted by the commissioner for child foster care, the individual shall submit the request for reconsideration to the county or private agency that initiated the background study.

(b) A reconsideration request shall be submitted within the time frames specified in section 69.13, subdivision 2.

(c) The county or private agency shall forward the individual's request for reconsideration and provide the commissioner with a recommendation whether to set aside the individual's disqualification.

Sec. 20. Minnesota Statutes 2006, section 245C.23, subdivision 2, is amended to read:

Subd. 2. **Commissioner's notice of disqualification that is not set aside.** (a) The commissioner shall notify the license holder of the disqualification and order the license holder to immediately remove the individual from any position allowing direct contact with persons receiving services from the license holder if:

(1) the individual studied does not submit a timely request for reconsideration under section 245C.21;

(2) the individual submits a timely request for reconsideration, but the commissioner does not set aside the disqualification for that license holder under section 245C.22;

(3) an individual who has a right to request a hearing under sections 245C.27 and 256.045, or 245C.28 and chapter 14 for a disqualification that has not been set aside, does not request a hearing within the specified time; or

(4) an individual submitted a timely request for a hearing under sections 245C.27 and 256.045, or 245C.28 and chapter 14, but the commissioner does not set aside the disqualification under section 245A.08, subdivision 5, or 256.045.

(b) If the commissioner does not set aside the disqualification under section 245C.22, and the license holder was previously ordered under section 245C.17 to immediately remove the disqualified individual from direct contact with persons receiving services or to ensure that the individual is under continuous, direct supervision when providing direct contact services, the order remains in effect pending the outcome of a hearing under sections 245C.27 and 256.045, or 245C.28 and chapter 14.

(c) For background studies related to child foster care, the commissioner shall also notify the county or private agency that initiated the study of the results of the reconsideration.

Sec. 21. **[245C.33] ADOPTION BACKGROUND STUDY REQUIREMENTS.**

Subdivision 1. **Background studies conducted by commissioner.** Before placement of a child for purposes of adoption, the commissioner shall conduct a background study on individuals listed in section 259.41, subdivision 3, for county agencies and private agencies licensed to place children for adoption.

Subd. 2. **Information and data provided to county or private agency.** The subject of the background study shall provide the following information to the county or private agency:

(1) the information specified in section 245C.05;

(2) a set of classifiable fingerprints obtained from an authorized agency; and

(3) for studies initiated by a private agency, a signed consent for the release of information received from national crime information databases to the private agency.

Subd. 3. **Information and data provided to commissioner.** The county or private agency shall forward the data collected under subdivision 2 to the commissioner.

Subd. 4. **Information commissioner reviews.** (a) The commissioner shall review the following information regarding the background study subject:

(1) the information under section 245C.08, subdivisions 1, 3, and 4;

(2) information from the child abuse and neglect registry for any state in which the subject has resided for the past five years; and

(3) information from national crime information databases.

(b) The commissioner shall provide any information collected under this subdivision to the county or private agency that initiated the background study. The commissioner shall indicate if the information collected shows that the subject of the background study has a conviction listed in United States Code, title 42, section 671(a)(20)(A).

Sec. 22. [245C.34] ADOPTION AND CHILD FOSTER CARE BACKGROUND STUDIES; TRIBAL ORGANIZATIONS.

Subdivision 1. **Background studies may be conducted by commissioner.** (a) Tribal organizations may contract with the commissioner under section 245C.12 to obtain background study data on individuals under tribal jurisdiction related to adoptions.

(b) Tribal organizations may contract with the commissioner under section 245C.12 to obtain background study data on individuals under tribal jurisdiction related to child foster care.

(c) Background studies initiated by tribal organizations under paragraphs (a) and (b) must be conducted as provided in subdivisions 2 and 3.

Subd. 2. **Information and data provided to tribal organization.** The background study subject must provide the following information to the tribal organization:

(1) for background studies related to adoptions, the information under section 245C.05;

(2) for background studies related to child foster care, the information under section 245C.05;

(3) a set of classifiable fingerprints obtained from an authorized agency; and

(4) a signed consent for the release of information received from national crime information databases to the tribal organization.

Subd. 3. **Information and data provided to commissioner.** The tribal organization shall forward the data collected under subdivision 2 to the commissioner.

Subd. 4. **Information commissioner reviews.** (a) The commissioner shall review the following information regarding the background study subject:

(1) the information under section 245C.08, subdivisions 1, 3, and 4;

(2) information from the child abuse and neglect registry for any state in which the subject has resided for the past five years; and

(3) information from national crime information databases.

(b) The commissioner shall provide any information collected under this subdivision to the tribal organization that initiated the background study. The commissioner shall indicate if the information collected shows that the subject of the background study has a conviction listed in United States Code, title 42, section 671(a)(20)(A).

Sec. 23. Minnesota Statutes 2006, section 259.20, subdivision 2, is amended to read:

Subd. 2. **Other applicable law.** (a) Portions of chapters 245A, 245C, 257, 260, and 317A may also affect the adoption of a particular child.

(b) Provisions of the Indian Child Welfare Act, United States Code, title 25, chapter 21, sections 1901-1923, may also apply in the adoption of an Indian child, and may preempt specific provisions of this chapter.

(c) Consistent with chapters 245A and 245C and Public Law 109-248, a completed background study is required before the approval of any foster or adoptive placement in a related or an unrelated home.

Sec. 24. Minnesota Statutes 2006, section 259.29, subdivision 1, is amended to read:

Subdivision 1. **Best interests of the child.** (a) The policy of the state of Minnesota is to ensure that the best interests of the child are met by requiring individualized determination of the needs of the child and of how the adoptive placement will serve the needs of the child.

(b) Among the factors the agency shall consider in determining the needs of the child are those specified under section 260C.193, subdivision 3, paragraph (b).

(c) Except for emergency placements provided for in section 245A.03, a completed background study is required under section 245C.33 before the approval of an adoptive placement in a home.

Sec. 25. Minnesota Statutes 2006, section 259.41, is amended to read:

259.41 ADOPTION STUDY.

Subdivision 1. **Study required before placement; certain relatives excepted.** (a) An approved adoption study; completed background study, as required under section 245C.33; and written report must be completed before the child is placed in a prospective adoptive home under this chapter, except as allowed by section 259.47, subdivision 6. In an agency placement, the report must be filed with the court at the time the adoption petition is filed. In a direct adoptive placement, the report must be filed with the court in support of a motion for temporary preadoptive custody under section 259.47, subdivision 3, or, if the study and report are complete, in support of an emergency order under section 259.47, subdivision 6. The study and report shall be completed by a licensed child-placing agency and must be thorough and comprehensive. The study and report shall be paid for by the prospective adoptive parent, except as otherwise required under section 259.67 or 259.73.

(b) A placement for adoption with an individual who is related to the child, as defined by section 245A.02, subdivision 13, is not subject to this section except as required by ~~section~~ sections 245C.33 and 259.53, subdivision 2, paragraph (c).

(c) In the case of a licensed foster parent seeking to adopt a child who is in the foster parent's care, any portions of the foster care licensing process that duplicate requirements of the home study may be submitted in satisfaction of the relevant requirements of this section.

Subd. 2. **Form of study.** (a) The adoption study must include at least one in-home visit with the prospective adoptive parent. At a minimum, the study must ~~include document~~ include document the following information about the prospective adoptive parent:

(1) a background ~~check~~ study as required by subdivision 3 and section 245C.33, and including:

(i) an ~~evaluation~~ assessment of the data and information provided by section 245C.33, subdivision 4, to determine if the prospective adoptive parent and any other person over the age of 13 living in the home has a felony conviction consistent with subdivision 3 and section 471(a)(2) of the federal Social Security Act; and

(ii) an assessment of the effect of ~~a~~ any conviction or finding of substantiated maltreatment on the ~~ability to~~ capacity of the prospective adoptive parent to safely care for ~~and parent~~ a child;

(2) a medical and social history and assessment of current health;

(3) an assessment of potential parenting skills;

(4) an assessment of ability to provide adequate financial support for a child; and

(5) an assessment of the level of knowledge and awareness of adoption issues including, where appropriate, matters relating to interracial, cross-cultural, and special needs adoptions.

(b) The adoption study is the basis for completion of a written report. The report must be in a format specified by the commissioner and must contain recommendations regarding the suitability of the subject of the study to be an adoptive parent.

Subd. 3. ~~Background check; affidavit of history study.~~ (a) At the time an adoption study is commenced, each prospective adoptive parent must:

(1) authorize access by the agency to any private data needed to complete the study;

(2) provide all addresses at which the prospective adoptive parent and anyone in the household over the age of 13 has resided in the previous five years; and

(3) disclose any names used previously other than the name used at the time of the study.

(b) When the requirements of paragraph (a) have been met, the agency shall immediately ~~begin~~ initiate a background ~~check study under section 245C.33 to be completed by the commissioner,~~ on each person over the age of 13 living in the home, ~~consisting, at a minimum, of the following:~~ As required under section 245C.33 and Public Law 109-248, a completed background study is required before the approval of any foster or adoptive placement in a related or an unrelated home. The required background study must be completed as part of the home study.

~~(1) a check of criminal conviction data with the Bureau of Criminal Apprehension and local law enforcement authorities;~~

~~(2) a check for data on substantiated maltreatment of a child or vulnerable adult and domestic violence data with local law enforcement and social services agencies and district courts; and~~

~~(3) for those persons under the age of 25, a check of juvenile court records.~~

~~Notwithstanding the provisions of section 260B.171 or 260C.171, the Bureau of Criminal Apprehension, local law enforcement and social services agencies, district courts, and juvenile courts shall release the requested information to the agency completing the adoption study.~~

~~(c) When paragraph (b) requires checking the data or records of local law enforcement and social services agencies and district and juvenile courts, the agency shall check with the law enforcement and social services agencies and courts whose jurisdictions cover the addresses under paragraph (a), clause (2). In the event that the agency is unable to complete any of the record checks required by paragraph (b), the agency shall document the fact and the agency's efforts to obtain the information.~~

~~(d) For a study completed under this section, when the agency has reasonable cause to believe that further information may exist on the prospective adoptive parent or household member over the age of 13 that may relate to the health, safety, or welfare of the child, the prospective adoptive parent or household member over the age of 13 shall provide the agency with a set of classifiable fingerprints obtained from an authorized law enforcement agency and the agency may obtain criminal history data from the National Criminal Records Repository by submitting fingerprints to the Bureau of Criminal Apprehension. The agency has reasonable cause when, but not limited to, the:~~

~~(1) information from the Bureau of Criminal Apprehension indicates that the prospective adoptive parent or household member over the age of 13 is a multistate offender;~~

~~(2) information from the Bureau of Criminal Apprehension indicates that multistate offender status is undetermined;~~

~~(3) the agency has received a report from the prospective adoptive parent or household member over the age of 13 or a third party indicating that the prospective adoptive parent or household member over the age of 13 has a criminal history in a jurisdiction other than Minnesota; or~~

~~(4) the prospective adoptive parent or household member over the age of 13 is or has been a resident of a state other than Minnesota in the prior five years.~~

~~(e) At any time prior to completion of the background check required under paragraph (b), a prospective adoptive parent may submit to the agency conducting the study a sworn affidavit stating whether they or any person residing in the household have been convicted of a crime. The affidavit shall also state whether the adoptive parent or any other person residing in the household is the subject of an open investigation of, or have been the subject of a substantiated allegation of, child or vulnerable adult maltreatment within the past ten years. A complete description of the crime, open investigation, or substantiated abuse, and a complete description of any sentence, treatment, or disposition must be included. The affidavit must contain an acknowledgment that if, at any time before the adoption is final, a court receives evidence leading to a conclusion that a prospective adoptive parent knowingly gave false information in the affidavit, it shall be determined that the adoption of the child by the prospective adoptive parent is not in the best interests of the child.~~

~~(f) For the purposes of subdivision 1 and section 259.47, subdivisions 3 and 6, an adoption study is complete for placement, even though the background checks required by paragraph (b) have not been completed, if each prospective adoptive parent has completed the affidavit allowed by paragraph (e) and the other requirements of this section have been met. The background checks required by paragraph (b) must be completed before an adoption petition is filed. If an adoption study has been submitted to the court under section 259.47, subdivision 3 or 6, before the background checks required by paragraph (b) were complete, an updated adoption study report which includes the results of the background check must be filed with the adoption petition. In the event that an agency is unable to complete any of the records checks required by paragraph (b), the agency shall submit with the petition to adopt an affidavit documenting the agency's efforts to complete the checks.~~

(c) A home study under paragraph (b) used to consider placement of any child on whose behalf Title IV-E adoption assistance payments are to be made must not be approved if a background study reveals a felony conviction at any time for:

(1) child abuse or neglect;

(2) spousal abuse;

(3) a crime against children, including child pornography; or

(4) a crime involving violence, including rape, sexual assault, or homicide, but not including other physical assault or battery.

(d) A home study under paragraph (b) used to consider placement of any child on whose behalf Title IV-E adoption assistance payments are to be made must not be approved if a background study reveals a felony conviction within the past five years for:

(1) physical assault or battery; or

(2) a drug-related offense.

Subd. 4. **Updates to adoption study; period of validity.** An agency may update an adoption study and report as needed, regardless of when the original study and report or most recent update was completed. An update must be in a format specified by the commissioner and must verify the continuing accuracy of the elements of the original report and document any changes to elements of the original report. An update to a study and report not originally completed under this section must ensure that the study and report, as updated, meet the requirements of this section. An adoption study is valid if the report has been completed or updated within the previous 12 months.

Sec. 28. Minnesota Statutes 2006, section 259.53, subdivision 2, is amended to read:

Subd. 2. **Adoption agencies; postplacement assessment and report.** (a) The agency to which the petition has been referred under subdivision 1 shall conduct a postplacement assessment and file a report with the court within 90 days of receipt of a copy of the adoption petition. The agency shall send a copy of the report to the commissioner at the time it files the report with the court. The assessment and report must evaluate the environment and antecedents of the child to be adopted, the home of the petitioners, whether placement with the petitioners meets the needs of the child as described in section 259.57, subdivision 2. The report must include a recommendation to the court as to whether the petition should or should not be granted.

In making evaluations and recommendations, the postplacement assessment and report must, at a minimum, address the following:

(1) the level of adaptation by the prospective adoptive parents to parenting the child;

(2) the health and well-being of the child in the prospective adoptive parents' home;

(3) the level of incorporation by the child into the prospective adoptive parents' home, extended family, and community; and

(4) the level of inclusion of the child's previous history into the prospective adoptive home, such as cultural or ethnic practices, or contact with former foster parents or biological relatives.

(b) A postplacement adoption report is valid for 12 months following its date of completion.

~~(c) If the petitioner is an individual who is related to the child, as defined by section 245A.02, subdivision 13, the agency, as part of its postplacement assessment and report under paragraph (a), shall conduct a background check meeting the requirements of section 259.41, subdivision 3, paragraph (b). The prospective adoptive parent shall cooperate in the completion of the background check by supplying the information and authorizations described in section 259.41, subdivision 3, paragraph (a).~~

~~(d)~~ (c) If the report recommends that the court not grant the petition to adopt the child, the provisions of this paragraph apply. Unless the assessment and report were completed by the local social services agency, the agency completing the report, at the time it files the report with the court under paragraph (a), must provide a copy of the report to the local social services agency in the county where the prospective adoptive parent lives. The agency or local social services agency may recommend that the court dismiss the petition. If the local social services agency determines that continued placement in the home endangers the child's physical or emotional health, the agency shall seek a court order to remove the child from the home.

~~(e)~~ (d) If, through no fault of the petitioner, the agency to whom the petition was referred under subdivision 1, paragraph (b), fails to complete the assessment and file the report within 90 days of the date it received a copy of the adoption petition, the court may hear the petition upon giving the agency and the local social services agency, if different, five days' notice by mail of the time and place of the hearing.

Sec. 29. Minnesota Statutes 2006, section 259.57, subdivision 2, is amended to read:

Subd. 2. **Protection of child's best interests.** (a) The policy of the state of Minnesota is to ensure that the best interests of children are met by requiring an individualized determination of the needs of the child and how the adoptive placement will serve the needs of the child.

(b) Among the factors the court shall consider in determining the needs of the child are those specified under section 260C.193, subdivision 3, paragraph (b). Consistent with section 245C.33 and Public Law 109-248, a completed background study is required before the approval of an adoptive placement in a home.

(c) In reviewing adoptive placement and in determining appropriate adoption, the court shall consider placement, consistent with the child's best interests and in the following order, with (1) a relative or relatives of the child, or (2) an important friend with whom the child has resided or had significant contact. Placement of a child cannot be delayed or denied based on race, color, or national origin of the adoptive parent or the child. Whenever possible, siblings should be placed together unless it is determined not to be in the best interests of a sibling.

(d) If the child's birth parent or parents explicitly request that relatives and important friends not be considered, the court shall honor that request consistent with the best interests of the child.

If the child's birth parent or parents express a preference for placing the child in an adoptive home of the same or a similar religious background to that of the birth parent or parents, the court shall place the child with a family that also meets the birth parent's religious preference. Only if no family is available as described in clause (a) or (b) may the court give preference to a family described in clause (c) that meets the parent's religious preference.

(e) This subdivision does not affect the Indian Child Welfare Act, United States Code, title 25, sections 1901 to 1923, and the Minnesota Indian Family Preservation Act, sections 260.751 to 260.835.

Sec. 30. Minnesota Statutes 2006, section 260C.209, is amended to read:

260C.209 BACKGROUND CHECKS.

Subdivision 1. **Subjects.** The responsible social services agency must ~~conduct~~ initiate a background ~~check~~ study to be completed by the commissioner under ~~this section of chapter 245C~~ on the following individuals:

(1) a noncustodial parent or nonadjudicated parent who is being assessed for purposes of providing day-to-day care of a child temporarily or permanently under section 260C.212, subdivision 4, and any member of the parent's household who is over the age of 13 when there is a reasonable cause to believe that the parent or household member over age 13 has a criminal history or a history of maltreatment of a child or vulnerable adult which would endanger the child's health, safety, or welfare;

(2) an individual whose suitability for relative placement under section 260C.212, subdivision 5, is being determined and any member of the relative's household who is over the age of 13 when:

(i) the relative must be licensed for foster care; or

(ii) the ~~agency must conduct a~~ background study is required under section 259.53, subdivision 2; or

(iii) the agency or the commissioner has reasonable cause to believe the relative or household member over the age of 13 has a criminal history which would not make transfer of permanent legal and physical custody to the relative under section 260C.201, subdivision 11, in the child's best interest; and

(3) a parent, following an out-of-home placement, when the responsible social services agency has reasonable cause to believe that the parent has been convicted of a crime directly related to the parent's capacity to maintain the child's health, safety, or welfare or the parent is the subject of an open investigation of, or has been the subject of a substantiated allegation of, child or vulnerable-adult maltreatment within the past ten years.

"Reasonable cause" means that the agency has received information or a report from the subject or a third person that creates an articulable suspicion that the individual has a history that may pose a risk to the health, safety, or welfare of the child. The information or report must be specific to the potential subject of the background check and shall not be based on the race, religion, ethnic background, age, class, or lifestyle of the potential subject.

Subd. 2. **General procedures.** (a) When ~~conducting~~ initiating a background check under subdivision 1, the agency ~~may~~ shall require the individual being assessed to provide sufficient information to ensure an accurate assessment under this section, including:

(1) the individual's first, middle, and last name and all other names by which the individual has been known;

(2) home address, zip code, city, county, and state of residence for the past ten years;

(3) sex;

(4) date of birth; and

(5) driver's license number or state identification number.

(b) When notified by the commissioner or the responsible social services agency that it is conducting an assessment under this section, the Bureau of Criminal Apprehension, commissioners of health and human services, law enforcement, and county agencies must provide the commissioner or responsible social services agency or county attorney with the following information on the individual being assessed: criminal history data, reports about the maltreatment of adults substantiated under section 626.557, and reports of maltreatment of minors substantiated under section 626.556.

Subd. 3. **Multistate information.** ~~(a) For any assessment every background study completed under this section, if the responsible social services agency has reasonable cause to believe that the individual is a multistate offender, the individual must~~ the subject of the background study shall provide the responsible social services agency ~~or the county attorney~~ with a set of classifiable fingerprints obtained from an authorized ~~law enforcement~~ agency. The responsible social services agency ~~or county attorney may~~ shall provide the fingerprints to the commissioner, and the commissioner shall obtain criminal history data from the National Criminal Records Repository by submitting the fingerprints to the Bureau of Criminal Apprehension.

~~(b) For purposes of this subdivision, the responsible social services agency has reasonable cause when, but not limited to:~~

~~(1) information from the Bureau of Criminal Apprehension indicates that the individual is a multistate offender;~~

~~(2) information from the Bureau of Criminal Apprehension indicates that multistate offender status is undetermined;~~

~~(3) the social services agency has received a report from the individual or a third party indicating that the individual has a criminal history in a jurisdiction other than Minnesota; or~~

~~(4) the individual is or has been a resident of a state other than Minnesota at any time during the prior ten years.~~

Subd. 4. **Notice upon receipt.** The ~~responsible social services agency commissioner~~ must provide the subject of the background study with the results of the study as required under ~~this section within 15 business days of receipt or at least 15 days prior to the hearing at which the results will be presented, whichever comes first.~~ The subject may provide written information to the agency that the results are incorrect and may provide additional or clarifying information to the agency and to the court through a party to the proceeding. ~~This provision does not apply to any background study conducted under chapters 245A and chapter 245C.~~

Sec. 31. Minnesota Statutes 2006, section 260C.212, subdivision 2, is amended to read:

Subd. 2. **Placement decisions based on best interest of the child.** (a) The policy of the state of Minnesota is to ensure that the child's best interests are met by requiring an individualized determination of the needs of the child and of how the selected placement will serve the needs of the child being placed. The authorized child-placing agency shall place a child, released by court order or by voluntary release by the parent or parents, in a family foster home selected by considering placement with relatives and important friends in the following order:

(1) with an individual who is related to the child by blood, marriage, or adoption; or

(2) with an individual who is an important friend with whom the child has resided or had significant contact.

(b) Among the factors the agency shall consider in determining the needs of the child are the following:

(1) the child's current functioning and behaviors;

(2) the medical, educational, and developmental needs of the child;

(3) the child's history and past experience;

(4) the child's religious and cultural needs;

(5) the child's connection with a community, school, and church;

(6) the child's interests and talents;

(7) the child's relationship to current caretakers, parents, siblings, and relatives; and

(8) the reasonable preference of the child, if the court, or the child-placing agency in the case of a voluntary placement, deems the child to be of sufficient age to express preferences.

(c) Placement of a child cannot be delayed or denied based on race, color, or national origin of the foster parent or the child.

(d) Siblings should be placed together for foster care and adoption at the earliest possible time unless it is determined not to be in the best interests of a sibling or unless it is not possible after appropriate efforts by the responsible social services agency.

(e) Except for emergency placements as provided for in section 245A.035, a completed background study is required under section 245C.08 before the approval of a foster placement in a related or unrelated home."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after "welfare" insert ", placement, and licensing"

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Public Safety and Civil Justice.

The report was adopted.

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

H. F. No. 1287, A bill for an act relating to insurance; requiring coverage for colorectal screening tests; amending Minnesota Statutes 2006, section 62A.30, subdivision 2.

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

The report was adopted.

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

H. F. No. 1290, A bill for an act relating to human services; establishing a child safety system and child safety fund; requiring reports; appropriating money; amending Minnesota Statutes 2006, section 256M.30, subdivisions 1, 2; proposing coding for new law as Minnesota Statutes, chapter 256N.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **LEGISLATIVE FINDINGS AND PURPOSE.**

The legislature finds that it is the public policy of the state to ensure that all children are safe from abuse and neglect, live in permanent and stable homes where they are nurtured, and have the opportunity to reach their full potential. To further this public policy, it is the intent of the legislature to establish a child safety system that has, as its goal, three performance-based outcomes: child safety, permanency, and well-being. A child safety fund is created to implement, maintain, and provide incentives to counties for the continuous improvement of the child safety system.

Sec. 2. Minnesota Statutes 2006, section 256M.30, subdivision 1, is amended to read:

Subdivision 1. **Service plan submitted to commissioner.** Effective January 1, 2004, and each two-year period thereafter, each county must have a biennial service plan approved by the commissioner in order to receive funds. Only one biennial service plan is required under this chapter, regardless of whether counties receive funding under this chapter, chapter 256N, or both. Counties may submit multicounty or regional service plans.

Sec. 3. Minnesota Statutes 2006, section 256M.30, subdivision 2, is amended to read:

Subd. 2. **Contents.** The service plan shall be completed in a form prescribed by the commissioner. The plan must include:

(1) a statement of the needs of the children, adolescents, and adults who experience the conditions defined in section 256M.10, subdivision 2, paragraph (a), and strengths and resources available in the community to address those needs;

~~(2)~~ (3) strategies the county will implement to meet the child safety system performance standards in the child safety system in chapter 256N;

~~(2)~~ (3) strategies the county will pursue to achieve the performance targets. Strategies must include specification of how funds under this section and other community resources will be used to achieve desired performance targets;

~~(3)~~ (4) a description of the county's process to solicit public input and a summary of that input;

~~(4)~~ (5) beginning with the service plans submitted for the period from January 1, 2006, through December 31, 2007, performance targets on statewide indicators for each county to measure outcomes of children's mental health, and child safety, permanency, and well-being. The commissioner shall consult with counties and other stakeholders to develop these indicators and collect baseline data to inform the establishment of individual county performance targets for the 2006-2007 biennium and subsequent plans; and

~~(5)~~ (6) a budget for services to be provided with funds under this section. The county must budget at least 40 percent of funds appropriated under sections 256M.01 to 256M.80 for services to ensure the mental health, safety, permanency, and well-being of children from low-income families. The commissioner may reduce the portion of child and community services funds that must be budgeted by a county for services to children in low-income families if:

(i) the incidence of children in low-income families within the county's population is significantly below the statewide median; or

(ii) the county has successfully achieved past performance targets for children's mental health, and child safety, permanency, and well-being and its proposed service plan is judged by the commissioner to provide an adequate level of service to the population with less funding.

Sec. 4. **[256N.01] CITATION.**

Sections 256N.01 to 256N.50 may be cited as the "Child Protection and Safety Act." This act creates a child safety system to establish performance-based accountability for the safety, permanency, and well-being of children and establishes a child safety fund to address the needs of children within each county.

Sec. 5. **[256N.10] DEFINITIONS.**

Subdivision 1. **Scope.** For the purposes of sections 256N.01 to 256N.50, the terms defined in this section have the meanings given.

Subd. 2. **Child safety fund.** "Child safety fund" means funds distributed to the counties under the formula specified in section 256N.30 for the purpose of implementing the child safety system.

Subd. 3. **Child safety system.** "Child safety system" means a performance-based system that ensures the safety, permanency, and well-being of children and is accountable to federal and state performance standards and is funded by the child safety fund.

Subd. 4. **Child safety system performance standards.** "Child safety system performance standards" means the performance standards in section 256N.20, subdivision 2.

Subd. 5. **Commissioner.** "Commissioner" means the commissioner of human services.

Subd. 6. **County board.** "County board" means the board of county commissioners in each county.

Sec. 6. **[256N.20] DUTIES OF COMMISSIONER.**

Subdivision 1. **Allocation of funds.** Each year the commissioner shall allocate funds to each county according to the formula defined in section 256N.30 and based on county compliance with the child safety performance standards.

Subd. 2. **Performance standards and compliance; work group.** (a) The commissioner shall convene a work group to establish:

(1) the child safety system performance standards, including a procedure to review and revise the performance standards every two years to ensure compliance with the federal data measures, data composites, and national standards in United States Code, title 45, section 1355.34(a)(1), and defined in the Federal Register;

(2) a procedure by which the commissioner can measure compliance with the child safety system performance standards;

(3) how a county's compliance with the child safety system performance standards should affect the performance-based funding in section 256N.30; and

(4) whether sanctions or corrective action procedures should be implemented to enhance the county's ability to meet the child safety system performance standards.

(b) The work group shall report back to the chairs of house and senate committees having jurisdiction over human services by January 1, 2008, with recommendations for potential legislation to be offered in the 2008 legislative session.

(c) The commissioner shall consult with county associations to determine the representatives to the work group.

Subd. 3. **Technical assistance and training.** The commissioner shall:

(1) provide necessary information and assistance to each county for establishing performance baselines and performance targets on safety, permanency, and well-being for children and adolescents;

(2) provide training, technical assistance, and other supports, which may include a qualitative case review, to each county to assist in planning, implementing services, and improving performance;

(3) use data collection to determine county compliance with child safety system performance standards;

(4) specify requirements for reports, including fiscal reports, to account for funds distributed; and

(5) work with counties to correct deficits that are identified in the evaluation of county performance under section 256N.50.

Sec. 7. **[256N.30] CHILD SAFETY ACT GRANT ALLOCATION.**

Subdivision 1. **Child safety fund.** The child safety fund is created for the purposes of sections 256N.01 to 256N.50.

Subd. 2. **Formula.** (a) The commissioner shall allocate funds annually from the child safety fund to each county board on a calendar basis in an amount determined according to this subdivision. Ninety-five percent of available funds must be allocated according to the formula in paragraphs (b) to (f). The remaining five percent of available funds must be allocated to counties through a request for proposal process for projects to meet specific county needs.

(b) By January 1, 2008, the commissioner shall allocate available funds according to the following criteria:

(1) 90 percent must be based on the county's federal child welfare targeted case management (CWTCM) revenue under section 256F.10 for the average of years 2004, 2005, and 2006; and

(2) ten percent must be based on need, calculated as follows:

(i) 50 percent must be based on the three-year average of the percentage of children in poverty in the county; and

(ii) 50 percent must be based on the three-year average of the total number of children in the county.

(c) By January 1, 2009, the commissioner shall allocate available funds according to the following criteria:

(1) 70 percent must be based on the average of the county's federal CWTCM revenue under section 256F.10 for years 2004, 2005, and 2006;

(2) 25 percent must be based on need, calculated as follows:

(i) 50 percent must be based on the three-year average of the percentage of children in poverty in the county; and

(ii) 50 percent must be based on the three-year average of the total number of children in the county; and

(3) five percent must be based on the county's ability to meet the child safety system performance standards in section 256N.20.

(d) By January 1, 2010, the commissioner shall allocate available funds according to the following criteria:

(1) 50 percent must be based on the average of the county's federal CWTCM revenue under section 256F.10 for years 2004, 2005, and 2006;

(2) 35 percent must be based on need, calculated as follows:

(i) 50 percent must be based on the three-year average of the percentage of children in poverty in the county; and

(ii) 50 percent must be based on the three-year average of the total number of children in the county; and

(3) 15 percent must be based on the county's ability to meet the child safety system performance standards in section 256N.20.

(e) By January 1, 2011, the commissioner shall allocate available funds according to the following criteria:

(1) 25 percent must be based on the average of the county's federal CWTCM revenue under section 256F.10 for years 2004, 2005, and 2006;

(2) 55 percent must be based on need, calculated as follows:

(i) 50 percent must be based on the three-year average of the percentage of children in poverty in the county; and

(ii) 50 percent must be based on the three-year average of the total number of children in the county; and

(3) 20 percent must be based on the county's ability to meet the child safety system performance standards in section 256N.20.

(f) By January 1, 2012, and each year thereafter, the commissioner shall allocate available funds according to the following criteria:

(1) 70 percent must be based on need, calculated as follows:

(i) 50 percent must be based on the three-year average of the percentage of children in poverty in the county; and

(ii) 50 percent must be based on the three-year average of the total number of children in the county; and

(2) 30 percent must be based on the county's ability to meet the performance standards in section 256N.20.

Subd. 3. **Tribal participation work group; report.** The commissioner shall convene a work group comprised of tribes, counties, and the Department of Human Services to establish opportunities and mechanisms for tribes to participate in the child safety system to ensure the safety, permanency, and well-being of American Indian children. The work group shall report back to the chairs of house and senate committees having jurisdiction by January 1, 2008, with recommendations for potential legislation to be offered in the 2008 legislative session.

Sec. 8. **[256N.40] COUNTY DUTIES.**

Subdivision 1. **Performance outcomes.** Counties shall use allocated funds from the child safety fund to meet child safety system performance standards, with the overall goal of achieving the three following outcomes:

(1) protecting children from abuse and neglect, including maintaining a safe environment for children in their homes whenever possible;

(2) maintaining permanency and stability in children's living situations, including preserving continuity of family relationships; and

(3) ensuring that families have the capacity to provide for their children's educational, physical, and mental health needs.

Subd. 2. **Duties of county boards.** The county board of each county is responsible for administering and distributing the funding for children services under subdivision 1.

Sec. 9. **[256N.50] EVALUATION OF COUNTY PERFORMANCE.**

Subdivision 1. **County evaluation.** The commissioner shall evaluate the performance of each county in the state to measure compliance with the child safety system performance standards. The commissioner shall annually collect and compile data to determine if standards were met, require sanctions or corrective action procedures as determined by the work group in section 256N.20, and utilize the data collected to determine the county's eligibility for all or part of the child safety fund performance allocation under section 256N.30.

Subd. 2. **Statewide evaluation.** Beginning January 1, 2010, and every two years thereafter, the commissioner shall prepare a report which must include the counties' progress in achieving compliance with the child safety system performance standards. As part of this report, the commissioner shall evaluate and make changes necessary to amend the child safety system performance standards. This report must be disseminated to county agencies statewide.

Sec. 10. **APPROPRIATION.**

\$..... is appropriated from the general fund to the commissioner of human services for the biennium beginning July 1, 2007, to develop the child safety system in sections 4 to 9."

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. 1343, A bill for an act relating to waters; modifying agency service requirements; modifying provisions for wetland conservation; providing for civil enforcement; requiring rulemaking; appropriating money; amending Minnesota Statutes 2006, sections 15.99, subdivisions 2, 3; 103B.101, by adding a subdivision; 103G.222, subdivisions 1, 3; 103G.2241, subdivisions 1, 2, 3, 6, 9, 11; 103G.2242, subdivisions 2, 2a, 9, 12, 15; 103G.2243, subdivision 2; repealing Minnesota Statutes 2006, section 103G.2241, subdivision 8.

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

The report was adopted.

Atkins from the Committee on Commerce and Labor to which was referred:

H. F. No. 1359, A bill for an act relating to insurance; regulating auto insurance; modifying benefits; amending Minnesota Statutes 2006, sections 65B.44, subdivisions 2, 3, 4, 5; 65B.47, subdivision 7; 65B.54, subdivision 1.

Reported the same back with the following amendments:

Page 3, line 32, reinstate the stricken language

Page 4, line 1, reinstate the stricken language and delete the new language

Page 4, line 3, after the period, insert "However, if the insurer notifies the insured that it is denying benefits, the insured need not continue to provide the insurer with proof of the bills, losses, or expenses." and reinstate the stricken language

Page 4, lines 4 and 5, reinstate the stricken language

Page 4, after line 6, insert:

"Sec. 7. Minnesota Statutes 2006, section 65B.54, is amended by adding a subdivision to read:

Subd. 6. **Unethical practices.** (a) A licensed health care provider shall not initiate direct contact, in person, over the telephone, or by other electronic means, with any person who has suffered an injury arising out of the maintenance or use of an automobile, for the purpose of influencing that person to receive treatment or to purchase any good or item from the licensee or anyone associated with the licensee. This subdivision prohibits such direct contact whether initiated by the licensee individually or on behalf of the licensee by any employee, independent contractor, agent, or third party. This subdivision does not apply when an injured person voluntarily initiates contact with a licensee.

(b) This subdivision does not prohibit licensees from mailing advertising literature directly to such persons, so long as:

(1) the word "ADVERTISEMENT" appears clearly and conspicuously at the beginning of the written materials;

(2) the name of the individual licensee appears clearly and conspicuously within the written materials;

(3) the licensee is clearly identified as a licensed health care provider within the written materials; and

(4) the licensee does not initiate, individually or through any employee, independent contractor, agent, or third party, direct contact with the person after the written materials are sent.

(c) This subdivision does not apply to:

(1) advertising that does not involve direct contact with specific prospective patients, in public media such as telephone directories, professional directories, ads in newspapers and other periodicals, radio or television ads, Web sites, billboards, or similar media; or

(2) general marketing practices such as giving lectures; participating in special events, trade shows, or meetings of organizations; or making presentations relative to the benefits of chiropractic treatment; or

(3) contact with friends or relatives, or statements made in a social setting.

(d) A violation of this subdivision is grounds for the licensing authority to take disciplinary action against the licensee, including revocation in appropriate cases.

Sec. 8. Minnesota Statutes 2006, section 148.102, is amended by adding a subdivision to read:

Subd. 3a. **Reparation obligors.** A reparation obligor as defined in section 65B.43, subdivision 9, may submit any relevant information to the board in any case in which the reparation obligor has reason to believe that charges being billed by a licensee are fraudulent, unreasonable, or inconsistent with treatment actually received by the injured party involved.

A reparation obligor that makes a report under this section shall provide the board with any additional information, related to the reported activities, requested by the board."

Amend the title as follows:

Page 1, line 2, after the third semicolon, insert "regulating certain claims practices;"

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1404, A bill for an act relating to human services; providing a hospital outpatient services rate increase for a certain hospital; appropriating money; amending Minnesota Statutes 2006, section 256B.75.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 256B.75, is amended to read:

256B.75 HOSPITAL OUTPATIENT REIMBURSEMENT.

(a) For outpatient hospital facility fee payments for services rendered on or after October 1, 1992, the commissioner of human services shall pay the lower of (1) submitted charge, or (2) 32 percent above the rate in effect on June 30, 1992, except for those services for which there is a federal maximum allowable payment. Effective for services rendered on or after January 1, 2000, payment rates for nonsurgical outpatient hospital facility fees and emergency room facility fees shall be increased by eight percent over the rates in effect on December 31, 1999, except for those services for which there is a federal maximum allowable payment. Services for which there is a federal maximum allowable payment shall be paid at the lower of (1) submitted charge, or (2) the federal maximum allowable payment. Total aggregate payment for outpatient hospital facility fee services shall not exceed the Medicare upper limit. If it is determined that a provision of this section conflicts with existing or future requirements of the United States government with respect to federal financial participation in medical assistance, the federal requirements prevail. The commissioner may, in the aggregate, prospectively reduce payment rates to avoid reduced federal financial participation resulting from rates that are in excess of the Medicare upper limitations.

(b) Notwithstanding paragraph (a), payment for outpatient, emergency, and ambulatory surgery hospital facility fee services for critical access hospitals designated under section 144.1483, clause (10), shall be paid on a cost-based payment system that is based on the cost-finding methods and allowable costs of the Medicare program. All

hospital outpatient services provided by any hospital exclusively devoted to the care of pediatric patients that is located in a Minnesota metropolitan statistical area, and all pediatric outpatient services provided by a hospital that includes the operations of the hospital formerly owned by the University of Minnesota, must be paid for using the methodology established for critical access hospitals at a rate equal to fee-for-service rates plus 93 percent, as limited by allowable costs.

(c) Effective for services provided on or after July 1, 2003, rates that are based on the Medicare outpatient prospective payment system shall be replaced by a budget neutral prospective payment system that is derived using medical assistance data. The commissioner shall provide a proposal to the 2003 legislature to define and implement this provision.

(d) For fee-for-service services provided on or after July 1, 2002, the total payment, before third-party liability and spenddown, made to hospitals for outpatient hospital facility services is reduced by .5 percent from the current statutory rate.

(e) In addition to the reduction in paragraph (d), the total payment for fee-for-service services provided on or after July 1, 2003, made to hospitals for outpatient hospital facility services before third-party liability and spenddown, is reduced five percent from the current statutory rates. Facilities defined under section 256.969, subdivision 16, are excluded from this paragraph.

EFFECTIVE DATE. This section is effective July 1, 2007, and applies to services provided on or after that date.

Sec. 2. **APPROPRIATION.**

\$...... is appropriated from the general fund to the commissioner of human services for the biennium beginning July 1, 2007, for the purposes of section 1."

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. 1406, A bill for an act relating to child care; exempting preschool programs operated by schools from child care licensure; amending Minnesota Statutes 2006, section 245A.03, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 120A.22, is amended by adding a subdivision to read:

Subd. 14. **Preschool programs.** Programs operated by a nonpublic school as defined in subdivision 4 for children 33 months or older must meet the following criteria:

(1) maintain a ratio of one teacher to no more than ten children;

(2) provide comprehensive program content based on early childhood research and professional practice that is focused on children's cognitive skills and development and prepares children for transition to kindergarten; and

(3) have a classroom teacher who is licensed as a prekindergarten teacher.

Sec. 2. Minnesota Statutes 2006, section 245A.03, subdivision 2, is amended to read:

Subd. 2. **Exclusion from licensure.** (a) This chapter does not apply to:

(1) residential or nonresidential programs that are provided to a person by an individual who is related unless the residential program is a child foster care placement made by a local social services agency or a licensed child-placing agency, except as provided in subdivision 2a;

(2) nonresidential programs that are provided by an unrelated individual to persons from a single related family;

(3) residential or nonresidential programs that are provided to adults who do not abuse chemicals or who do not have a chemical dependency, a mental illness, a developmental disability, a functional impairment, or a physical disability;

(4) sheltered workshops or work activity programs that are certified by the commissioner of economic security;

(5) programs operated by a public school for children 33 months or older;

(6) nonresidential programs primarily for children that provide care or supervision for periods of less than three hours a day while the child's parent or legal guardian is in the same building as the nonresidential program or present within another building that is directly contiguous to the building in which the nonresidential program is located;

(7) nursing homes or hospitals licensed by the commissioner of health except as specified under section 245A.02;

(8) board and lodge facilities licensed by the commissioner of health that provide services for five or more persons whose primary diagnosis is mental illness that do not provide intensive residential treatment;

(9) homes providing programs for persons placed there by a licensed agency for legal adoption, unless the adoption is not completed within two years;

(10) programs licensed by the commissioner of corrections;

(11) recreation programs for children or adults that are operated or approved by a park and recreation board whose primary purpose is to provide social and recreational activities;

(12) programs operated by a school as defined in section 120A.22, subdivision 4, whose primary purpose is to provide child care to school-age children;

(13) Head Start nonresidential programs which operate for less than 45 days in each calendar year;

(14) noncertified boarding care homes unless they provide services for five or more persons whose primary diagnosis is mental illness or a developmental disability;

(15) programs for children such as scouting, boys clubs, girls clubs, and sports and art programs, and nonresidential programs for children provided for a cumulative total of less than 30 days in any 12-month period;

- (16) residential programs for persons with mental illness, that are located in hospitals;
- (17) the religious instruction of school-age children; Sabbath or Sunday schools; or the congregate care of children by a church, congregation, or religious society during the period used by the church, congregation, or religious society for its regular worship;
- (18) camps licensed by the commissioner of health under Minnesota Rules, chapter 4630;
- (19) mental health outpatient services for adults with mental illness or children with emotional disturbance;
- (20) residential programs serving school-age children whose sole purpose is cultural or educational exchange, until the commissioner adopts appropriate rules;
- (21) unrelated individuals who provide out-of-home respite care services to persons with developmental disabilities from a single related family for no more than 90 days in a 12-month period and the respite care services are for the temporary relief of the person's family or legal representative;
- (22) respite care services provided as a home and community-based service to a person with a developmental disability, in the person's primary residence;
- (23) community support services programs as defined in section 245.462, subdivision 6, and family community support services as defined in section 245.4871, subdivision 17;
- (24) the placement of a child by a birth parent or legal guardian in a preadoptive home for purposes of adoption as authorized by section 259.47;
- (25) settings registered under chapter 144D which provide home care services licensed by the commissioner of health to fewer than seven adults; ~~or~~
- (26) programs operated by a nonpublic school as defined in section 120A.22, subdivision 4, that provide preschool programs for children 33 months or older that meet the criteria in section 120A.22, subdivision 14; or
- ~~(26)~~ (27) consumer-directed community support service funded under the Medicaid waiver for persons with developmental disabilities when the individual who provided the service is:
- (i) the same individual who is the direct payee of these specific waiver funds or paid by a fiscal agent, fiscal intermediary, or employer of record; and
- (ii) not otherwise under the control of a residential or nonresidential program that is required to be licensed under this chapter when providing the service.
- (b) For purposes of paragraph (a), clause (6), a building is directly contiguous to a building in which a nonresidential program is located if it shares a common wall with the building in which the nonresidential program is located or is attached to that building by skyway, tunnel, atrium, or common roof.
- (c) Nothing in this chapter shall be construed to require licensure for any services provided and funded according to an approved federal waiver plan where licensure is specifically identified as not being a condition for the services and funding."

Amend the title as follows:

Page 1, line 2, before "schools" insert "nonpublic"

Page 1, line 3, after the semicolon, insert "establishing requirements for nonpublic preschools;"

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. 1444, A bill for an act relating to health; requiring the commissioner of health to develop health risk limits for perfluorooctanoic acid, perfluorooctane sulfonate, and perfluorobutanoic acid.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **HEALTH RISK LIMITS REQUIRED.**

By August 1, 2007, the commissioner of health shall develop and adopt by rule, pursuant to Minnesota Statutes, section 14.388, clause (1), health risk limits, as defined in Minnesota Statutes, section 103H.005, subdivision 3, for perfluorooctanoic acid, and perfluorooctane sulfonate. The commissioner shall develop and adopt the health risk limits according to Minnesota Statutes, section 144.0751, and ensure that the health risk limits are based on currently available toxicity and exposure data.

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

Sec. 2. **HEALTH RISK LIMITS FOR PERFLUORO CHEMICALS; REPORT.**

By January 15, 2008, the commissioner of health shall provide a report to the house of representatives and senate committees with jurisdiction over health and environmental policy on the commissioner's progress in determining the health effects and the development of the health risk limits, as defined in Minnesota Statutes, section 103H.005, subdivision 3, for perfluorochemicals. By September 30, 2007, the commissioner shall provide an interim status report to the committees. The report shall include, but is not limited to:

(1) the health effects and health risk limits adopted for perfluorooctanoic acid and perfluorooctane sulfonate;

(2) the health effects and the need to develop health risk limits for perfluorobutanoic acid and other perfluorochemicals;

(3) the health effects and the need to develop health risk limits for combinations of perfluorochemicals; and

(4) a comparison of health based values for perfluorochemicals established in Minnesota and the values established for those chemicals in other states including the state of New Jersey.

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

Delete the title and insert:

"A bill for an act relating to health; requiring the commissioner of health to develop health risk limits for certain perfluorochemicals; requiring a report on the health effects and health risk limits for perfluorochemicals."

With the recommendation that when so amended the bill pass.

The report was adopted.

Hilty from the Energy Finance and Policy Division to which was referred:

H. F. No. 1453, A bill for an act relating to energy; requiring monthly reports from utilities to the Public Utilities Commission regarding residential accounts; proposing coding for new law in Minnesota Statutes, chapter 216B.

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. 1476, A bill for an act relating to the environment; modifying provisions for individual sewage treatment systems; appropriating money; amending Minnesota Statutes 2006, section 115.55, subdivisions 1, 2, 3, by adding a subdivision.

Reported the same back with the following amendments:

Page 2, line 33, delete "a year" and insert "two years"

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. 1514, A bill for an act relating to local government; authorizing cities and towns to impose aggregate host fees; imposing penalties; proposing coding for new law in Minnesota Statutes, chapter 298.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[298.76] AGGREGATE HOST FEE.**

A city or town shall impose an aggregate host fee, not to exceed 11 cents per cubic yard or eight cents per ton in accordance with the measurement used for transport from the extraction site or sale of aggregate material removed from any city or town. Twenty-five percent of the aggregate host fee revenue must be used by the city or town only

for the purposes of mitigating and compensating for the adverse effects of aggregate mining material. The remainder of the aggregate host fee may be credited to the general fund or other designated fund of the city or town. The reporting and payment of fees under this section shall be administered in the same manner as an aggregate removal tax under section 298.75, except that if the county does not impose an aggregate removal tax, the city or town is deemed the "county" for the purposes of reporting and payment."

Delete the title and insert:

"A bill for an act relating to local government; requiring cities and towns to impose aggregate host fees; proposing coding for new law in Minnesota Statutes, chapter 298."

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

The report was adopted.

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

H. F. No. 1577, A bill for an act relating to human services; making changes to licensing provisions; modifying data practices, program administration, disaster plans, education programs, conditional license provisions, suspensions, sanctions, and contested case hearings, child care center training, family child care training requirements, vulnerable adults, maltreatment of minors, background studies, disqualifications, reconsiderations, disqualification set-asides, fair hearings, appeals, changing definitions of neglect and physical abuse; amending Minnesota Statutes 2006, sections 13.46, subdivision 4; 245A.03, subdivision 2; 245A.04, subdivision 11, by adding subdivisions; 245A.06, subdivision 4; 245A.07, subdivisions 2a, 3, by adding a subdivision; 245A.08, subdivision 2a; 245A.14, subdivision 8; 245A.144; 245A.1445; 245A.145, subdivision 1; 245A.18, subdivision 2; 245A.65, subdivision 1, by adding a subdivision; 245C.02, subdivision 16, by adding a subdivision; 245C.05, subdivision 3; 245C.07; 245C.08; 245C.09, subdivision 1; 245C.11, by adding a subdivision; 245C.13, subdivision 2; 245C.15, subdivisions 1, 2, 3, 4; 245C.16, subdivision 1; 245C.17, subdivisions 2, 3; 245C.21, subdivisions 2, 3; 245C.22, subdivisions 4, 5; 245C.24, subdivision 3; 245C.27, subdivision 1; 245C.28, subdivision 1; 626.556, subdivisions 2, 10e, 10i; 626.557, subdivisions 9c, 9d; 626.5572, subdivision 17; proposing coding for new law in Minnesota Statutes, chapter 245A; repealing Minnesota Statutes 2006, sections 245A.023; 245A.14, subdivisions 7, 9, 9a, 12, 13; 245C.06; Minnesota Rules, parts 9502.0385; 9503.0035.

Reported the same back with the following amendments:

Page 1, after line 23, insert:

"ARTICLE 1
LICENSING"

Page 3, after line 22, insert:

"(7) Notwithstanding clause (1), for child foster care, only the name of the license holder and the status of the license are public when the county attorney has requested data otherwise classified as public data under clause (1) be considered private data based on the best interests of a child in placement in a licensed program."

Page 8, delete section 5 and insert:

"Sec. 5. Minnesota Statutes 2006, section 245A.04, is amended by adding a subdivision to read:

Subd. 15. **Pandemic planning.** Upon request, the license holder must cooperate with state and local government disaster planning agencies working to prepare for or react to emergencies presented by a pandemic outbreak."

Page 13, after line 23, insert:

"Notwithstanding clauses (1) to (3), if the license holder appeals the maltreatment determination or disqualification, but does not appeal the denial of a license or a licensing sanction, reconsideration of the maltreatment determination shall be conducted under section 626.556, subdivision 10i, and section 626.557, subdivision 9d, and reconsideration of the disqualification shall be conducted under section 245C.22. In such cases, a fair hearing shall also be conducted as provided under sections 245C.27, 626.556, subdivision 10i, and 626.557, subdivision 9d."

Page 29, line 27, delete "and child foster care license holders" and insert "settings and foster care for children in the license holder's residence"

Page 30, line 9, delete everything after "holder" and insert ", if any;"

Page 30, delete lines 10 to 12

Page 30, delete lines 17 and 18 and insert:

"(3) document that the internal review has been completed and provide documentation showing the review was completed to the commissioner upon the commissioner's request. The documentation provided to the commissioner by the license holder may consist of a completed checklist that verifies completion of each of the requirements of the review."

Page 30, delete section 24

Page 35, line 12, after "sections" insert "243.166 (failure to register as a predatory offender);"

Page 35, line 14, after the semicolon, insert "a felony offense under"

Page 35, line 30, after the semicolon, insert "gross misdemeanor and felony level offenses under 617.23 (indecent exposure; penalties);"

Page 37, line 6, strike "repeat offenses under 617.23 (indecent exposure; penalties);"

Page 38, line 7, after the first semicolon, insert "609.221 or 609.222 (assault in the first or second degree);"

Page 38, line 23, strike "repeat offenses under 617.23"

Page 38, line 24, strike "(indecent exposure);"

Page 44, after line 28, insert:

"Notwithstanding clauses (1) to (3), if the license holder appeals the maltreatment determination or disqualification, but does not appeal the denial of a license or a licensing sanction, reconsideration of the maltreatment determination shall be conducted under section 626.556, subdivision 10i, and section 626.557, subdivision 9d, and reconsideration of the disqualification shall be conducted under section 245C.22. In such cases, a fair hearing shall also be conducted as provided under sections 245C.27, 626.556, subdivision 10i, and 626.557, subdivision 9d."

Page 47, line 4, after the semicolon, insert "repeat offenses under 617.23 (indecent exposure);:"

Page 49, line 18, delete "and"

Page 49, after line 18, insert:

"(2) the denial of a license or licensing sanction is issued at the same time as the maltreatment determination or disqualification; and"

Page 49, line 19, delete "(2)" and insert "(3)"

Page 49, line 20, after "sanction." insert "In such cases a fair hearing under section 256.045 must not be conducted under sections 245C.27, 626.556, subdivision 10i, and 626.557, subdivision 9d."

Page 49, after line 22, insert:

"Notwithstanding clauses (1) to (3), if the license holder appeals the maltreatment determination or disqualification, but does not appeal the denial of a license or a licensing sanction, reconsideration of the maltreatment determination shall be conducted under section 626.556, subdivision 10i, and section 626.557, subdivision 9d, and reconsideration of the disqualification shall be conducted under section 245C.22. In such cases, a fair hearing shall also be conducted as provided under sections 245C.27, 626.556, subdivision 10i, and 626.557, subdivision 9d."

Page 49, before line 23, insert:

"Sec. 44. Minnesota Statutes 2006, section 245C.301, is amended to read:

245C.301 NOTIFICATION OF SET-ASIDE OR VARIANCE.

(a) Except as provided under paragraph (b) and (c), if required by the commissioner, family child care providers and child care centers must provide a written notification to parents considering enrollment of a child or parents of a child attending the family child care or child care center if the program employs or has living in the home any individual who is the subject of either a set-aside or variance.

(b) Notwithstanding paragraph (a), family child care license holders are not required to disclose that the program has an individual living in the home who is the subject of a set-aside or variance if:

- (1) the household member resides in the residence where the family child care is provided;
- (2) the subject of the set-aside or variance is under the age of 18 years; and

(3) the set-aside or variance relates to a disqualification under section 245C.15, subdivision 4, for a misdemeanor-level theft crime as defined in section 609.52.

(c) The notice specified in paragraph (a) is not required when the period of disqualification in section 245C.15, subdivisions 2 to 4, has been exceeded.

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

Page 52, line 18, delete "unforeseen" and insert "not reasonably foreseeable"

Page 58, after line 33, insert:

"Notwithstanding clauses (1) to (3), if the license holder appeals the maltreatment determination or disqualification, but does not appeal the denial of a license or a licensing sanction, reconsideration of the maltreatment determination shall be conducted under section 626.556, subdivision 10i, and section 626.557, subdivision 9d, and reconsideration of the disqualification shall be conducted under section 245C.22. In such cases, a fair hearing shall also be conducted as provided under sections 245C.27, 626.556, subdivision 10i, and 626.557, subdivision 9d."

Page 63, after line 12, insert:

"Notwithstanding clauses (1) to (3), if the license holder appeals the maltreatment determination or disqualification, but does not appeal the denial of a license or a licensing sanction, reconsideration of the maltreatment determination shall be conducted under section 626.556, subdivision 10i, and section 626.557, subdivision 9d, and reconsideration of the disqualification shall be conducted under section 245C.22. In such cases, a fair hearing shall also be conducted as provided under sections 245C.27, 626.556, subdivision 10i, and 626.557, subdivision 9d."

Page 66, after line 6, insert:

"ARTICLE 2

DATA PRACTICES

Section 1. Minnesota Statutes 2006, 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; 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. Parental contributions are defined under section 252.27, subdivision 2a. 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 Education, and~~ the Department of Employment and Economic Development ~~for the purpose of monitoring,~~ 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, ~~for the purpose of administering;~~

(ii) to administer any rehabilitation program or child care assistance program, whether alone or in conjunction with the welfare system; ~~or;~~

(iii) to monitor and evaluate the Minnesota family investment 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 current processes and outcomes relating to public assistance programs affecting employment, including eligibility determination, service utilization, program cost, and program effectiveness, as implemented under the authority established in Title II, Sections 201-204 of the Ticket to Work and Work Incentives Improvement Act of 1999, Public Law 106-170;

(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.

(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 270B.14, subdivision 1, is amended to read:

Subdivision 1. **Disclosure to commissioner of human services.** (a) On the request of the commissioner of human services, the commissioner shall disclose return information regarding taxes imposed by chapter 290, and claims for refunds under chapter 290A, to the extent provided in paragraph (b) and for the purposes set forth in paragraph (c).

(b) Data that may be disclosed are limited to data relating to the identity, whereabouts, employment, income, and property of a person owing or alleged to be owing an obligation of child support.

(c) The commissioner of human services may request data only for the purposes of carrying out the child support enforcement program and to assist in the location of parents who have, or appear to have, deserted their children. Data received may be used only as set forth in section 256.978.

(d) The commissioner shall provide the records and information necessary to administer the supplemental housing allowance to the commissioner of human services.

(e) At the request of the commissioner of human services, the commissioner of revenue shall electronically match the Social Security numbers and names of participants in the telephone assistance plan operated under sections 237.69 to 237.711, with those of property tax refund filers, and determine whether each participant's household income is within the eligibility standards for the telephone assistance plan.

(f) The commissioner may provide records and information collected under sections 295.50 to 295.59 to the commissioner of human services for purposes of the Medicaid Voluntary Contribution and Provider-Specific Tax Amendments of 1991, Public Law 102-234. Upon the written agreement by the United States Department of Health and Human Services to maintain the confidentiality of the data, the commissioner may provide records and information collected under sections 295.50 to 295.59 to the Centers for Medicare and Medicaid Services section of the United States Department of Health and Human Services for purposes of meeting federal reporting requirements.

(g) The commissioner may provide records and information to the commissioner of human services as necessary to administer the early refund of refundable tax credits.

(h) The commissioner may disclose information to the commissioner of human services necessary to verify income for eligibility and premium payment under the MinnesotaCare program, under section 256L.05, subdivision 2.

(i) The commissioner may disclose information to the commissioner of human services necessary to verify whether applicants or recipients for the Minnesota family investment program, general assistance, food support, and Minnesota supplemental aid program have claimed refundable tax credits under chapter 290 and the property tax refund under chapter 290A, and the amounts of the credits.

(j) The commissioner may disclose information to the commissioner of human services necessary to verify income for purposes of calculating parental contribution amounts under section 252.27, subdivision 2a."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 2, delete everything after "services;" and insert "modifying licensing provisions; modifying data practices; changing education and training requirements; requiring pandemic planning; modifying sanctions, suspensions, revocations and disqualifications; changing appeal procedures; requiring procedures to reduce sudden infant death syndrome; requiring CPR training; establishing criteria for alleged maltreatment; changing background study requirements;"

Page 1, delete lines 3 to 7

Page 1, line 8, delete everything before "amending"

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Public Safety and Civil Justice.

The report was adopted.

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

H. F. No. 1586, A bill for an act relating to health care; creating a study group to make recommendations on the creation and operation of a voluntary, statewide health plan purchasing pool.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 1, line 19, delete "PLAN" and insert "CARE"

Page 1, line 20, delete "plan" and insert "care"

Page 1, line 22, delete "plan" and insert "care" and after "would" insert "contract directly with providers to" and delete ", fee-for-service"

Page 2, line 6, delete "and"

Page 2, line 11, delete the period and insert "; and"

Page 2, after line 11, insert:

"(6) two consumers of health care appointed by the governor."

Page 2, line 16, delete "plan" and insert "care"

Page 2, after line 19, insert:

"(2) possible utilization of the new health care purchasing unit in the Department of Health, formerly in the old Department of Employee Relations;"

Page 2, line 20, delete "(2)" and insert "(3)"

Page 2, line 22, delete everything before "provide" and insert "(4) how to contract directly with providers to"

Page 2, line 25, delete "offering fee-for-service coverage"

Page 2, line 27, delete "(4)" and insert "(5)"

Page 2, line 29, delete "(5)" and insert "(6)"

Page 2, line 30, delete "(6)" and insert "(7)" and delete "plans" and insert "services"

Page 2, line 33, delete "(7)" and insert "(8)"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete "plan" and insert "care"

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.

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

H. F. No. 1621, A bill for an act relating to public health; establishing an environmental health tracking and biomonitoring program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 144.

Reported the same back with the following amendments:

Page 4, line 12, after "groups" insert ": (i)"

Page 4, line 13, delete "or" and insert "and (ii) that the advisory panel identifies as likely to have been exposed to"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Public Safety and Civil Justice.

The report was adopted.

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

H. F. No. 1622, A bill for an act relating to children's environmental health; prohibiting the sale of children's items containing lead; establishing requirements for paint retailers; proposing coding for new law in Minnesota Statutes, chapter 325E.

Reported the same back with the following amendments:

Page 1, delete line 8

Page 1, line 9, delete "Subd. 2." and insert "Subdivision 1."

Page 1, line 11, delete "0.0" and insert "0.1"

Page 1, line 12, delete "3" and insert "2"

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.

Hilty from the Energy Finance and Policy Division to which was referred:

H. F. No. 1642, A bill for an act relating to energy; increasing capacity of wind energy that a school board may own; amending Minnesota Statutes 2006, section 123B.02, subdivision 21.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on E-12 Education.

The report was adopted.

Hilty from the Energy Finance and Policy Division to which was referred:

H. F. No. 1645, A bill for an act relating to energy; specifying criteria for affordability programs for low-income residential customers; amending Minnesota Statutes 2006, section 216B.16, subdivision 15.

Reported the same back with the following amendments:

Page 1, line 8, reinstate the stricken "Low-income"

Page 1, line 14, before the period, insert "from the low-income home energy assistance program (LIHEAP)"

Page 1, line 19, before the semicolon, insert "over time by increasing the frequency of payments"

Page 2, after line 16, insert:

"(d) Public utilities may use information collected or created for the purpose of administering energy assistance to administer affordability programs."

With the recommendation that when so amended the bill pass.

The report was adopted.

Atkins from the Committee on Commerce and Labor to which was referred:

H. F. No. 1656, A bill for an act relating to commerce; regulating the manufacture and sale of jewelry products containing lead; proposing coding for new law in Minnesota Statutes, chapter 325E.

Reported the same back with the following amendments:

Page 7, delete subdivision 6

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

The report was adopted.

Hilty from the Energy Finance and Policy Division to which was referred:

H. F. No. 1679, A bill for an act relating to utilities; modifying payment arrangements for current and past due bills and undercharges; amending Minnesota Statutes 2006, sections 216B.098, subdivisions 3, 4; 504B.215, subdivision 3.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 1, line 17, after "that" insert "the duration of"

Page 2, delete section 3

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "modifying" and insert "regulating" and delete "arrangements" and insert "agreements" and delete "current and past due"

Page 1, line 3, delete "bills and"

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

Hilty from the Energy Finance and Policy Division to which was referred:

H. F. No. 1770, A bill for an act relating to utilities; modifying conditions for disconnecting and reconnecting utility service; amending Minnesota Statutes 2006, section 216B.097, subdivisions 1, 3.

Reported the same back with the following amendments:

Page 1, line 20, strike "automatically eligible for" and insert "to meet the income requirements of this clause"

Page 1, line 21, strike "protection" and delete "under this section"

Page 2, line 4, reinstate the stricken "; and" and delete the period

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. 1808, A bill for an act relating to taxation; providing that tax increment financing plan modification procedures do not apply to certain acquisitions of property; amending Minnesota Statutes 2006, section 469.175, subdivision 4.

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.

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

H. F. No. 1810, A bill for an act relating to human services; proposing a family day care demonstration project; requiring reports; authorizing rulemaking authority.

Reported the same back with the following amendments:

Page 2, delete subdivision 5

Amend the title as follows:

Page 1, line 3, delete "; authorizing rulemaking authority"

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. 1814, A bill for an act relating to taxation; authorizing the city of Rockford to impose a sales and use tax for certain purposes.

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.

Atkins from the Committee on Commerce and Labor to which was referred:

H. F. No. 1844, A bill for an act relating to occupations; registration required for hair braiding; proposing coding for new law in Minnesota Statutes, chapter 154.

Reported the same back with the following amendments:

Page 1, line 9, delete "annually"

Page 2, line 3, delete "initial"

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. 1887, A bill for an act relating to education; providing for a hearing loss early education intervention coordinator; appropriating money; amending Minnesota Statutes 2006, section 125A.63, by adding a subdivision.

Reported the same back with the recommendation that 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. 1919, A bill for an act relating to real property; providing for plats of land; amending Minnesota Statutes 2006, sections 505.01; 505.03, subdivision 1; 505.04; 505.08, subdivisions 2, 3; 505.1792, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 505; repealing Minnesota Statutes 2006, sections 505.02; 505.08, subdivisions 1, 2a.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 505.01, is amended to read:

505.01 PLATS, DONATIONS, PURPOSE, DEFINITIONS.

Subdivision 1. Donations. Plats of land may be made in accordance with the provisions of this chapter, and, when so made and recorded, every donation ~~of a park to the public or any person or corporation noted thereon~~ shall operate to convey the fee of all land so donated, for the uses and purposes named or intended, with the same effect, upon the donor and the donor's heirs, and in favor of the donee, as though such land were conveyed by warranty deed. Land donated for any public use in any municipality shall be held in the corporate name in trust for the purposes set forth or intended. A street, road, alley, trail, and other public way dedicated or donated on a plat shall convey an easement only. Easements dedicated or donated on a plat shall convey an easement only.

Subd. 2. Purpose. A plat prepared and recorded in accordance with this chapter is for the purpose of subdividing land where the dedication of land for public ways, utility easements, and drainage easements is necessary for orderly development. Plats may also be used to:

(1) depict existing parcels for the purpose of simplifying legal descriptions and to provide a permanent record of a boundary survey;

(2) supplement minor subdivision procedures used by local units of government.

Plats used to subdivide land are subject to the approval of the elected body of local governmental units. Plats used to delineate existing parcels or supplement minor subdivision procedures may be approved by a local government official designated by the local elected governmental unit.

Subd. 3. Definitions. (a) "Block" means a tract of land consisting of one or more adjoining lots, as identified on a recorded plat by a number, and bounded by plat boundaries, public ways, outlots, parks, or bodies of water.

(b) "Dedication" means an easement granted by the owner to the public for the purpose shown on the plat.

(c) "Drainage easement" means an easement for the purpose of controlling, preserving, and providing for the flow or storage of water.

(d) "Lot" means a tract of land which is all or part of a block and identified on the plat by a number.

(e) "Minor subdivision procedure" means an approval process that local units of government use for simple land divisions.

(f) "Outlot" means a tract of land identified by a letter, which is not part of a block.

(g) "Plat" means a delineation of a survey drawn to scale showing all data as required by this chapter, pertaining to the location and boundaries of individual parcels of land and public ways.

(h) "Plat monument" means a durable magnetic marker placed at all locations required by this chapter or other locations as shown on the plat.

(i) "Public way" means a thoroughfare or cul-de-sac which provides ingress and egress to the public.

(j) "Survey line" means a monumented reference line that is not a boundary.

(k) "Utility easement" means an easement conveyed, granted, or dedicated to the public and acquired, established, dedicated, or devoted to utility purposes.

(l) "Water boundary" means the shore or margin of lakes, ponds, rivers, creeks, drainage ditches, or swamps.

(m) "Wetland" means all rivers, streams, creeks, drainage ditches, lakes, ponds, and swamps.

(n) "Witness monument" means a plat monument placed at an identified distance and direction from a corner that is inaccessible.

Sec. 2. **[505.021] PLAT CONTENTS; SURVEY; COUNTY SURVEYOR APPROVAL.**

Subdivision 1. **Plat format.** A plat shall be prepared on four mil transparent reproducible film or the equivalent, and shall be prepared by a photographic process. Plat sheet size shall be 22 inches by 34 inches. A border line shall be placed one-half inch inside the outer edge of the plat on the top and bottom 34 inch sides; and the right 22 inch side; and two inches inside the outer edge of the plat on the left 22 inch side. If a plat consists of more than one sheet, the sheets shall be numbered consecutively.

Subd. 2. **Plat name; legal description; dedication statement.** The plat name shall appear across the top portion of the plat and in the dedication paragraph of the plat and shall not duplicate or be similar to the name of any plat that is in the office of the county recorder or registrar of titles in the county in which the land is located. The plat name shall be in capital letters in all locations that the name appears on the plat. The plat shall contain a complete and accurate description of the land being platted and a dedication statement describing what part of the land is dedicated, to whom, and for what purpose. In the event of a discrepancy between the plat name stated in the dedication statement and the plat name appearing in other portions of the plat, the name in the dedication statement shall control.

Subd. 3. **Ownership interest; acknowledgment.** At the time of recording, the names and signatures of all fee owners, contract for deed vendees, and mortgage holders of record of the land being platted shall appear on the plat, together with a statement as to their interest. Individual owners shall indicate their marital status. Entity owner shall identify the specific type of entity and the jurisdiction in which the entity is organized. Agents or officers for an entity shall state their position with such entity. A mortgage holder may consent to the plat by a written acknowledged statement in lieu of the mortgage holder's name and signature appearing on the plat. If a mortgage holder is included on the plat, the plat shall be signed by an authorized representative. If a certificate of notarial act on a plat includes the jurisdiction of the notarial act, the name of the notarial officer, the title of the notarial officer, and the date the notary commission expires, printed in pen and ink or typewritten on the plat, a plat shall be recorded regardless of whether a notary stamp was used or was illegible if used.

Subd. 4. **Boundary; lots; blocks; outlots.** Plat boundaries shall be designated on the plat in accordance with the underlying legal description and survey. All lots in each block shall be numbered consecutively with arabic numerals beginning with numeral one. All blocks shall be numbered consecutively with arabic numerals beginning with numeral one. All outlots shall be labeled OUTLOT and lettered consecutively in capital letters beginning with the letter A. All lot, block, and outlot lines shall be drawn as a solid line. The name and adjacent boundary line of any adjoining platted lands shall be dotted on the plat.

Subd. 5. **Mathematical data; dimensions; labels; symbols.** A plat shall show all survey and mathematical information and data necessary to locate and retrace all boundary lines and monuments. Bearings, azimuths, and central angles shall be expressed in degrees, minutes, and seconds and labeled with the respective symbols. A north arrow and directional orientation note shall be shown. Distances shall be expressed in feet and hundredths of a foot. All straight line segments of the plat shall be labeled with the length of the line and bearing or azimuth. All curved line segments of the plat shall be labeled with the central angle, arc length, and radius length. If any curve is nontangential the dimensions shall include a long chord bearing or azimuth, and shall be labeled nontangential. The mathematical closure tolerance of the plat boundary, blocks, lots, and outlots shall not exceed two-hundredths of a

foot. A graphics scale shall be shown along with the label "Scale In Feet." Dimension and descriptive recitals in the legal description shown on the plat shall be depicted and labeled on the graphic portion of the plat. A symbol shall indicate the position of all found and set plat monuments, along with a description of each. Ditto marks and foot and inch symbols shall not be used.

Subd. 6. **Public ways.** All public ways within the plat, whether existing at the time of platting or being dedicated by the plat shall be depicted on the plat together with the name and sufficient mathematical data to locate the position and width of the public way. The location of all existing public ways adjacent to the plat boundary shall be depicted on the plat as dashed lines. The name and width of the adjacent public ways shall be shown, if known.

Subd. 7. **Easements.** All easements to be dedicated on the plat shall be depicted on the plat with purpose, identification, and sufficient mathematical data to locate the boundaries of such easements. Easements created on the plat shall be limited to public utility and drainage easements as defined in section 505.01, subdivision 3, paragraphs (c), (i), and (k). Easement boundaries shall be shown as dashed lines. Temporary easements, building set back information, and building floor elevations shall not be shown on a plat.

Subd. 8. **Water boundaries.** Any water boundary abutting or lying within the plat boundaries shall be shown and identified on the plat as a solid line delineating the existing shore line. When any parcel depicted on the plat includes water as a boundary, a dashed survey line shall be shown and labeled with sufficient mathematical data to compute a closure of said parcel. Distances shall be shown between the survey line and the water boundary at all angle points, lot and boundary lines. Plat monuments shall be set at all locations where the survey line intersects a plat boundary line or block, lot, or outlot line. The water elevation of any lake, stream, or river depicted on the plat shall be shown to the tenth of a foot along with the date the elevation was measured. All elevations shall be referenced to a durable bench mark described on the plat together with its general location shown and bench mark elevation to the hundredth of a foot. If a mean sea level adjusted datum bench mark is available within two miles of the land being platted, all elevations shall be referenced to such datum. The highest known water elevation shall be indicated on the plat if such data is available from the Department of Natural Resources, the United States Army Corps of Engineers, or another appropriate governmental unit. All wetlands as defined in section 505.01, subdivision 3, paragraph (m), shall be shown on the plat.

Subd. 9. **Certifications.** (a) A plat shall contain a certification by the land surveyor who surveyed or directly supervised the survey of the land being platted and prepared the plat or directly supervised the plat preparation. Said certificate shall state that:

- (1) the plat is a correct representation of the boundary survey;
- (2) all mathematical data and labels are correctly designated on the plat;
- (3) all monuments depicted on the plat have been or will be correctly set within one year as indicated on the plat;
- (4) all water boundaries and wetlands as of the date of the surveyor's certification are shown and labeled on the plat; and
- (5) all public ways are shown and labeled on the plat.

The surveyor's certification shall be properly acknowledged by the surveyor on the plat before a notarial officer.

(b) A plat shall contain a certification of approval executed by the local elected governmental unit or an authorized official designated by the local elected governmental unit.

(c) In any county that requires review and approval of plats by the county surveyor or another land surveyor, the plat shall contain a certification of approval executed by the county surveyor or land surveyor that this plat is in compliance with this section.

(d) A plat shall contain a certification by the proper county official that there are no delinquent taxes owed and that the current year's payable taxes have been paid in accordance with section 272.12.

(e) A plat shall contain a certification of recording by the county recorder or registrar of titles, or both, if the plat contains both nonregistered and registered property.

Subd. 10. **Survey.** The land surveyor that certifies the plat shall survey or directly supervise the survey of the land depicted on the plat. Plat monuments shall be set at all angle and curve points on the outside boundary lines of the plat prior to recording. Interior block, lot, and witness monuments shall be set within one year after recording of the plat. A financial guarantee may be required for the placement of monuments. If it is impracticable to set a plat monument, a witness plat monument shall be set. The license number of the land surveyor that certifies the plat shall be affixed to all set plat monuments.

Subd. 11. **County surveyor approval.** All plats prepared for recording in accordance with this section are subject to approval by the county surveyor in accordance with section 389.09, subdivision 1, and as authorized by their respective county board of commissioners.

Sec. 3. Minnesota Statutes 2006, section 505.03, subdivision 1, is amended to read:

~~Subdivision 1. **Plat formalities City, town, and county approval.** On the plat shall be written an instrument of dedication, which shall be signed and acknowledged by the owner of the land. All signatures on the plat shall be written with black ink (not ball point). The instrument shall contain a full and accurate description of the land platted and set forth what part of the land is dedicated, and also to whom, and for what purpose these parts are dedicated. The surveyor shall certify on the plat that the plat is a correct representation of the survey, that all distances are correctly shown on the plat, that all monuments have been or will be correctly placed in the ground as shown or stated, and that the outside boundary lines are correctly designated on the plat. If there are no wet lands or public highways to be designated in accordance with section 505.02, the surveyor shall so state. The certificate shall be sworn to before any officer authorized to administer an oath. The plat Plats shall, except in cities whose charters provide for official supervision of plats by municipal officers or bodies, together with an abstract and certificate of title, be presented for approval to the council of the city or town board of towns wherein there reside over 5,000 people in which the land is located; and, if the land is located outside the limits of any city, or such town, then to the board of county commissioners of the county in which the land is located. Plats used to delineate existing parcels or supplement minor subdivision procedures may be approved by a local government official designated by the local elected governmental unit.~~

Sec. 4. Minnesota Statutes 2006, section 505.04, is amended to read:

505.04 REAL ESTATE TAXES; RECORDING; COPIES.

Every plat, when duly certified, signed, and acknowledged, as provided in section ~~505.03~~ 505.021, and upon presentation of a certificate from the ~~county treasurer~~ authorized county official that the current year's taxes have been paid, shall be ~~filed and~~ recorded in the office of the county recorder or registrar of titles, or both, if the plat contains both nonregistered and registered property. An exact transparent reproducible copy shall, at the discretion of the county recorder or registrar of titles, be provided to the county recorder or registrar of titles, or both, if the plat contains both nonregistered and registered property. The official plat shall be labeled "OFFICIAL PLAT" and any copy shall be labeled "copy." The official plat and any copy shall be placed under the direct supervision of the county recorder or registrar of titles, or both, if the plat contains both nonregistered and registered property and be

open to inspection by the public. In counties having a full-time county surveyor who operates an office on a full-time basis, the exact copy may be placed under the direct supervision of the county surveyor and be open to inspection by the public. Upon request of the county auditor of the county wherein the land is situated, the county recorder or registrar of titles shall cause a reproduction copy of the official plat, or of the exact copy, to be made and filed with such county auditor, at the expense of the county.

Sec. 5. Minnesota Statutes 2006, section 505.08, subdivision 2, is amended to read:

Subd. 2. **Public certified copies.** The copies of the official plat or of the exact reproducible copy shall be compared and certified to by the county recorder or registrar of titles in the manner in which certified copies of records are issued in the recorder's or registrar's office, and the copy thereof shall be ~~bound in a proper volume~~ for the use of the general public and anyone shall have access to and may inspect such certified copy ~~at their pleasure during normal business hours~~. When the plat includes both registered and nonregistered land ~~two~~ copies thereof shall be so certified and ~~bound, one available~~ for such general public use in each of the offices of the county recorder and registrar of titles; provided, however, that only one such copy so certified ~~and bound~~ shall be provided for general public use in those counties wherein the ~~office quarters offices~~ of the county recorder and registrar of titles are one and the same. When ~~the any~~ copy, or any part thereof, shall become ~~unintelligible illegible~~ from use or wear or otherwise, ~~at the request of the county recorder it shall be the duty of the county surveyor~~ it shall be the duty of the county recorder or registrar of titles or county surveyor, depending upon where the copy resides, to make a reproduction copy of the official plat, or the exact transparent reproducible copy ~~under the direct supervision of the county recorder, who shall~~. It shall be the responsibility of the county recorder or registrar of titles to compare the copy, certify that it is a correct copy thereof, by proper certificate as above set forth above, and it shall be bound in the volume, and under the page, and made available in the place of the discarded illegible copy. In counties not having a county surveyor the county recorder shall employ a licensed land surveyor to make such reproduction copy, at the expense of the county. The county recorder shall receive as a fee for filing these plats, as aforesaid described, pursuant to section 357.18, subdivision 1. Reproductions from the exact transparent reproducible copy shall be available to any person upon request and the cost of such reproductions shall be paid by the person making such request. If a copy of the official plat is requested the county recorder shall prepare it and duly certify that it is a copy of the official plat and the cost of such copy shall be paid by the person making such request.

Sec. 6. Minnesota Statutes 2006, section 505.1792, subdivision 2, is amended to read:

Subd. 2. **Requirements.** ~~Said plats shall be uniform in size measuring 20 by 30 inches from outer edge to outer edge. A border line shall be placed one half inch inside the outer edges of the plat or map on the top, bottom, and right hand side; a border line shall be placed two inches inside the outer edge on the left hand side. A north arrow and scale of the plat shall be shown on the plat which scale shall be of such dimension that the plat may be easily interpreted. The plat may consist of more than one sheet but if more than one sheet, they shall be numbered progressively and match lines of the right of way shall be indicated on each sheet. An official and one or more identical copies of each plat shall be prepared in black on white mat photographic card stock with double cloth back mounting or material of equal quality. One exact reproducible copy of the official plat shall be prepared on linen tracing cloth by a photographic process or on material of equal quality. The plat on white card stock shall be labeled "Official Plat" and the reproducible copy shall be labeled "Reproducible Copy of Official Plat". The reproducible copy shall be compared with the official plat and certified to by the county recorder in the manner in which certified copies of records are issued in the recorder's office, and the copies shall be bound in a proper volume for the use of the general public. The official plat may be inspected by any member of the public but only in the presence of the county recorder or the registrar of titles or a deputy. Any member of the public may have made a copy of the official plat by paying to the proper officer the cost of reproduction together with a fee of 50 cents for certification by the filing officer. Reproductions from the exact transparent reproducible copy shall be available to any person upon request and the cost of such reproductions shall be paid by the person making such request. If the abutting property is abstract property the plat shall be filed with the county recorder; if registered property, with the registrar of titles; if both registered and nonregistered property, then with both the county recorder and the registrar of titles, and when so filed with the registrar of titles, the registrar shall enter a reference to said plat as a memorial on all certificates of title of registered lands which abut the right of way shown on the map or plat filed.~~

~~In counties having microfilming capabilities, a plat may be prepared on sheets of suitable mylar or on linen tracing cloth by photographic process or on material of equal quality. The plat shall be labeled "Official Plat." Notwithstanding any other provisions of this subdivision to the contrary, no other copies of the plat need to be filed. The map or plat shall be prepared in compliance with section 505.021, subdivisions 1 and 5, and recorded in compliance with section 505.04.~~

Sec. 7. **REPEALER.**

Minnesota Statutes 2006, sections 505.02; and 505.08, subdivisions 1, 2a, and 3, are repealed."

Delete the title and insert:

"A bill for an act relating to real property; providing for plats of land; amending Minnesota Statutes 2006, sections 505.01; 505.03, subdivision 1; 505.04; 505.08, subdivision 2; 505.1792, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 505; repealing Minnesota Statutes 2006, sections 505.02; 505.08, subdivisions 1, 2a, 3."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Public Safety and Civil Justice.

The report was adopted.

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

H. F. No. 1930, A bill for an act relating to waters; improving oversight of local government water management; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 103B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 10A.01, subdivision 35, is amended to read:

Subd. 35. **Public official.** "Public official" means any:

- (1) member of the legislature;
- (2) individual employed by the legislature as secretary of the senate, legislative auditor, chief clerk of the house, revisor of statutes, or researcher, legislative analyst, or attorney in the Office of Senate Counsel and Research or House Research;
- (3) constitutional officer in the executive branch and the officer's chief administrative deputy;
- (4) solicitor general or deputy, assistant, or special assistant attorney general;
- (5) commissioner, deputy commissioner, or assistant commissioner of any state department or agency as listed in section 15.01 or 15.06, or the state chief information officer;

(6) member, chief administrative officer, or deputy chief administrative officer of a state board or commission that has either the power to adopt, amend, or repeal rules under chapter 14, or the power to adjudicate contested cases or appeals under chapter 14;

(7) individual employed in the executive branch who is authorized to adopt, amend, or repeal rules under chapter 14 or adjudicate contested cases under chapter 14;

(8) executive director of the State Board of Investment;

(9) deputy of any official listed in clauses (7) and (8);

(10) judge of the Workers' Compensation Court of Appeals;

(11) administrative law judge or compensation judge in the State Office of Administrative Hearings or referee in the Department of Employment and Economic Development;

(12) member, regional administrator, division director, general counsel, or operations manager of the Metropolitan Council;

(13) member or chief administrator of a metropolitan agency;

(14) director of the Division of Alcohol and Gambling Enforcement in the Department of Public Safety;

(15) member or executive director of the Higher Education Facilities Authority;

(16) member of the board of directors or president of Minnesota Technology, Inc.;

(17) member of the board of directors or executive director of the Minnesota State High School League;

(18) member of the Minnesota Ballpark Authority established in section 473.755; ~~or~~

(19) citizen member of the Legislative-Citizen Commission on Minnesota Resources;

(20) manager of a watershed district or member of a watershed management organization; or

(21) supervisor of a soil and water conservation district.

Sec. 2. **[103B.102] LOCAL WATER MANAGEMENT ACCOUNTABILITY AND OVERSIGHT.**

Subdivision 1. **Findings; improving accountability and oversight.** The legislature finds that a process is needed to monitor the performance and activities of local water management entities. The process should be preemptive so that problems can be identified early and systematically. Underperforming entities should be provided assistance and direction for improving performance in a reasonable time frame.

Subd. 2. **Definitions.** For the purposes of this section, "local water management entities" means watershed districts, soil and water conservation districts, metropolitan water management organizations, and counties operating separately or jointly in their role as local water management authorities under chapter 103B, 103C, 103D, or 103G and chapter 114D.

Subd. 3. **Evaluation and report.** The Board of Water and Soil Resources shall evaluate performance, financial, and activity information for each local water management entity. The board shall evaluate the entities' progress in accomplishing their adopted plans on a regular basis, but not less than once every five years. The board shall maintain a summary of local water management entity performance on the board's Web site. Beginning February 1, 2008, and annually thereafter, the board shall provide an analysis of local water management entity performance to the chairs of the house and senate committees having jurisdiction over environment and natural resources policy.

Subd. 4. **Corrective actions.** (a) In addition to other authorities, the Board of Water and Soil Resources may, based on its evaluation in subdivision 3, reduce, withhold, or redirect grants and other funding if the local water management entity has not corrected deficiencies as prescribed in a notice from the board within one year from the date of the notice.

(b) The board may defer a decision on a termination petition filed under section 103B.221, 103C.225, or 103D.271 for up to one year to conduct or update the evaluation under subdivision 3 or to communicate the results of the evaluation to petitioners or to local and state government agencies.

Sec. 3. Minnesota Statutes 2006, section 103D.325, is amended by adding a subdivision to read:

Subd. 4. **Credit card use.** The managers may authorize the use of a credit card by any watershed district officer or employee otherwise authorized to make a purchase on behalf of the watershed district. If a watershed district officer or employee makes a purchase by credit card that is not approved by the managers, the officer or employee is personally liable for the amount of the purchase. A purchase by credit card must otherwise comply with all statutes, rules, or watershed district policy applicable to watershed district purchases.

Sec. 4. **APPROPRIATION.**

\$370,000 in fiscal year 2008 and \$381,000 in fiscal year 2009 are appropriated from the general fund to the Board of Water and Soil Resources for evaluating and reporting on performance, financial, and activity information of local water management entities."

Delete the title and insert:

"A bill for an act relating to waters; modifying definition of public official; improving oversight of local government water management; modifying authority of watershed district board of managers; appropriating money; amending Minnesota Statutes 2006, sections 10A.01, subdivision 35; 103D.325, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 103B."

With the recommendation that when so amended 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. 2023, A bill for an act relating to education; directing the commissioner of education to convene an advisory task force to consider and recommend a redesign of middle schools; appropriating money.

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. 2085, A bill for an act relating to education; appropriating money for the quantum opportunities program.

Reported the same back with the recommendation that 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. 2093, A bill for an act relating to the city of Clearwater; authorizing the city to impose a 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.

Hilty from the Energy Finance and Policy Division to which was referred:

H. F. No. 2097, A bill for an act relating to energy; regulating service disconnections by public utilities during winter; proposing coding for new law in Minnesota Statutes, chapter 216B; repealing Minnesota Statutes 2006, section 216B.095.

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. 2102, A bill for an act relating to taxation; authorizing the city of Lilydale to impose a food and beverage tax.

Reported the same back with the following amendments:

Page 1, line 7, before "1.5" insert "up to"

With the recommendation that when so amended the bill be re-referred to the Committee on Taxes without further recommendation.

The report was adopted.

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

H. F. No. 2104, A bill for an act relating to Cook County; authorizing local lodging and admissions taxes.

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.

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

H. F. No. 2175, A bill for an act relating to energy; requiring commissioner of administration to construct accessible database reporting energy use in public buildings; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 16B.

Reported the same back with the following amendments:

Page 1, line 6, delete "16B.322" and insert "216C.205"

Page 1, line 9, delete "administration" and insert "commerce"

Page 1, line 19, delete "town," and after "city," delete "or" and insert "and"

Page 1, line 22, delete "and street address"

Page 1, line 24, after "location" insert ", including street address"

Page 2, line 2, before "type" insert "construction" and after "type" insert "and building use"

Page 2, line 25, after "site" insert "and the phone number"

Page 2, after line 27, insert:

"Subd. 3. **Form of report.** The report must be in a portable document format or similar format, and must be no more than two pages in length, in easily readable type."

Page 2, line 28, delete "3" and insert "4"

Page 2, line 29, delete the colon and insert "by June 30, 2009, for state buildings."

Page 2, delete lines 30 to 34

Amend the title as follows:

Page 1, line 2, delete "administration" and insert "commerce"

Correct the title numbers accordingly

With the recommendation that when so amended the bill be re-referred to the Committee on Governmental Operations, Reform, Technology and Elections without further recommendation.

The report was adopted.

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

H. F. No. 2176, A bill for an act relating to state government; requiring the state to maintain searchable databases on tax increment financing and JOBZ; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 6; 116J.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 268.19, subdivision 1, is amended to read:

Subdivision 1. **Use of data.** (a) Except as otherwise provided by this section, data gathered from any person pursuant to the administration of the Minnesota Unemployment Insurance Law are private data on individuals or nonpublic data not on individuals as defined in section 13.02, subdivisions 9 and 12, and may not be disclosed except pursuant to a district court order or section 13.05. A subpoena shall not be considered a district court order. These data may be disseminated to and used by the following agencies without the consent of the subject of the data:

- (1) state and federal agencies specifically authorized access to the data by state or federal law;
- (2) any agency of any other state or any federal agency charged with the administration of an unemployment insurance program;
- (3) any agency responsible for the maintenance of a system of public employment offices for the purpose of assisting individuals in obtaining employment;
- (4) human rights agencies within Minnesota that have enforcement powers;
- (5) the Department of Revenue only to the extent necessary for its duties under Minnesota laws;
- (6) public and private agencies responsible for administering publicly financed assistance programs for the purpose of monitoring the eligibility of the program's recipients;

(7) the Department of Labor and Industry and the Division of Insurance Fraud Prevention in the Department of Commerce on an interchangeable basis with the department for uses consistent with the administration of their duties under Minnesota law;

(8) local and state welfare agencies for monitoring the eligibility of the data subject for assistance programs, or for any employment or training program administered by those agencies, whether alone, in combination with another welfare agency, or in conjunction with the department or to monitor and evaluate the statewide Minnesota family investment program by providing data on recipients and former recipients of food stamps or 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;

(9) local and state welfare agencies for the purpose of identifying employment, wages, and other information to assist in the collection of an overpayment debt in an assistance program;

(10) local, state, and federal law enforcement agencies for the sole purpose of ascertaining the last known address and employment location of a person who is the subject of a criminal investigation;

(11) the federal Immigration and Naturalization Service shall have access to data on specific individuals and specific employers provided the specific individual or specific employer is the subject of an investigation by that agency; ~~and~~

(12) the Department of Health solely for the purposes of epidemiologic investigations; and

(13) the state auditor to the extent necessary to conduct audits of job opportunity building zones as required under section 469.3201.

(b) Data on individuals and employers that are collected, maintained, or used by the department in an investigation pursuant to section 268.182 are confidential as to data on individuals and protected nonpublic data not on individuals as defined in section 13.02, subdivisions 3 and 13, and must not be disclosed except pursuant to statute or district court order or to a party named in a criminal proceeding, administrative or judicial, for preparation of a defense.

(c) Data gathered by the department pursuant to the administration of the Minnesota unemployment insurance program must not be made the subject or the basis for any suit in any civil proceedings, administrative or judicial, unless the action is initiated by the department.

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

Sec. 2. Minnesota Statutes 2006, section 270B.15, is amended to read:

270B.15 DISCLOSURE TO LEGISLATIVE AUDITOR AND STATE AUDITOR.

(a) Returns and return information must be disclosed to the legislative auditor to the extent necessary for the legislative auditor to carry out sections 3.97 to 3.979.

(b) The commissioner must disclose return information, including the report required under section 289A.12, subdivision 15, to the state auditor to the extent necessary to conduct audits of job opportunity building zones as required under section 469.3201.

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

Sec. 3. Minnesota Statutes 2006, section 289A.12, is amended by adding a subdivision to read:

Subd. 15. **Report of job opportunity zone benefits; penalty for failure to file report.** (a) By October 15 of each year, every qualified business, as defined under section 469.310, subdivision 11, must file with the commissioner, on a form prescribed by the commissioner, a report listing the tax benefits under section 469.315 received by the business for the previous year.

(b) The commissioner shall send notice to each business that fails to timely submit the report required under paragraph (a). The notice shall demand that the business submit the report within 60 days. Where good cause exists, the commissioner may extend the period for submitting the report as long as a request for extension is filed by the business before the expiration of the 60-day period. The commissioner shall notify the commissioner of the Department of Employment and Economic Development and the appropriate job opportunity subzone administrator whenever notice is sent to a business under this paragraph.

(c) A business that fails to submit the report as required under paragraph (b) is no longer a qualified business under section 469.310, subdivision 11, and is subject to the repayment provisions of section 469.319.

EFFECTIVE DATE. This section is effective beginning with reports required to be filed October 15, 2008.

Sec. 4. Minnesota Statutes 2006, section 469.3201, is amended to read:

469.3201 ~~JOBZ EXPENDITURE LIMITATIONS; AUDITS STATE AUDITOR; AUDITS OF JOB OPPORTUNITY BUILDING ZONES AND BUSINESS SUBSIDY AGREEMENTS.~~

The Tax Increment Financing, Investment and Finance Division of the Office of the State Auditor must annually audit the creation and operation of all job opportunity building zones and business subsidy agreements entered into under Minnesota Statutes, sections 469.310 to 469.320. To the extent necessary to perform this audit, the state auditor may request from the commissioner of revenue tax return information of taxpayers who are eligible to receive tax benefits authorized under section 469.315. To the extent necessary to perform this audit, the state auditor may request from the commissioner of employment and economic development wage detail report information required under section 268.044 of taxpayers eligible to receive tax benefits authorized under section 469.315.

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

Delete the title and insert:

"A bill for an act relating to taxation; authorizing the disclosure of certain data to the state auditor for purposes of job opportunity building zone audits; requiring qualified businesses to file a report of job opportunity building zone tax benefits; amending Minnesota Statutes 2006, sections 268.19, subdivision 1; 270B.15; 289A.12, by adding a subdivision; 469.3201."

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

The report was adopted.

Atkins from the Committee on Commerce and Labor to which was referred:

S. F. No. 112, A bill for an act relating to commerce; prohibiting body piercing services for a person under the age of 18 without parental consent; prescribing a criminal penalty; providing public and private remedies; proposing coding for new law in Minnesota Statutes, chapter 325F.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 375, 501, 556, 1359, 1444, 1453, 1645, 1679, 1770, 1844 and 2097 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1019, 1294, 1311 and 112 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Greiling introduced:

H. F. No. 2245, A bill for an act relating to education; modifying general education aid; amending Minnesota Statutes 2006, section 126C.13, subdivision 4.

The bill was read for the first time and referred to the Committee on Ways and Means.

Westrom introduced:

H. F. No. 2246, A bill for an act relating to energy; amending allocations from the renewable development account for renewable energy production incentive payments and grants; establishing ownership criteria for projects to contribute to a utility's renewable energy standard; requiring a proportion of conservation improvement program funds to be spent on renewable energy projects; establishing rebates for home furnaces burning biomass; requiring electric cooperatives and municipal utilities to transfer a proportion of conservation improvement program funds to the University of Minnesota; making landfill gas and gas generated from anaerobic digesters eligible for renewable energy production incentive payments; establishing a grant program for on-farm anaerobic digesters; establishing a rebuttable presumption that a wind energy conversion system is not a public or private nuisance two years after it begins operations; directing that petroleum violation escrow funds be used for grants to K-12 schools to develop conservation and renewable energy projects; appropriating money; amending Minnesota Statutes 2006, sections 116C.779, subdivision 2; 216B.1691, as amended, by adding a subdivision; 216B.241, subdivision 6, by adding subdivisions; 216C.41, subdivisions 1, 2, 3; proposing coding for new law in Minnesota Statutes, chapters 216C; 561.

The bill was read for the first time and referred to the Committee on Finance.

Dean, Berns, DeLaForest and Emmer introduced:

H. F. No. 2247, A bill for an act relating to state government; establishing procedures and restrictions relating to hiring outside attorneys; amending Minnesota Statutes 2006, section 8.065.

The bill was read for the first time and referred to the Committee on Governmental Operations, Reform, Technology and Elections.

Nelson and Gunther introduced:

H. F. No. 2248, A bill for an act relating to workers' compensation; adopting recommendations of the Workers' Compensation Advisory Council; amending Minnesota Statutes 2006, sections 176.101, subdivision 1; 176.102, subdivision 11; 176.136, subdivisions 1a, 1b; 176.275, subdivision 1; repealing Minnesota Statutes 2006, section 176.669.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Clark introduced:

H. F. No. 2249, 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.

The bill was read for the first time and referred to the Housing Policy and Finance and Public Health Finance Division.

Bly introduced:

H. F. No. 2250, A bill for an act relating to appropriation for University of Minnesota.

The bill was read for the first time and referred to the Committee on Finance.

Lenczewski and Slocum introduced:

H. F. No. 2251, A bill for an act relating to tax increment financing; providing a reimbursement mechanism for the city of Bloomington related to siting of the north-south airport runway.

The bill was read for the first time and referred to the Committee on Taxes.

Davnie introduced:

H. F. No. 2252, A bill for an act relating to state government; creating a sustainable growth working group; appropriating money.

The bill was read for the first time and referred to the Committee on Governmental Operations, Reform, Technology and Elections.

Peterson, A.; Bly; Hilty; Tschumper and Kalin introduced:

H. F. No. 2253, A bill for an act relating to energy; amending provisions regarding community-based energy development projects; regulating utility ownership and cost recovery for renewable energy projects; requiring Public Utilities Commission to establish policy regarding curtailment payments; regulating green pricing programs; requiring studies of potential for dispersed generation projects; extending expiration of reliability administrator position and transferring the position from Public Utilities Commission to Department of Commerce; limiting the length of wind easements if a project is not constructed; requiring reliability administrator to study need for and authority of state electric transmission authority and of enhancing ease of interconnecting dispersed generation projects to the grid; specifying aggregation procedures for purposes of permitting wind projects; allowing counties to issue permits for large wind energy conversion systems; removing sunset for renewable energy option program for utility customers; amending Minnesota Statutes 2006, sections 216B.1612; 216B.1645, by adding subdivisions; 216B.169; 216B.2426; 216C.052; 500.30, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 216B; 216F; repealing Laws 2007, chapter 3, section 3.

The bill was read for the first time and referred to the Committee on Finance.

Ruth introduced:

H. F. No. 2254, A bill for an act relating to human services; modifying payment rates for services to ventilator-dependent persons provided by a nursing facility in Waseca County; amending Minnesota Statutes 2006, section 256B.431, subdivision 2e.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Zellers, Dean, Simpson, Emmer, Peppin, Finstad, Berns, DeLaForest, Kohls and Gottwalt introduced:

H. F. No. 2255, A bill for an act relating to taxation; property; freezing the value for two years on seasonal-recreational property; amending Minnesota Statutes 2006, section 273.11, subdivision 1a, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

Eken and Dill introduced:

H. F. No. 2256, A bill for an act relating to game and fish; creating a three-year license for fish houses and dark houses; amending Minnesota Statutes 2006, sections 97A.411, subdivision 1; 97A.475, subdivisions 11, 12.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Beard, Moe, Erhardt, Seifert, Sertich, Lieder, Severson and Gottwalt introduced:

H. F. No. 2257, A bill for an act relating to sales and use tax; exempting purchases by political subdivisions of materials used in construction and maintenance of roads, bridges, and airports; amending Minnesota Statutes 2006, section 297A.70, subdivision 2.

The bill was read for the first time and referred to the Committee on Taxes.

Clark introduced:

H. F. No. 2258, A bill for an act relating to health; requiring a health risk level standard for exposure to arsenic; proposing coding for new law in Minnesota Statutes, chapter 144.

The bill was read for the first time and referred to the Committee on Finance.

Lenczewski introduced:

H. F. No. 2259, A bill for an act relating to taxation; modifying taxation of certain compensation paid to nonresidents; amending Minnesota Statutes 2006, section 290.17, subdivision 2.

The bill was read for the first time and referred to the Committee on Taxes.

Lenczewski introduced:

H. F. No. 2260, A bill for an act relating to finance; establishing the State Budget Trends Study Commission; requiring a study; appropriating money.

The bill was read for the first time and referred to the Committee on Governmental Operations, Reform, Technology and Elections.

Hansen introduced:

H. F. No. 2261, A bill for an act relating to taxation; authorizing the city of Mendota to impose a food and beverage tax.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Ruud and Wagenius introduced:

H. F. No. 2262, A bill for an act relating to state government; creating a new Department of Energy; transferring existing duties from the Department of Commerce; amending Minnesota Statutes 2006, sections 15.01; 15.06, subdivision 1; 15A.0815, subdivision 2; 43A.08, subdivision 1a; 116C.779; 123B.65, subdivisions 1, 5; 216A.085; 216A.095; 216B.241, subdivision 1; 216C.01, subdivisions 2, 3; proposing coding for new law as Minnesota Statutes, chapter 216H.

The bill was read for the first time and referred to the Committee on Governmental Operations, Reform, Technology and Elections.

Tillberry introduced:

H. F. No. 2263, A bill for an act relating to education finance; modifying transition revenue; amending Minnesota Statutes 2006, section 126C.10, subdivision 31.

The bill was read for the first time and referred to the Committee on Finance.

Sviggum introduced:

H. F. No. 2264, A bill for an act relating to transportation; appropriating money for trunk highway projects; authorizing sale of trunk highway bonds.

The bill was read for the first time and referred to the Committee on Finance.

Mullery introduced:

H. F. No. 2265, A bill for an act relating to criminal justice; providing that certain violent offenders consent to on-demand searches as a condition of being released on probation, supervised release, or parole; amending Minnesota Statutes 2006, sections 244.05, by adding a subdivision; 609.135, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Public Safety and Civil Justice.

Murphy, M., and Huntley introduced:

H. F. No. 2266, A bill for an act relating to agriculture; requiring the state to provide export grain inspection services at the Port of Duluth; amending Minnesota Statutes 2006, section 17B.03, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Agriculture, Rural Economies and Veterans Affairs.

Murphy, M.; Sertich; Dill and Hilty introduced:

H. F. No. 2267, A bill for an act relating to community corrections; appropriating money for a productive day pilot project operated by Arrowhead Regional Corrections Agency.

The bill was read for the first time and referred to the Committee on Finance.

Lenczewski and Simpson introduced:

H. F. No. 2268, A bill for an act relating to public finance; providing terms and conditions related to the issuance of obligations and the financing of public improvements and services; extending the time for certain publications of notices; amending Minnesota Statutes 2006, sections 118A.03, subdivision 3; 123B.61; 204B.46; 331A.05, subdivision 2; 365A.02; 365A.04; 365A.08; 365A.095; 373.01, subdivision 3; 375B.09; 383B.117, subdivision 2; 410.32; 412.301; 428A.02, subdivision 1; 453A.02, subdivision 3; 473.39, by adding a subdivision; 475.58, subdivision 3b; proposing coding for new law in Minnesota Statutes, chapter 475.

The bill was read for the first time and referred to the Committee on Taxes.

CONSENT CALENDAR

Sertich moved that the Consent Calendar be continued. The motion prevailed.

CALENDAR FOR THE DAY

Sertich moved that the Calendar for the Day be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Mullery moved that the name of Bly be added as an author on H. F. No. 47. The motion prevailed.

Huntley moved that the name of Loeffler be added as an author on H. F. No. 297. The motion prevailed.

Hilstrom moved that the name of Loeffler be added as an author on H. F. No. 504. The motion prevailed.

Atkins moved that the name of Heidgerken be added as an author on H. F. No. 512. The motion prevailed.

Morgan moved that the name of Wollschlager be added as an author on H. F. No. 679. The motion prevailed.

Thao moved that the name of Loeffler be added as an author on H. F. No. 707. The motion prevailed.

Fritz moved that the name of Wollschlager be added as an author on H. F. No. 712. The motion prevailed.

Benson moved that the name of Bigham be added as an author on H. F. No. 776. The motion prevailed.

Murphy, E., moved that the name of Heidgerken be added as an author on H. F. No. 784. The motion prevailed.

Swails moved that the name of Fritz be added as an author on H. F. No. 810. The motion prevailed.

Clark moved that the name of Loeffler be added as an author on H. F. No. 822. The motion prevailed.

Huntley moved that the name of Loeffler be added as an author on H. F. No. 1071. The motion prevailed.

Davnie moved that the name of Hansen be added as an author on H. F. No. 1084. The motion prevailed.

Haws moved that the name of Bly be added as an author on H. F. No. 1168. The motion prevailed.

Kelliher moved that the names of Loeffler and Fritz be added as authors on H. F. No. 1206. The motion prevailed.

Moe moved that the name of Bly be added as an author on H. F. No. 1352. The motion prevailed.

Liebling moved that the name of Loeffler be added as an author on H. F. No. 1367. The motion prevailed.

Dominguez moved that the name of Clark be added as an author on H. F. No. 1380. The motion prevailed.

Davnie moved that the name of Dittrich be added as an author on H. F. No. 1414. The motion prevailed.

Slawik moved that the name of Loeffler be added as an author on H. F. No. 1442. The motion prevailed.

Knuth moved that the name of Bly be added as an author on H. F. No. 1476. The motion prevailed.

Peterson, A., moved that the name of Bly be added as an author on H. F. No. 1488. The motion prevailed.

Peterson, A., moved that the name of Bly be added as an author on H. F. No. 1489. The motion prevailed.

Hornstein moved that the name of Bly be added as an author on H. F. No. 1492. The motion prevailed.

Simon moved that the name of Loeffler be added as an author on H. F. No. 1494. The motion prevailed.

Johnson moved that the name of Loeffler be added as an author on H. F. No. 1497. The motion prevailed.

Bigham moved that the name of Bly be added as an author on H. F. No. 1523. The motion prevailed.

Sailer moved that the name of Bly be added as an author on H. F. No. 1524. The motion prevailed.

Rukavina moved that the name of Bly be added as an author on H. F. No. 1527. The motion prevailed.

Solberg moved that the name of Bly be added as an author on H. F. No. 1531. The motion prevailed.

Wagenius moved that the names of Loeffler and Bly be added as authors on H. F. No. 1540. The motion prevailed.

Hortman moved that the name of Bly be added as an author on H. F. No. 1552. The motion prevailed.

Simon moved that the name of Bly be added as an author on H. F. No. 1567. The motion prevailed.

Fritz moved that the name of Bly be added as an author on H. F. No. 1576. The motion prevailed.

Murphy, E., moved that the name of Bly be added as an author on H. F. No. 1579. The motion prevailed.

Winkler moved that the name of Bly be added as an author on H. F. No. 1588. The motion prevailed.

Hortman moved that the name of Bly be added as an author on H. F. No. 1602. The motion prevailed.

Clark moved that the name of Bly be added as an author on H. F. No. 1609. The motion prevailed.

Lenczewski moved that the name of Bly be added as an author on H. F. No. 1614. The motion prevailed.

Mariani moved that the names of Loeffler and Bly be added as authors on H. F. No. 1616. The motion prevailed.

Slawik moved that the name of Bly be added as an author on H. F. No. 1617. The motion prevailed.

Clark moved that the name of Bly be added as an author on H. F. No. 1622. The motion prevailed.

Tillberry moved that the name of Bly be added as an author on H. F. No. 1632. The motion prevailed.

Solberg moved that the name of Bly be added as an author on H. F. No. 1634. The motion prevailed.

Beard moved that the name of Bly be added as an author on H. F. No. 1637. The motion prevailed.

Peterson, A., moved that the name of Bly be added as an author on H. F. No. 1642. The motion prevailed.

Hilty moved that the names of Loeffler and Bly be added as authors on H. F. No. 1644. The motion prevailed.

Wagenius moved that the name of Bly be added as an author on H. F. No. 1651. The motion prevailed.

Davnie moved that the name of Loeffler be added as an author on H. F. No. 1653. The motion prevailed.

Peterson, A., moved that the name of Bly be added as an author on H. F. No. 1654. The motion prevailed.

Hansen moved that the name of Bly be added as an author on H. F. No. 1661. The motion prevailed.

Moe moved that the name of Bly be added as an author on H. F. No. 1662. The motion prevailed.

Johnson moved that the name of Bly be added as an author on H. F. No. 1679. The motion prevailed.

Slocum moved that the name of Bly be added as an author on H. F. No. 1680. The motion prevailed.

Norton moved that the name of Bly be added as an author on H. F. No. 1698. The motion prevailed.

Peterson, S., moved that the name of Bly be added as an author on H. F. No. 1699. The motion prevailed.

Hornstein moved that the name of Bly be added as an author on H. F. No. 1700. The motion prevailed.

Murphy, E., moved that the name of Bly be added as an author on H. F. No. 1721. The motion prevailed.

Poppe moved that the name of Bly be added as an author on H. F. No. 1755. The motion prevailed.

Hortman moved that the name of Bly be added as an author on H. F. No. 1756. The motion prevailed.

Brod moved that the name of Bly be added as an author on H. F. No. 1765. The motion prevailed.

Slawik moved that the name of Bly be added as an author on H. F. No. 1794. The motion prevailed.

Hornstein moved that the name of Bly be added as an author on H. F. No. 1797. The motion prevailed.

Paymar moved that the name of Bly be added as an author on H. F. No. 1823. The motion prevailed.

Carlson moved that the name of Bly be added as an author on H. F. No. 1826. The motion prevailed.

Thao moved that the name of Loeffler be added as an author on H. F. No. 1831. The motion prevailed.

Peterson, A., moved that the name of Bly be added as an author on H. F. No. 1835. The motion prevailed.

Clark moved that the name of Bly be added as an author on H. F. No. 1843. The motion prevailed.

Morgan moved that the name of Bly be added as an author on H. F. No. 1851. The motion prevailed.

Benson moved that the name of Bly be added as an author on H. F. No. 1853. The motion prevailed.

Eken moved that the name of Bly be added as an author on H. F. No. 1857. The motion prevailed.

Urdahl moved that the name of Loeffler be added as an author on H. F. No. 1860. The motion prevailed.

Urdahl moved that the name of Loeffler be added as an author on H. F. No. 1861. The motion prevailed.

Hilstrom moved that the name of Ward be added as an author on H. F. No. 1864. The motion prevailed.

Davnie moved that the name of Bly be added as an author on H. F. No. 1874. The motion prevailed.

Atkins moved that the name of Bly be added as an author on H. F. No. 1884. The motion prevailed.

Hansen moved that the names of Loeffler and Bly be added as authors on H. F. No. 1885. The motion prevailed.

Slawik moved that the name of Bly be added as an author on H. F. No. 1887. The motion prevailed.

Kalin moved that the name of Bly be added as an author on H. F. No. 1890. The motion prevailed.

Hilty moved that the name of Bly be added as an author on H. F. No. 1897. The motion prevailed.

Hilstrom moved that the name of Dittrich be added as an author on H. F. No. 1904. The motion prevailed.

Clark moved that the name of Loeffler be added as an author on H. F. No. 1908. The motion prevailed.

Wagenius moved that the name of Bly be added as an author on H. F. No. 1913. The motion prevailed.

Madore moved that the names of Dittrich and Bly be added as authors on H. F. No. 1917. The motion prevailed.

Lenczewski moved that the name of Bly be added as an author on H. F. No. 1923. The motion prevailed.

Hansen moved that the name of Bly be added as an author on H. F. No. 1930. The motion prevailed.

Mariani moved that the name of Bly be added as an author on H. F. No. 1931. The motion prevailed.

Fritz moved that her name be stricken as an author on H. F. No. 1932. The motion prevailed.

Jaros moved that the name of Bly be added as an author on H. F. No. 1932. The motion prevailed.

Kahn moved that the name of Bly be added as an author on H. F. No. 1941. The motion prevailed.

Tschumper moved that the name of Bly be added as an author on H. F. No. 1945. The motion prevailed.

Knuth moved that the name of Bly be added as an author on H. F. No. 1951. The motion prevailed.

Hackbarth moved that the name of Bly be added as an author on H. F. No. 1965. The motion prevailed.

Tschumper moved that the name of Bly be added as an author on H. F. No. 1967. The motion prevailed.

Tschumper moved that the name of Bly be added as an author on H. F. No. 1968. The motion prevailed.

Swails moved that the name of McNamara be added as an author on H. F. No. 1980. The motion prevailed.

Tschumper moved that the name of Bly be added as an author on H. F. No. 1986. The motion prevailed.

Tschumper moved that the name of Bly be added as an author on H. F. No. 1997. The motion prevailed.

Tschumper moved that the name of Bly be added as an author on H. F. No. 2000. The motion prevailed.

Ward moved that the name of Bly be added as an author on H. F. No. 2009. The motion prevailed.

Brynaert moved that the name of Bly be added as an author on H. F. No. 2021. The motion prevailed.

Abeler moved that the name of Hosch be added as an author on H. F. No. 2035. The motion prevailed.

Abeler moved that the name of Hosch be added as an author on H. F. No. 2036. The motion prevailed.

Abeler moved that the name of Hosch be added as an author on H. F. No. 2037. The motion prevailed.

Marquart moved that the name of Swails be added as an author on H. F. No. 2142. The motion prevailed.

Ruud moved that the name of Nelson be added as an author on H. F. No. 2165. The motion prevailed.

Brod moved that the name of Slocum be added as an author on H. F. No. 2172. The motion prevailed.

Knuth moved that the name of Gardner be added as an author on H. F. No. 2215. The motion prevailed.

Atkins moved that S. F. No. 1168 be recalled from the Committee on Commerce and Labor and together with H. F. No. 1364, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

Eken moved that H. F. No. 1395 be recalled from the Committee on Taxes and be re-referred to the Committee on Finance. The motion prevailed.

Lesch moved that H. F. No. 1450 be recalled from the Committee on Public Safety and Civil Justice and be re-referred to the Committee on Finance. The motion prevailed.

Bunn moved that H. F. No. 1621 be recalled from the Committee on Public Safety and Civil Justice and be re-referred to the Committee on Finance. The motion prevailed.

Kranz moved that H. F. No. 1975 be recalled from the Committee on Public Safety and Civil Justice and be re-referred to the Committee on Finance. The motion prevailed.

REQUEST PURSUANT TO RULE 4.31

Pursuant to rule 4.31, Cornish gave notice of his request that H. F. No. 498 be returned to the House from the Committee on Public Safety and Civil Justice.

ADJOURNMENT

Sertich moved that when the House adjourns today it adjourn until 11:30 a.m., Wednesday, March 21, 2007. The motion prevailed.

Sertich moved that the House adjourn. The motion prevailed, and Speaker pro tempore Pelowski declared the House stands adjourned until 11:30 a.m., Wednesday, March 21, 2007.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives