

STATE OF MINNESOTA

EIGHTY-FIFTH SESSION — 2007

 SIXTY-FIRST DAY

SAINT PAUL, MINNESOTA, THURSDAY, MAY 3, 2007

The House of Representatives convened at 10:00 a.m. and was called to order by Margaret Anderson Kelliher, Speaker of the House.

Prayer was offered by Roy Vanderwerf, Oakland Church, Minneapolis, Minnesota.

"The National Anthem" was performed on the viola by Miss Minnesota, Nicole Swanson.

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

The roll was called and the following members were present:

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

A quorum was present.

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

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 30, 2007

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Kelliher:

Please be advised that I have received, approved, signed, and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 2090, relating to health; limiting requirements related to backflow prevention in recreational camping areas.

H. F. No. 1490, relating to Scott County; authorizing adoption of personnel rules; modifying veterans' preference.

Sincerely,

TIM PAWLENTY
Governor

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2007 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S. F. No.</i>	<i>H. F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2007</i>	<i>Date Filed 2007</i>
	2090	24	2:25 p.m. April 30	April 30
	1490	25	2:45 p.m. April 30	April 30

1098	26	2:29 p.m. April 30	April 30
1069	28	2:38 p.m. April 30	April 30

Sincerely,

MARK RITCHIE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 1, 2007

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Kelliher:

I have vetoed and am returning Chapter No. 38, H. F. No. 886. The bill authorizes more than four times more spending on projects than I requested and is simply too large.

In odd numbered years, our Minnesota tradition and expectation is that bonding bills address emergency needs and consensus items. The DFL majority exercised no restraint in passing this bill.

Your disregard for this limited agenda is very unfortunate because many fine projects may be delayed. Emergency needs such as Browns Valley, meritorious items such as the Veterans Memorial, and previously agreed upon projects such as the Duluth Entertainment Convention Center should have been easily passed in this session. I hope you will address these issues and my other concerns immediately.

I have repeatedly communicated my expectations about the timing and the composition of the bill. This situation is unfortunate and should have been avoided.

Sincerely,

TIM PAWLENTY
Governor

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Carlson from the Committee on Finance to which was referred:

H. F. No. 1855, A bill for an act relating to health; requiring certain health care facilities to report on major spending commitments; requiring nonprofit hospitals and outpatient surgical centers to report on community benefits in a standard way; establishing a work group; amending Minnesota Statutes 2006, sections 62J.17, subdivisions 2, 4a, 7; 62J.41, subdivision 1; 62J.52, subdivisions 1, 2; 62J.60, subdivisions 2, 3; 144.565; 144.698, subdivision 1; repealing Minnesota Statutes 2006, section 62J.17, subdivisions 1, 5a, 6a, 8.

Reported the same back with the following amendments:

Page 13, line 24, delete "Beginning with hospital fiscal year 2009,"

Page 13, line 25, delete everything after "(5)" and insert "Community benefit" means the costs of community care, underpayment for services provided under state health care programs, research costs, community health services costs, financial and in-kind contributions, costs of community building activities, costs of community benefit operations, education, and the cost of operating subsidized services. The cost of bad debts and underpayment for Medicare services are not included in the calculation of community benefit."

Page 13, delete line 26

Page 13, delete lines 27 to 30

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.

Carlson from the Committee on Finance to which was referred:

H. F. No. 1873, A bill for an act relating to health; requiring annual reports on cost containment goals; establishing a health care transformation task force; modifying goals for universal coverage; establishing a demonstration project for community-based health care initiative; modifying performance payments for medical groups; requiring a physician-directed care coordination program; requiring a payment reform plan; providing grants for community collaboratives; establishing health care payment reform pilot projects; requiring a study; appropriating money; amending Minnesota Statutes 2006, sections 62J.04, subdivision 3; 62J.81, subdivision 1; 62Q.165, subdivisions 1, 2; 62Q.80, subdivisions 3, 4, 13, 14, by adding a subdivision; 256.01, subdivision 2b; 256B.0625, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 62J; repealing Minnesota Statutes 2006, section 62J.052, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 62A.65, subdivision 3, is amended to read:

Subd. 3. **Premium rate restrictions.** No individual health plan may be offered, sold, issued, or renewed to a Minnesota resident unless the premium rate charged is determined in accordance with the following requirements:

(a) Premium rates must be no more than 25 percent above and no more than 25 percent below the index rate charged to individuals for the same or similar coverage, adjusted pro rata for rating periods of less than one year. The premium variations permitted by this paragraph must be based only upon health status, claims experience, and occupation. For purposes of this paragraph, health status includes refraining from tobacco use or other actuarially valid lifestyle factors associated with good health, provided that the lifestyle factor and its effect upon premium rates have been determined by the commissioner to be actuarially valid and have been approved by the commissioner. Variations permitted under this paragraph must not be based upon age or applied differently at different ages. This paragraph does not prohibit use of a constant percentage adjustment for factors permitted to be used under this paragraph.

(b) Premium rates may vary based upon the ages of covered persons only as provided in this paragraph. In addition to the variation permitted under paragraph (a), each health carrier may use an additional premium variation based upon age for adults aged 19 and above of up to plus or minus 50 percent of the index rate. Premium rates for children under the age of 19 may not vary based on age, regardless of whether the child is covered as a dependent or as a primary insured.

(c) A health carrier may request approval by the commissioner to establish separate geographic regions determined by the health carrier and to establish separate index rates for each such region. The commissioner shall grant approval if the following conditions are met:

(1) the geographic regions must be applied uniformly by the health carrier;

(2) each geographic region must be composed of no fewer than seven counties that create a contiguous region; and

(3) the health carrier provides actuarial justification acceptable to the commissioner for the proposed geographic variations in index rates, establishing that the variations are based upon differences in the cost to the health carrier of providing coverage.

(d) Health carriers may use rate cells and must file with the commissioner the rate cells they use. Rate cells must be based upon the number of adults or children covered under the policy and may reflect the availability of Medicare coverage. The rates for different rate cells must not in any way reflect generalized differences in expected costs between principal insureds and their spouses.

(e) In developing its index rates and premiums for a health plan, a health carrier shall take into account only the following factors:

(1) actuarially valid differences in rating factors permitted under paragraphs (a) and (b); and

(2) actuarially valid geographic variations if approved by the commissioner as provided in paragraph (c).

(f) All premium variations must be justified in initial rate filings and upon request of the commissioner in rate revision filings. All rate variations are subject to approval by the commissioner.

(g) The loss ratio must comply with the section 62A.021 requirements for individual health plans.

(h) The rates must not be approved, unless the commissioner has determined that the rates are reasonable. In determining reasonableness, the commissioner shall consider the growth rates applied under section 62J.04, subdivision 1, paragraph (b), to the calendar year or years that the proposed premium rate would be in effect, actuarially valid changes in risks associated with the enrollee populations, and actuarially valid changes as a result of statutory changes in Laws 1992, chapter 549.

(i) An insurer may, as part of a minimum lifetime loss ratio guarantee filing under section 62A.02, subdivision 3a, include a rating practices guarantee as provided in this paragraph. The rating practices guarantee must be in writing and must guarantee that the policy form will be offered, sold, issued, and renewed only with premium rates and premium rating practices that comply with subdivisions 2, 3, 4, and 5. The rating practices guarantee must be accompanied by an actuarial memorandum that demonstrates that the premium rates and premium rating system used in connection with the policy form will satisfy the guarantee. The guarantee must guarantee refunds of any excess premiums to policyholders charged premiums that exceed those permitted under subdivision 2, 3, 4, or 5. An insurer that complies with this paragraph in connection with a policy form is exempt from the requirement of prior approval by the commissioner under paragraphs (c), (f), and (h).

Sec. 2. **[62A.67] MINNESOTA HEALTH INSURANCE EXCHANGE.**

Subdivision 1. **Title; citation.** This section may be cited as the "Minnesota Health Insurance Exchange."

Subd. 2. **Creation; tax exemption.** The Minnesota Health Insurance Exchange is created for the limited purpose of providing individuals with greater access, choice, portability, and affordability of health insurance products. The Minnesota Health Insurance Exchange is a not-for-profit corporation under chapter 317A and section 501(c) of the Internal Revenue Code.

Subd. 3. **Definitions.** The following terms have the meanings given them unless otherwise provided in text.

(a) "Board" means the board of directors of the Minnesota Health Insurance Exchange under subdivision 13.

(b) "Commissioner" means:

(1) the commissioner of commerce for health insurers subject to the jurisdiction of the Department of Commerce;

(2) the commissioner of health for health insurers subject to the jurisdiction of the Department of Health; or

(3) either commissioner's designated representative.

(c) "Exchange" means the Minnesota Health Insurance Exchange.

(d) "HIPAA" means the Health Insurance Portability and Accountability Act of 1996.

(e) "Individual market health plans," unless otherwise specified, means individual market health plans defined in section 62A.011.

(f) "Section 125 Plan" means a cafeteria or Premium Only Plan under section 125 of the Internal Revenue Code that allows employees to pay for health insurance premiums with pretax dollars.

Subd. 4. **Insurer and health plan participation.** All health plans as defined in section 62A.011, subdivision 3, issued or renewed in the individual market shall participate in the exchange. No health plans in the individual market may be issued or renewed outside of the exchange. Group health plans as defined in section 62A.10 shall not be offered through the exchange. Health plans offered through the Minnesota Comprehensive Health Association as defined in section 62E.10 are offered through the exchange to eligible enrollees as determined by the Minnesota Comprehensive Health Association. Health plans offered through MinnesotaCare under chapter 256L are offered through the exchange to eligible enrollees as determined by the commissioner of human services.

Subd. 5. **Approval of health plans.** No health plan may be offered through the exchange unless the commissioner has first certified that:

(1) the insurer seeking to offer the health plan is licensed to issue health insurance in the state; and

(2) the health plan meets the requirements of this section, and the health plan and the insurer are in compliance with all other applicable health insurance laws.

Subd. 6. **Individual market health plans.** Individual market health plans offered through the exchange continue to be regulated by the commissioner as specified in chapters 62A, 62C, 62D, 62E, 62Q, and 72A, and must include the following provisions that apply to all health plans issued or renewed through the exchange:

(1) premiums for children under the age of 19 shall not vary by age in the exchange; and

(2) premiums for children under the age of 19 must be excluded from rating factors under section 62A.65, subdivision 3, paragraph (b).

Subd. 7. **Individual participation and eligibility.** Individuals are eligible to purchase health plans directly through the exchange or through an employer Section 125 Plan under section 62A.68. Nothing in this section requires guaranteed issue of individual market health plans offered through the exchange. Individuals are eligible to purchase individual market health plans through the exchange by meeting one or more of the following qualifications:

(1) the individual is a Minnesota resident, meaning the individual is physically residing on a permanent basis in a place that is the person's principal residence and from which the person is absent only for temporary purposes;

(2) the individual is a student attending an institution outside of Minnesota and maintains Minnesota residency;

(3) the individual is not a Minnesota resident but is employed by an employer physically located within the state and the individual's employer is required to offer a Section 125 Plan under section 62A.68;

(4) the individual is not a Minnesota resident but is self-employed and the individual's principal place of business is in the state; or

(5) the individual is a dependent, as defined in section 62L.02, of another individual who is eligible to participate in the exchange.

Subd. 8. **Continuation of coverage.** Enrollment in a health plan may be canceled for nonpayment of premiums, fraud, or changes in eligibility for MinnesotaCare under chapter 256L. Enrollment in an individual market health plan may not be canceled or nonrenewed because of any change in employer or employment status, marital status, health status, age, residence, or any other change that does not affect eligibility as defined in this section.

Subd. 9. **Responsibilities of the exchange.** The exchange shall serve as the sole entity for enrollment and collection and transfer of premium payments for health plans sold to individuals through the exchange. The exchange shall be responsible for the following functions:

(1) publicize the exchange, including but not limited to its functions, eligibility rules, and enrollment procedures;

(2) provide assistance to employers to establish Section 125 Plans under section 62A.68;

(3) provide education and assistance to employers to help them understand the requirements of Section 125 Plans and compliance with applicable regulations;

(4) create a system to allow individuals to compare and enroll in health plans offered through the exchange;

(5) create a system to collect and transmit to the applicable plans all premium payments made by individuals, including developing mechanisms to receive and process automatic payroll deductions for individuals who purchase coverage through employer Section 125 Plans;

(6) not accept premium payments for individual market health plans from an employer Section 125 Plan if the employer offers a group health plan as defined in section 62A.10 or has offered a group health plan in the last 12 months, or if the employer is a self-insurer as defined in section 62E.02;

(7) provide jointly with health insurers a cancellation notice directly to the primary insured at least ten days prior to termination of coverage for nonpayment of premium;

(8) bill the employer for the premiums payable by an employee, provided that the employer is not liable for payment except from payroll deductions for that purpose;

(9) refer individuals interested in MinnesotaCare under chapter 256L to the Department of Human Services to determine eligibility;

(10) establish a mechanism with the Department of Human Services to transfer premiums and subsidies for MinnesotaCare to qualify for federal matching payments;

(11) upon request, issue certificates of previous coverage according to the provisions of HIPAA and as referenced in section 62Q.181 to all such individuals who cease to be covered by a participating health plan through the exchange;

(12) establish procedures to account for all funds received and disbursed by the exchange for individual participants of the exchange;

(13) make available to the public, at the end of each calendar year, a report of an independent audit of the exchange's accounts; and

(14) provide copies of written and signed statements from employers stating that the employer is not contributing to the employee's premiums for health plans purchased by an employee through the exchange to all health insurers with enrolled employees of the employer.

Health insurers may rely on the employer's statement in clause (14) provided by the Minnesota Health Insurance Exchange and are not required to guarantee-issue individual health plans to the employer's employees.

Subd. 10. **State not liable.** The state of Minnesota shall not be liable for the actions of the Minnesota Health Insurance Exchange.

Subd. 11. **Powers of the exchange.** The exchange shall have the power to:

(1) contract with insurance producers licensed in accident and health insurance under chapter 60K and vendors to perform one or more of the functions specified in subdivision 9;

(2) contract with employers to collect premiums through a Section 125 Plan for eligible individuals who purchase an individual market health plan through the exchange;

(3) establish and assess fees on health plan premiums of health plans purchased through the exchange to fund the cost of administering the exchange;

(4) seek and directly receive grant funding from government agencies or private philanthropic organizations to defray the costs of operating the exchange;

(5) establish and administer rules and procedures governing the operations of the exchange;

(6) establish one or more service centers within Minnesota;

(7) sue or be sued or otherwise take any necessary or proper legal action;

(8) establish bank accounts and borrow money; and

(9) enter into agreements with the commissioners of commerce, health, human services, revenue, employment and economic development, and other state agencies as necessary for the exchange to implement the provisions of this section.

Subd. 12. **Dispute resolution.** The exchange shall establish procedures for resolving disputes with respect to the eligibility of an individual to participate in the exchange. The exchange does not have the authority or responsibility to intervene in or resolve disputes between an individual and a health plan or health insurer. The exchange shall refer complaints from individuals participating in the exchange to the commissioner of health to be resolved according to sections 62Q.68 to 62Q.73.

Subd. 13. **Governance.** The exchange shall be governed by a board of directors with 11 members. The board shall convene on or before July 1, 2007, after the initial board members have been selected. The initial board membership consists of the following:

(1) the commissioner of commerce;

(2) the commissioner of human services;

(3) the commissioner of health;

(4) four members appointed by a joint committee of the Minnesota senate and the Minnesota house of representatives to serve three-year terms; and

(5) four members appointed by the governor to serve three-year terms.

Subd. 14. **Subsequent board membership.** Ongoing membership of the exchange consists of the following effective July 1, 2010:

(1) the commissioner of commerce;

(2) the commissioner of human services;

(3) the commissioner of health;

(4) two members appointed by the governor with the approval of a joint committee of the senate and house of representatives to serve two-year terms; and

(5) six members elected by the membership of the exchange of which three are elected to serve two-year terms and three are elected to serve three-year terms. Appointed and elected members may serve more than one term.

Subd. 15. **Operations of the board.** Officers of the board of directors are elected by members of the board and serve one-year terms. Six members of the board constitutes a quorum, and the affirmative vote of six members of the board is necessary and sufficient for any action taken by the board. Board members serve without pay, but are reimbursed for actual expenses incurred in the performance of their duties.

Subd. 16. **Operations of the exchange.** The board of directors shall appoint an exchange director who shall:

(1) be a full-time employee of the exchange;

(2) administer all of the activities and contracts of the exchange; and

(3) hire and supervise the staff of the exchange.

Subd. 17. **Insurance producers.** An individual has the right to choose any insurance producer licensed in accident and health insurance under chapter 60K to assist the individual in purchasing an individual market health plan through the exchange. When a producer licensed in accident and health insurance under chapter 60K enrolls an eligible individual in the exchange, the health plan chosen by an individual may pay the producer a commission.

Subd. 18. **Implementation.** Health plan coverage through the exchange begins on January 1, 2009. The exchange must be operational to assist employers and individuals by September 1, 2008, and be prepared for enrollment by December 1, 2008. Enrollees of individual market health plans, MinnesotaCare, and the Minnesota Comprehensive Health Association as of December 2, 2008, are automatically enrolled in the exchange on January 1, 2009, in the same health plan and at the same premium that they were enrolled as of December 2, 2008, subject to the provisions of this section. As of January 1, 2009, all enrollees of individual market health plans, MinnesotaCare, and the Minnesota Comprehensive Health Association shall make premium payments to the exchange.

Sec. 3. **[62A.68] SECTION 125 PLANS.**

Subdivision 1. **Definitions.** The following terms have the meanings given unless otherwise provided in text.

(a) "Current employee" means an employee currently on an employer's payroll other than a retiree or disabled former employee.

(b) "Employer" means a person, firm, corporation, partnership, association, business trust, or other entity employing one or more persons, including a political subdivision of the state, filing payroll tax information on the employed person or persons.

(c) "Section 125 Plan" means a cafeteria or Premium Only Plan under section 125 of the Internal Revenue Code that allows employees to purchase health insurance with pretax dollars.

(d) "Exchange" means the Minnesota Health Insurance Exchange under section 62A.67.

(e) "Exchange director" means the appointed director under section 62A.67, subdivision 16.

Subd. 2. **Section 125 Plan requirement.** (a) Effective January 1, 2009, all employers with 11 or more current employees shall establish a Section 125 Plan to allow their employees to purchase individual market health plan coverage with pretax dollars. Nothing in this section requires or mandates employers to offer or purchase health insurance coverage for their employees. The following employers are exempt from the Section 125 Plan requirement:

(1) employers that offer a group health insurance plan as defined in section 62A.10;

(2) employers that are self-insurers as defined in section 62E.02; and

(3) employers with fewer than 11 current employees, except that employers under this clause may voluntarily offer a Section 125 Plan.

(b) Employers that offer a Section 125 Plan may enter into an agreement with the exchange to administer the employer's Section 125 Plan.

Subd. 3. **Tracking compliance.** By July 1, 2008, the exchange, in consultation with the commissioners of commerce, health, employment and economic development, and revenue, shall establish a method for tracking employer compliance with the Section 125 Plan requirement.

Subd. 4. **Employer requirements.** Employers that are required to offer or choose to offer a Section 125 Plan shall:

(1) allow employees to purchase any individual market health plan for themselves and their dependents through the exchange;

(2) allow employees to choose any insurance producer licensed in accident and health insurance under chapter 60K to assist them in purchasing an individual market health plan through the exchange;

(3) provide a written and signed statement to the exchange stating that the employer is not contributing to the employee's premiums for health plans purchased by an employee through the exchange;

(4) upon an employee's request, deduct premium amounts on a pretax basis in an amount not to exceed an employee's wages, and remit these employee payments to the exchange; and

(5) provide notice to employees that individual market health plans purchased through the exchange are not employer-sponsored or administered. Employers shall be held harmless from any and all liability claims related to the individual market health plans purchased through the exchange by employees under a Section 125 Plan.

Subd. 5. **Section 125 eligible health plans.** Individuals who are eligible to use an employer Section 125 Plan to pay for health insurance coverage purchased through the exchange may enroll in any health plan offered through the exchange for which the individual is eligible, including individual market health plans, MinnesotaCare, and the Minnesota Comprehensive Health Association.

Sec. 4. Minnesota Statutes 2006, section 62E.141, is amended to read:

62E.141 INCLUSION IN EMPLOYER-SPONSORED PLAN.

No employee of an employer that offers a group health plan, under which the employee is eligible for coverage, is eligible to enroll, or continue to be enrolled, in the comprehensive health association, except for enrollment or continued enrollment necessary to cover conditions that are subject to an unexpired preexisting condition limitation, preexisting condition exclusion, or exclusionary rider under the employer's health plan. This section does not apply to persons enrolled in the Comprehensive Health Association as of June 30, 1993. With respect to persons eligible to enroll in the health plan of an employer that has more than 29 current employees, as defined in section 62L.02, this section does not apply to persons enrolled in the Comprehensive Health Association as of December 31, 1994.

Sec. 5. Minnesota Statutes 2006, section 62J.04, subdivision 3, is amended to read:

Subd. 3. **Cost containment duties.** The commissioner shall:

(1) establish statewide and regional cost containment goals for total health care spending under this section and, collect data as described in sections 62J.38 to 62J.41 to monitor statewide achievement of the cost containment goals, and annually report to the legislature on whether the goals were achieved and, if not, what action should be taken to ensure that goals are achieved in the future;

(2) divide the state into no fewer than four regions, with one of those regions being the Minneapolis/St. Paul metropolitan statistical area but excluding Chisago, Isanti, Wright, and Sherburne Counties, for purposes of fostering the development of regional health planning and coordination of health care delivery among regional health care systems and working to achieve the cost containment goals;

(3) monitor the quality of health care throughout the state and take action as necessary to ensure an appropriate level of quality;

(4) issue recommendations regarding uniform billing forms, uniform electronic billing procedures and data interchanges, patient identification cards, and other uniform claims and administrative procedures for health care providers and private and public sector payers. In developing the recommendations, the commissioner shall review the work of the work group on electronic data interchange (WEDI) and the American National Standards Institute (ANSI) at the national level, and the work being done at the state and local level. The commissioner may adopt rules requiring the use of the Uniform Bill 82/92 form, the National Council of Prescription Drug Providers (NCPDP) 3.2 electronic version, the Centers for Medicare and Medicaid Services 1500 form, or other standardized forms or procedures;

(5) undertake health planning responsibilities;

(6) authorize, fund, or promote research and experimentation on new technologies and health care procedures;

(7) within the limits of appropriations for these purposes, administer or contract for statewide consumer education and wellness programs that will improve the health of Minnesotans and increase individual responsibility relating to personal health and the delivery of health care services, undertake prevention programs including initiatives to improve birth outcomes, expand childhood immunization efforts, and provide start-up grants for worksite wellness programs;

(8) undertake other activities to monitor and oversee the delivery of health care services in Minnesota with the goal of improving affordability, quality, and accessibility of health care for all Minnesotans; and

(9) make the cost containment goal data available to the public in a consumer-oriented manner.

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

Sec. 6. **[62J.431] EVIDENCE-BASED HEALTH CARE GUIDELINES.**

Evidence-based guidelines must meet the following criteria:

(1) the scope and application are clear;

(2) authorship is stated and any conflicts of interest disclosed;

(3) authors represent all pertinent clinical fields or other means of input have been used;

(4) the development process is explicitly stated;

(5) the guideline is grounded in evidence;

(6) the evidence is cited and graded;

(7) the document itself is clear and practical;

(8) the document is flexible in use, with exceptions noted or provided for with general statements;

(9) measures are included for use in systems improvement; and

(10) the guideline has scheduled reviews and updating.

Sec. 7. Minnesota Statutes 2006, section 62J.495, is amended to read:

62J.495 HEALTH INFORMATION TECHNOLOGY AND INFRASTRUCTURE ADVISORY COMMITTEE.

Subdivision 1. ~~Establishment; members; duties~~ **Implementation.** By January 1, 2012, all hospitals and health care providers must have in place an interoperable electronic health records system within their hospital system or clinical practice setting. The commissioner of health, in consultation with the Health Information Technology and Infrastructure Advisory Committee, shall develop a statewide plan to meet this goal, including the adoption of uniform standards to be used for the interoperable system for sharing and synchronizing patient data across systems. The standards must be compatible with federal efforts. The uniform standards must be refined and adopted for use when a standard development organization accredited by the American National Standards Institute completes the development of a standard for sharing and synchronizing patient data across systems.

Subd. 2. Health Information Technology and Infrastructure Advisory Committee. (a) The commissioner shall establish a Health Information Technology and Infrastructure Advisory Committee governed by section 15.059 to advise the commissioner on the following matters:

(1) assessment of the use of health information technology by the state, licensed health care providers and facilities, and local public health agencies;

(2) recommendations for implementing a statewide interoperable health information infrastructure, to include estimates of necessary resources, and for determining standards for administrative data exchange, clinical support programs, patient privacy requirements, and maintenance of the security and confidentiality of individual patient data; ~~and~~

(3) recommendations for encouraging use of innovative health care applications using information technology and systems to improve patient care and reduce the cost of care, including applications relating to disease management and personal health management that enable remote monitoring of patients' conditions, especially those with chronic conditions; and

~~(3)~~ (4) other related issues as requested by the commissioner.

(b) The members of the Health Information Technology and Infrastructure Advisory Committee shall include the commissioners, or commissioners' designees, of health, human services, administration, and commerce and additional members to be appointed by the commissioner to include persons representing Minnesota's local public health agencies, licensed hospitals and other licensed facilities and providers, private purchasers, the medical and nursing professions, health insurers and health plans, the state quality improvement organization, academic and research institutions, consumer advisory organizations with an interest and expertise in health information technology, and other stakeholders as identified by the Health Information Technology and Infrastructure Advisory Committee.

~~Subd. 2. Annual report.~~ (c) The commissioner shall prepare and issue an annual report not later than January 30 of each year outlining progress to date in implementing a statewide health information infrastructure and recommending future projects.

~~Subd. 3. Expiration.~~ (d) Notwithstanding section 15.059, this ~~section~~ subdivision expires June 30, ~~2009~~ 2012.

Sec. 8. **[62J.496] ELECTRONIC HEALTH RECORD SYSTEM REVOLVING ACCOUNT AND LOAN PROGRAM.**

Subdivision 1. **Account establishment.** An account is established to provide loans to eligible borrowers to assist in financing the installation or support of an interoperable electronic health record system. The system must provide for the interoperable exchange of health care information between the applicant and, at a minimum, a hospital system, pharmacy, and a health care clinic or other physician group.

Subd. 2. **Eligibility.** (a) "Eligible borrower" means one of the following:

(1) community clinics, as defined under section 145.9268;

(2) hospitals eligible for rural hospital capital improvement grants, as defined in section 144.148;

(3) physician clinics located in a community with a population of less than 50,000 according to United States Census Bureau statistics and outside the seven-county metropolitan area;

(4) nursing facilities licensed under sections 144A.01 to 144A.27; and

(5) other providers of health or health care services approved by the commissioner for which interoperable electronic health record capability would improve quality of care, patient safety, or community health.

(b) To be eligible for a loan under this section, the applicant must submit a loan application to the commissioner of health on forms prescribed by the commissioner. The application must include, at a minimum:

(1) the amount of the loan requested and a description of the purpose or project for which the loan proceeds will be used;

(2) a quote from a vendor;

(3) a description of the health care entities and other groups participating in the project;

(4) evidence of financial stability and a demonstrated ability to repay the loan; and

(5) a description of how the system to be financed interconnects or plans in the future to interconnect with other health care entities and provider groups located in the same geographical area.

Subd. 3. **Loans.** (a) The commissioner of health may make a no interest loan to a provider or provider group who is eligible under subdivision 2 on a first-come, first-served basis provided that the applicant is able to comply with this section. The total accumulative loan principal must not exceed \$1,500,000 per loan. The commissioner of health has discretion over the size and number of loans made.

(b) The commissioner of health may prescribe forms and establish an application process and, notwithstanding section 16A.1283, may impose a reasonable nonrefundable application fee to cover the cost of administering the loan program. Any application fees imposed and collected under the electronic health records system revolving account and loan program in this section are appropriated to the commissioner of health for the duration of the loan program.

(c) The borrower must begin repaying the principal no later than two years from the date of the loan. Loans must be amortized no later than six years from the date of the loan.

(d) Repayments must be credited to the account.

Subd. 4. **Data classification.** Data collected by the commissioner of health on the application to determine eligibility under subdivision 2 and to monitor borrowers' default risk or collect payments owed under subdivision 3 are (1) private data on individuals as defined in section 13.02, subdivision 12; and (2) nonpublic data as defined in section 13.02, subdivision 9. The names of borrowers and the amounts of the loans granted are public data.

Sec. 9. **[62J.536] UNIFORM ELECTRONIC TRANSACTIONS AND IMPLEMENTATION GUIDE STANDARDS.**

Subdivision 1. **Electronic claims and eligibility transactions required.** (a) Beginning January 15, 2009, all group purchasers must accept from health care providers the eligibility for a health plan transaction described under Code of Federal Regulations, title 45, part 162, subpart L. Beginning July 15, 2009, all group purchasers must accept from health care providers the health care claims or equivalent encounter information transaction described under Code of Federal Regulations, title 45, part 162, subpart K.

(b) Beginning January 15, 2009, all group purchasers must transmit to providers the eligibility for a health plan transaction described under Code of Federal Regulations, title 45, part 162, subpart L. Beginning December 1, 2009, all group purchasers must transmit to providers the health care payment and remittance advice transaction described under Code of Federal Regulations, title 45, part 162, subpart P.

(c) Beginning January 15, 2009, all health care providers must submit to group purchasers the eligibility for a health plan transaction described under Code of Federal Regulations, title 45, part 162, subpart L. Beginning July 15, 2009, all health care providers must submit to group purchasers the health care claims or equivalent encounter information transaction described under Code of Federal Regulations, title 45, part 162, subpart K.

(d) Beginning January 15, 2009, all health care providers must accept from group purchasers the eligibility for a health plan transaction described under Code of Federal Regulations, title 45, part 162, subpart L. Beginning December 15, 2009, all health care providers must accept from group purchasers the health care payment and remittance advice transaction described under Code of Federal Regulations, title 45, part 162, subpart P.

(e) Each of the transactions described in paragraphs (a) to (d) shall require the use of a single, uniform companion guide to the implementation guides described under Code of Federal Regulations, title 45, part 162. The companion guides will be developed pursuant to subdivision 2.

(f) Notwithstanding any other provisions in sections 62J.50 to 62J.61, all group purchasers and health care providers must exchange claims and eligibility information electronically using the transactions, companion guides, implementation guides, and timelines required under this subdivision. Group purchasers may not impose any fee on providers for the use of the transactions prescribed in this subdivision.

(g) Nothing in this subdivision shall prohibit group purchasers and health care providers from using a direct data entry, Web-based methodology for complying with the requirements of this subdivision. Any direct data entry method for conducting the transactions specified in this subdivision must be consistent with the data content component of the single, uniform companion guides required in paragraph (e) and the implementation guides described under Code of Federal Regulations, title 45, part 162.

Subd. 2. **Establishing uniform, standard companion guides.** (a) At least 12 months prior to the timelines required in subdivision 1, the commissioner of health shall adopt rules pursuant to section 62J.61 establishing and requiring group purchasers and health care providers to use the transactions and the uniform, standard companion guides required under subdivision 1, paragraph (e).

(b) The commissioner of health must consult with the Minnesota Administrative Uniformity Committee on the development of the single, uniform companion guides required under subdivision 1, paragraph (e), for each of the transactions in subdivision 1. The single uniform companion guides required under subdivision 1, paragraph (e), must specify uniform billing and coding standards. The commissioner of health shall base the companion guides required under subdivision 1, paragraph (e), billing and coding rules, and standards on the Medicare program, with modifications that the commissioner deems appropriate after consulting the Minnesota Administrative Uniformity Committee.

(c) No group purchaser or health care provider may add to or modify the single, uniform companion guides defined in subdivision 1, paragraph (e), through additional companion guides or other requirements.

(d) In adopting the rules in paragraph (a), the commissioner shall not require data content that is not essential to accomplish the purpose of the transactions in subdivision 1.

Sec. 10. Minnesota Statutes 2006, section 62J.60, is amended by adding a subdivision to read:

Subd. 3a. **Required statement.** An identification card issued to an enrollee by a health plan company or other entity governed by Minnesota health coverage laws must contain the following statement: "Subject to Minnesota law."

Sec. 11. Minnesota Statutes 2006, section 62J.692, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For purposes of this section, the following definitions apply:

(a) "Accredited clinical training" means the clinical training provided by a medical education program that is accredited through an organization recognized by the Department of Education, the Centers for Medicare and Medicaid Services, or another national body who reviews the accrediting organizations for multiple disciplines and whose standards for recognizing accrediting organizations are reviewed and approved by the commissioner of health in consultation with the Medical Education and Research Advisory Committee.

(b) "Commissioner" means the commissioner of health.

(c) "Clinical medical education program" means the accredited clinical training of physicians (medical students and residents), doctor of pharmacy practitioners, doctors of chiropractic, dentists, advanced practice nurses (clinical nurse specialists, certified registered nurse anesthetists, nurse practitioners, and certified nurse midwives), and physician assistants.

(d) "Sponsoring institution" means a hospital, school, or consortium located in Minnesota that sponsors and maintains primary organizational and financial responsibility for a clinical medical education program in Minnesota and which is accountable to the accrediting body.

(e) "Teaching institution" means a hospital, medical center, clinic, or other organization that conducts a clinical medical education program in Minnesota.

(f) "Trainee" means a student or resident involved in a clinical medical education program.

(g) "Eligible trainee FTEs" means the number of trainees, as measured by full-time equivalent counts, that are at training sites located in Minnesota with a currently active medical assistance provider number enrollment status and a National Provider Identification (NPI) number where training occurs in either an inpatient or ambulatory patient care setting and where the training is funded, in part, by patient care revenues.

Sec. 12. Minnesota Statutes 2006, section 62J.692, subdivision 4, is amended to read:

Subd. 4. **Distribution of funds.** (a) The commissioner shall annually distribute 90 percent of ~~available medical education~~ funds transferred according to section 256B.69, subdivision 5c, paragraph (a), clause (1), to all qualifying applicants based on a distribution formula that reflects a summation of two factors:

(1) an education factor, which is determined by the total number of eligible trainee FTEs and the total statewide average costs per trainee, by type of trainee, in each clinical medical education program; and

(2) a public program volume factor, which is determined by the total volume of public program revenue received by each training site as a percentage of all public program revenue received by all training sites in the fund pool.

In this formula, the education factor is weighted at 67 percent and the public program volume factor is weighted at 33 percent.

Public program revenue for the distribution formula includes revenue from medical assistance, prepaid medical assistance, general assistance medical care, and prepaid general assistance medical care. Training sites that receive no public program revenue are ineligible for funds available under this paragraph. Total statewide average costs per trainee for medical residents is based on audited clinical training costs per trainee in primary care clinical medical education programs for medical residents. Total statewide average costs per trainee for dental residents is based on audited clinical training costs per trainee in clinical medical education programs for dental students. Total statewide average costs per trainee for pharmacy residents is based on audited clinical training costs per trainee in clinical medical education programs for pharmacy students.

(b) The commissioner shall annually distribute ten percent of ~~total available medical education~~ funds transferred according to section 256B.69, subdivision 5c, paragraph (a), clause (1), to all qualifying applicants based on the percentage received by each applicant under paragraph (a). These funds are to be used to offset clinical education costs at eligible clinical training sites based on criteria developed by the clinical medical education program. Applicants may choose to distribute funds allocated under this paragraph based on the distribution formula described in paragraph (a).

(c) The commissioner shall annually distribute \$5,000,000 of the funds dedicated to the commissioner under section 297F.10, subdivision 1, clause (2), plus any federal financial participation on these funds and on funds transferred under subdivision 10, to all qualifying applicants based on a distribution formula that gives 100 percent weight to a public program volume factor, which is determined by the total volume of public program revenue received by each training site as a percentage of all public program revenue received by all training sites in the fund pool. If federal approval is not obtained for federal financial participation on any portion of funds distributed under this paragraph, 90 percent of the unmatched funds shall be distributed by the commissioner based on the formula described in paragraph (a) and ten percent of the unmatched funds shall be distributed by the commissioner based on the formula described in paragraph (b).

(d) The commissioner shall annually distribute \$3,060,000 of funds dedicated to the commissioner under section 297F.10, subdivision 1, clause (2), through a formula giving 100 percent weight to an education factor, which is determined by the total number of eligible trainee full-time equivalents and the total statewide average costs per trainee, by type of trainee, in each clinical medical education program. If no matching funds are received on funds distributed under paragraph (c), funds distributed under this paragraph shall be distributed by the commissioner based on the formula described in paragraph (a).

(e) The commissioner shall annually distribute \$340,000 of funds dedicated to the commissioner under section 297F.10, subdivision 1, clause (2), to all qualifying applicants based on the percentage received by each applicant under paragraph (a). These funds are to be used to offset clinical education costs at eligible clinical training sites based on criteria developed by the clinical medical education program. Applicants may choose to distribute funds allocated under this paragraph based on the distribution formula described in paragraph (a). If no matching funds are received on funds distributed under paragraph (c), funds distributed under this paragraph shall be distributed by the commissioner based on the formula described in paragraph (b).

~~(e)~~ (f) Funds distributed shall not be used to displace current funding appropriations from federal or state sources.

~~(d)~~ (g) Funds shall be distributed to the sponsoring institutions indicating the amount to be distributed to each of the sponsor's clinical medical education programs based on the criteria in this subdivision and in accordance with the commissioner's approval letter. Each clinical medical education program must distribute funds allocated under paragraph (a) to the training sites as specified in the commissioner's approval letter. Sponsoring institutions, which are accredited through an organization recognized by the Department of Education or the Centers for Medicare and Medicaid Services, may contract directly with training sites to provide clinical training. To ensure the quality of clinical training, those accredited sponsoring institutions must:

(1) develop contracts specifying the terms, expectations, and outcomes of the clinical training conducted at sites; and

(2) take necessary action if the contract requirements are not met. Action may include the withholding of payments under this section or the removal of students from the site.

~~(e)~~ (h) Any funds not distributed in accordance with the commissioner's approval letter must be returned to the medical education and research fund within 30 days of receiving notice from the commissioner. The commissioner shall distribute returned funds to the appropriate training sites in accordance with the commissioner's approval letter.

~~(f)~~ (i) The commissioner shall distribute by June 30 of each year an amount equal to the funds transferred under subdivision 10, ~~plus five percent interest~~ to the University of Minnesota Board of Regents for the instructional costs of health professional programs at the Academic Health Center and for interdisciplinary academic initiatives within the Academic Health Center.

~~(g)~~ (j) A maximum of \$150,000 of the funds dedicated to the commissioner under section 297F.10, subdivision 1, ~~paragraph (b)~~, clause (2), may be used by the commissioner for administrative expenses associated with implementing this section.

Sec. 13. Minnesota Statutes 2006, section 62J.692, subdivision 7a, is amended to read:

Subd. 7a. **Clinical medical education innovations grants.** (a) The commissioner shall award grants to teaching institutions and clinical training sites for projects that increase dental access for underserved populations and promote innovative clinical training of dental professionals.

(b) The commissioner shall award grants to teaching institutions and clinical training sites for projects that increase mental health access for underserved populations, promote innovative clinical training of mental health professionals, increase the number of mental health providers in rural or underserved areas, and promote the incorporation of patient safety principles into clinical medical education programs.

(c) In awarding the grants, the commissioner, in consultation with the commissioner of human services, shall consider the following:

- (1) potential to successfully increase access to an underserved population;
- (2) the long-term viability of the project to improve access beyond the period of initial funding;
- (3) evidence of collaboration between the applicant and local communities;
- (4) the efficiency in the use of the funding; ~~and~~
- (5) the priority level of the project in relation to state clinical education, access, patient safety, and workforce goals; and
- (6) the potential of the project to impact the number or distribution of the health care workforce.

~~(b)~~ (d) The commissioner shall periodically evaluate the priorities in awarding the innovations grants in order to ensure that the priorities meet the changing workforce needs of the state.

Sec. 14. Minnesota Statutes 2006, section 62J.692, subdivision 8, is amended to read:

Subd. 8. **Federal financial participation.** (a) The commissioner of human services shall seek to maximize federal financial participation in payments for medical education and research costs. ~~If the commissioner of human services determines that federal financial participation is available for the medical education and research, the commissioner of health shall transfer to the commissioner of human services the amount of state funds necessary to maximize the federal funds available. The amount transferred to the commissioner of human services, plus the amount of federal financial participation, shall be distributed to medical assistance providers in accordance with the distribution methodology described in subdivision 4.~~

(b) For the purposes of paragraph (a), the commissioner shall use physician clinic rates where possible to maximize federal financial participation.

Sec. 15. Minnesota Statutes 2006, section 62J.692, subdivision 10, is amended to read:

Subd. 10. **Transfers from University of Minnesota.** Of the funds dedicated to the Academic Health Center under section 297F.10, subdivision 1, clause (1), \$4,850,000 shall be transferred annually to the commissioner of health no later than April 15 of each year for distribution under subdivision 4, paragraph ~~(f)~~ (i).

Sec. 16. Minnesota Statutes 2006, section 62J.81, subdivision 1, is amended to read:

Subdivision 1. **Required disclosure of estimated payment.** (a) A health care provider, as defined in section 62J.03, subdivision 8, or the provider's designee as agreed to by that designee, shall, at the request of a consumer, provide that consumer with a good faith estimate of the reimbursement allowable payment the provider expects to receive from the health plan company in which the consumer is enrolled has agreed to accept from the consumer's health plan company for the services specified by the consumer, specifying the amount of the allowable payment due from the health plan company. Health plan companies must allow contracted providers, or their designee, to release this information. A good faith estimate must also be made available at the request of a consumer who is not enrolled in a health plan company. If a consumer has no applicable public or private coverage, the health care provider must give the consumer a good faith estimate of the average allowable reimbursement the provider accepts as payment from private third-party payers for the services specified by the consumer and the estimated amount the noncovered consumer will be required to pay. Payment information provided by a provider, or by the provider's designee as agreed to by that designee, to a patient pursuant to this subdivision does not constitute a legally binding estimate of the allowable charge for or cost to the consumer of services.

(b) A health plan company, as defined in section 62J.03, subdivision 10, shall, at the request of an enrollee or the enrollee's designee, provide that enrollee with a good faith estimate of the ~~reimbursement~~ allowable amount the health plan company ~~would expect to pay to~~ has contracted for with a specified provider within the network as total payment for a health care service specified by the enrollee and the portion of the allowable amount due from the enrollee and the enrollee's out-of-pocket costs. ~~If requested by the enrollee, the health plan company shall also provide to the enrollee a good faith estimate of the enrollee's out of pocket cost for the health care service.~~ An estimate provided to an enrollee under this paragraph is not a legally binding estimate of the ~~reimbursement~~ allowable amount or enrollee's out-of-pocket cost.

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

Sec. 17. Minnesota Statutes 2006, section 62J.82, is amended to read:

62J.82 HOSPITAL CHARGE INFORMATION REPORTING DISCLOSURE.

Subdivision 1. Required information. The Minnesota Hospital Association shall develop a Web-based system, available to the public free of charge, for reporting ~~charge information~~ the following, for Minnesota residents;:

(1) hospital-specific performance on the measures of care developed under section 256B.072 for acute myocardial infarction, heart failure, and pneumonia;

(2) by January 1, 2009, hospital-specific performance on the public reporting measures for hospital-acquired infections as published by the National Quality Forum and collected by the Minnesota Hospital Association and Stratis Health in collaboration with infection control practitioners; and

(3) charge information, including, but not limited to, number of discharges, average length of stay, average charge, average charge per day, and median charge, for each of the 50 most common inpatient diagnosis-related groups and the 25 most common outpatient surgical procedures as specified by the Minnesota Hospital Association.

Subd. 2. Web site. The Web site must provide information that compares hospital-specific data to hospital statewide data. The Web site must be ~~established by October 1, 2006, and must be updated annually.~~ The commissioner shall provide a link to this reporting information on the department's Web site.

Subd. 3. Enforcement. The commissioner shall provide a link to this information on the department's Web site. If a hospital does not provide this information to the Minnesota Hospital Association, the commissioner of health may require the hospital to do so in accordance with section 144.55, subdivision 6. ~~The commissioner shall provide a link to this information on the department's Web site.~~

Sec. 18. **[62J.84] HEALTH CARE TRANSFORMATION TASK FORCE.**

Subdivision 1. Task force. The governor shall convene a health care transformation task force to advise and assist the governor and the Minnesota legislature. The task force shall consist of:

(1) four legislators from the house of representatives appointed by the speaker, two from the majority party and two from the minority party, and four legislators from the senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration, two from the majority party and two from the minority party;

(2) four representatives of the governor and state agencies appointed by the governor;

(3) at least four persons appointed by the governor who have demonstrated leadership in health care organizations, health improvement initiatives, health care trade or professional associations, or other collaborative health system improvement activities; and

(4) at least two persons appointed by the governor who have demonstrated leadership in employer and group purchaser activities related to health system improvement, at least one of which must be from a labor organization.

Subd. 2. **Public input.** The commissioner of health shall review available research, and conduct statewide, regional, and local surveys, focus groups, and other activities as needed to fill gaps in existing research, to determine Minnesotans' values, preferences, opinions, and perceptions related to health care and to the issues confronting the task force, and shall report the findings to the task force.

Subd. 3. **Inventory and assessment of existing activities; action plan.** The task force shall complete an inventory and assessment of all public and private organized activities, coalitions, and collaboratives working on tasks relating to health system improvement including, but not limited to, patient safety, quality measurement and reporting, evidence-based practice, adoption of health information technology, disease management and chronic care coordination, medical homes, access to health care, cultural competence, prevention and public health, consumer incentives, price and cost transparency, nonprofit organization community benefits, education, research, and health care workforce.

Subd. 4. **Action plan.** By December 15, 2007, the governor, with the advice and assistance of the task force, shall develop and present to the legislature a statewide action plan for transforming the health care system to improve affordability, quality, and access. The plan shall include draft legislation needed to implement the plan. The plan may consist of legislative actions, administrative actions of governmental entities, collaborative actions, and actions of individuals and individual organizations. Among other things, the action plan must include the following, with specific and measurable goals and deadlines for each:

(1) proposed actions that will slow the rate of increase in health care costs to a rate that does not exceed the increase in the Consumer Price Index for urban consumers for the preceding calendar year plus two percentage points, and an additional percentage based on the added costs necessary to implement legislation enacted in 2007;

(2) actions that will increase the affordable health coverage options for uninsured and underinsured Minnesotans and other strategies that will ensure that all Minnesotans will have health coverage by January 2011;

(3) actions to improve the quality and safety of health care and reduce racial and ethnic disparities in access and quality;

(4) actions that will reduce the rate of preventable chronic illness through prevention and public health and wellness initiatives;

(5) proposed changes to state health care purchasing and payment strategies used for state health care programs and state employees that will promote higher quality, lower cost health care through incentives that reward prevention and early intervention, use of cost-effective primary care, effective care coordination, and management of chronic disease;

(6) actions that will promote the appropriate and cost-effective investment in new facilities, technologies, and drugs;

(7) actions to reduce administrative costs; and

(8) the results of the inventory completed under subdivision 3 and recommendations for how these activities can be coordinated and improved.

Subd. 5. **Options for small employers.** The task force shall study and report back to the legislature by December 15, 2007, on options for serving small employers and their employees, and self-employed individuals.

Sec. 19. Minnesota Statutes 2006, section 62L.12, subdivision 2, is amended to read:

Subd. 2. **Exceptions.** (a) A health carrier may sell, issue, or renew individual conversion policies to eligible employees otherwise eligible for conversion coverage under section 62D.104 as a result of leaving a health maintenance organization's service area.

(b) A health carrier may sell, issue, or renew individual conversion policies to eligible employees otherwise eligible for conversion coverage as a result of the expiration of any continuation of group coverage required under sections 62A.146, 62A.17, 62A.21, 62C.142, 62D.101, and 62D.105.

(c) A health carrier may sell, issue, or renew conversion policies under section 62E.16 to eligible employees.

(d) A health carrier may sell, issue, or renew individual continuation policies to eligible employees as required.

(e) A health carrier may sell, issue, or renew individual health plans if the coverage is appropriate due to an unexpired preexisting condition limitation or exclusion applicable to the person under the employer's group health plan or due to the person's need for health care services not covered under the employer's group health plan.

(f) A health carrier may sell, issue, or renew an individual health plan, if the individual has elected to buy the individual health plan not as part of a general plan to substitute individual health plans for a group health plan nor as a result of any violation of subdivision 3 or 4.

(g) Nothing in this subdivision relieves a health carrier of any obligation to provide continuation or conversion coverage otherwise required under federal or state law.

(h) Nothing in this chapter restricts the offer, sale, issuance, or renewal of coverage issued as a supplement to Medicare under sections 62A.3099 to 62A.44, or policies or contracts that supplement Medicare issued by health maintenance organizations, or those contracts governed by sections 1833, 1851 to 1859, 1860D, or 1876 of the federal Social Security Act, United States Code, title 42, section 1395 et seq., as amended.

(i) Nothing in this chapter restricts the offer, sale, issuance, or renewal of individual health plans necessary to comply with a court order.

(j) A health carrier may offer, issue, sell, or renew an individual health plan to persons eligible for an employer group health plan, if the individual health plan is a high deductible health plan for use in connection with an existing health savings account, in compliance with the Internal Revenue Code, section 223. In that situation, the same or a different health carrier may offer, issue, sell, or renew a group health plan to cover the other eligible employees in the group.

(k) A health carrier may offer, sell, issue, or renew an individual health plan to one or more employees of a small employer if the individual health plan is marketed directly through the Minnesota Health Insurance Exchange under section 62A.67 or 62A.68 to all employees of the small employer and the small employer does not contribute directly or indirectly to the premiums or facilitate the administration of the individual health plan. The requirement to market an individual health plan to all employees through the Minnesota Health Insurance Exchange under

section 62A.67 or 62A.68 does not require the health carrier to offer or issue an individual health plan to any employee. For purposes of this paragraph, an employer is not contributing to the premiums or facilitating the administration of the individual health plan if the employer does not contribute to the premium and merely collects the premiums from an employee's wages or salary through payroll deductions and submits payment for the premiums of one or more employees ~~in a lump sum to the health carrier to the Minnesota Health Insurance Exchange under section 62A.67 or 62A.68~~. Except for coverage under section 62A.65, subdivision 5, paragraph (b), or 62E.16, at the request of an employee, the ~~health carrier~~ Minnesota Health Insurance Exchange under section 62A.67 or 62A.68 may bill the employer for the premiums payable by the employee, provided that the employer is not liable for payment except from payroll deductions for that purpose. If an employer is submitting payments under this paragraph, the health carrier and the Minnesota Health Insurance Exchange under section 62A.67 or 62A.68 shall jointly provide a cancellation notice directly to the primary insured at least ten days prior to termination of coverage for nonpayment of premium. Individual coverage under this paragraph may be offered only if the small employer has not provided coverage under section 62L.03 to the employees within the past 12 months.

The employer must provide a written and signed statement to the ~~health carrier~~ Minnesota Health Insurance Exchange under section 62A.67 or 62A.68 that the employer is not contributing directly or indirectly to the employee's premiums. The Minnesota Health Insurance Exchange under section 62A.67 or 62A.68 shall provide all health carriers with enrolled employees of the employer with a copy of the employer's statement. The health carrier may rely on the employer's statement provided by the Minnesota Health Insurance Exchange under section 62A.67 or 62A.68 and is not required to guarantee-issue individual health plans to the employer's ~~other current or future~~ employees.

Sec. 20. Minnesota Statutes 2006, section 62L.12, subdivision 4, is amended to read:

Subd. 4. **Employer prohibition.** A small employer offering a health benefit plan shall not encourage or direct an employee or applicant to:

(1) refrain from filing an application for health coverage when other similarly situated employees may file an application for health coverage;

(2) file an application for health coverage during initial eligibility for coverage, the acceptance of which is contingent on health status, when other similarly situated employees may apply for health coverage, the acceptance of which is not contingent on health status;

(3) seek coverage from another health carrier, including, but not limited to, MCHA; or

(4) cause coverage to be issued on different terms because of the health status or claims experience of that person or the person's dependents.

Sec. 21. **[62Q.101] EVALUATION OF PROVIDER PERFORMANCE.**

A health plan company, or a vendor of risk management services as defined under section 60A.23, subdivision 8, shall, in evaluating the performance of a health care provider:

(1) conduct the evaluation using a bona fide baseline based upon practice experience of the provider group; and

(2) disclose the baseline to the health care provider in writing and prior to the beginning of the time period used for the evaluation.

Sec. 22. Minnesota Statutes 2006, section 62Q.165, subdivision 1, is amended to read:

Subdivision 1. **Definition.** It is the commitment of the state to achieve universal health coverage for all Minnesotans by the year 2011. Universal coverage is achieved when:

- (1) every Minnesotan has access to a full range of quality health care services;
- (2) every Minnesotan is able to obtain affordable health coverage which pays for the full range of services, including preventive and primary care; and
- (3) every Minnesotan pays into the health care system according to that person's ability.

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

Sec. 23. Minnesota Statutes 2006, section 62Q.165, subdivision 2, is amended to read:

Subd. 2. **Goal.** It is the goal of the state to make continuous progress toward reducing the number of Minnesotans who do not have health coverage so that by January 1, 2000, ~~fewer than four percent of the state's population will be without health coverage~~ 2011, all Minnesota residents have access to affordable health care. The goal will be achieved by improving access to private health coverage through insurance reforms and market reforms, by making health coverage more affordable for low-income Minnesotans through purchasing pools and state subsidies, and by reducing the cost of health coverage through cost containment programs and methods of ensuring that all Minnesotans are paying into the system according to their ability.

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

Sec. 24. Minnesota Statutes 2006, section 62Q.80, subdivision 3, is amended to read:

Subd. 3. **Approval.** (a) Prior to the operation of a community-based health care coverage program, a community-based health initiative shall submit to the commissioner of health for approval the community-based health care coverage program developed by the initiative. ~~The commissioner shall only approve a program that has been awarded a community access program grant from the United States Department of Health and Human Services.~~ The commissioner shall ensure that the program meets the federal grant requirements and any requirements described in this section and is actuarially sound based on a review of appropriate records and methods utilized by the community-based health initiative in establishing premium rates for the community-based health care coverage program.

(b) Prior to approval, the commissioner shall also ensure that:

- (1) the benefits offered comply with subdivision 8 and that there are adequate numbers of health care providers participating in the community-based health network to deliver the benefits offered under the program;
- (2) the activities of the program are limited to activities that are exempt under this section or otherwise from regulation by the commissioner of commerce;
- (3) the complaint resolution process meets the requirements of subdivision 10; and
- (4) the data privacy policies and procedures comply with state and federal law.

Sec. 25. Minnesota Statutes 2006, section 62Q.80, subdivision 4, is amended to read:

Subd. 4. **Establishment.** ~~(a)~~ The initiative shall establish and operate upon approval by the commissioner of health a community-based health care coverage program. The operational structure established by the initiative shall include, but is not limited to:

- (1) establishing a process for enrolling eligible individuals and their dependents;
 - (2) collecting and coordinating premiums from enrollees and employers of enrollees;
 - (3) providing payment to participating providers;
 - (4) establishing a benefit set according to subdivision 8 and establishing premium rates and cost-sharing requirements;
 - (5) creating incentives to encourage primary care and wellness services; and
 - (6) initiating disease management services, as appropriate.
- ~~(b) The payments collected under paragraph (a), clause (2), may be used to capture available federal funds.~~

Sec. 26. Minnesota Statutes 2006, section 62Q.80, subdivision 13, is amended to read:

Subd. 13. **Report.** (a) The initiative shall submit quarterly status reports to the commissioner of health on January 15, April 15, July 15, and October 15 of each year, with the first report due January 15, ~~2007~~ 2008. The status report shall include:

- (1) the financial status of the program, including the premium rates, cost per member per month, claims paid out, premiums received, and administrative expenses;
 - (2) a description of the health care benefits offered and the services utilized;
 - (3) the number of employers participating, the number of employees and dependents covered under the program, and the number of health care providers participating;
 - (4) a description of the health outcomes to be achieved by the program and a status report on the performance measurements to be used and collected; and
 - (5) any other information requested by the commissioner of health or commerce or the legislature.
- (b) The initiative shall contract with an independent entity to conduct an evaluation of the program to be submitted to the commissioners of health and commerce and the legislature by January 15, ~~2009~~ 2010. The evaluation shall include:

- (1) an analysis of the health outcomes established by the initiative and the performance measurements to determine whether the outcomes are being achieved;
- (2) an analysis of the financial status of the program, including the claims to premiums loss ratio and utilization and cost experience;
- (3) the demographics of the enrollees, including their age, gender, family income, and the number of dependents;

(4) the number of employers and employees who have been denied access to the program and the basis for the denial;

(5) specific analysis on enrollees who have aggregate medical claims totaling over \$5,000 per year, including data on the enrollee's main diagnosis and whether all the medical claims were covered by the program;

(6) number of enrollees referred to state public assistance programs;

(7) a comparison of employer-subsidized health coverage provided in a comparable geographic area to the designated community-based geographic area served by the program, including, to the extent available:

(i) the difference in the number of employers with 50 or fewer employees offering employer-subsidized health coverage;

(ii) the difference in uncompensated care being provided in each area; and

(iii) a comparison of health care outcomes and measurements established by the initiative; and

(8) any other information requested by the commissioner of health or commerce.

Sec. 27. Minnesota Statutes 2006, section 62Q.80, subdivision 14, is amended to read:

Subd. 14. **Sunset.** This section expires December 31, ~~2011~~ 2012.

Sec. 28. Minnesota Statutes 2006, section 144.698, subdivision 1, is amended to read:

Subdivision 1. **Yearly reports.** (a) Each hospital and each outpatient surgical center, which has not filed the financial information required by this section with a voluntary, nonprofit reporting organization pursuant to section 144.702, shall file annually with the commissioner of health after the close of the fiscal year:

(1) a balance sheet detailing the assets, liabilities, and net worth of the hospital or outpatient surgical center;

(2) a detailed statement of income and expenses;

(3) a copy of its most recent cost report, if any, filed pursuant to requirements of Title XVIII of the United States Social Security Act;

(4) a copy of all changes to articles of incorporation or bylaws;

(5) information on services provided to benefit the community, including services provided at no cost or for a reduced fee to patients unable to pay, teaching and research activities, or other community or charitable activities;

(6) information required on the revenue and expense report form set in effect on July 1, 1989, or as amended by the commissioner in rule;

(7) information on changes in ownership or control; ~~and~~

(8) other information required by the commissioner in rule;

(9) information on the number of available hospital beds that are dedicated to certain specialized services, as designated by the commissioner, and annual occupancy rates for those beds, separately for adult and pediatric care;

(10) from outpatient surgical centers, the total number of surgeries; and

(11) a report on health care capital expenditures during the previous year, as required by section 62J.17.

(b) Beginning with hospital fiscal year 2009, each nonprofit hospital shall report on community benefits under paragraph (a), clause (5). "Community benefit" means the costs of community care, underpayment for services provided under state health care programs, research costs, community health services costs, financial and in-kind contributions, costs of community building activities, costs of community benefit operations, education, and the cost of operating subsidized services. The cost of bad debts and underpayment for Medicare services are not included in the calculation of community benefit.

Sec. 29. Minnesota Statutes 2006, section 144.699, is amended by adding a subdivision to read:

Subd. 5. **Annual reports on community benefit, community care amounts, and state program underfunding.** (a) For each hospital reporting health care cost information under section 144.698 or 144.702, the commissioner shall report annually on the hospital's community benefit, community care, and underpayment for state public health care programs.

(b) For purposes of this subdivision, "community benefits" has the definition given in section 144.698, paragraph (b).

(c) For purposes of this subdivision, "community care" means the costs for medical care for which a hospital has determined is charity care, as defined under Minnesota Rules, part 4650.0115, or for which the hospital determines after billing for the services that there is a demonstrated inability to pay. Any costs forgiven under a hospital's community care plan or under section 62J.83 may be counted in the hospital's calculation of community care. Bad debt expenses and discounted charges available to the uninsured shall not be included in the calculation of community care. The amount of community care is the value of costs incurred and not the charges made for services.

(d) For purposes of this subdivision, underpayment for services provided by state public health care programs is the difference between hospital costs and public program payments. The information shall be reported in terms of total dollars and as a percentage of total operating costs for each hospital.

Sec. 30. **[145.985] HEALTH PROMOTION AND WELLNESS.**

Community health boards as defined in section 145A.02, subdivision 5, may work with schools, health care providers, and others to coordinate health and wellness programs in their communities. In order to meet the requirements of this section, community health boards may:

(1) provide instruction, technical assistance, and recommendations on how to evaluate project outcomes;

(2) assist with on-site health and wellness programs utilizing volunteers and others addressing health and wellness topics including smoking, nutrition, obesity, and others; and

(3) encourage health and wellness programs consistent with the Centers for Disease Control and Prevention's Community Guide and goals consistent with the Centers for Disease Control and Prevention's Healthy People 2010 initiative.

Sec. 31. Minnesota Statutes 2006, section 256.01, subdivision 2b, is amended to read:

Subd. 2b. **Performance payments.** (a) The commissioner shall develop and implement a pay-for-performance system to provide performance payments to:

(1) eligible medical groups and clinics that demonstrate optimum care in serving individuals with chronic diseases who are enrolled in health care programs administered by the commissioner under chapters 256B, 256D, and 256L;

(2) medical groups that implement effective medical home models of patient care that improve quality and reduce costs through effective primary and preventive care, care coordination, and management of chronic conditions; and

(3) eligible medical groups and clinics that evaluate medical provider usage patterns and provide feedback to individual medical providers on that provider's practice patterns relative to peer medical providers.

(b) The commissioner shall also develop and implement a patient incentive health program to provide incentives and rewards to patients who are enrolled in health care programs administered by the commissioner under chapters 256B, 256D, and 256L, and who have agreed to and meet personal health goals established with their primary care provider to manage a chronic disease or condition including, but not limited to, diabetes, high blood pressure, and coronary artery disease.

(c) The commissioner may receive any federal matching money that is made available through the medical assistance program for managed care oversight contracted through vendors including consumer surveys, studies, and external quality reviews as required by the Federal Balanced Budget Act of 1997, Code of Federal Regulations, title 42, part 438, subpart E. Any federal money received for managed care oversight is appropriated to the commissioner for this purpose. The commissioner may expend the federal money received in either year of the biennium.

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

Sec. 32. Minnesota Statutes 2006, section 256B.0625, is amended by adding a subdivision to read:

Subd. 49. **Provider-directed care coordination services.** The commissioner shall develop and implement a provider-directed care coordination program for medical assistance recipients who are not enrolled in the prepaid medical assistance program and who are receiving services on a fee-for-service basis. This program provides payment to primary care clinics for care coordination for people who have complex and chronic medical conditions. Clinics must meet certain criteria such as the capacity to develop care plans; have a dedicated care coordinator; and have an adequate number of fee-for-service clients, evaluation mechanisms, and quality improvement processes to qualify for reimbursement. For purposes of this subdivision, a primary care clinic is a medical clinic designated as the patient's first point of contact for medical care, available 24 hours a day, seven days a week, that provides or arranges for the patient's comprehensive health care needs, and provides overall integration, coordination, and continuity over time and referrals for specialty care.

Sec. 33. **HEALTH CARE PAYMENT SYSTEM REFORM.**

Subdivision 1. **Payment reform plan.** The commissioners of employee relations, human services, commerce, and health shall develop a plan for promoting and facilitating changes in payment rates and methods for paying for health care services, drugs, devices, supplies, and equipment in order to:

(1) reward the provision of cost-effective primary and preventive care;

- (2) reward the use of evidence-based care;
- (3) discourage underutilization, overuse, and misuse;
- (4) reward the use of the most cost-effective settings, drugs, devices, providers, and treatments; and
- (5) encourage consumers to maintain good health and use the health care system appropriately.

In developing the plan, the commissioners shall analyze existing data to determine specific services and health conditions for which changes in payment rates and methods would lead to significant improvements in quality of care. The commissioners shall include a definition of the term "quality" for uniform understanding of the plan's impact.

Subd. 2. **Report.** The commissioners shall submit a report to the legislature by December 15, 2007, describing the payment reform plan. The report must include proposed legislation for implementing those components of the plan requiring legislative action or appropriations of money.

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

Sec. 34. **COMMUNITY COLLABORATIVE PILOT PROJECTS TO COVER THE UNINSURED.**

Subdivision 1. **Community collaboratives.** The commissioner of human services shall provide grants to and authorization for up to three community collaboratives that satisfy the requirements in this section. To be eligible to receive a grant and authorization under this section, a community collaborative must include:

- (1) one or more counties;
- (2) one or more local hospitals;
- (3) one or more local employers who collectively provide at least 300 jobs in the community;
- (4) one or more health care clinics or physician groups; and
- (5) a third-party payer, which may be a county-based purchasing plan operating under Minnesota Statutes, section 256B.692, a self-insured employer, or a health plan company as defined in Minnesota Statutes, section 62Q.01, subdivision 4.

Subd. 2. **Pilot project requirements.** (a) Community collaborative pilot projects must:

- (1) identify and enroll persons in the community who are uninsured, and who have, or are at risk of developing, one of the following chronic conditions: mental illness, diabetes, asthma, hypertension, or other chronic condition designated by the project;
- (2) assist uninsured persons to obtain private-sector health insurance coverage if possible or to enroll in any public health care programs for which they are eligible. If the uninsured individual is unable to obtain health coverage, the community collaborative must enroll the individual in a local health care assistance program that provides specified services to prevent or effectively manage the chronic condition;
- (3) include components to help uninsured persons retain employment or to become employable, if currently unemployed;

(4) ensure that each uninsured person enrolled in the program has a medical home responsible for providing, or arranging for, health care services and assisting in the effective management of the chronic condition;

(5) coordinate services between all providers and agencies serving an enrolled individual; and

(6) be coordinated with the state's Q-Care initiative and improve the use of evidence-based treatments and effective disease management programs in the broader community, beyond those individuals enrolled in the project.

(b) Projects established under this section are not insurance and are not subject to state-mandated benefit requirements or insurance regulations.

Subd. 3. **Criteria.** Proposals must be evaluated by actuarial, financial, and clinical experts based on the likelihood that the project would produce a positive return on investment for the community. In awarding grants, the commissioner of human services shall give preference to proposals that:

(1) have broad community support from local businesses, provider counties, and other public and private organizations;

(2) would provide services to uninsured persons who have, or are at risk of developing, multiple, co-occurring chronic conditions;

(3) integrate or coordinate resources from multiple sources, such as employer contributions, county funds, social service programs, and provider financial or in-kind support;

(4) provide continuity of treatment and services when uninsured individuals in the program become eligible for public or private health insurance or when insured individuals lose their coverage;

(5) demonstrate how administrative costs for health plan companies and providers can be reduced through greater simplification, coordination, consolidation, standardization, reducing billing errors, or other methods; and

(6) involve local contributions to the cost of the pilot projects.

Subd. 4. **Grants.** The commissioner of human services shall provide implementation grants of up to one-half of the community collaborative's costs for planning, administration, and evaluation. The commissioner shall also provide grants to community collaboratives to develop a fund to pay up to 50 percent of the cost of the services provided to uninsured individuals. The remaining costs must be paid for through other sources or by agreement of a health care provider to contribute the cost as charity care.

Subd. 5. **Evaluation.** The commissioner of human services shall evaluate the effectiveness of each community collaborative project awarded a grant, by comparing actual costs for serving the identified uninsured persons to the predicted costs that would have been incurred in the absence of early intervention and consistent treatment to manage the chronic condition, including the costs to medical assistance, MinnesotaCare, and general assistance medical care. The commissioner shall require community collaborative projects, as a condition of receipt of a grant award, to provide the commissioner with all information necessary for this evaluation.

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

Sec. 35. **HEALTH CARE PAYMENT REFORM PILOT PROJECTS.**

Subdivision 1. **Pilot projects.** (a) The commissioners of health, human services, and employee relations shall develop and administer payment reform pilot projects for state employees and persons enrolled in medical assistance, MinnesotaCare, or general assistance medical care, to the extent permitted by federal requirements. The purpose of the projects is to promote and facilitate changes in payment rates and methods for paying for health care services, drugs, devices, supplies, and equipment in order to:

- (1) reward the provision of cost-effective primary and preventive care;
- (2) reward the use of evidence-based care;
- (3) reward coordination of care for patients with chronic conditions;
- (4) discourage overuse and misuse;
- (5) reward the use of the most cost-effective settings, drugs, devices, providers, and treatments; and
- (6) encourage consumers to maintain good health and use the health care system appropriately.

(b) The pilot projects must involve the use of designated care professionals or clinics to serve as a patient's medical home and be responsible for coordinating health care services across the continuum of care. The pilot projects must evaluate different payment reform models and must be coordinated with the Minnesota senior health options program and the Minnesota disability health options program. To the extent possible, the commissioners shall coordinate state purchasing activities with other public employers and with private purchasers, self-insured groups, and health plan companies to promote the use of pilot projects encompassing both public and private purchasers and markets.

Subd. 2. **Payment methods and incentives.** The commissioners shall modify existing payment methods and rates for those enrollees and health care providers participating in the pilot project in order to provide incentives for care management, team-based care, and practice redesign, and increase resources for primary care, chronic condition care, and care provided to complex patients. The commissioners may create financial incentives for patients to select a medical home under the pilot project by reducing, modifying, or eliminating deductibles and co-payments for certain services, or through other incentives. The commissioners may require patients to remain with their designated medical home for a specified period of time. Alternative payment methods may include complete or partial capitation, fee-for-service payments, or other payment methodologies. The payment methods may provide for the payment of bonuses to medical home providers or other providers, or to patients, for the achievement of performance goals. The payment methods may include allocating a portion of the payment that would otherwise be paid to health plans under state prepaid health care programs to the designated medical home for specified services.

Subd. 3. **Requirements.** In order to be designated a medical home under the pilot project, health care professionals or clinics must demonstrate their ability to:

- (1) be the patient's first point of contact by telephone or other means, 24 hours a day, seven days a week;
- (2) provide or arrange for patients' comprehensive health care needs, including the ability to structure planned chronic disease visits and to manage chronic disease through the use of disease registries;
- (3) coordinate patients' care when care must be provided outside the medical home;

(4) provide longitudinal care, not just episodic care, including meeting long-term and unique personal needs;

(5) utilize an electronic health record and incorporate a plan to develop and make available to patients that choose a medical home an electronic personal health record that is prepopulated with the patient's data, consumer-directed, connected to the provider, 24-hour accessible, and owned and controlled by the patient;

(6) systematically improve quality of care using, among other inputs, patient feedback; and

(7) create a provider network that provides for increased reimbursement for a medical home in a cost-neutral manner.

Subd. 4. **Evaluation.** Pilot projects must be evaluated based on patient satisfaction, provider satisfaction, clinical process and outcome measures, program costs and savings, and economic impact on health care providers. Pilot projects must be evaluated based on the extent to which the medical home:

(1) coordinated health care services across the continuum of care and thereby reduced duplication of services and enhanced communication across providers;

(2) provided safe and high-quality care by increasing utilization of effective treatments, reduced use of ineffective treatments, reduced barriers to essential care and services, and eliminated barriers to access;

(3) reduced unnecessary hospitalizations and emergency room visits and increased use of cost-effective care and settings;

(4) encouraged long-term patient and provider relationships by shifting from episodic care to consistent, coordinated communication and care with a specified team of providers or individual providers;

(5) engaged and educated consumers by encouraging shared patient and provider responsibility and accountability for disease prevention, health promotion, chronic disease management, acute care, and overall well-being, encouraging informed medical decision-making, ensuring the availability of accurate medical information, and facilitated the transfer of accurate medical information;

(6) encouraged innovation in payment methodologies by using patient and provider incentives to coordinate care and utilize medical home services and fostering the expansion of a technology infrastructure that supports collaboration; and

(7) reduced overall health care costs as compared to conventional payment methods for similar patient populations.

Subd. 5. **Rulemaking.** The commissioners are exempt from administrative rulemaking under Minnesota Statutes, chapter 14, for purposes of developing, administering, contracting for, and evaluating pilot projects under this section. The commissioner shall publish a proposed request for proposals in the State Register and allow 30 days for comment before issuing the final request for proposals.

Subd. 6. **Regulatory and payment barriers.** The commissioners shall study state and federal statutory and regulatory barriers to the creation of medical homes and provide a report and recommendations to the legislature by December 15, 2007.

Sec. 36. **HEALTH CARE SYSTEM CONSOLIDATION.**

(a) The commissioner of health shall study the effect of health care provider and health plan company consolidation in the four metropolitan statistical areas in Minnesota on: health care costs, including provider payment rates; quality of care; and access to care. The commissioner shall separately consider hospitals, specialty groups, and primary care groups. The commissioner shall include a definition of the terms "quality of care" and "access to care" to provide uniform understanding of the study's findings. The commissioner shall present findings and recommendations to the legislature by December 15, 2007.

(b) For purposes of this study, health carriers, provider networks, and other health care providers shall provide data on network participation, contracted payment rates, charges, costs, payments received, patient referrals, and other information requested by the commissioner, in the form and manner specified by the commissioner. Provider-level information on contracted payment rates and payments from health plans provided to the commissioner of health for the purposes of this study are (1) private data on individuals as defined in Minnesota Statutes, section 13.02, subdivision 12, and (2) nonpublic data as defined in Minnesota Statutes, section 13.02, subdivision 9. The commissioner may not collect patient-identified data for purposes of this study. Data collected for purposes of this study may not be used for any other purposes.

Sec. 37. **REPEALER.**

Minnesota Statutes 2006, section 62J.052, subdivision 1, is repealed effective August 1, 2007."

Delete the title and insert:

"A bill for an act relating to health; establishing the Minnesota Health Insurance Exchange; establishing evidence-based health care guidelines; requiring all hospitals and health care providers to have an electronic health records system by a certain date; establishing an electronic health record system revolving account and loan program; establishing a uniform electronic transactions and implementation guide standards; establishing a Health Care Transformation Task Force; defining evaluation parameters for provider performance; establishing a goal of achieving access to affordable health care by 2011 for all Minnesota residents; requiring certain hospitals to report on community benefits; encouraging communities to coordinate health and wellness programs; requiring health care payment system reform; establishing community collaborative pilot projects to cover the uninsured; establishing health care payment reform pilot projects; requiring a study of health care system consolidation; appropriating money; amending Minnesota Statutes 2006, sections 62A.65, subdivision 3; 62E.141; 62J.04, subdivision 3; 62J.495; 62J.60, by adding a subdivision; 62J.692, subdivisions 1, 4, 7a, 8, 10; 62J.81, subdivision 1; 62J.82; 62L.12, subdivisions 2, 4; 62Q.165, subdivisions 1, 2; 62Q.80, subdivisions 3, 4, 13, 14; 144.698, subdivision 1; 144.699, by adding a subdivision; 256.01, subdivision 2b; 256B.0625, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 62A; 62J; 62Q; 145; repealing Minnesota Statutes 2006, section 62J.052, subdivision 1."

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 1873 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Dill introduced:

H. F. No. 2460, A bill for an act relating to drivers' licenses; imposing additional eligibility requirements to operate motor vehicle pursuant to provisional driver's license; imposing a penalty; amending Minnesota Statutes 2006, section 171.055.

The bill was read for the first time and referred to the Transportation Finance Division.

Gardner, Kranz and Knuth introduced:

H. F. No. 2461, A bill for an act relating to capital improvements; appropriating money for Rice Creek North Regional Trail; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Finance.

Tingelstad introduced:

H. F. No. 2462, A bill for an act relating to state government; modifying criteria for capital project grants to political subdivisions; amending Minnesota Statutes 2006, section 16A.86, subdivision 3.

The bill was read for the first time and referred to the Committee on Finance.

Seifert introduced:

H. F. No. 2463, A bill for an act relating to capital investment; providing relief for public and private property damaged by the Browns Valley flooding of March 2007; authorizing flood mitigation projects in Browns Valley; appropriating money; amending Laws 2005, chapter 20, article 1, section 7, subdivision 2; Laws 2006, chapter 258, section 7, subdivision 3.

The bill was read for the first time and referred to the Committee on Finance.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 532, A bill for an act relating to consumer protection; regulating certain contracts entered into by military service personnel; authorizing cancellations; requiring utilities to establish payment arrangements for military service personnel; proposing coding for new law in Minnesota Statutes, chapters 190; 325E; 325G.

PATRICE DWORAK, First Assistant Secretary of the Senate

Winkler moved that the House refuse to concur in the Senate amendments to H. F. No. 532, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 1398.

PATRICE DWORAK, First Assistant Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1398, A bill for an act relating to health care; providing for patient visitation by health care agents; establishing and specifying visitation rights and the right to designate a domestic partner for certain purposes; amending Minnesota Statutes 2006, sections 144.651, subdivision 26; 145C.05; 145C.07, by adding a subdivision.

The bill was read for the first time.

Murphy, E., moved that S. F. No. 1398 and H. F. No. 1589, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

The following Conference Committee Reports were received:

CONFERENCE COMMITTEE REPORT ON H. F. No. 272

A bill for an act relating to the military and veterans; clarifying that a statute ensuring the continuation of state licenses and certificates of registration for any trade, employment, occupation, or profession while soldiers and certain essential employees are engaged in active military service applies to licenses and certificates of registration requiring firearms and use of force training; amending Minnesota Statutes 2006, section 326.56, subdivision 2.

May 2, 2007

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

We, the undersigned conferees for H. F. No. 272 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 272 be further amended as follows:

Page 2, line 14, after the period, insert "Any compensatory job-related education or training considered necessary by the licensee's or registrant's employer must be provided and paid for by the employer and must not be permitted to delay the licensee's or registrant's reemployment."

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

House Conferees: LARRY HAWS, AL DOTY AND DAN SEVERSON.

Senate Conferees: DAN SKOGEN, SHARON L. ERICKSON ROPES AND BILL G. INGBRIGTSEN.

Haws moved that the report of the Conference Committee on H. F. No. 272 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 272, A bill for an act relating to the military and veterans; clarifying that a statute ensuring the continuation of state licenses and certificates of registration for any trade, employment, occupation, or profession while soldiers and certain essential employees are engaged in active military service applies to licenses and certificates of registration requiring firearms and use of force training; amending Minnesota Statutes 2006, section 326.56, subdivision 2.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was repassed, as amended by Conference, and its title agreed to.

CONFERENCE COMMITTEE REPORT ON H. F. No. 829

A bill for an act relating to state government; appropriating money for public safety and corrections initiatives, courts, public defenders, tax court, Uniform Laws Commission and Board on Judicial Standards; providing certain general criminal and sentencing provisions; regulating DWI and driving provisions; modifying or establishing various provisions relating to public safety; providing for residency documentation; regulating corrections, the courts, and emergency communications; regulating scrap metal dealers; modifying certain law enforcement, insurance, human services, and public defense provisions; providing immunity from certain civil liability; establishing reduced ignition propensity standards for cigarettes; providing conditional repeals of certain laws; providing penalties; amending Minnesota Statutes 2006, sections 2.722, subdivision 1; 3.732, subdivision 1; 3.736, subdivision 1; 13.87, subdivision 1; 15A.083, subdivision 4; 16A.72; 16B.181, subdivision 2; 16C.23, subdivision 2; 168.012, subdivision 1; 169.13, by adding a subdivision; 169.471, subdivision 2; 169A.275, by adding a subdivision; 169A.51, subdivision 7; 171.09, subdivision 1; 171.12, by adding a subdivision; 171.55; 241.016, subdivision 1; 241.018; 241.27, subdivisions 1, 2, 3, 4; 241.278; 241.69, subdivisions 3, 4; 243.167, subdivision 1; 243.55, subdivision 1; 244.05, by adding a subdivision; 245.041; 253B.09, subdivision 3a; 260B.007, by adding a subdivision; 260B.125, subdivision 1; 260B.130, subdivision 1; 260B.141, subdivision 4; 260B.198, subdivision 6; 260C.193, subdivision 6; 270A.03, subdivision 5; 299A.641, subdivision 2; 299C.65, subdivisions 2, 5; 302A.781, by adding a subdivision; 325E.21; 352D.02, subdivision 1; 363A.06, subdivision 1; 383A.08, subdivisions 6, 7; 401.15, subdivision 1; 403.07, subdivision 4; 403.11, subdivision 1, by adding subdivisions; 403.31, subdivision 1; 484.54, subdivision 2; 484.83; 504B.361, subdivision 1; 518.165, subdivisions 1, 2; 518A.35, subdivision 3; 518B.01, subdivisions 6a, 22; 548.091, subdivision 1a; 549.09, subdivision 1; 563.01, by adding a subdivision; 590.05; 595.02, subdivision 1; 609.02, subdivision 16; 609.055; 609.135, subdivision 8, by adding a subdivision; 609.15, subdivision 1; 609.21, subdivisions 1, 4a, 5, by adding subdivisions; 609.221, subdivision 2; 609.2232; 609.341, subdivision 11; 609.344, subdivision 1; 609.345, subdivision 1; 609.3451, subdivision 3; 609.3455, subdivision 4, by adding a subdivision; 609.352; 609.505, subdivision 2; 609.581, by adding subdivisions; 609.582, subdivision 2; 609.595, subdivisions 1, 2; 609.748, subdivisions 1, 5; 609.75, subdivision 8, by adding subdivisions; 611.14; 611.20, subdivision 6; 611.215, subdivisions 1, 1a; 611.23; 611.24; 611.25, subdivision 1; 611.26, subdivisions 2, 7; 611.27, subdivisions 3, 13, 15; 611.35; 611A.036, subdivisions 2, 7; 611A.675, subdivisions 1, 2, 3, 4, by adding a subdivision; 626.5572, subdivision 21; 634.15, subdivisions 1, 2; 641.05; 641.15, by adding a subdivision; 641.265, subdivision 2; Laws 2001, First Special Session chapter 8, article 4, section 4; Laws 2003, First Special Session chapter 2, article 1, section 2; proposing coding for new law in Minnesota Statutes, chapters 72A; 171; 241; 299A; 299F; 357; 484; 504B; 540; 604; 609; 611A; repealing Minnesota Statutes 2006, sections 169.796, subdivision 3; 241.021, subdivision 5; 241.85, subdivision 2; 260B.173; 403.31, subdivision 6; 480.175, subdivision 3; 609.21, subdivisions 2, 2a, 2b, 3, 4; 609.805; 611.20, subdivision 5; Laws 2005, First Special Session chapter 6, article 3, section 91.

May 2, 2007

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

We, the undersigned conferees for H. F. No. 829 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 829 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

APPROPRIATIONS

Section 1. **SUMMARY OF APPROPRIATIONS.**

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

	<u>2008</u>	<u>2009</u>	<u>Total</u>
<u>General</u>	<u>\$923,045,000</u>	<u>\$953,879,000</u>	<u>\$1,876,924,000</u>
<u>State Government Special Revenue</u>	<u>55,688,000</u>	<u>50,392,000</u>	<u>106,080,000</u>
<u>Environmental Fund</u>	<u>67,000</u>	<u>69,000</u>	<u>136,000</u>
<u>Special Revenue Fund</u>	<u>11,974,000</u>	<u>15,014,000</u>	<u>27,038,000</u>
<u>Trunk Highway</u>	<u>367,000</u>	<u>373,000</u>	<u>740,000</u>
<u>Total</u>	<u>\$991,141,000</u>	<u>\$1,019,727,000</u>	<u>\$2,010,918,000</u>

Sec. 2. **PUBLIC SAFETY APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this act. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2008" and "2009" used in this act 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. **SUPREME COURT**

<u>Subdivision 1. Total Appropriation</u>	<u>\$44,592,000</u>	<u>\$45,923,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Judicial Salaries.**

Effective July 1, 2007, and July 1, 2008, the salaries of justices of the supreme court and judges of the court of appeals and district court are increased by three percent.

<u>APPROPRIATIONS</u>		
<u>Available for the Year</u>		
<u>Ending June 30</u>		
	<u>2008</u>	<u>2009</u>
Subd. 3. <u>Supreme Court Operations</u>	31,292,000	32,623,000
<u>Contingent Account.</u> \$5,000 each year is for a contingent account for expenses necessary for the normal operation of the court for which no other reimbursement is provided.		
Subd. 4. <u>Civil Legal Services</u>	13,300,000	13,300,000
<u>Base Budget.</u> The base budget for civil legal services is \$12,320,000 each year for fiscal years 2010 and 2011.		
<u>Legal Services to Low-Income Clients in Family Law Matters.</u> Of this appropriation, \$877,000 each year is to improve the access of low-income clients to legal representation in family law matters. This appropriation must be distributed under Minnesota Statutes, section 480.242, to the qualified legal services programs described in Minnesota Statutes, section 480.242, subdivision 2, paragraph (a). Any unencumbered balance remaining in the first year does not cancel and is available in the second year.		
Sec. 4. <u>COURT OF APPEALS</u>	<u>\$9,766,000</u>	<u>\$10,620,000</u>
<u>Caseload Increase.</u> \$1,285,000 the first year and \$1,876,000 the second year are for caseload increases. This money must be used for three additional judge units, an additional staff attorney, 2.67 additional full-time equivalent law clerk positions, and for retired judges.		
Sec. 5. <u>TRIAL COURTS</u>	<u>\$246,077,000</u>	<u>\$254,916,000</u>
<u>New Judge Units.</u> \$1,792,000 the first year and \$3,241,000 the second year are for an increase in judge units, including three trial court judge units in the First Judicial District, one trial court judge unit in the Seventh Judicial District, one trial court judge unit in the Ninth Judicial District and two trial court judge units in the Tenth Judicial District. These new judge units begin on January 1, 2008. Each judge unit consists of a judge, law clerk, and court reporter.		
<u>Maintain and Expand Drug Courts.</u> \$2,096,000 the first year and \$2,097,000 the second year are to maintain and to establish new drug courts.		
<u>Guardian Ad Litem Services.</u> \$1,260,000 the first year and \$1,629,000 the second year are for guardian ad litem services.		

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

Interpreter Services. \$606,000 the first year and \$777,000 the second year are for interpreter services.

Psychological Services. \$1,531,000 the first year and \$2,151,000 the second year are for psychological services.

In Forma Pauperis Services. \$178,000 each year is for in forma pauperis services.

Sec. 6. <u>TAX COURT</u>	<u>\$794,000</u>	<u>\$825,000</u>
Sec. 7. <u>UNIFORM LAWS COMMISSION</u>	<u>\$58,000</u>	<u>\$52,000</u>
Sec. 8. <u>BOARD ON JUDICIAL STANDARDS</u>	<u>\$450,000</u>	<u>\$460,000</u>

Investigative and Hearing Costs. \$125,000 each year is for special investigative and hearing costs for major disciplinary actions undertaken by the board. This appropriation does not cancel. Any encumbered and unspent balances remain available for these expenditures in subsequent fiscal years.

Sec. 9. <u>BOARD OF PUBLIC DEFENSE</u>	<u>\$66,348,000</u>	<u>\$69,519,000</u>
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District Public Defense Caseload Increase. \$3,213,000 the first year and \$5,009,000 the second year are for 34 new full-time equivalent attorneys and 11 new full-time equivalent support staff positions to address caseload increases. Of this amount, \$200,000 each year is for transcript costs.

Sec. 10. **PUBLIC SAFETY**

Subdivision 1. <u>Total Appropriation</u>	<u>\$152,112,000</u>	<u>\$152,706,000</u>
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Appropriations by Fund

	<u>2008</u>	<u>2009</u>
<u>General</u>	89,202,000	92,026,000
<u>Special Revenue</u>	6,788,000	9,846,000
<u>State Government</u>		
<u>Special Revenue</u>	55,688,000	50,392,000

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

Environmental 67,000 69,000

Trunk Highway 367,000 373,000

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

Subd. 2. **Emergency Management** 2,687,000 2,698,000

Appropriations by Fund

General 2,620,000 2,629,000

Environmental 67,000 69,000

Pandemic Flu Coordinator. \$75,000 each year is for one position to coordinate state readiness for a pandemic flu event. This is a onetime appropriation.

Subd. 3. **Criminal Apprehension** 44,606,000 46,565,000

Appropriations by Fund

General 43,787,000 45,726,000

Special Revenue 445,000 459,000

State Government
Special Revenue 7,000 7,000

Trunk Highway 367,000 373,000

Cooperative Investigation of Cross-Jurisdictional Criminal Activity. \$93,000 each year is appropriated from the Bureau of Criminal Apprehension account in the special revenue fund for grants to local officials for the cooperative investigation of cross-jurisdictional criminal activity. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

Laboratory Activities. \$352,000 the first year and \$366,000 the second year are appropriated from the Bureau of Criminal Apprehension account in the special revenue fund for laboratory activities.

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

DWI Lab Analysis. Notwithstanding Minnesota Statutes, section 161.20, subdivision 3, \$367,000 the first year and \$373,000 the second year are appropriated from the trunk highway fund for laboratory analysis related to driving-while-impaired cases.

CriMNet Justice Information Integration. \$2,635,000 the first year and \$2,760,000 the second year are for statewide information integration policies. The base for this appropriation in fiscal year 2010 shall be \$2,032,000.

Policy Group; Report. The criminal and juvenile justice information policy group shall study funding sources other than the general fund for new CriMNet costs and present its ideas to the house of representatives and senate committees having jurisdiction over criminal justice policy and funding by January 15, 2008.

Forensic Scientists. \$509,000 the first year and \$1,411,000 the second year are for new forensic scientists in the Bureau of Criminal Apprehension Forensic Science Laboratory. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Crime Labs and Crime Strike Task Forces; Working Group. The commissioner of public safety shall convene a working group to study and prepare a report on the appropriateness of additional regional forensic crime laboratories and regional crime strike task forces. The commissioner must consult with the chairs of the legislative committees with responsibility for public safety finance on the membership of the working group. The Forensic Laboratory Advisory Board, established under Minnesota Statutes, section 299C.156, and the Gang and Drug Oversight Council, established under section 299A.641, must provide advice and assistance to the commissioner and the working group as requested by the commissioner. The working group must submit its report and recommendations to the house of representatives and senate committees with responsibility for public safety finance by February 1, 2008.

Subd. 4. Fire Marshal

6,193,000

9,234,000

This appropriation is from the fire safety account in the special revenue fund.

Of this amount, \$3,330,000 the first year and \$6,300,000 the second year are for activities under Minnesota Statutes, section 299F.012.

			<u>APPROPRIATIONS</u>	
			<u>Available for the Year</u>	
			<u>Ending June 30</u>	
			<u>2008</u>	<u>2009</u>
<u>Subd. 5. Alcohol and Gambling Enforcement</u>			<u>1,792,000</u>	<u>1,838,000</u>
<u>Appropriations by Fund</u>				
<u>General</u>	<u>1,642,000</u>		<u>1,685,000</u>	
<u>Special Revenue</u>	<u>150,000</u>		<u>153,000</u>	
<u>Subd. 6. Office of Justice Programs</u>			<u>41,153,000</u>	<u>41,986,000</u>
<u>Crime Victim Reparations.</u> \$250,000 each year is to increase the amount of funding for crime victim reparations.				
<u>Emergency Assistance Grants.</u> \$100,000 each year is for grants under Minnesota Statutes, section 611A.675. This is a onetime appropriation.				
<u>Gang and Drug Task Force.</u> \$600,000 the first year and \$1,900,000 the second year are for grants to the Gang and Drug Task Force.				
<u>Victim Notification System.</u> \$455,000 each year is for the continuation of the victim information and notification everyday (VINE) service.				
<u>Supervised Parenting Grants.</u> \$200,000 each year are for grants to organizations that provide supervised parenting time services to parents and children in Minnesota. The commissioner shall establish grant evaluation and award criteria for the program and ensure that grant recipients operate in a manner consistent with standards and guidelines promulgated by the Supervised Visitation Network. Any portion of the appropriation for the first year that is not used in that year is available for grants in the second year. This is a onetime appropriation.				
<u>Child Advocacy Center Grants.</u> \$50,000 each year is for child advocacy center grants under section 18. This is a onetime appropriation.				
<u>Squad Car Cameras.</u> \$500,000 each year is for grants to enable local law enforcement agencies to make squad car camera technology upgrades or acquisitions. Of this amount, \$250,000 each year for the first two years is for a grant to the city of Minneapolis.				

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

To be eligible for an acquisition grant, law enforcement agencies shall provide a 25 percent match. No match is required for upgrade grants.

The base budget for these grants is \$500,000 in fiscal year 2010. The base budget for the grants is \$0 for fiscal years 2011 and thereafter.

Crime Victim Support Grant. \$100,000 each year is for a grant to a nonprofit organization dedicated to providing immediate and long-term emotional support and practical help for the families and friends of individuals who have died by homicide, suicide, or accident. This is a onetime appropriation.

Auto Theft Emergency Grant. \$75,000 each year is for grants under Minnesota Statutes, section 611A.675, subdivision 1, clause (6). This is a onetime appropriation.

Crime Victims. \$1,700,000 each year is to increase funding for victim services. Of this amount, 59 percent is for battered women shelters, 17 percent is for domestic violence programs, eight percent is for general crime victims, 11 percent is for sexual assault programs, and five percent is for abused children programs. Of this amount, \$737,000 each year is added to the base budget.

COPS Grants. \$1,000,000 each year is to hire new peace officers and for peace officer overtime pay under Minnesota Statutes, section 299A.62, subdivision 1, paragraph (b), clauses (1) and (2). The commissioner shall award the grants based on the procedures set forth under section 299A.62. Of this amount, at least \$238,000 the first year and \$217,000 the second year must be awarded to two cities in Hennepin County that are not cities of the first class and have the highest Part 1 and Part 2 crime rates per 100,000 inhabitants in the county as calculated by the latest Bureau of Criminal Apprehension report. This is a onetime appropriation.

Youth Intervention Programs. \$750,000 each year is for youth intervention programs under Minnesota Statutes, section 299A.73. The commissioner shall use this money to make grants to help existing programs serve unmet needs in their communities and to fund new programs in underserved areas of the state. This is a onetime appropriation.

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

Legal Advocacy for Trafficking Victims. \$150,000 each year is for a grant for ten weekly international trafficking screening clinics that are staffed by attorneys from a nonprofit organization that provides free legal, medical, dental, mental health, shelter, and vocational counseling services and English language classes to trafficking victims in the state. This is a onetime appropriation and is available until June 30, 2009.

The grant applicant shall prepare and submit to the commissioner a written grant proposal detailing the screening clinic free services, including components of the services offered.

Homeless Outreach. \$150,000 each year is for homeless outreach grants under section 17. This is a onetime appropriation.

Defibrillators. \$50,000 each year is for grants to local law enforcement agencies in counties other than metropolitan counties, as defined in Minnesota Statutes, section 473.121, subdivision 4, to purchase defibrillators. This is a onetime appropriation.

Integrated Domestic Violence Response Framework; Report. \$500,000 the first year is for a grant to the city of St. Paul to implement an integrated domestic violence response framework. The project must focus on the following items: developing policies, procedures, and quality assurance for domestic violence responses from 911 operators, law enforcement, prosecutors, probation, district court, victim advocates, social service providers, and other identified interveners; developing an information gathering and dissemination plan for interveners; and developing training curricula for interveners. The project must develop a statewide model for a domestic violence response framework that may be used by local criminal justice agencies and advocacy programs throughout the state. The city of St. Paul may contract with outside organizations to assist with the duties to be performed under this project. These contracts, regardless of the monetary limit or nature of the contract, shall be subject to municipal bidding procedures or be awarded through the city's request for proposal (RFP) process. This is a onetime appropriation and is available until June 30, 2009.

By February 1, 2010, the city of St. Paul shall report to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over criminal justice funding and policy on the results of the project.

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

Children at Risk. \$250,000 each year is for a grant to an organization that provides services to children under the age of ten who are involved or are at highest risk of becoming involved in the juvenile justice system and who are at highest risk of future serious or violent offending, substance abuse, school failure, teen pregnancy, or welfare dependency. This is a onetime appropriation.

Administration Costs. Up to 2.5 percent of the grant funds appropriated in this subdivision may be used to administer the grant program.

Subd. 7. **911 Emergency Services/ARMER**

55,681,000

50,385,000

This appropriation is from the state government special revenue fund for 911 emergency telecommunications services.

Public Safety Answering Points. \$13,664,000 each year is to be distributed as provided in Minnesota Statutes, section 403.113, subdivision 2.

Medical Resource Communication Centers. \$683,000 each year is for grants to the Minnesota Emergency Medical Services Regulatory Board for the Metro East and Metro West Medical Resource Communication Centers that were in operation before January 1, 2000.

ARMER Debt Service. \$6,149,000 the first year and \$11,853,000 the second year are to the commissioner of finance to pay debt service on revenue bonds issued under Minnesota Statutes, section 403.275.

Any portion of this appropriation not needed to pay debt service in a fiscal year may be used by the commissioner of public safety to pay cash for any of the capital improvements for which bond proceeds were appropriated by Laws 2005, chapter 136, article 1, section 9, subdivision 8; or in subdivision 8.

The base for this appropriation is \$17,557,000 in fiscal year 2010 and \$23,261,000 in fiscal year 2011.

Metropolitan Council Debt Service. \$1,410,000 each year is to the commissioner of finance for payment to the Metropolitan Council for debt service on bonds issued under Minnesota Statutes, section 403.27.

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

ARMER Improvements. \$1,000,000 each year is for the Statewide Radio Board for costs of design, construction, maintenance of, and improvements to those elements of the statewide public safety radio and communication system that support mutual aid communications and emergency medical services or provide interim enhancement of public safety communication interoperability in those areas of the state where the statewide public safety radio and communication system is not yet implemented.

ARMER Interoperability Planning. \$323,000 each year is to provide funding to coordinate and plan for communication interoperability between public safety entities.

ARMER State Backbone Operating Costs. \$3,110,000 each year is to the commissioner of transportation for costs of maintaining and operating the first and third phases of the statewide radio system backbone. The base for this appropriation is \$5,060,000 in fiscal year 2010 and \$5,060,000 in fiscal year 2011 to provide funding to operate one additional phase of the system.

Zone Controller. \$5,400,000 the first year is a onetime appropriation to upgrade zone controllers and network elements in phases one and two of the statewide radio system.

Advance Project Development. \$3,750,000 the first year is a onetime appropriation for site acquisition and site development work for the remaining phases of the statewide radio system. This appropriation is available until June 30, 2010. This appropriation is to the commissioner of public safety for transfer to the commissioner of transportation.

System Design. \$1,850,000 the first year is a onetime appropriation to complete detailed design and planning of the remaining phases of the statewide radio system. The commissioner of public safety and the commissioner of transportation shall determine the scope of the study, after consulting with the Statewide Radio Board, the commissioner of administration, and the state chief information officer. The study must address the system design for the state backbone and implications for local coverage, how data can be integrated, and whether other public safety communication networks can be integrated with the state backbone. The study must estimate the full cost of completing the state backbone to specified standards, the cost of local subsystems, and the potential advantages of using

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

a request for proposal approach to solicit private sector participation in the project. The study must include a financial analysis of whether the estimated revenue from increasing the 911 fee by up to 30 cents will cover the estimated debt service of revenue bonds issued to finance the cost of completing the statewide radio system and a portion of the cost up to 50 percent for local subsystems. The study must also review the project organizational structure and governance.

Subd. 8. **ARMER Public Safety**

186,000,000

Radio and Communication System. The appropriations in this subdivision are from the 911 revenue bond proceeds account for the purposes indicated, to be available until the project is completed or abandoned, subject to Minnesota Statutes, section 16A.642.

The appropriations are to the commissioner of public safety for transfer to the commissioner of transportation to construct the system backbone of the public safety radio and communication system plan under Minnesota Statutes, section 403.36.

\$62,000,000 of this appropriation is for the second year. \$62,000,000 of this appropriation is available on or after July 1, 2009. \$62,000,000 of this appropriation is available on or after July 1, 2010.

The commissioner of public safety and the commissioner of transportation shall certify to the chairs of the house of representatives Public Safety Finance Division of the Finance Committee and the senate Public Safety Budget Division of the Finance Committee that the detailed design has been completed and that the financial analysis finds that sufficient revenue will be generated by proposed changes in the 911 fee to cover all estimated debt service on revenue bonds proposed to be issued to complete the system before the appropriation is made available. The commissioner of finance shall not approve any fee increase under Minnesota Statutes, section 403.11, subdivision 1, paragraph (c), until this certification is made.

Bond Sale Authorization. To provide the money appropriated in this subdivision, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$186,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, section 403.275.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2008</u>	<u>2009</u>
<u>\$4,296,000</u>	<u>\$4,278,000</u>

Sec. 11. **PEACE OFFICER STANDARDS AND TRAINING (POST) BOARD**

Excess Amounts Transferred. This appropriation is from the peace officer training account in the special revenue fund. Any new receipts credited to that account in the first year in excess of \$4,296,000 must be transferred and credited to the general fund. Any new receipts credited to that account in the second year in excess of \$4,278,000 must be transferred and credited to the general fund.

Peace Officer Training Reimbursements. \$3,159,000 the first year and \$3,159,000 the second year are for reimbursements to local governments for peace officer training costs.

No Contact Orders. The board shall: (1) revise and update preservice courses and develop in-service training courses related to no contact orders in domestic violence cases and domestic violence dynamics; and (2) reimburse peace officers who have taken training courses described in clause (1). At a minimum, the training must include instruction in the laws relating to no contact orders and address how to best coordinate law enforcement resources relating to no contact orders. In addition, the training must include a component to instruct peace officers on doing risk assessments of the escalating factors of lethality in domestic violence cases. The board must consult with a statewide domestic violence organization in developing training courses. The board shall utilize a request for proposal process in awarding training contracts. The recipient of the training contract must conduct these trainings with advocates or instructors from a statewide domestic violence organization.

Beginning on January 1, 2008, the board may not approve an in-service training course relating to domestic abuse that does not comply with this section.

Sec. 12. **BOARD OF PRIVATE DETECTIVES AND PROTECTIVE AGENT SERVICES**

<u>\$129,000</u>	<u>\$132,000</u>
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Sec. 13. **HUMAN RIGHTS**

<u>\$4,986,000</u>	<u>\$3,733,000</u>
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Management Information System. \$1,403,000 the first year and \$55,000 the second year are for the replacement of the department's tracking and compliance databases with a management information system.

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

Evaluation. The department shall conduct a survey that evaluates the outcome of complaints filed with the department and whether or not a charging party is satisfied with the outcome of a complaint and the process by which the complaint is reviewed and handled by the department. The department shall evaluate complaints for which a probable cause or no probable cause determination is made. The survey must seek to determine the reasons for any dissatisfaction and whether a party sought an appeal or reconsideration of a determination or decision. The survey shall evaluate complaints filed or resolved in the past two years. By January 15, 2008, the department shall summarize the survey findings and file a report with the chairs and ranking minority members of the house of representatives and senate committees having jurisdiction over criminal justice policy and funding that discusses the findings and any recommended changes in policies, procedures, or staffing the department proposes to undertake in response to the findings.

Inmate Complaints, Assaults, and Fatalities; Corrections Ombudsman; Working Group; Report. By August 1, 2007, the commissioner of human rights shall convene a working group to study how the state addresses inmate complaints, assaults, and deaths in county jails, workhouses, and prisons. The commissioner shall serve as chair of the working group and invite representatives from the Department of Corrections, legislature, Minnesota Sheriffs' Association, Minnesota Association of Community Corrections Act counties, state bar association, criminal victims justice unit, Council on Black Minnesotans, Indian Affairs Council, Council on Asian-Pacific Minnesotans, Chicano/Latino Affairs Council, University of Minnesota Law School, Immigrant Law Center of Minnesota, the ombudsman for mental health and developmental disabilities, and other interested parties to participate in the working group. The group must: (1) assess how state and local units of government currently process and respond to inmate complaints, assaults, and deaths; (2) assess the effectiveness of the state's former corrections ombudsman program; (3) study other states' corrections ombudsmen; (4) study whether the state should conduct a fatality review process for inmates who die while in custody; and (5) make recommendations on how state and local units of government should systematically address inmate complaints, assaults, and deaths, including the need to reappoint a corrections ombudsman. The commissioner of corrections shall provide to the working group summary data on assaults and deaths that have occurred in state and local correctional facilities. The commissioner of human rights shall file a report detailing the group's findings and recommendations with the chairs and ranking minority members of the house of representatives and senate committees having jurisdiction over criminal justice policy and funding by January 15, 2008.

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

Attorney General; Continuation of Services. The attorney general shall continue to provide conciliation services and conduct settlement conferences for the department in situations where the commissioner has determined that there is probable cause to believe that a person has engaged in an unfair discriminatory practice.

Sec. 14. **DEPARTMENT OF CORRECTIONS**

Subdivision 1. **Total Appropriation**

\$460,829,000 **\$475,954,000**

Appropriations by Fund

	<u>2008</u>	<u>2009</u>
<u>General</u>	<u>459,939,000</u>	<u>475,064,000</u>
<u>Special Revenue</u>	<u>890,000</u>	<u>890,000</u>

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

Subd. 2. **Correctional Institutions**

323,492,000 **336,631,000**

Appropriations by Fund

<u>General</u>	<u>322,912,000</u>	<u>336,051,000</u>
<u>Special Revenue</u>	<u>580,000</u>	<u>580,000</u>

Contracts for Beds at Rush City. If the commissioner contracts with other states, local units of government, or the federal government to rent beds in the Rush City Correctional Facility, the commissioner shall charge a per diem under the contract, to the extent possible, that is equal to or greater than the per diem cost of housing Minnesota inmates in the facility.

Notwithstanding any law to the contrary, the commissioner may use per diems collected under contracts for beds at MCF-Rush City to operate the state correctional system.

Offender Re-Entry Services. \$400,000 each year is for increased funding for expansion of offender re-entry services in the institutions and staffing for the Department of Corrections MCORP program.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2008</u>	<u>2009</u>
<u>119,821,000</u>	<u>121,396,000</u>

Subd. 3. Community ServicesAppropriations by Fund

<u>General</u>	<u>119,721,000</u>	<u>121,296,000</u>
<u>Special Revenue</u>	<u>100,000</u>	<u>100,000</u>

ISR Agents, Challenge Incarceration Program. \$600,000 the first year and \$1,000,000 the second year are for intensive supervised release agents for the challenge incarceration program.

ISR Agents, Conditional Release Program. \$300,000 each year is for intensive supervised release agents for the conditional release program. This is a onetime appropriation.

Interstate Compact. \$225,000 each year is for increased costs based on changes made to the Interstate Compact for Adult Offender Supervision, Minnesota Statutes, section 243.1605.

Sex Offenders, Civil Commitment and Tracking. \$350,000 each year is to fund a legal representative for civil commitments and to manage and track sex offenders.

Probation Supervision, CCA System. \$2,800,000 each year is added to the Community Corrections Act subsidy, Minnesota Statutes, section 401.14.

Probation Supervision, CPO System. \$600,000 each year is added to the county probation officers reimbursement base.

Probation Supervision, DOC System. \$600,000 each year is for the Department of Corrections probation and supervised release unit.

Probation, Caseload Reduction. \$2,000,000 each year is for adult and juvenile felon offender management to be distributed statewide by the Community Corrections Act formula. These appropriations may be used for sex offender management.

Sex Offender Treatment. \$500,000 each year are to increase funding for providing treatment for sex offenders on community supervision.

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

Sentencing to Service. \$600,000 each year is to increase funding for sentencing to service activities such as highway litter cleanup.

Short-Term Offenders. \$2,500,000 each year is to increase funding for the costs associated with the housing and care of short-term offenders. The commissioner may use up to 20 percent of the total amount of the appropriation for inpatient medical care for short-term offenders. All funds remaining at the end of the fiscal year not expended for inpatient medical care must be added to and distributed with the housing funds. These funds must be distributed proportionately based on the total number of days short-term offenders are placed locally, not to exceed \$70 per day.

The department is exempt from the state contracting process for the purposes of paying short-term offender costs relating to Minnesota Statutes, section 609.105.

Offender Re-Entry Service. \$550,000 each year is for offender job-seeking services, evidence-based research, expansion of re-entry services specific to juveniles, and funding to local units of government participating in MCORP to provide re-entry programming to offenders.

Offender Re-Entry Grant. \$600,000 the first year and \$1,000,000 the second year are for grants to the nonprofit organization selected to administer the demonstration project for high-risk adults under section 19. This is a onetime appropriation.

Employment Services for Ex-Offenders. \$200,000 each year is for grants to a nonprofit organization to establish a pilot project to provide employment services to ex-criminal offenders living in the North Minneapolis community as provided for in section 21. This is a onetime appropriation.

Domestic Abuse Re-Entry Grants. \$200,000 each year is for the grant authorized in section 20. This is a onetime appropriation.

Re-Entry; Productive Day. \$150,000 each year is appropriated from the general fund to the commissioner of corrections for the fiscal biennium ending June 30, 2009. The commissioner shall distribute the money as a grant to the Arrowhead Regional Corrections Agency to expand the agency's productive day initiative program, as defined in Minnesota Statutes, section 241.275, to include juvenile offenders who are 16 years of age and older. This is a onetime appropriation.

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

Mentoring Grants. \$375,000 each year is for mentoring grants under Minnesota Statutes, section 241.90. The grant recipient may collaborate with local parks and recreation departments and may reimburse the departments for the use of their facilities by the grant recipient. This is a onetime appropriation.

Short-Term Offender Study; Report. The commissioner shall study the use and effectiveness of the short-term offender program and identify gaps in the current system relating to programming and re-entry services for short-term offenders. On or before November 1, 2007, the commissioner shall submit a report detailing the commissioner's findings and recommendations to the house of representatives and senate committees with jurisdiction over public safety policy and funding.

Subd. 4. **Operations Support**

17,516,000

17,927,000

Appropriations by Fund

General 17,306,000 17,717,000

Special Revenue 210,000 210,000

Sec. 15. **SENTENCING GUIDELINES**

\$704,000

\$609,000

Effectiveness of Re-Entry Programs and Drug Courts; Study. The Sentencing Guidelines Commission, in consultation with the commissioner of corrections and the state court administrator, shall study: (1) the effectiveness of the offender re-entry funding and programs authorized in this act; and (2) the effectiveness of the state's drug courts. The report must assess the impact this act's re-entry grants and programs and the state's drug court funding had on the recidivism rate of offenders who participated in programs that received re-entry grants or drug courts, attempt to calculate related savings, if any, in incarceration costs, and develop a formula by which to measure the impact in incarceration costs. The executive director of the commission shall file an interim report by January 15, 2008, and a final report by January 15, 2009, with the chairs and minority members of the house of representatives and senate committees with jurisdiction over public safety policy and funding.

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

Collateral Sanctions Committee. \$100,000 the first year is for the Collateral Sanctions Committee described in article 7, section 23. This money must be used for staffing, conducting research, conducting public hearings, reimbursing committee members for reasonable expenses, and for the required report.

Changes to Grid for Controlled Substance Offenses. The commission shall propose changed rankings for controlled substance offenses on the sentencing guidelines grid. The proposal must encompass the following factors:

(1) the proportionality of Minnesota's drug sentencing provisions when compared to sentencing provisions for other crimes in Minnesota;

(2) the proportionality of Minnesota's drug sentencing provisions when compared to drug sentencing provisions throughout the United States, including the Federal system;

(3) the average and the range of criminal history scores for each level of drug offender currently incarcerated in Minnesota's prisons;

(4) the criminal history of offenders who would be impacted by the commission's recommendations;

(5) the type and quantity of Minnesota correctional resources that are dedicated to all drug offenders; and

(6) the projected annual cost to the Department of Corrections of incarcerating all drug offenders in state prisons over the next ten years, under present grid rankings and under the proposed grid rankings.

The commission's proposal shall not take effect, except as provided in Minnesota Statutes, section 244.09, subdivision 11.

Sec. 16. **[241.90] MENTORING GRANT FOR CHILDREN OF INCARCERATED PARENTS.**

Subdivision 1. **Mentoring grant.** The commissioner of corrections shall award a grant to nonprofit organizations that provide one-to-one mentoring relationships to youth enrolled between the ages of seven to 13 whose parent or other significant family member is incarcerated in a county workhouse, county jail, state prison, or other type of correctional facility or is subject to correctional supervision. The intent of the grant is to provide children with adult mentors to strengthen developmental outcomes, including enhanced self-confidence and esteem; improved academic performance; and improved relationships with peers, family, and other adults that may prevent them from entering the juvenile justice system.

Subd. 2. **Grant criteria.** As a condition of receiving grants, the grant recipients shall do the following:

(1) collaborate with other organizations that have a demonstrated history of providing services to youth and families in disadvantaged situations;

(2) implement procedures to ensure that 100 percent of the mentors pose no safety risk to the child and have the skills to participate in a mentoring relationship;

(3) provide enhanced training to mentors focusing on asset building and family dynamics when a parent is incarcerated; and

(4) provide an individual family plan and aftercare.

Subd. 3. **Program evaluation.** Grant recipients shall submit an evaluation plan to the commissioner delineating the program and student outcome goals and activities implemented to achieve the stated outcomes. The goals must be clearly stated and measurable. Grant recipients shall collect, analyze, and report on participation and outcome data that enable the department to verify that the program goals were met.

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

Sec. 17. **HOMELESS OUTREACH GRANTS.**

Subdivision 1. **Grant program.** The commissioner of public safety shall establish a grant program to connect people experiencing homelessness to housing and services for purposes of reducing recidivism and promoting stronger communities.

Subd. 2. **Grant recipients.** The commissioner, in consultation with the director of ending long-term homelessness, the Ending Long-Term Homelessness Advisory Council, and the Office of Economic Opportunity of the Department of Human Services, shall award grants to agencies experienced in homeless outreach services and provide needed staff qualified to work with people with serious mental illness or chemical dependency, and employ outreach staff who are trained and qualified to work with racially and culturally diverse populations.

Subd. 3. **Project design.** Projects eligible for grants under this section must do the following:

(1) provide outreach services that may be targeted to, but are not limited to, people experiencing long-term homelessness and homeless people who have had repeated interactions with law enforcement;

(2) provide outreach services that will provide intervention strategies linking people to housing and services as an alternative to arrest;

(3) provide a plan to connect people experiencing homelessness to services for which they may be eligible, such as Supplemental Security Income, veterans benefits, health care, housing assistance, and long-term support programs for those with significant barriers to living on their own;

(4) demonstrate partnership or collaboration with local law enforcement, which may include joint application for homeless outreach grants, joint sharing in administration of the grant, development of protocol defining when outreach workers are called upon, and shared training opportunities;

(5) promote community collaboration with local and county governments, social services providers, mental health crisis providers, and other community organizations that address homelessness;

(6) provide a plan to leverage resources from the entities listed in clause (5) and other private sources to accomplish the goal of moving people into housing and services; and

(7) provide a plan to measure and evaluate the program's effectiveness in connecting people experiencing homelessness to housing and services and reducing the use of public safety and corrections resources.

Subd. 4. **Annual report.** Grant recipients shall report to the commissioner by June 30 of each year on the services and programs provided, expenditures of grant money, and an evaluation of the program's success in connecting individuals experiencing homelessness to housing and services, and reducing the use of public safety and corrections resources. The commissioner shall independently evaluate the effectiveness of the grant recipients in achieving the goals of the program and report the results of this evaluation and other information on the grant program to the chairs and ranking minority members of the senate and house of representatives divisions having jurisdiction over criminal justice funding by January 15, 2010.

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

Sec. 18. **CHILD ADVOCACY CENTER GRANTS.**

Subdivision 1. **Purpose.** Grants under this section are provided to stabilize funding and ensure the continued viability of core functions relating to child maltreatment investigations, interviews, treatment, and related training. The grants ensure that child victims of abuse have access to safe, secure facilities and that law enforcement has access to the tools necessary for the successful apprehension and conviction of child predators. The grants ensure that important government duties relating to the protection of children are not ignored and subjected to unstable, irregular funding sources. The grants provide funding for state mandates relating to child maltreatment reporting and assessment.

Subd. 2. **Criteria.** (a) Grants must be made only to child advocacy centers that are accredited members in good standing with the National Children's Alliance or are actively pursuing that status.

(b) Grant awards may be used for:

(1) child interview or investigation programs and facilities;

(2) coordination of or referral for support services; or

(3) related statewide training programs.

(c) To be eligible for a grant, a child advocacy center must facilitate the provision of the following core services:

(1) support and services for alleged child abuse victims and their families;

(2) coordination of investigations of child abuse by providing a location for forensic interviews;

(3) promoting the coordination of services for children alleged to have been abused;

(4) forensic medical examinations;

(5) mental health and related support services;

(6) court advocacy; and

(7) consultation and training of multidisciplinary child protection teams.

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

Sec. 19. **DEMONSTRATION PROJECT FOR HIGH-RISK ADULTS.**

Subdivision 1. **Definition.** For purposes of this section, "high-risk adult" means an adult with a history of some combination of substance abuse, mental illness, chronic unemployment, incarceration, or homelessness. High-risk adults are considered to be very likely to enter or re-enter state or county correctional programs or chemical or mental health programs.

Subd. 2. **Establishment.** (a) The commissioner of corrections shall contract with one nonprofit entity to conduct this demonstration project and document the effectiveness of this model. Initially, the demonstration will operate in the Twin Cities metropolitan area.

(b) At a minimum, the contractor shall meet the following criteria:

(1) be an incorporated, nonprofit organization that is capable of managing and operating a multidisciplinary model for providing high-risk adults with housing, short-term work, health care, behavioral health care, and community re-engagement;

(2) demonstrate an ability to organize and manage an alliance of nonprofit organizations providing services to high-risk adults;

(3) have organizational leaders with a demonstrated ability to organize, manage, and lead service teams consisting of workers from multiple service providers that deliver direct support to high-risk adults;

(4) have experience with providing a comprehensive set of housing, work, health care, behavioral health care, and community re-engagement services to high-risk adults; and

(5) be a recipient of foundation and other private funds for the refinement and testing of a demonstration of this type.

Subd. 3. **Scope of the demonstration project.** The contractor undertaking this demonstration project shall do the following, as part of this project:

(1) enroll eligible high-risk adults over the demonstration project period, starting December 1, 2007;

(2) using best practices derived from research and testing, provide or assist in arranging access to services for high-risk adults enrolled in the demonstration project, including, at a minimum, housing, behavioral health services, health care, employment, and community and family re-engagement;

(3) maximize the performance of existing services and programs by coordinating access to and the delivery of these services; and

(4) define conditions under which enrollees are considered to be in good standing and allowed to remain in the demonstration project.

The conditions under clause (4) may include, but are not limited to, the following:

- (i) living in stable and safe housing;
- (ii) working and earning an income;
- (iii) paying child support, if appropriate;
- (iv) participating in treatment programs, if appropriate; and
- (v) having no arrests.

Subd. 4. **Eligibility.** The following types of individuals are eligible for enrollment in this demonstration project:

- (1) high-risk adults;
- (2) high-risk adults in the process of being released from state correctional facilities, county detention facilities, community-based treatment or detoxification facilities, community corrections halfway houses, or other similar programs, or on probation; and
- (3) high-risk adults willing to accept the requirements imposed on enrollees in the demonstration project, including, but not limited to, maintaining steady employment; paying child support, if applicable; remaining drug-free and alcohol-free, if applicable; and no criminal activity.

Subd. 5. **Payment.** To the extent funds are appropriated for the purposes of this section, the commissioner of corrections shall pay to the entity under contract a monthly fee of \$1,600 for each enrollee who (1) had been in the custody of the commissioner of corrections within the preceding year, and (2) is in good standing in the demonstration project.

Subd. 6. **Report.** (a) By January 15 of each year, the entity under contract shall submit a report to the commissioners of corrections, human services, employment and economic development, and housing finance, and the legislature. The report must include the following:

- (1) the number of participants who have been enrolled and the number currently participating in the demonstration project;
- (2) a description of the services provided to enrollees over the past year and over the duration of the demonstration project to date;
- (3) an accounting of the costs associated with the enrollees over the past year and over the duration of the demonstration project to date; and
- (4) any other information requested by the commissioners of corrections, human services, employment and economic development, and housing finance, and the legislature.

(b) The report must include recommendations on improving and expanding the project to other geographical areas of the state.

(c) The report must include an update on the status of the independent evaluation required in subdivision 7.

Subd. 7. **Independent evaluation.** An independent evaluator selected by the commissioner of corrections shall conduct an evaluation of the project. The independent evaluator shall complete and submit a report of findings and recommendations to the commissioners of corrections, human services, employment and economic development, and housing finance, and the legislature. This independent evaluation must be developed and implemented concurrently with the demonstration project, beginning on December 1, 2007. The final report is due upon completion of the demonstration project and must be submitted to the above-named entities.

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

Sec. 20. **RE-ENTRY GRANT ADDRESSING DOMESTIC VIOLENCE AND INTIMATE PARTNER VIOLENCE.**

Subdivision 1. **Re-entry grant.** The commissioner of corrections shall award a grant to a nonprofit having a section 501(c)(3) status with the Internal Revenue Service or a public or private institution of higher education that has expertise in addressing the intersection between offender re-entry and domestic violence. The intent of the grant is to provide services to re-entering offenders and their intimate partners to: (1) reduce the incidence of domestic violence among offenders re-entering the community; (2) reduce occurrences of domestic violence, serious injury, and death experienced by intimate partners who are in relationships with offenders recently released from jail or prison; and (3) reduce criminal recidivism due to domestic violence.

Subd. 2. **Grant criteria.** As a condition of receiving the grant, the grant recipient must:

(1) subcontract with at least one community-based domestic abuse counseling or educational program and at least one crime victim service provider to provide comprehensive services to recently released offenders and their intimate partners;

(2) train the organizations selected pursuant to clause (1) on research-based practices and best practices in addressing the intersection of offender re-entry and domestic violence; and

(3) serve as liaison to the Department of Corrections and provide technical assistance, training, and coordination to the organizations selected pursuant to clause (1) in implementing policies that address the intersection of offender re-entry and domestic violence.

Subd. 3. **Program evaluation.** The grant recipient must rigorously evaluate the effectiveness of its intervention and work with subcontracted organizations to collect data. The grant recipient must submit an evaluation plan to the commissioner of corrections delineating project goals and specific activities performed to achieve those goals.

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

Sec. 21. **EMPLOYMENT SERVICES FOR EX-CRIMINAL OFFENDERS; PILOT PROJECT.**

(a) The commissioner of corrections shall issue a grant to a nonprofit organization to establish a pilot project to provide employment services to ex-criminal offenders living in the North Minneapolis community. The pilot project must provide the ex-offender participants with a continuum of employment services that identifies their needs; intervenes with them through case management if they are struggling; and provides them with work readiness, skill training, chemical and mental health referrals, housing support, job placement, work experience, and job retention support. The pilot project shall work with community corrections officials, faith-based organizations, and businesses to create an array of support opportunities for the participants.

(b) By January 15, 2010, the commissioner of corrections shall report to the chairs and ranking minority members of the senate and house of representatives committees and divisions having jurisdiction over criminal justice policy and funding on the activities conducted by the grant recipient and the effectiveness of the pilot project.

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

ARTICLE 2

GENERAL CRIME

Section 1. Minnesota Statutes 2006, section 518B.01, subdivision 22, is amended to read:

Subd. 22. **Domestic abuse no contact order.** (a) A domestic abuse no contact order is an order issued by a court against a defendant in a criminal proceeding for:

- (1) domestic abuse;
- (2) harassment or stalking charged under section 609.749 and committed against a family or household member;
- (3) violation of an order for protection charged under subdivision 14; or
- (4) violation of a prior domestic abuse no contact order charged under this subdivision.

It includes pretrial orders before final disposition of the case and probationary orders after sentencing.

(b) A person who knows of the existence of a domestic abuse no contact order issued against the person and violates the order is guilty of a misdemeanor.

(c) A person is guilty of a gross misdemeanor who knowingly violates this subdivision within ten years of a previous qualified domestic violence-related offense conviction or adjudication of delinquency. Upon a gross misdemeanor conviction under this paragraph, the defendant must be sentenced to a minimum of ten days' imprisonment and must be ordered to participate in counseling or other appropriate programs selected by the court as provided in section 518B.02. Notwithstanding section 609.135, the court must impose and execute the minimum sentence provided in this paragraph for gross misdemeanor convictions.

(d) A person is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if the person knowingly violates this subdivision: (1) within ten years of the first of two or more previous qualified domestic violence-related offense convictions or adjudications of delinquency; or (2) while possessing a dangerous weapon, as defined in section 609.02, subdivision 6. Upon a felony conviction under this paragraph in which the court stays imposition or execution of sentence, the court shall impose at least a 30-day period of incarceration as a condition of probation. The court also shall order that the defendant participate in counseling or other appropriate programs selected by the court. Notwithstanding section 609.135, the court must impose and execute the minimum sentence provided in this paragraph for felony convictions.

~~(d)~~ (e) A peace officer shall arrest without a warrant and take into custody a person whom the peace officer has probable cause to believe has violated a domestic abuse no contact order, even if the violation of the order did not take place in the presence of the peace officer, if the existence of the order can be verified by the officer. The person shall be held in custody for at least 36 hours, excluding the day of arrest, Sundays, and holidays, unless the person is released earlier by a judge or judicial officer. A peace officer acting in good faith and exercising due care in making an arrest pursuant to this paragraph is immune from civil liability that might result from the officer's actions.

EFFECTIVE DATE. This section is effective August 1, 2007, and applies to crimes committed on or after that date.

Sec. 2. Minnesota Statutes 2006, section 609.02, subdivision 16, is amended to read:

Subd. 16. **Qualified domestic violence-related offense.** "Qualified domestic violence-related offense" includes ~~a violation of or an attempt to violate the following offenses:~~ sections 518B.01, subdivision 14 (violation of domestic abuse order for protection); 518B.01, subdivision 22 (violation of domestic abuse no contact order); ~~609.185 (first-degree murder); 609.19 (second-degree murder); 609.221 (first-degree assault); 609.222 (second-degree assault); 609.223 (third-degree assault); 609.2231 (fourth-degree assault); 609.224 (fifth-degree assault); 609.2242 (domestic assault); 609.2247 (domestic assault by strangulation); 609.342 (first-degree criminal sexual conduct); 609.343 (second-degree criminal sexual conduct); 609.344 (third-degree criminal sexual conduct); 609.345 (fourth-degree criminal sexual conduct); 609.377 (malicious punishment of a child); 609.713 (terroristic threats); 609.748, subdivision 6 (violation of harassment restraining order); 609.749 (harassment/stalking); and 609.78, subdivision 2 (interference with an emergency call); and similar laws of other states, the United States, the District of Columbia, tribal lands, and United States territories.~~

EFFECTIVE DATE. This section is effective August 1, 2007, and applies to crimes committed on or after that date.

Sec. 3. Minnesota Statutes 2006, section 609.341, subdivision 11, is amended to read:

Subd. 11. **Sexual contact.** (a) "Sexual contact," for the purposes of sections 609.343, subdivision 1, clauses (a) to (f), and 609.345, subdivision 1, clauses (a) to (e), and (h) to ~~(m)~~ (o), includes any of the following acts committed without the complainant's consent, except in those cases where consent is not a defense, and committed with sexual or aggressive intent:

(i) the intentional touching by the actor of the complainant's intimate parts, or

(ii) the touching by the complainant of the actor's, the complainant's, or another's intimate parts effected by a person in a position of authority, or by coercion, or by inducement if the complainant is under 13 years of age or mentally impaired, or

(iii) the touching by another of the complainant's intimate parts effected by coercion or by a person in a position of authority, or

(iv) in any of the cases above, the touching of the clothing covering the immediate area of the intimate parts.

(b) "Sexual contact," for the purposes of sections 609.343, subdivision 1, clauses (g) and (h), and 609.345, subdivision 1, clauses (f) and (g), includes any of the following acts committed with sexual or aggressive intent:

(i) the intentional touching by the actor of the complainant's intimate parts;

(ii) the touching by the complainant of the actor's, the complainant's, or another's intimate parts;

(iii) the touching by another of the complainant's intimate parts; or

(iv) in any of the cases listed above, touching of the clothing covering the immediate area of the intimate parts.

(c) "Sexual contact with a person under 13" means the intentional touching of the complainant's bare genitals or anal opening by the actor's bare genitals or anal opening with sexual or aggressive intent or the touching by the complainant's bare genitals or anal opening of the actor's or another's bare genitals or anal opening with sexual or aggressive intent.

EFFECTIVE DATE. This section is effective August 1, 2007, and applies to crimes committed on or after that date.

Sec. 4. Minnesota Statutes 2006, section 609.344, subdivision 1, is amended to read:

Subdivision 1. **Crime defined.** A person who engages in sexual penetration with another person is guilty of criminal sexual conduct in the third degree if any of the following circumstances exists:

(a) the complainant is under 13 years of age and the actor is no more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant shall be a defense;

(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 24 months older than the complainant. In any such case if the actor is no more than 120 months older than the complainant, it shall be an affirmative defense, which must be proved by a preponderance of the evidence, that the actor reasonably believes the complainant to be 16 years of age or older. In all other cases, mistake as to the complainant's age shall not be a defense. If the actor in such a case is no more than 48 months but more than 24 months older than the complainant, the actor may be sentenced to imprisonment for not more than five years. Consent by the complainant is not a defense;

(c) the actor uses force or coercion to accomplish the penetration;

(d) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(e) the complainant is at least 16 but less than 18 years of age and the actor is more than 48 months older than the complainant and in a position of authority over the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(f) the actor has a significant relationship to the complainant and the complainant was at least 16 but under 18 years of age at the time of the sexual penetration. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(g) the actor has a significant relationship to the complainant, the complainant was at least 16 but under 18 years of age at the time of the sexual penetration, and:

(i) the actor or an accomplice used force or coercion to accomplish the penetration;

(ii) the complainant suffered personal injury; or

(iii) the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(h) the actor is a psychotherapist and the complainant is a patient of the psychotherapist and the sexual penetration occurred:

(i) during the psychotherapy session; or

(ii) outside the psychotherapy session if an ongoing psychotherapist-patient relationship exists.

Consent by the complainant is not a defense;

(i) the actor is a psychotherapist and the complainant is a former patient of the psychotherapist and the former patient is emotionally dependent upon the psychotherapist;

(j) the actor is a psychotherapist and the complainant is a patient or former patient and the sexual penetration occurred by means of therapeutic deception. Consent by the complainant is not a defense;

(k) the actor accomplishes the sexual penetration by means of deception or false representation that the penetration is for a bona fide medical purpose. Consent by the complainant is not a defense;

(l) the actor is or purports to be a member of the clergy, the complainant is not married to the actor, and:

(i) the sexual penetration occurred during the course of a meeting in which the complainant sought or received religious or spiritual advice, aid, or comfort from the actor in private; or

(ii) the sexual penetration occurred during a period of time in which the complainant was meeting on an ongoing basis with the actor to seek or receive religious or spiritual advice, aid, or comfort in private. Consent by the complainant is not a defense;

(m) the actor is an employee, independent contractor, or volunteer of a state, county, city, or privately operated adult or juvenile correctional system, including, but not limited to, jails, prisons, detention centers, or work release facilities, and the complainant is a resident of a facility or under supervision of the correctional system. Consent by the complainant is not a defense; ~~or~~

(n) the actor provides or is an agent of an entity that provides special transportation service, the complainant used the special transportation service, and the sexual penetration occurred during or immediately before or after the actor transported the complainant. Consent by the complainant is not a defense; ~~or~~

(o) the actor performs massage or other bodywork for hire, the complainant was a user of one of those services, and nonconsensual sexual penetration occurred during or immediately before or after the actor performed or was hired to perform one of those services for the complainant.

EFFECTIVE DATE. This section is effective August 1, 2007, and applies to crimes committed on or after that date.

Sec. 5. Minnesota Statutes 2006, section 609.345, subdivision 1, is amended to read:

Subdivision 1. **Crime defined.** A person who engages in sexual contact with another person is guilty of criminal sexual conduct in the fourth degree if any of the following circumstances exists:

(a) the complainant is under 13 years of age and the actor is no more than 36 months older than the complainant. Neither mistake as to the complainant's age or consent to the act by the complainant is a defense. In a prosecution under this clause, the state is not required to prove that the sexual contact was coerced;

(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 48 months older than the complainant or in a position of authority over the complainant. Consent by the complainant to the act is not a defense. In any such case, if the actor is no more than 120 months older than the complainant, it shall be an affirmative defense which must be proved by a preponderance of the evidence that the actor reasonably believes the complainant to be 16 years of age or older. In all other cases, mistake as to the complainant's age shall not be a defense;

(c) the actor uses force or coercion to accomplish the sexual contact;

(d) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(e) the complainant is at least 16 but less than 18 years of age and the actor is more than 48 months older than the complainant and in a position of authority over the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(f) the actor has a significant relationship to the complainant and the complainant was at least 16 but under 18 years of age at the time of the sexual contact. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(g) the actor has a significant relationship to the complainant, the complainant was at least 16 but under 18 years of age at the time of the sexual contact, and:

(i) the actor or an accomplice used force or coercion to accomplish the contact;

(ii) the complainant suffered personal injury; or

(iii) the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(h) the actor is a psychotherapist and the complainant is a patient of the psychotherapist and the sexual contact occurred:

(i) during the psychotherapy session; or

(ii) outside the psychotherapy session if an ongoing psychotherapist-patient relationship exists. Consent by the complainant is not a defense;

(i) the actor is a psychotherapist and the complainant is a former patient of the psychotherapist and the former patient is emotionally dependent upon the psychotherapist;

(j) the actor is a psychotherapist and the complainant is a patient or former patient and the sexual contact occurred by means of therapeutic deception. Consent by the complainant is not a defense;

(k) the actor accomplishes the sexual contact by means of deception or false representation that the contact is for a bona fide medical purpose. Consent by the complainant is not a defense;

(l) the actor is or purports to be a member of the clergy, the complainant is not married to the actor, and:

(i) the sexual contact occurred during the course of a meeting in which the complainant sought or received religious or spiritual advice, aid, or comfort from the actor in private; or

(ii) the sexual contact occurred during a period of time in which the complainant was meeting on an ongoing basis with the actor to seek or receive religious or spiritual advice, aid, or comfort in private. Consent by the complainant is not a defense;

(m) the actor is an employee, independent contractor, or volunteer of a state, county, city, or privately operated adult or juvenile correctional system, including, but not limited to, jails, prisons, detention centers, or work release facilities, and the complainant is a resident of a facility or under supervision of the correctional system. Consent by the complainant is not a defense; ~~or~~

(n) the actor provides or is an agent of an entity that provides special transportation service, the complainant used the special transportation service, the complainant is not married to the actor, and the sexual contact occurred during or immediately before or after the actor transported the complainant. Consent by the complainant is not a defense; or

(o) the actor performs massage or other bodywork for hire, the complainant was a user of one of those services, and nonconsensual sexual contact occurred during or immediately before or after the actor performed or was hired to perform one of those services for the complainant.

EFFECTIVE DATE. This section is effective August 1, 2007, and applies to crimes committed on or after that date.

Sec. 6. Minnesota Statutes 2006, section 609.3455, is amended by adding a subdivision to read:

Subd. 9. **Applicability.** The provisions of this section do not affect the applicability of Minnesota Statutes 2004, section 609.108, to crimes committed before August 1, 2005, or the validity of sentences imposed under Minnesota Statutes 2004, section 609.108.

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

Sec. 7. Minnesota Statutes 2006, section 609.352, is amended to read:

609.352 SOLICITATION OF CHILDREN TO ENGAGE IN SEXUAL CONDUCT; COMMUNICATION OF SEXUALLY EXPLICIT MATERIALS TO CHILDREN.

Subdivision 1. **Definitions.** As used in this section:

- (a) "child" means a person 15 years of age or younger;
- (b) "sexual conduct" means sexual contact of the individual's primary genital area, sexual penetration as defined in section 609.341, or sexual performance as defined in section 617.246; and
- (c) "solicit" means commanding, entreating, or attempting to persuade a specific person in person, by telephone, by letter, or by computerized or other electronic means.

Subd. 2. **Prohibited act.** A person 18 years of age or older who solicits a child or someone the person reasonably believes is a child to engage in sexual conduct with intent to engage in sexual conduct is guilty of a felony and may be sentenced to ~~imprisonment for not more than three years, or to payment of a fine of not more than \$5,000, or both as provided in subdivision 4.~~

Subd. 2a. **Internet or computer solicitation of children.** A person 18 years of age or older who uses the Internet or a computer, computer program, computer network, or computer system to commit any of the following acts, with the intent to arouse the sexual desire of any person, is guilty of a felony and may be sentenced as provided in subdivision 4:

- (1) soliciting a child or someone the person reasonably believes is a child to engage in sexual conduct;
- (2) engaging in communication relating to or describing sexual conduct with a child or someone the person reasonably believes is a child; or

(3) distributing any material, language, or communication, including a photographic or video image, that relates to or describes sexual conduct to a child or someone the person reasonably believes is a child.

Subd. 2b. **Jurisdiction.** A person may be convicted of an offense under subdivision 2a if the transmission that constitutes the offense either originates within this state or is received within this state.

Subd. 3. **Defenses.** (a) Mistake as to age is not a defense to a prosecution under this section.

(b) The fact that an undercover operative or law enforcement officer was involved in the detection or investigation of an offense under this section does not constitute a defense to a prosecution under this section.

Subd. 4. **Penalty.** A person convicted under subdivision 2 or 2a is guilty of a felony and may be sentenced to imprisonment for not more than three years, or to payment of a fine of not more than \$5,000, or both.

EFFECTIVE DATE. This section is effective August 1, 2007, and applies to crimes committed on or after that date.

Sec. 8. Minnesota Statutes 2006, section 609.52, subdivision 3, is amended to read:

Subd. 3. **Sentence.** Whoever commits theft may be sentenced as follows:

(1) to imprisonment for not more than 20 years or to payment of a fine of not more than \$100,000, or both, if the property is a firearm, or the value of the property or services stolen is more than \$35,000 and the conviction is for a violation of subdivision 2, clause (3), (4), (15), or (16); or

(2) to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both, if the value of the property or services stolen exceeds ~~\$2,500~~ \$5,000, or if the property stolen was an article representing a trade secret, an explosive or incendiary device, or a controlled substance listed in schedule I or II pursuant to section 152.02 with the exception of marijuana; or

(3) to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if any of the following circumstances exist:

(a) the value of the property or services stolen is more than ~~\$500~~ \$1,000 but not more than ~~\$2,500~~ \$5,000; or

(b) the property stolen was a controlled substance listed in schedule III, IV, or V pursuant to section 152.02; or

(c) the value of the property or services stolen is more than ~~\$250~~ \$500 but not more than ~~\$500~~ \$1,000 and the person has been convicted within the preceding five years for an offense under this section, section 256.98; 268.182; 609.24; 609.245; 609.53; 609.582, subdivision 1, 2, or 3; 609.625; 609.63; 609.631; or 609.821, or a statute from another state, the United States, or a foreign jurisdiction, in conformity with any of those sections, and the person received a felony or gross misdemeanor sentence for the offense, or a sentence that was stayed under section 609.135 if the offense to which a plea was entered would allow imposition of a felony or gross misdemeanor sentence; or

(d) the value of the property or services stolen is not more than ~~\$500~~ \$1,000, and any of the following circumstances exist:

(i) the property is taken from the person of another or from a corpse, or grave or coffin containing a corpse; or

(ii) the property is a record of a court or officer, or a writing, instrument or record kept, filed or deposited according to law with or in the keeping of any public officer or office; or

(iii) the property is taken from a burning, abandoned, or vacant building or upon its removal therefrom, or from an area of destruction caused by civil disaster, riot, bombing, or the proximity of battle; or

(iv) the property consists of public funds belonging to the state or to any political subdivision or agency thereof; or

(v) the property stolen is a motor vehicle; or

(4) to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the value of the property or services stolen is more than ~~\$250~~ \$500 but not more than ~~\$500~~ \$1,000; or

(5) in all other cases where the value of the property or services stolen is ~~\$250~~ \$500 or less, to imprisonment for not more than 90 days or to payment of a fine of not more than \$1,000, or both, provided, however, in any prosecution under subdivision 2, clauses (1), (2), (3), (4), and (13), the value of the money or property or services received by the defendant in violation of any one or more of the above provisions within any six-month period may be aggregated and the defendant charged accordingly in applying the provisions of this subdivision; provided that when two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph.

EFFECTIVE DATE. This section is effective August 1, 2007, and applies to crimes committed on or after that date.

Sec. 9. Minnesota Statutes 2006, section 609.52, is amended by adding a subdivision to read:

Subd. 3a. **Enhanced penalty.** If a violation of this section creates a reasonably foreseeable risk of bodily harm to another, the penalties described in subdivision 3 are enhanced as follows:

(1) if the penalty is a misdemeanor or a gross misdemeanor, the person is guilty of a felony and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$5,000, or both; and

(2) if the penalty is a felony, the statutory maximum sentence for the offense is 50 percent longer than for the underlying crime.

EFFECTIVE DATE. This section is effective August 1, 2007, and applies to crimes committed on or after that date.

Sec. 10. Minnesota Statutes 2006, section 609.526, is amended to read:

609.526 PRECIOUS METAL AND SCRAP METAL DEALERS; RECEIVING STOLEN PROPERTY.

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

(1) "precious metal dealer" has the meaning given in section 325F.731, subdivision 2; and

(2) "scrap metal dealer" has the meaning given in section 325E.21, subdivision 1.

Subd. 2. Crime described. Any precious metal dealer ~~as defined in section 325F.731, subdivision 2, or scrap metal dealer~~ or any person employed by a ~~precious metal dealer as defined in section 325F.731, subdivision 2,~~ who receives, possesses, transfers, buys, or conceals any stolen property or property obtained by robbery, knowing or having reason to know the property was stolen or obtained by robbery, may be sentenced as follows:

(1) if the value of the property received, bought, or concealed is \$1,000 or more, to imprisonment for not more than ten years or to payment of a fine of not more than \$50,000, or both;

(2) if the value of the property received, bought, or concealed is less than \$1,000 but more than ~~\$300~~ \$500, to imprisonment for not more than ~~five~~ three years or to payment of a fine of not more than ~~\$40,000~~ \$25,000, or both;

(3) if the value of the property received, bought, or concealed is ~~\$300~~ \$500 or less, to imprisonment for not more than 90 days or to payment of a fine of not more than \$1,000, or both.

Any person convicted of violating this section a second or subsequent time within a period of one year may be sentenced as provided in clause (1).

EFFECTIVE DATE. This section is effective August 1, 2007, and applies to crimes committed on or after that date.

Sec. 11. Minnesota Statutes 2006, section 609.581, is amended by adding a subdivision to read:

Subd. 5. Government building. "Government building" means a building that is owned, leased, controlled, or operated by a governmental entity for a governmental purpose.

EFFECTIVE DATE. This section is effective August 1, 2007, and applies to crimes committed on or after that date.

Sec. 12. Minnesota Statutes 2006, section 609.581, is amended by adding a subdivision to read:

Subd. 6. Religious establishment. "Religious establishment" means a building used for worship services by a religious organization and clearly identified as such by a posted sign or other means.

EFFECTIVE DATE. This section is effective August 1, 2007, and applies to crimes committed on or after that date.

Sec. 13. Minnesota Statutes 2006, section 609.581, is amended by adding a subdivision to read:

Subd. 7. School building. "School building" means a public or private preschool, elementary school, middle school, secondary school, or postsecondary school building.

EFFECTIVE DATE. This section is effective August 1, 2007, and applies to crimes committed on or after that date.

Sec. 14. Minnesota Statutes 2006, section 609.581, is amended by adding a subdivision to read:

Subd. 8. Historic property. "Historic property" means any property identified as a historic site or historic place by sections 138.661 to 138.664 and clearly identified as such by a posted sign or other means.

EFFECTIVE DATE. This section is effective August 1, 2007, and applies to crimes committed on or after that date.

Sec. 15. Minnesota Statutes 2006, section 609.582, subdivision 2, is amended to read:

Subd. 2. **Burglary in the second degree.** (a) Whoever enters a building without consent and with intent to commit a crime, or enters a building without consent and commits a crime while in the building, either directly or as an accomplice, commits burglary in the second degree and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both, if:

(a) (1) the building is a dwelling;

(b) (2) the portion of the building entered contains a banking business or other business of receiving securities or other valuable papers for deposit or safekeeping and the entry is with force or threat of force;

(c) (3) the portion of the building entered contains a pharmacy or other lawful business or practice in which controlled substances are routinely held or stored, and the entry is forcible; or

(d) (4) when entering or while in the building, the burglar possesses a tool to gain access to money or property.

(b) Whoever enters a government building, religious establishment, historic property, or school building without consent and with intent to commit a crime under section 609.52 or 609.595, or enters a government building, religious establishment, historic property, or school building without consent and commits a crime under section 609.52 or 609.595 while in the building, either directly or as an accomplice, commits burglary in the second degree and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both.

EFFECTIVE DATE. This section is effective August 1, 2007, and applies to crimes committed on or after that date.

Sec. 16. **[609.593] DAMAGE OR THEFT TO ENERGY TRANSMISSION OR TELECOMMUNICATIONS EQUIPMENT.**

Subdivision 1. **Crime.** Whoever intentionally and without consent from one authorized to give consent causes any damage or takes, removes, severs, or breaks:

(1) any line erected or maintained for the purpose of transmitting electricity for light, heat, or power, or any insulator or cross-arm, appurtenance or apparatus connected to the line, or any wire, cable, or current of the line;

(2) any pipe or main or hazardous liquid pipeline erected, operated, or maintained for the purpose of transporting, conveying, or distributing gas or other hazardous liquids for light, heat, power, or any other purpose, or any part of the pipe, main, or pipeline, or any valve, meter, holder, compressor, machinery, appurtenance, equipment, or apparatus connected with any main or pipeline; or

(3) any machinery, equipment, or fixtures used in receiving, initiating, amplifying, processing, transmitting, retransmitting, recording, switching, or monitoring telecommunications services, such as computers, transformers, amplifiers, routers, repeaters, multiplexers, and other items performing comparable functions; and machinery, equipment, and fixtures used in the transportation of telecommunications services, radio transmitters and receivers, satellite equipment, microwave equipment, and other transporting media including wire, cable, fiber, poles, and conduit;

is guilty of a crime and may be sentenced as provided in subdivision 2.

Subd. 2. **Penalty.** Whoever violates subdivision 1 is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

EFFECTIVE DATE. This section is effective August 1, 2007, and applies to crimes committed on or after that date.

Sec. 17. Minnesota Statutes 2006, section 609.595, subdivision 1, is amended to read:

Subdivision 1. **Criminal damage to property in the first degree.** Whoever intentionally causes damage to physical property of another without the latter's consent may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if:

- (1) the damage to the property caused a reasonably foreseeable risk of bodily harm; or
- (2) the property damaged belongs to a common carrier and the damage impairs the service to the public rendered by the carrier; or
- (3) the damage reduces the value of the property by more than ~~\$500~~ \$1,000 measured by the cost of repair and replacement; or
- (4) the damage reduces the value of the property by more than ~~\$250~~ \$500 measured by the cost of repair and replacement and the defendant has been convicted within the preceding three years of an offense under this subdivision or subdivision 2.

In any prosecution under clause (3), the value of any property damaged by the defendant in violation of that clause within any six-month period may be aggregated and the defendant charged accordingly in applying the provisions of this section; provided that when two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph.

EFFECTIVE DATE. This section is effective August 1, 2007, and applies to crimes committed on or after that date.

Sec. 18. Minnesota Statutes 2006, section 609.595, subdivision 2, is amended to read:

Subd. 2. **Criminal damage to property in the third degree.** (a) Except as otherwise provided in subdivision 1a, whoever intentionally causes damage to another person's physical property without the other person's consent may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the damage reduces the value of the property by more than ~~\$250~~ \$500 but not more than ~~\$500~~ \$1,000 as measured by the cost of repair and replacement.

(b) Whoever intentionally causes damage to another person's physical property without the other person's consent because of the property owner's or another's actual or perceived race, color, religion, sex, sexual orientation, disability as defined in section 363A.03, age, or national origin may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the damage reduces the value of the property by not more than ~~\$250~~ \$500.

(c) In any prosecution under paragraph (a), the value of property damaged by the defendant in violation of that paragraph within any six-month period may be aggregated and the defendant charged accordingly in applying this section. When two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph.

EFFECTIVE DATE. This section is effective August 1, 2007, and applies to crimes committed on or after that date.

Sec. 19. **REPEALER.**

Minnesota Statutes 2006, section 609.805, is repealed.

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

ARTICLE 3

DWI AND DRIVING RELATED PROVISIONS

Section 1. Minnesota Statutes 2006, section 169A.275, is amended by adding a subdivision to read:

Subd. 7. **Exception.** (a) A judge is not required to sentence a person as provided in this section if the judge requires the person as a condition of probation to drive only motor vehicles equipped with an ignition interlock device meeting the standards described in section 171.306.

(b) This subdivision expires July 1, 2009.

EFFECTIVE DATE. This section is effective July 1, 2007, and applies to crimes committed on or after that date.

Sec. 2. Minnesota Statutes 2006, section 169A.51, subdivision 7, is amended to read:

Subd. 7. **Requirements for conducting tests; liability.** (a) Only a physician, medical technician, emergency medical technician-paramedic, registered nurse, medical technologist, medical laboratory technician, phlebotomist, or laboratory assistant acting at the request of a peace officer may withdraw blood for the purpose of determining the presence of alcohol, a controlled substance or its metabolite, or a hazardous substance. This limitation does not apply to the taking of a breath or urine sample.

(b) The person tested has the right to have someone of the person's own choosing administer a chemical test or tests in addition to any administered at the direction of a peace officer; provided, that the additional test sample on behalf of the person is obtained at the place where the person is in custody, after the test administered at the direction of a peace officer, and at no expense to the state. The failure or inability to obtain an additional test or tests by a person does not preclude the admission in evidence of the test taken at the direction of a peace officer unless the additional test was prevented or denied by the peace officer.

(c) The physician, medical technician, emergency medical technician-paramedic, medical technologist, medical laboratory technician, laboratory assistant, phlebotomist, or registered nurse drawing blood at the request of a peace officer for the purpose of determining the concentration of alcohol, a controlled substance or its metabolite, or a hazardous substance is in no manner liable in any civil or criminal action except for negligence in drawing the blood. The person administering a breath test must be fully trained in the administration of breath tests pursuant to training given by the commissioner of public safety.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to crimes committed on or after that date.

Sec. 3. Minnesota Statutes 2006, section 171.12, is amended by adding a subdivision to read:

Subd. 9. **Driving record disclosure to law enforcement.** The commissioner shall also furnish driving records, without charge, to chiefs of police, county sheriffs, prosecuting attorneys, and other law enforcement agencies with the power to arrest.

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

Sec. 4. Minnesota Statutes 2006, section 171.305, is amended by adding a subdivision to read:

Subd. 11. **Program standards.** The program standards applicable to section 171.306 also apply to this section.

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

Sec. 5. **[171.306] IGNITION INTERLOCK DEVICE PILOT PROJECT.**

Subdivision 1. **Pilot project established; reports.** The commissioner shall conduct a two-year ignition interlock device pilot project as provided in this section. The commissioner shall select one metropolitan county and one rural county to participate in the pilot project. The pilot project must begin on July 1, 2007, and continue until June 30, 2009. The commissioner shall submit two preliminary reports by February 1, 2008, and by December 1, 2008, and a final report by September 1, 2009, to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over criminal justice policy and funding. The reports must evaluate the successes and failures of the pilot project, provide information on participation rates, and make recommendations on continuing the project.

Subd. 2. **Performance standards; certification.** The commissioner shall determine appropriate performance standards and a certification process for ignition interlock devices for the pilot project. Only devices certified by the commissioner as meeting the performance standards may be used in the pilot project.

Subd. 3. **Pilot project components.** (a) Under the pilot project, the commissioner shall issue a driver's license to an individual whose driver's license has been revoked under chapter 169A for a repeat impaired driving incident if the person qualifies under this section and agrees to all of the conditions of the project.

(b) The commissioner must denote the person's driver's license record to indicate the person's participation in the program. The license must authorize the person to drive only vehicles having functioning ignition interlock devices conforming with the requirements of subdivision 2.

(c) Notwithstanding any statute or rule to the contrary, the commissioner has authority to and shall determine the appropriate period for which a person participating in the ignition interlock pilot program shall be subject to this program, and when the person is eligible to be issued:

(1) a limited driver's license subject to the ignition interlock restriction;

(2) full driving privileges subject to the ignition interlock restriction; and

(3) a driver's license without an ignition interlock restriction.

(d) A person participating in this pilot project shall agree to participate in any treatment recommended by a chemical use assessment.

(e) The commissioner shall determine guidelines for participation in the project. A person participating in the project shall sign a written agreement accepting these guidelines and agreeing to comply with them.

(f) It is a misdemeanor for a person who is licensed under this section for driving a vehicle equipped with an ignition interlock device to drive, operate, or be in physical control of a motor vehicle other than a vehicle properly equipped with an ignition interlock device.

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

Sec. 6. Minnesota Statutes 2006, section 171.55, is amended to read:

171.55 OUT-OF-STATE CONVICTIONS GIVEN EFFECT.

The commissioner shall give the same effect for driver licensing purposes to conduct reported from a licensing authority or court in another state or province or territory of Canada that the commissioner would give to conduct reported from a court or other agency of this state, whether or not the other state or province or territory of Canada is a party to the Driver License Compact in section 171.50. The conduct to be given effect by the commissioner includes a report of conviction for an offense enumerated in section 171.50, article IV, or an offense described in sections 171.17 and 171.18.

EFFECTIVE DATE. This section is effective August 1, 2007, and applies to crimes committed on or after that date.

Sec. 7. Minnesota Statutes 2006, section 609.21, subdivision 1, is amended to read:

Subdivision 1. **Criminal vehicular homicide or operation; crime described.** A person is guilty of criminal vehicular homicide ~~resulting in death and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both~~ or operation and may be sentenced as provided in subdivision 1a, if the person causes injury to or the death of a human being not constituting murder or manslaughter ~~another~~ as a result of operating a motor vehicle:

- (1) in a grossly negligent manner;
- (2) in a negligent manner while under the influence of:
 - (i) alcohol;
 - (ii) a controlled substance; or
 - (iii) any combination of those elements;
- (3) while having an alcohol concentration of 0.08 or more;
- (4) while having an alcohol concentration of 0.08 or more, as measured within two hours of the time of driving;
- (5) in a negligent manner while knowingly under the influence of a hazardous substance;
- (6) in a negligent manner while any amount of a controlled substance listed in schedule I or II, or its metabolite, other than marijuana or tetrahydrocannabinols, is present in the person's body; ~~or~~

(7) where the driver who causes the accident leaves the scene of the accident in violation of section 169.09, subdivision 1 or ~~6~~; or

(8) where the driver had actual knowledge that a peace officer had previously issued a citation or warning that the motor vehicle was defectively maintained, the driver had actual knowledge that remedial action was not taken, the driver had reason to know that the defect created a present danger to others, and the injury or death was caused by the defective maintenance.

EFFECTIVE DATE. This section is effective August 1, 2007, and applies to crimes committed on or after that date.

Sec. 8. Minnesota Statutes 2006, section 609.21, is amended by adding a subdivision to read:

Subd. 1a. **Criminal penalties.** (a) A person who violates subdivision 1 and causes the death of a human being not constituting murder or manslaughter or the death of an unborn child may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both.

(b) A person who violates subdivision 1 and causes great bodily harm to another not constituting attempted murder or assault or great bodily harm to an unborn child who is subsequently born alive may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

(c) A person who violates subdivision 1 and causes substantial bodily harm to another may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$10,000, or both.

(d) A person who violates subdivision 1 and causes bodily harm to another may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

EFFECTIVE DATE. This section is effective August 1, 2007, and applies to crimes committed on or after that date.

Sec. 9. Minnesota Statutes 2006, section 609.21, is amended by adding a subdivision to read:

Subd. 1b. **Conviction not bar to punishment for other crimes.** A prosecution for or a conviction of a crime under this section relating to causing death or injury to an unborn child is not a bar to conviction of or punishment for any other crime committed by the defendant as part of the same conduct.

EFFECTIVE DATE. This section is effective August 1, 2007, and applies to crimes committed on or after that date.

Sec. 10. Minnesota Statutes 2006, section 609.21, subdivision 4a, is amended to read:

Subd. 4a. **Affirmative defense.** It shall be an affirmative defense to a charge under subdivision 1, clause (6); ~~2, clause (6); 2a, clause (6); 2b, clause (6); 3, clause (6); or 4, clause (6)~~, that the defendant used the controlled substance according to the terms of a prescription issued for the defendant in accordance with sections 152.11 and 152.12.

EFFECTIVE DATE. This section is effective August 1, 2007, and applies to crimes committed on or after that date.

Sec. 11. Minnesota Statutes 2006, section 609.21, subdivision 5, is amended to read:

Subd. 5. **Definitions.** For purposes of this section, the terms defined in this subdivision have the meanings given them.

(a) "Motor vehicle" has the meaning given in section 609.52, subdivision 1, and includes attached trailers.

(b) "Controlled substance" has the meaning given in section 152.01, subdivision 4.

(c) "Hazardous substance" means any chemical or chemical compound that is listed as a hazardous substance in rules adopted under chapter 182.

EFFECTIVE DATE. This section is effective August 1, 2007, and applies to crimes committed on or after that date.

Sec. 12. Minnesota Statutes 2006, section 634.15, subdivision 1, is amended to read:

Subdivision 1. **Certificates of analysis; blood sample reports; chain of custody.** (a) In any hearing or trial of a criminal offense or petty misdemeanor or proceeding pursuant to section 169A.53, subdivision 3, the following documents shall be admissible in evidence:

(~~a~~) (1) a report of the facts and results of any laboratory analysis or examination if it is prepared and attested by the person performing the laboratory analysis or examination in any laboratory operated by the Bureau of Criminal Apprehension or authorized by the bureau to conduct an analysis or examination, or in any laboratory of the Federal Bureau of Investigation, the federal Postal Inspection Service, the federal Bureau of Alcohol, Tobacco and Firearms, or the federal Drug Enforcement Administration;

(~~b~~) (2) a report of a blood sample withdrawn under the implied consent law if:

(i) The report was prepared by the person who administered the test;

(ii) The person who withdrew the blood sample was competent to administer the test under section 169A.51, subdivision 7; and

(iii) The report was prepared consistent with any applicable rules promulgated by the commissioner of public safety; and

(~~c~~) (3) a verified chain of custody of a specimen while under the control of a laboratory described in clause (~~a~~) (1).

(b) A report described in paragraph (a), clause (~~a~~) (1), purported to be signed by the person performing the analysis or examination in a laboratory named in that clause, or a blood sample report described in paragraph (a), clause (~~b~~) (2), purported to be signed by the person who withdrew the blood sample shall be admissible as evidence without proof of the seal, signature or official character of the person whose name is signed to it. The signature in paragraph (a), clause (~~a~~) (1) or (~~b~~) (2), can be written or in electronic format.

(c) At least 20 days before trial, the prosecutor shall submit to the accused person or the accused person's attorney notice of the contents of a report described in paragraph (a) and of the requirements of subdivision 2.

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

Sec. 13. Minnesota Statutes 2006, section 634.15, subdivision 2, is amended to read:

Subd. 2. **Testimony at trial.** (a) Except in civil proceedings, including proceedings under section 169A.53, an accused person or the accused person's attorney may request, by notifying the prosecuting attorney at least ten days before the trial, that the following persons testify in person at the trial on behalf of the state:

(~~a~~) (1) a person who performed the laboratory analysis or examination for the report described in subdivision 1, paragraph (a), clause (~~a~~) (1); or

(~~b~~) (2) a person who prepared the blood sample report described in subdivision 1, paragraph (a), clause (~~b~~) (2).

If a petitioner in a proceeding under section 169A.53 subpoenas a person described in paragraph (a) clause (1) or (~~b~~) (2), to testify at the proceeding, the petitioner is not required to pay the person witness fees under section 357.22 in excess of \$100.

(b) If the accused person or the accused person's attorney does not comply with the ten-day requirement described in paragraph (a), the prosecutor is not required to produce the person who performed the analysis or examination or prepared the report. In this case, the accused person's right to confront that witness is waived and the report shall be admitted into evidence.

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

Sec. 14. **REVISOR'S INSTRUCTION.**

(a) In Minnesota Statutes, sections 171.3215, subdivision 2a; and 609.135, subdivision 2, the revisor of statutes shall change the references in column A to the references in column B.

<u>Column A</u>	<u>Column B</u>
<u>609.21, subdivision 1</u>	<u>609.21, subdivision 1a, paragraph (a)</u>
<u>609.21, subdivision 2</u>	<u>609.21, subdivision 1a, paragraph (b)</u>
<u>609.21, subdivision 2a</u>	<u>609.21, subdivision 1a, paragraph (c)</u>
<u>609.21, subdivision 2b</u>	<u>609.21, subdivision 1a, paragraph (d)</u>
<u>609.21, subdivision 4</u>	<u>609.21, subdivision 1a, paragraph (b)</u>

(b) In Minnesota Statutes, section 609.035, subdivision 1, the revisor of statutes shall replace the reference to Minnesota Statutes, section 609.21, subdivisions 3 and 4, with a reference to Minnesota Statutes, section 609.21, subdivision 1b.

(c) In Minnesota Statutes, section 609.266, the revisor of statutes shall replace the reference to Minnesota Statutes, section 609.21, subdivisions 3 and 4, with a reference to Minnesota Statutes, section 609.21, subdivision 1a, paragraphs (a) and (b).

(d) In Minnesota Statutes, section 169A.03, subdivisions 20 and 21, and Minnesota Statutes, section 169A.24, subdivision 1, the revisor of statutes shall strike the references to Minnesota Statutes, section 609.21, subdivision 2, clauses (2) to (6); subdivision 2a, clauses (2) to (6); subdivision 2b, clauses (2) to (6); subdivision 3, clauses (2) to (6); and subdivision 4, clauses (2) to (6).

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

Sec. 15. **REPEALER.**

Minnesota Statutes 2006, section 609.21, subdivisions 2, 2a, 2b, 3, and 4, are repealed.

EFFECTIVE DATE. This section is effective August 1, 2007, and applies to crimes committed on or after that date.

ARTICLE 4

CRIME VICTIMS

Section 1. Minnesota Statutes 2006, section 299C.46, is amended by adding a subdivision to read:

Subd. 6. Orders for protection and no contact orders. The data communications network must include orders for protection issued under section 518B.01 and no contact orders issued under section 629.715, subdivision 4. A no contact order must be accompanied by a photograph of the offender for the purpose of enforcement of the order, if a photograph is available and verified by the court to be an image of the defendant.

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

Sec. 2. Minnesota Statutes 2006, section 363A.06, subdivision 1, is amended to read:

Subdivision 1. **Formulation of policies.** (a) The commissioner shall formulate policies to effectuate the purposes of this chapter and shall do the following:

(1) exercise leadership under the direction of the governor in the development of human rights policies and programs, and make recommendations to the governor and the legislature for their consideration and implementation;

(2) establish and maintain a principal office in St. Paul, and any other necessary branch offices at any location within the state;

(3) meet and function at any place within the state;

(4) employ attorneys, clerks, and other employees and agents as the commissioner may deem necessary and prescribe their duties;

(5) to the extent permitted by federal law and regulation, utilize the records of the Department of Employment and Economic Development of the state when necessary to effectuate the purposes of this chapter;

(6) obtain upon request and utilize the services of all state governmental departments and agencies;

(7) adopt suitable rules for effectuating the purposes of this chapter;

(8) issue complaints, receive and investigate charges alleging unfair discriminatory practices, and determine whether or not probable cause exists for hearing;

(9) subpoena witnesses, administer oaths, take testimony, and require the production for examination of any books or papers relative to any matter under investigation or in question as the commissioner deems appropriate to carry out the purposes of this chapter;

(10) attempt, by means of education, conference, conciliation, and persuasion to eliminate unfair discriminatory practices as being contrary to the public policy of the state;

(11) develop and conduct programs of formal and informal education designed to eliminate discrimination and intergroup conflict by use of educational techniques and programs the commissioner deems necessary;

(12) make a written report of the activities of the commissioner to the governor each year;

(13) accept gifts, bequests, grants, or other payments public and private to help finance the activities of the department;

(14) create such local and statewide advisory committees as will in the commissioner's judgment aid in effectuating the purposes of the Department of Human Rights;

(15) develop such programs as will aid in determining the compliance throughout the state with the provisions of this chapter, and in the furtherance of such duties, conduct research and study discriminatory practices based upon race, color, creed, religion, national origin, sex, age, disability, marital status, status with regard to public assistance, familial status, sexual orientation, or other factors and develop accurate data on the nature and extent of discrimination and other matters as they may affect housing, employment, public accommodations, schools, and other areas of public life;

(16) develop and disseminate technical assistance to persons subject to the provisions of this chapter, and to agencies and officers of governmental and private agencies;

(17) provide staff services to such advisory committees as may be created in aid of the functions of the Department of Human Rights;

(18) make grants in aid to the extent that appropriations are made available for that purpose in aid of carrying out duties and responsibilities; and

(19) cooperate and consult with the commissioner of labor and industry regarding the investigation of violations of, and resolution of complaints regarding section 363A.08, subdivision 7.

In performing these duties, the commissioner shall give priority to those duties in clauses (8), (9), and (10) and to the duties in section 363A.36.

(b) All gifts, bequests, grants, or other payments, public and private, accepted under paragraph (a), clause (13), must be deposited in the state treasury and credited to a special account. Money in the account is appropriated to the commissioner of human rights to help finance activities of the department.

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

Sec. 3. [504B.206] RIGHT OF VICTIMS OF DOMESTIC ABUSE TO TERMINATE LEASE.

Subdivision 1. Right to terminate; procedure. (a) A tenant to a residential lease who is a victim of domestic abuse and fears imminent domestic abuse against the tenant or the tenant's minor children if the tenant or the tenant's minor children remain in the leased premises may terminate a lease agreement without penalty or liability as provided in this section. The tenant must provide advance written notice to the landlord stating that:

(1) the tenant fears imminent domestic abuse from a person named in an order for protection or no contact order;

(2) the tenant needs to terminate the tenancy; and

(3) the specific date the tenancy will terminate.

(b) The written notice must be delivered before the termination of the tenancy by mail, fax, or in person, and be accompanied by the order for protection or no contact order.

(c) For purposes of this section, an order for protection means an order issued under chapter 518B. A no contact order means a no contact order currently in effect, issued under section 518B.01, subdivision 22, or chapter 609.

Subd. 2. **Treatment of information.** A landlord must not disclose information provided to the landlord by a tenant documenting domestic abuse under subdivision 1. The information must not be entered into any shared database or provided to any person or entity but may be used when required as evidence in an eviction proceeding, action for unpaid rent or damages arising out of the tenancy, claims under section 504B.178, with the consent of the tenant, or as otherwise required by law.

Subd. 3. **Liability for rent; termination of tenancy.** (a) A tenant terminating a lease under subdivision 1 is responsible for the rent payment for the full month in which the tenancy terminates and an additional amount equal to one month's rent. The tenant is relieved of any other contractual obligation for payment of rent or any other charges for the remaining term of the lease, except as provided in this section.

(b) This section does not affect a tenant's liability for delinquent, unpaid rent or other amounts owed to the landlord before the lease was terminated by the tenant under this section.

(c) The tenancy terminates, including the right of possession of the premises, on the termination date stated in the notice under subdivision 1. The amount equal to one month's rent must be paid on or before the termination of the tenancy for the tenant to be relieved of the contractual obligations for the remaining term of the lease as provided in this section.

(d) For purposes of this section, the provisions of section 504B.178 are triggered as follows:

(1) if the only tenant is the tenant who is the victim of domestic abuse and the tenant's minor children, if any, upon the first day of the month following the later of:

(i) the date the tenant vacates the premises; or

(ii) the termination of the tenancy indicated in the written notice under subdivision 1; or

(2) if there are additional tenants bound by the lease, upon the expiration of the lease.

Subd. 4. **Multiple tenants.** Notwithstanding the release of a tenant from a lease agreement under this section, if there are any remaining tenants the tenancy continues for those remaining tenants.

Subd. 5. **Waiver prohibited.** A residential tenant may not waive, and a landlord may not require the residential tenant to waive, the tenant's rights under this section.

Subd. 6. **Definition.** For purposes of this section, "domestic abuse" has the meaning given in section 518B.01, subdivision 2.

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

Sec. 4. Minnesota Statutes 2006, section 595.02, subdivision 1, is amended to read:

Subdivision 1. **Competency of witnesses.** Every person of sufficient understanding, including a party, may testify in any action or proceeding, civil or criminal, in court or before any person who has authority to receive evidence, except as provided in this subdivision:

(a) A husband cannot be examined for or against his wife without her consent, nor a wife for or against her husband without his consent, nor can either, during the marriage or afterwards, without the consent of the other, be examined as to any communication made by one to the other during the marriage. This exception does not apply to a civil action or proceeding by one against the other, nor to a criminal action or proceeding for a crime committed by one against the other or against a child of either or against a child under the care of either spouse, nor to a criminal action or proceeding in which one is charged with homicide or an attempt to commit homicide and the date of the marriage of the defendant is subsequent to the date of the offense, nor to an action or proceeding for nonsupport, neglect, dependency, or termination of parental rights.

(b) An attorney cannot, without the consent of the attorney's client, be examined as to any communication made by the client to the attorney or the attorney's advice given thereon in the course of professional duty; nor can any employee of the attorney be examined as to the communication or advice, without the client's consent.

(c) A member of the clergy or other minister of any religion shall not, without the consent of the party making the confession, be allowed to disclose a confession made to the member of the clergy or other minister in a professional character, in the course of discipline enjoined by the rules or practice of the religious body to which the member of the clergy or other minister belongs; nor shall a member of the clergy or other minister of any religion be examined as to any communication made to the member of the clergy or other minister by any person seeking religious or spiritual advice, aid, or comfort or advice given thereon in the course of the member of the clergy's or other minister's professional character, without the consent of the person.

(d) A licensed physician or surgeon, dentist, or chiropractor shall not, without the consent of the patient, be allowed to disclose any information or any opinion based thereon which the professional acquired in attending the patient in a professional capacity, and which was necessary to enable the professional to act in that capacity; after the decease of the patient, in an action to recover insurance benefits, where the insurance has been in existence two years or more, the beneficiaries shall be deemed to be the personal representatives of the deceased person for the purpose of waiving this privilege, and no oral or written waiver of the privilege shall have any binding force or effect except when made upon the trial or examination where the evidence is offered or received.

(e) A public officer shall not be allowed to disclose communications made to the officer in official confidence when the public interest would suffer by the disclosure.

(f) Persons of unsound mind and persons intoxicated at the time of their production for examination are not competent witnesses if they lack capacity to remember or to relate truthfully facts respecting which they are examined.

(g) A registered nurse, psychologist, consulting psychologist, or licensed social worker engaged in a psychological or social assessment or treatment of an individual at the individual's request shall not, without the consent of the professional's client, be allowed to disclose any information or opinion based thereon which the professional has acquired in attending the client in a professional capacity, and which was necessary to enable the professional to act in that capacity. Nothing in this clause exempts licensed social workers from compliance with the provisions of sections 626.556 and 626.557.

(h) An interpreter for a person disabled in communication shall not, without the consent of the person, be allowed to disclose any communication if the communication would, if the interpreter were not present, be privileged. For purposes of this section, a "person disabled in communication" means a person who, because of a hearing, speech or other communication disorder, or because of the inability to speak or comprehend the English language, is unable to understand the proceedings in which the person is required to participate. The presence of an interpreter as an aid to communication does not destroy an otherwise existing privilege.

(i) Licensed chemical dependency counselors shall not disclose information or an opinion based on the information which they acquire from persons consulting them in their professional capacities, and which was necessary to enable them to act in that capacity, except that they may do so:

(1) when informed consent has been obtained in writing, except in those circumstances in which not to do so would violate the law or would result in clear and imminent danger to the client or others;

(2) when the communications reveal the contemplation or ongoing commission of a crime; or

(3) when the consulting person waives the privilege by bringing suit or filing charges against the licensed professional whom that person consulted.

(j) A parent or the parent's minor child may not be examined as to any communication made in confidence by the minor to the minor's parent. A communication is confidential if made out of the presence of persons not members of the child's immediate family living in the same household. This exception may be waived by express consent to disclosure by a parent entitled to claim the privilege or by the child who made the communication or by failure of the child or parent to object when the contents of a communication are demanded. This exception does not apply to a civil action or proceeding by one spouse against the other or by a parent or child against the other, nor to a proceeding to commit either the child or parent to whom the communication was made or to place the person or property or either under the control of another because of an alleged mental or physical condition, nor to a criminal action or proceeding in which the parent is charged with a crime committed against the person or property of the communicating child, the parent's spouse, or a child of either the parent or the parent's spouse, or in which a child is charged with a crime or act of delinquency committed against the person or property of a parent or a child of a parent, nor to an action or proceeding for termination of parental rights, nor any other action or proceeding on a petition alleging child abuse, child neglect, abandonment or nonsupport by a parent.

(k) Sexual assault counselors may not be ~~compelled to testify about~~ allowed to disclose any opinion or information received from or about the victim without the consent of the victim. However, a counselor may be compelled to identify or disclose information in investigations or proceedings related to neglect or termination of parental rights if the court determines good cause exists. In determining whether to compel disclosure, the court shall weigh the public interest and need for disclosure against the effect on the victim, the treatment relationship, and the treatment services if disclosure occurs. Nothing in this clause exempts sexual assault counselors from compliance with the provisions of sections 626.556 and 626.557.

"Sexual assault counselor" for the purpose of this section means a person who has undergone at least 40 hours of crisis counseling training and works under the direction of a supervisor in a crisis center, whose primary purpose is to render advice, counseling, or assistance to victims of sexual assault.

(l) A person cannot be examined as to any communication or document, including worknotes, made or used in the course of or because of mediation pursuant to an agreement to mediate. This does not apply to the parties in the dispute in an application to a court by a party to have a mediated settlement agreement set aside or reformed. A communication or document otherwise not privileged does not become privileged because of this paragraph. This paragraph is not intended to limit the privilege accorded to communication during mediation by the common law.

(m) A child under ten years of age is a competent witness unless the court finds that the child lacks the capacity to remember or to relate truthfully facts respecting which the child is examined. A child describing any act or event may use language appropriate for a child of that age.

(n) A communication assistant for a telecommunications relay system for communication-impaired persons shall not, without the consent of the person making the communication, be allowed to disclose communications made to the communication assistant for the purpose of relaying.

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

Sec. 5. Minnesota Statutes 2006, section 611A.036, subdivision 2, is amended to read:

Subd. 2. **Victim's spouse or ~~next of kin~~ immediate family members.** An employer must allow a victim of a ~~heinous~~ violent crime, as well as the victim's spouse or ~~next of kin~~ immediate family members, reasonable time off from work to attend criminal proceedings related to the victim's case.

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

Sec. 6. Minnesota Statutes 2006, section 611A.036, subdivision 7, is amended to read:

Subd. 7. **Definition.** As used in this section, "~~heinous crime~~" "**violent crime**" means a violation or attempt to violate any of the following: section 609.185 (murder in the first degree); 609.19 (murder in the second degree); 609.195 (murder in the third degree); 609.20 (manslaughter in the first degree); 609.205 (manslaughter in the second degree); 609.21 (criminal vehicular homicide and injury); 609.221 (assault in the first degree); 609.222 (assault in the second degree); 609.223 (assault in the third degree); 609.2231 (assault in the fourth degree); 609.2241 (knowing transfer of communicable disease); 609.2242 (domestic assault); 609.2245 (female genital mutilation); 609.2247 (domestic assault by strangulation); 609.228 (great bodily harm caused by distribution of drugs); 609.23 (mistreatment of persons confined); 609.231 (mistreatment of residents or patients); 609.2325 (criminal abuse); 609.233 (criminal neglect); 609.235 (use of drugs to injure or facilitate crime); 609.24 (simple robbery); 609.245 (aggravated robbery); 609.25 (kidnapping); 609.255 (false imprisonment); 609.265 (abduction); 609.2661 (murder of an unborn child in the first degree); 609.2662 (murder of an unborn child in the second degree); 609.2663 (murder of an unborn child in the third degree); 609.2664 (manslaughter of an unborn child in the first degree); 609.2665 (manslaughter of an unborn child in the second degree); 609.267 (assault of an unborn child in the first degree); 609.2671 (assault of an unborn child in the second degree); 609.2672 (assault of an unborn child in the third degree); 609.268 (injury or death of an unborn child in commission of a crime); 609.282 (labor trafficking); 609.342 (criminal sexual conduct in the first degree); 609.343 (criminal sexual conduct in the second degree); 609.344 (criminal sexual conduct in the third degree); 609.345 (criminal sexual conduct in the fourth degree); 609.3451 (criminal sexual conduct in the fifth degree); 609.3453 (criminal sexual predatory conduct); 609.352 (solicitation of children to engage in sexual conduct); 609.377 (malicious punishment of a child); 609.378 (neglect or endangerment of a child); 609.561, subdivision 1, (arson in the first degree; dwelling); 609.582, subdivision 1, paragraph (a) or (c), (burglary in the first degree; occupied dwelling or involving an assault); or 609.66, subdivision 1e, paragraph (b), (drive-by shooting; firing at or toward a person, or an occupied building or motor vehicle).

(1) a violation or attempted violation of section 609.185 or 609.19;

(2) a violation of section 609.195 or 609.221; or

(3) a violation of section 609.342, 609.343, or 609.344, if the offense was committed with force or violence or if the complainant was a minor at the time of the offense.

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

Sec. 7. **[611A.26] POLYGRAPH EXAMINATIONS; CRIMINAL SEXUAL CONDUCT COMPLAINTS; LIMITATIONS.**

Subdivision 1. Polygraph prohibition. No law enforcement agency or prosecutor shall require that a complainant of a criminal sexual conduct offense submit to a polygraph examination as part of or a condition to proceeding with the investigation, charging, or prosecution of such offense.

Subd. 2. Law enforcement inquiry. A law enforcement agency or prosecutor may not ask that a complainant of a criminal sexual conduct offense submit to a polygraph examination as part of the investigation, charging, or prosecution of such offense unless the complainant has been referred to, and had the opportunity to exercise the option of consulting with a sexual assault counselor as defined in section 595.02, subdivision 1, paragraph (k).

Subd. 3. Informed consent requirement. At the request of the complainant, a law enforcement agency may conduct a polygraph examination of the complainant only with the complainant's written, informed consent as provided in this subdivision.

Subd. 4. Informed consent. To consent to a polygraph, a complainant must be informed in writing that:

(1) the taking of the polygraph examination is voluntary and solely at the victim's request;

(2) a law enforcement agency or prosecutor may not ask or require that the complainant submit to a polygraph examination;

(3) the results of the examination are not admissible in court; and

(4) the complainant's refusal to take a polygraph examination may not be used as a basis by the law enforcement agency or prosecutor not to investigate, charge, or prosecute the offender.

Subd. 5. Polygraph refusal. A complainant's refusal to submit to a polygraph examination shall not prevent the investigation, charging, or prosecution of the offense.

Subd. 6. Definitions. For the purposes of this section, the following terms have the meanings given.

(a) "Criminal sexual conduct" means a violation of section 609.342, 609.343, 609.344, 609.345, or 609.3451.

(b) "Complainant" means a person reporting to have been subjected to criminal sexual conduct.

(c) "Polygraph examination" means any mechanical or electrical instrument or device of any type used or allegedly used to examine, test, or question individuals for the purpose of determining truthfulness.

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 8. Minnesota Statutes 2006, section 611A.675, subdivision 1, is amended to read:

Subdivision 1. Grants authorized. The ~~Crime Victim and Witness Advisory Council~~ commissioner of public safety shall make grants to prosecutors and victim assistance programs for the purpose of providing emergency assistance to victims. As used in this section, "emergency assistance" includes but is not limited to:

(1) replacement of necessary property that was lost, damaged, or stolen as a result of the crime;

(2) purchase and installation of necessary home security devices;

(3) transportation to locations related to the victim's needs as a victim, such as medical facilities and facilities of the criminal justice system;

(4) cleanup of the crime scene; ~~and~~

(5) reimbursement for reasonable travel and living expenses the victim incurred to attend court proceedings that were held at a location other than the place where the crime occurred due to a change of venue; and

(6) reimbursement of towing and storage fees incurred due to impoundment of a recovered stolen vehicle.

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

Sec. 9. Minnesota Statutes 2006, section 611A.675, subdivision 2, is amended to read:

Subd. 2. **Application for grants.** (a) A city or county attorney's office or victim assistance program may apply to the ~~council~~ commissioner of public safety for a grant for any of the purposes described in subdivision 1 or for any other emergency assistance purpose approved by the ~~council~~ commissioner. The application must be on forms and pursuant to procedures developed by the ~~council~~ commissioner. The application must describe the type or types of intended emergency assistance, estimate the amount of money required, and include any other information deemed necessary by the ~~council~~ commissioner.

(b) A city or county attorney's office or victim assistance program that applies for a grant for the purpose described in subdivision 1, clause (6), must make the application on a separate form and pursuant to procedures developed by the commissioner. The application must estimate the amount of money required for reimbursement costs, estimate the amount of money required for administrative costs, and include any other information deemed necessary by the commissioner. An applicant may not spend in any fiscal year more than five percent of the grant awarded for administrative costs.

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

Sec. 10. Minnesota Statutes 2006, section 611A.675, is amended by adding a subdivision to read:

Subd. 2a. **Awards; limitations.** (a) No award may be granted under subdivision 1, clause (6), to a victim that fails to provide proof of insurance stating that security had been provided for the vehicle at the time the vehicle was stolen. As used in this paragraph, "proof of insurance" has the meaning given it in section 169.791, subdivision 1, paragraph (g).

(b) An award paid to a victim under subdivision 1, clause (6), shall compensate the victim for actual costs incurred but shall not exceed \$300.

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

Sec. 11. Minnesota Statutes 2006, section 611A.675, subdivision 3, is amended to read:

Subd. 3. **Reporting by local agencies required.** A city or county attorney's office or victim assistance program that receives a grant under this section shall file an annual report with the ~~council~~ commissioner of public safety itemizing the expenditures made during the preceding year, the purpose of those expenditures, and the ultimate disposition, if any, of each assisted victim's criminal case.

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

Sec. 12. Minnesota Statutes 2006, section 611A.675, subdivision 4, is amended to read:

Subd. 4. **Report to legislature.** ~~On or before February 1, 1999, the council shall report to the chairs of the senate Crime Prevention and house of representatives Judiciary Committees on the implementation, use, and administration of the grant program created under this section.~~ By February 1, 2008, the commissioner of public safety shall report to the chairs and ranking members of the senate and house committees and divisions having jurisdiction over criminal justice policy and funding on the implementation, use, and administration of the grant programs created under this section.

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

ARTICLE 5

COURTS AND PUBLIC DEFENDERS

Section 1. Minnesota Statutes 2006, section 2.722, subdivision 1, is amended to read:

Subdivision 1. **Description.** Effective July 1, 1959, the state is divided into ten judicial districts composed of the following named counties, respectively, in each of which districts judges shall be chosen as hereinafter specified:

1. Goodhue, Dakota, Carver, Le Sueur, McLeod, Scott, and Sibley; ~~33~~ 36 judges; and four permanent chambers shall be maintained in Red Wing, Hastings, Shakopee, and Glencoe and one other shall be maintained at the place designated by the chief judge of the district;

2. Ramsey; 26 judges;

3. Wabasha, Winona, Houston, Rice, Olmsted, Dodge, Steele, Waseca, Freeborn, Mower, and Fillmore; 23 judges; and permanent chambers shall be maintained in Faribault, Albert Lea, Austin, Rochester, and Winona;

4. Hennepin; 60 judges;

5. Blue Earth, Watonwan, Lyon, Redwood, Brown, Nicollet, Lincoln, Cottonwood, Murray, Nobles, Pipestone, Rock, Faribault, Martin, and Jackson; 16 judges; and permanent chambers shall be maintained in Marshall, Windom, Fairmont, New Ulm, and Mankato;

6. Carlton, St. Louis, Lake, and Cook; 15 judges;

7. Benton, Douglas, Mille Lacs, Morrison, Otter Tail, Stearns, Todd, Clay, Becker, and Wadena; ~~27~~ 28 judges; and permanent chambers shall be maintained in Moorhead, Fergus Falls, Little Falls, and St. Cloud;

8. Chippewa, Kandiyohi, Lac qui Parle, Meeker, Renville, Swift, Yellow Medicine, Big Stone, Grant, Pope, Stevens, Traverse, and Wilkin; 11 judges; and permanent chambers shall be maintained in Morris, Montevideo, and Willmar;

9. Norman, Polk, Marshall, Kittson, Red Lake, Roseau, Mahnomen, Pennington, Aitkin, Itasca, Crow Wing, Hubbard, Beltrami, Lake of the Woods, Clearwater, Cass and Koochiching; ~~22~~ 23 judges; and permanent chambers shall be maintained in Crookston, Thief River Falls, Bemidji, Brainerd, Grand Rapids, and International Falls; and

10. Anoka, Isanti, Wright, Sherburne, Kanabec, Pine, Chisago, and Washington; ~~43~~ 45 judges; and permanent chambers shall be maintained in Anoka, Stillwater, and other places designated by the chief judge of the district.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 2. Minnesota Statutes 2006, section 3.732, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** As used in this section and section 3.736 the terms defined in this section have the meanings given them.

(1) "State" includes each of the departments, boards, agencies, commissions, courts, and officers in the executive, legislative, and judicial branches of the state of Minnesota and includes but is not limited to the Housing Finance Agency, the Minnesota Office of Higher Education, the Higher Education Facilities Authority, the Health Technology Advisory Committee, the Armory Building Commission, the Zoological Board, the Iron Range Resources and Rehabilitation Board, the State Agricultural Society, the University of Minnesota, the Minnesota State Colleges and Universities, state hospitals, and state penal institutions. It does not include a city, town, county, school district, or other local governmental body corporate and politic.

(2) "Employee of the state" means all present or former officers, members, directors, or employees of the state, members of the Minnesota National Guard, members of a bomb disposal unit approved by the commissioner of public safety and employed by a municipality defined in section 466.01 when engaged in the disposal or neutralization of bombs or other similar hazardous explosives, as defined in section 299C.063, outside the jurisdiction of the municipality but within the state, or persons acting on behalf of the state in an official capacity, temporarily or permanently, with or without compensation. It does not include either an independent contractor except, for purposes of this section and section 3.736 only, a guardian ad litem acting under court appointment, or members of the Minnesota National Guard while engaged in training or duty under United States Code, title 10, or title 32, section 316, 502, 503, 504, or 505, as amended through December 31, 1983. Notwithstanding sections 43A.02 and 611.263, for purposes of this section and section 3.736 only, "employee of the state" includes a district public defender or assistant district public defender in the Second or Fourth Judicial District and a member of the Health Technology Advisory Committee.

(3) "Scope of office or employment" means that the employee was acting on behalf of the state in the performance of duties or tasks lawfully assigned by competent authority.

(4) "Judicial branch" has the meaning given in section 43A.02, subdivision 25.

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

Sec. 3. Minnesota Statutes 2006, section 3.736, subdivision 1, is amended to read:

Subdivision 1. **General rule.** The state will pay compensation for injury to or loss of property or personal injury or death caused by an act or omission of an employee of the state while acting within the scope of office or employment or a peace officer who is not acting on behalf of a private employer and who is acting in good faith under section 629.40, subdivision 4, under circumstances where the state, if a private person, would be liable to the claimant, whether arising out of a governmental or proprietary function. Nothing in this section waives the defense of judicial, quasi-judicial, or legislative immunity except to the extent provided in subdivision 8.

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

Sec. 4. Minnesota Statutes 2006, section 15A.083, subdivision 4, is amended to read:

Subd. 4. **Ranges for other judicial positions.** Salaries or salary ranges are provided for the following positions in the judicial branch of government. The appointing authority of any position for which a salary range has been provided shall fix the individual salary within the prescribed range, considering the qualifications and overall performance of the employee. ~~The Supreme Court shall set the salary of the state court administrator and the salaries of district court administrators. The salary of the state court administrator or a district court administrator~~

~~may not exceed the salary of a district court judge.~~ If district court administrators die, the amounts of their unpaid salaries for the months in which their deaths occur must be paid to their estates. The salary of the state public defender shall be fixed by the State Board of Public Defense but must not exceed the salary of a district court judge.

	Salary or Range Effective July 1, 1994
Board on Judicial Standards executive director	\$44,000-60,000

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

Sec. 5. Minnesota Statutes 2006, section 260C.193, subdivision 6, is amended to read:

Subd. 6. **Termination of jurisdiction.** The court may dismiss the petition or otherwise terminate its jurisdiction on its own motion or on the motion or petition of any interested party at any time. Unless terminated by the court, and except as otherwise provided in this subdivision, the jurisdiction of the court shall continue until the individual becomes 19 years of age if the court determines it is in the best interest of the individual to do so. ~~Court jurisdiction under section 260C.007, subdivision 6, clause (14), may not continue past the child's 18th birthday.~~

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

Sec. 6. Minnesota Statutes 2006, section 302A.781, is amended by adding a subdivision to read:

Subd. 5. **Other claims preserved.** In addition to the claims in subdivision 4, all other statutory and common law rights of persons who may bring claims of injury to a person, including death, are not affected by dissolution under this chapter.

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

Sec. 7. Minnesota Statutes 2006, section 352D.02, subdivision 1, is amended to read:

Subdivision 1. **Coverage.** (a) Employees enumerated in paragraph (c), clauses (2), (3), (4), and (6) to (14), if they are in the unclassified service of the state or Metropolitan Council and are eligible for coverage under the general state employees retirement plan under chapter 352, are participants in the unclassified plan under this chapter unless the employee gives notice to the executive director of the Minnesota State Retirement System within one year following the commencement of employment in the unclassified service that the employee desires coverage under the general state employees retirement plan. For the purposes of this chapter, an employee who does not file notice with the executive director is deemed to have exercised the option to participate in the unclassified plan.

(b) Persons referenced in paragraph (c), clause (5), are participants in the unclassified program under this chapter unless the person was eligible to elect different coverage under section 3A.07 and elected retirement coverage by the applicable alternative retirement plan. Persons referenced in paragraph (c), clause (15), are participants in the unclassified program under this chapter for judicial employment in excess of the service credit limit in section 490.121, subdivision 22.

(c) Enumerated employees and referenced persons are:

(1) the governor, the lieutenant governor, the secretary of state, the state auditor, and the attorney general;

(2) an employee in the Office of the Governor, Lieutenant Governor, Secretary of State, State Auditor, Attorney General;

(3) an employee of the State Board of Investment;

(4) the head of a department, division, or agency created by statute in the unclassified service, an acting department head subsequently appointed to the position, or an employee enumerated in section 15A.0815 or 15A.083, subdivision 4;

(5) a member of the legislature;

(6) a full-time unclassified employee of the legislature or a commission or agency of the legislature who is appointed without a limit on the duration of the employment or a temporary legislative employee having shares in the supplemental retirement fund as a result of former employment covered by this chapter, whether or not eligible for coverage under the Minnesota State Retirement System;

(7) a person who is employed in a position established under section 43A.08, subdivision 1, clause (3), or in a position authorized under a statute creating or establishing a department or agency of the state, which is at the deputy or assistant head of department or agency or director level;

(8) the regional administrator, or executive director of the Metropolitan Council, general counsel, division directors, operations managers, and other positions as designated by the council, all of which may not exceed 27 positions at the council and the chair;

(9) the executive director, associate executive director, and not to exceed nine positions of the Minnesota Office of Higher Education in the unclassified service, as designated by the Minnesota Office of Higher Education before January 1, 1992, or subsequently redesignated with the approval of the board of directors of the Minnesota State Retirement System, unless the person has elected coverage by the individual retirement account plan under chapter 354B;

(10) the clerk of the appellate courts appointed under article VI, section 2, of the Constitution of the state of Minnesota, the state court administrator and judicial district administrators;

(11) the chief executive officers of correctional facilities operated by the Department of Corrections and of hospitals and nursing homes operated by the Department of Human Services;

(12) an employee whose principal employment is at the state ceremonial house;

(13) an employee of the Minnesota Educational Computing Corporation;

(14) an employee of the State Lottery who is covered by the managerial plan established under section 43A.18, subdivision 3; and

(15) a judge who has exceeded the service credit limit in section 490.121, subdivision 22.

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

Sec. 8. **[357.42] DRUG COURT FEES.**

(a) When a court establishes a drug court process, the court may establish one or more fees for services provided to defendants participating in the process.

(b) In each fiscal year, the court shall deposit the drug court participation fees in the special revenue fund and credit the fees to a separate account for the trial courts. The balance in this account is appropriated to the trial courts and does not cancel but is available until expended. Expenditures from this account must be made for drug court purposes.

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

Sec. 9. Minnesota Statutes 2006, section 471.982, subdivision 3, is amended to read:

Subd. 3. **Exemptions.** Self-insurance pools established and open for enrollment on a statewide basis by the Minnesota League of Cities Insurance Trust, the Minnesota School Boards Association Insurance Trust, the Minnesota Association of Townships Insurance and Bond Trust, or the Minnesota Association of Counties Insurance Trust and the political subdivisions that belong to them are exempt from the requirements of this section and ~~section~~ sections 65B.48, subdivision 3, and 604.18. In addition, the Minnesota Association of Townships Insurance and Bond Trust and the townships that belong to it are exempt from the requirement to hold the certificate of surety authorization issued by the commissioner of commerce as provided in section 574.15.

EFFECTIVE DATE. This section is effective August 1, 2007, and applies to causes of action commenced on or after that date.

Sec. 10. Minnesota Statutes 2006, section 484.54, subdivision 2, is amended to read:

Subd. 2. **Expense payments.** A judge shall be paid travel and subsistence expenses for travel from the judge's place of residence to and from the judge's permanent chambers only for a period of two years ~~after July 1, 1977, or the date the judge initially assumes office, whichever is later~~ as provided by Judicial Council policy.

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

Sec. 11. Minnesota Statutes 2006, section 484.83, is amended to read:

484.83 REINSTATEMENT OF FORFEITED SUMS.

Subdivision 1. **Abandonment of fees.** All sums deposited with the court administrator to cover fees shall be deemed abandoned if the fees are not disbursed or the services covered by the fees are not performed and the person entitled to refund of the fees does not file a written demand for refund with the court administrator within six months from the date of trial, dismissal, or striking of the cause as to jury fees and from the date of deposit as to other fees.

Subd. 2. **Bail forfeitures.** Any bail not forfeited by court order shall be deemed abandoned and forfeited if the person entitled to refund does not file a written demand for refund with the court administrator within six months from the date when the person became entitled to the refund.

Subd. 3. **Reinstated forfeited sums.** A district court judge may order any sums forfeited to be reinstated and the commissioner of finance shall then refund accordingly. The commissioner of finance shall reimburse the court administrator if the court administrator refunds the deposit upon a judge's order and obtains a receipt to be used as a voucher.

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

Sec. 12. [484.843] ABANDONMENT OF NONFELONY BAIL; DISPOSITION OF FORFEITED SUMS; FOURTH JUDICIAL DISTRICT.

Subdivision 1. **Abandonment of deposits and bail.** (a) Any bail deposited with the court administrator of the Fourth Judicial District on a nonfelony case and not forfeited by court order shall be deemed abandoned and forfeited if the person entitled to refund does not file a written demand for refund with the court administrator within six months from the date when the person became entitled to the refund.

(b) Any judge may order any sums so forfeited under paragraph (a) to be reinstated for cause and the court administrator shall then refund accordingly. The receipting municipality or subdivision of government shall reimburse the court administrator if the court administrator refunds the deposit upon such an order and obtains a receipt to be used as a voucher.

Subd. 2. **Disposition of forfeited sums.** All sums collected on any bail, bond, or recognizance forfeited by court order or under subdivision 1, paragraph (a), for the Fourth Judicial District on a nonfelony case shall be paid to Hennepin County to be applied to the support of the law library of the county. The receipt of the county treasurer to the court administrator shall be a sufficient voucher. When the sums so forfeited, minus refunds, during any calendar year equal \$2,500, all sums in excess of that amount shall be paid to the municipality or subdivision of government in which the violation occurred. The payments shall be made periodically but not before six months from the date of the order for forfeiture. During that six-month period, but not thereafter, any judge may set aside the forfeiture order upon proper showing of cause. No obligation to pay sums so ordered forfeited exists unless the forfeiture is not set aside within the six-month period. For the purpose of determining when the \$2,500 shall have accrued to the county law library, the final forfeiture shall be deemed to occur at the end of the six-month period.

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

Sec. 13. Minnesota Statutes 2006, section 504B.361, subdivision 1, is amended to read:

Subdivision 1. **Summons and writ.** (a) The state court administrator shall develop a uniform form for the summons and writ of recovery of premises and order to vacate ~~may be substantially in the forms in paragraphs (b) and (c).~~

~~(b)~~

FORM OF SUMMONS

State of Minnesota)
) ss.
County of)

Whereas,, of, has filed with the undersigned, a judge of county stated, a complaint against, of, a copy of which is attached: You are hereby summoned to appear before the undersigned on the day of, year, at o'clock ...m., at, to answer and defend against the complaint and to further be dealt with according to law.

Dated at, this day of, year
.....
Judge..... of court.

(e)

~~FORM OF WRIT OF RECOVERY OF PREMISES AND ORDER TO VACATE~~

State of Minnesota)
) ss.
County of)

~~The State of Minnesota, to the Sheriff of the County:~~

~~Whereas,, the plaintiff, of, in an eviction action, at a court held at, in the county of, on the day of, year, before, a judge of the county, recovered a judgment against, the, to have recovery of the following premises (describe here the property as in the complaint):~~

~~Therefore, you are commanded that, taking with you the force of the county, if necessary, you cause to be immediately removed from the premises, and the plaintiff to recover the premises. You are also commanded that from the personal property of within the county that you seize and sell, the plaintiff be paid dollars, as the costs assessed against the defendant, together with 25 cents for this writ. You are ordered to return this writ within 30 days.~~

~~Dated at, this day of, year
.....
Judge of court.~~

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

Sec. 14. Minnesota Statutes 2006, section 518.165, subdivision 1, is amended to read:

Subdivision 1. **Permissive appointment of guardian ad litem.** In all proceedings for child custody or for dissolution or legal separation where custody or parenting time with a minor child is in issue, the court may appoint a guardian ad litem from a panel established by the court to represent the interests of the child. The guardian ad litem shall advise the court with respect to custody, ~~support~~, and parenting time.

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

Sec. 15. Minnesota Statutes 2006, section 518.165, subdivision 2, is amended to read:

Subd. 2. **Required appointment of guardian ad litem.** In all proceedings for child custody or for marriage dissolution or legal separation in which custody or parenting time with a minor child is an issue, if the court has reason to believe that the minor child is a victim of domestic child abuse or neglect, as those terms are defined in sections 260C.007 and 626.556, respectively, the court shall appoint a guardian ad litem. The guardian ad litem shall represent the interests of the child and advise the court with respect to custody, ~~support~~, and parenting time. If the child is represented by a guardian ad litem in any other pending proceeding, the court may appoint that guardian to represent the child in the custody or parenting time proceeding. No guardian ad litem need be appointed if the alleged domestic child abuse or neglect is before the court on a juvenile dependency and neglect petition. Nothing in this subdivision requires the court to appoint a guardian ad litem in any proceeding for child custody, marriage dissolution, or legal separation in which an allegation of domestic child abuse or neglect has not been made.

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

Sec. 16. Minnesota Statutes 2006, section 518A.35, subdivision 3, is amended to read:

Subd. 3. **Income cap on determining basic support.** (a) The basic support obligation for parents with a combined parental income for determining child support in excess of the income limit ~~currently in effect~~ under subdivision 2 must be the same dollar amount as provided for the parties with a combined parental income for determining child support equal to the income ~~in effect~~ limit under subdivision 2.

(b) A court may order a basic support obligation in a child support order in an amount that exceeds the income limit in subdivision 2 if it finds that a child has a disability or other substantial, demonstrated need for the additional support for those reasons set forth in section 518A.43 and that the additional support will directly benefit the child.

~~(c) The dollar amount for the cap in subdivision 2 must be adjusted on July 1 of every even-numbered year to reflect cost-of-living changes. The Supreme Court must select the index for the adjustment from the indices listed in section 518A.75, subdivision 1. The state court administrator must make the changes in the dollar amounts required by this paragraph available to courts and the public on or before April 30 of the year in which the amount is to change.~~

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

Sec. 17. Minnesota Statutes 2006, section 563.01, is amended by adding a subdivision to read:

Subd. 7a. **Copy costs.** The court administrator shall provide a person who is proceeding in forma pauperis with a copy of the person's court file without charge.

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

Sec. 18. **[604.18] GOOD FAITH INSURANCE PRACTICES.**

Subdivision 1. **Required conduct.** (a) An insurer shall act in good faith in connection with an insured's claim under an insurance policy.

(b) An insurer does not act in good faith if the insured can show:

(1) the absence of a reasonable basis for denying the benefits of the insurance policy, and that the insurer knew or should have known of the lack of a reasonable basis for denying the benefits of the insurance policy or the insurer's reckless disregard of the lack of a reasonable basis for denying the benefits of the insurance policy; or

(2) that the insurer engages in any fraud, false pretense, false promise, misrepresentation, misleading statement, or deceptive practice that the insured relies on in connection with the denial of benefits under an insurance policy.

(c) For purposes of this section:

(1) "insurance policy" means an insurance policy or contract other than: (i) a workers' compensation insurance policy or contract; (ii) a policy or contract issued, executed, renewed, maintained, or delivered in this state by a health carrier as defined in section 62A.011, subdivision 2; or (iii) a policy issued by a township mutual fire insurance company or a farmers mutual fire insurance company under the authority in chapters 65A and 67A; and

(2) "insurer" means an insurance company: (i) incorporated or organized in this state; or (ii) admitted to do business in this state but not incorporated or organized in this state. The term does not include the joint underwriting association operating under chapter 62I.

Subd. 2. **Penalties and remedies.** A person violating subdivision 1 is acting against the public interest and is liable to the insured for costs, damages, and reasonable attorney fees.

Subd. 3. **Insurance producers; liability limited.** A licensed insurance producer is not liable under this section for errors, acts, or omissions attributed to the insurer that appointed the producer to transact business on its behalf, except to the extent the producer has caused or contributed to the error, act, or omission.

Subd. 4. **Arson investigations.** An insurer does not violate this section by conducting an arson investigation to its completion.

Subd. 5. **Right to cure.** (a) As a condition precedent to bringing an action for violation of this section, the insurer must have been given 60 days' written notice of the violation.

(b) The notice shall state with specificity the facts and circumstances giving rise to the violation.

(c) No action shall lie if, within 60 days after notice is given under paragraph (a), the benefits are paid or circumstances giving rise to the violation contained in the notice are corrected.

EFFECTIVE DATE. This section is effective August 1, 2007, and applies to causes of action commenced on or after that date.

Sec. 19. Minnesota Statutes 2006, section 609.135, subdivision 8, is amended to read:

Subd. 8. Fine and surcharge collection. (a) A defendant's obligation to pay court-ordered fines, surcharges, court costs, restitution, and fees shall survive for a period of six years from the date of the expiration of the defendant's stayed sentence for the offense for which the fines, surcharges, court costs, restitution, and fees were imposed, or six years from the imposition or due date of the fines, surcharges, court costs, restitution, and fees, whichever is later. Nothing in this subdivision extends the period of a defendant's stay of sentence imposition or execution.

(b) The six-year period relating to a defendant's obligation to pay restitution under paragraph (a) does not limit the victim's right to collect restitution through other means such as a civil judgment.

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

Sec. 20. Laws 2001, First Special Session chapter 8, article 4, section 4, is amended to read:

Sec. 4. DISTRICT COURTS	\$118,470,000	\$128,842,000
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Carlton County Extraordinary Expenses. \$300,000 the first year is to reimburse Carlton county for extraordinary expenses related to homicide trials. This is a onetime appropriation.

New Judge Units. \$774,000 the first year and \$1,504,000 the second year are for an increase in judgeship units, including one trial court judge unit beginning October 1, 2001, in the tenth judicial district, one trial court judge unit beginning April 1, 2002, in the third judicial district, one trial court judge unit beginning July 1, 2002, in the tenth judicial district, one trial court judge unit beginning January 1, 2003, in the seventh judicial district, and one trial court judge unit beginning January 1, 2003, in the first judicial district. Each judge unit consists of a judge, law clerk, and court reporter.

Alternative Dispute Resolution Programs. A portion of this appropriation may be used for the alternative dispute resolution programs authorized by article 5, section 18.

Supplemental Funding for Certain Mandated Costs. \$4,533,000 the first year and \$6,032,000 the second year are to supplement funding for guardians ad litem, interpreters, rule 20 and civil commitment examinations, and in forma pauperis costs in the fifth, seventh, eighth, and ninth judicial districts.

Trial Court Infrastructure Staff. \$684,000 the first year and \$925,000 the second year are for infrastructure staff.

Court Effectiveness Initiatives; Community Courts and Screener Collectors. \$835,000 the first year and \$765,000 the second year are for court effectiveness initiatives. Of this amount, \$125,000 each year is for continued funding of the community court in the fourth judicial district and \$125,000 each year is for continued funding of the community court in the second judicial district. These are onetime appropriations.

The second judicial district and fourth judicial district shall each report quarterly to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over criminal justice funding on:

- (1) how money appropriated for this initiative was spent; and
- (2) the cooperation of other criminal justice agencies and county units of government in the community courts' efforts.

The first report is due on October 1, 2001. None of this appropriation may be used for the purpose of complying with these reporting requirements.

Of this amount, \$585,000 the first year and \$515,000 the second year are for screener collector programs.

~~The fifth, seventh, and ninth judicial district courts shall implement screener collector programs to enhance the collection of overdue fine revenue by at least ten percent in each location serviced by a screener collector. By August 15, 2002, and annually thereafter, the state court administrator shall report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over criminal justice policy and funding issues on the total amount of fines collected, the amount of overdue fines collected for the two preceding fiscal years, and the expenditures associated with the screener collector program.~~

Ninth District County and Support Pilot Projects. Up to \$99,000 each year may be used for the ninth judicial district to implement the pilot projects on the six-month review of child custody, parenting time, and support orders, and on the accounting for child support by obligees.

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

Sec. 21. Laws 2003, First Special Session chapter 2, article 1, section 2, is amended to read:

Sec. 2. SUPREME COURT	\$38,806,000	\$36,439,000
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~~**Report on Court Fees.** The state court administrator shall review and report back on the financial consequences of policy changes made in the following areas: (1) criminal and traffic offender surcharges; (2) public defender co pays; and (3) the use of revenue recapture to collect the public defender co pay. The report shall also list the local governmental units that employ administrative procedures to collect fines for ordinance violations. The state court administrator must submit the report to the chairs and ranking minority members on the committees that have jurisdiction over court funding by January 15 of each year.~~

\$5,000 each year is for a contingent account for expenses necessary for the normal operation of the court for which no other reimbursement is provided.

Legal Services to Low-Income Clients in Family Law Matters. Of this appropriation, \$877,000 each year is to improve the access of low-income clients to legal representation in family law matters. This appropriation must be distributed under Minnesota Statutes, section 480.242, to the qualified legal services programs described in Minnesota Statutes, section 480.242, subdivision 2, paragraph (a). Any unencumbered balance remaining in the first year does not cancel and is available in the second year.

Of this appropriation, \$355,000 in fiscal year 2005 is for the implementation of the Minnesota Child Support Act and is contingent upon its enactment. This is a onetime appropriation.

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

Sec. 22. **PUBLIC DEFENDER STUDY AND REPORT REQUIRED.**

The State Board of Public Defense and the Hennepin County Board of Commissioners shall jointly prepare a report to the legislature on the history of the funding of the public defender's office in the Fourth Judicial District provided by the state and Hennepin County. The report must compare the costs and services provided by the Fourth Judicial District Public Defender's Office to the costs and services provided by the state Board of Public Defense in all other public defender district offices. The report must detail the amount of funding provided by Hennepin County to the Fourth Judicial District Public Defender's Office and the amount necessary for the state to assume the full costs of the public defender duties in the Fourth Judicial District as in the other judicial districts throughout the

state. The report must also recommend specific legislation that would provide for an appropriate resolution of the state and local funding of the Fourth Judicial District Public Defender's Office. The report must be completed by October 1, 2007, and be submitted to the commissioner of finance, the chairs and ranking minority members of the senate and house committees and divisions with jurisdiction over finance, judiciary, judiciary finance, and public safety finance, and the house Ways and Means Committee.

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

Sec. 23. **REPEALER.**

Minnesota Statutes 2006, sections 260B.173; 480.175, subdivision 3; and 611.20, subdivision 5, are repealed.

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

ARTICLE 6

CORRECTIONS

Section 1. Minnesota Statutes 2006, section 16A.72, is amended to read:

16A.72 INCOME CREDITED TO GENERAL FUND; EXCEPTIONS.

All income, including fees or receipts of any nature, shall be credited to the general fund, except:

- (1) federal aid;
- (2) contributions, or reimbursements received for any account of any division or department for which an appropriation is made by law;
- (3) income to the University of Minnesota;
- (4) income to revolving funds now established in institutions under the control of the commissioners of corrections or human services;
- (5) investment earnings resulting from the master lease program, except that the amount credited to another fund or account may not exceed the amount of the additional expense incurred by that fund or account through participation in the master lease program;
- (6) investment earnings resulting from any gift, donation, devise, endowment, trust, or court ordered or approved escrow account or trust fund, which should be credited to the fund or account and appropriated for the purpose for which it was received;
- (7) receipts from the operation of patients' and inmates' stores and patients' vending machines, which shall be deposited in the social welfare fund, or in the case of prison industries in the correctional revolving fund, in each institution for the benefit of the patients and inmates;
- (8) ~~money received in payment for services of inmate labor employed in the industries carried on in the state correctional facilities which receipts shall be credited to the current expense fund of those facilities~~ income to prison industries which shall be credited to the correctional industries revolving fund;
- (9) as provided in sections 16B.57 and 85.22;

(10) income to the Minnesota Historical Society;

(11) the percent of income collected by a private collection agency and retained by the collection agency as its collection fee; or

(12) as otherwise provided by law.

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

Sec. 2. Minnesota Statutes 2006, section 16B.181, subdivision 2, is amended to read:

Subd. 2. **Public entities; purchases from corrections industries.** (a) The commissioner of corrections, in consultation with the commissioner of administration, shall prepare updated lists of the items available for purchase from Department of Corrections industries and annually forward a copy of the most recent list to all public entities within the state. A public entity that is supported in whole or in part with funds from the state treasury may purchase items directly from corrections industries. The bid solicitation process is not required for these purchases.

(b) The commissioner of administration shall develop a contract or contracts to enable public entities to purchase items directly from corrections industries. ~~The commissioner of administration, in consultation with the commissioner of corrections, shall determine the fair market price for listed items.~~ The commissioner of administration shall require that all requests for bids or proposals, for items provided by corrections industries, be forwarded to the commissioner of corrections to enable corrections industries to submit bids. The commissioner of corrections shall consult with the commissioner of administration prior to introducing new products to the state agency market.

(c) No public entity may evade the intent of this section by adopting slight variations in specifications, when Minnesota corrections industry items meet the reasonable needs and specifications of the public entity.

~~(d) The commissioners of administration and corrections shall develop annual performance measures outlining goals to maximize inmate work program participation. The commissioners of administration and corrections shall appoint co-chairs for a task force whose purpose is to determine additional methods to achieve the performance goals for public entity purchasing. The task force shall include representatives from the Minnesota House of Representatives, Minnesota Senate, the Minnesota State Colleges and Universities, University of Minnesota, Minnesota League of Cities, Minnesota Association of Counties, and administrators with purchasing responsibilities from the Minnesota state Departments of Corrections, Public Safety, Finance, Transportation, Natural Resources, Human Services, Health, and Employment and Economic Development. Notwithstanding section 15.059, the task force created in this paragraph expires on June 30, 2003.~~

~~(e) If performance goals for public entity purchasing are not achieved in two consecutive fiscal years, public entities shall purchase items available from corrections industries. The commissioner of administration shall be responsible for notifying public entities of this requirement.~~

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

Sec. 3. Minnesota Statutes 2006, section 16C.23, subdivision 2, is amended to read:

Subd. 2. **Surplus property.** "Surplus property" means state or federal commodities, equipment, materials, supplies, books, printed matter, buildings, and other personal or real property that is obsolete, unused, not needed for a public purpose, or ineffective for current use. Surplus property does not include products manufactured by or held in inventory by prison industries for sale to the general public in the normal course of its business.

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

Sec. 4. Minnesota Statutes 2006, section 241.016, subdivision 1, is amended to read:

Subdivision 1. **Biennial report.** (a) The Department of Corrections shall submit a performance report to the chairs and ranking minority members of the senate and house committees and divisions having jurisdiction over criminal justice funding by January 15, 2005, and every other year thereafter. The issuance and content of the report must include the following:

- (1) department strategic mission, goals, and objectives;
- (2) the department-wide per diem, adult facility-specific per diems, and an average per diem, reported in a standard calculated method as outlined in the departmental policies and procedures;
- (3) department annual statistics as outlined in the departmental policies and procedures; and
- (4) information about prison-based mental health programs, including, but not limited to, the availability of these programs, participation rates, and completion rates.

(b) The department shall maintain recidivism rates for adult facilities on an annual basis. In addition, each year the department shall, on an alternating basis, complete a recidivism analysis of adult facilities, juvenile services, and the community services divisions and include a three-year recidivism analysis in the report described in paragraph (a). ~~When appropriate, The recidivism analysis must include:~~ (1) assess education programs, vocational programs, treatment programs, including mental health programs, industry, and employment; and (2) assess statewide re-entry policies and funding, including postrelease treatment, education, training, and supervision. In addition, when reporting recidivism for the department's adult and juvenile facilities, the department shall report on the extent to which offenders it has assessed as chemically dependent commit new offenses, with separate recidivism rates reported for persons completing and not completing the department's treatment programs.

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

Sec. 5. Minnesota Statutes 2006, section 241.018, is amended to read:

241.018 PER DIEM CALCULATION.

Subdivision 1. State correctional facilities. (a) The commissioner of corrections shall develop a uniform method to calculate the average department-wide per diem cost of incarcerating offenders at state adult correctional facilities. In addition to other costs currently factored into the per diem, it must include an appropriate percentage of capital costs for all adult correctional facilities and 65 percent of the department's management services budget.

(b) The commissioner also shall use this method of calculating per diem costs for offenders in each state adult correctional facility. When calculating the per diem cost of incarcerating offenders at a particular facility, the commissioner shall include an appropriate percentage of capital costs for the facility and an appropriate prorated amount, given the facility's population, of 65 percent of the department's management services budget.

(c) The commissioner shall ensure that these new per diem methods are used in all future annual performance reports to the legislature and are also reflected in the department's biennial budget document.

Subd. 2. Local correctional facilities. (a) The commissioner of corrections shall develop a uniform method to calculate the average per diem cost of incarcerating offenders in county and regional jail facilities licensed by the commissioner under section 241.021, subdivision 1, paragraph (a).

(b) Each county and regional jail in the state must annually provide the commissioner with a per diem calculation based on the formula the commissioner promulgates pursuant to paragraph (a).

(c) The commissioner shall include the county and regional jail per diem data collected under paragraph (b) in the Department of Correction's annual performance report to the legislature mandated by section 241.016.

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

Sec. 6. Minnesota Statutes 2006, section 241.27, subdivision 1, is amended to read:

Subdivision 1. **Establishment of Minnesota correctional industries; MINNCOR industries.** For the purpose of providing adequate, regular and suitable employment, ~~vocational~~ educational training, and to aid the inmates of state correctional facilities, the commissioner of corrections may establish, equip, maintain and operate at any correctional facility under the commissioner's control such industrial and commercial activities as may be deemed necessary and suitable to the profitable employment, ~~vocational~~ educational training and development of proper work habits of the inmates of state correctional facilities. The industrial and commercial activities authorized by this section are designated MINNCOR industries and shall be for the primary purpose of sustaining and ensuring MINNCOR industries' self-sufficiency, providing ~~vocational~~ educational training, meaningful employment and the teaching of proper work habits to the inmates of correctional facilities under the control of the commissioner of corrections, and not solely as competitive business ventures. The net profits from these activities shall be used for the benefit of the inmates as it relates to education, self-sufficiency skills, and transition services and not to fund non-inmate-related activities or mandates. Prior to the establishment of any industrial and commercial activity, the commissioner of corrections may consult with representatives of business, industry, organized labor, the state Department of Education, the state Apprenticeship Council, the state Department of Labor and Industry, the Department of Employment Security, the Department of Administration, and such other persons and bodies as the commissioner may feel are qualified to determine the quantity and nature of the goods, wares, merchandise and services to be made or provided, and the types of processes to be used in their manufacture, processing, repair, and production consistent with the greatest opportunity for the reform and ~~vocational~~ educational training of the inmates, and with the best interests of the state, business, industry and labor.

The commissioner of corrections shall, at all times in the conduct of any industrial or commercial activity authorized by this section, utilize inmate labor to the greatest extent feasible, provided, however, that the commissioner may employ all administrative, supervisory and other skilled workers necessary to the proper instruction of the inmates and the profitable and efficient operation of the industrial and commercial activities authorized by this section.

Additionally, the commissioner of corrections may authorize the director of any correctional facility under the commissioner's control to accept work projects from outside sources for processing, fabrication or repair, provided that preference shall be given to the performance of such work projects for state departments and agencies.

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

Sec. 7. Minnesota Statutes 2006, section 241.27, subdivision 2, is amended to read:

Subd. 2. **Revolving fund; use of fund.** There is established in the Department of Corrections under the control of the commissioner of corrections the Minnesota correctional industries revolving fund to which shall be transferred the revolving funds authorized in Minnesota Statutes 1978, sections 243.41 and 243.85, clause (f), and any other industrial revolving funds heretofore established at any state correctional facility under the control of the commissioner of corrections. The revolving fund established shall be used for the conduct of the industrial and commercial activities now or hereafter established at any state correctional facility, including but not limited to the purchase of equipment, raw materials, the payment of salaries, wages and other expenses necessary and incident

thereto. The purchase of services, materials, and commodities used in and held for resale are not subject to the competitive bidding procedures of section 16C.06, but are subject to all other provisions of chapters 16B and 16C. When practical, purchases must be made from small targeted group businesses designated under section 16C.16. Additionally, the expenses of inmate ~~vocational~~ educational training, self-sufficiency skills, transition services, and the inmate release fund may be financed from the correctional industries revolving fund in an amount to be determined by the commissioner or the MINNCOR chief executive officer as duly appointed by the commissioner. The proceeds and income from all industrial and commercial activities conducted at state correctional facilities shall be deposited in the correctional industries revolving fund subject to disbursement as hereinabove provided. The commissioner of corrections may request that money in the fund be invested pursuant to section 11A.25; the proceeds from the investment not currently needed shall be accounted for separately and credited to the fund.

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

Sec. 8. Minnesota Statutes 2006, section 241.27, subdivision 3, is amended to read:

Subd. 3. **Disbursement from fund.** The correctional industries revolving fund shall be deposited in the state treasury and paid out only on proper vouchers as may be authorized and approved by the commissioner of corrections, and in the same manner and under the same restrictions as are now provided by law for the disbursement of funds by the commissioner. An amount deposited in the state treasury equal to six months of net operating cash as determined by the prior 12 months of revenue and cash flow statements, shall be restricted for use only by correctional industries as described under subdivision 2. For purposes of this subdivision, "net operating cash" means net income minus sales plus cost of goods sold. Cost of goods sold include all direct costs of correctional industry products attributable to their production. The commissioner of corrections is authorized to keep and maintain at any correctional facility under the commissioner's control a contingent fund, as provided in section 241.13; but the contingent fund shall at all times be covered and protected by a proper and sufficient bond to be duly approved as by law now provided.

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

Sec. 9. Minnesota Statutes 2006, section 241.27, subdivision 4, is amended to read:

Subd. 4. **Revolving fund; borrowing.** The commissioner of corrections is authorized, when in the commissioner's judgment it becomes necessary in order to meet current demands on the correctional industries revolving fund, to borrow sums of money as may be necessary. The sums so borrowed shall not exceed, in any one year, ~~50 percent of the total of the net worth of correctional industries~~ six months of net operating cash as determined by the previous 12 months of the correctional industries' revenue and cash flow statements.

When the commissioner of corrections shall certify to the commissioner of finance that, in the commissioner's judgment, it is necessary to borrow a specified sum of money in order to meet the current demands on the correctional industries revolving fund, and the commissioner of finance may, in the commissioner's discretion, transfer and credit to the correctional industries revolving fund, from any moneys in the state treasury not required for immediate disbursement, the whole or such part of the amount so certified as they deem advisable, which sum so transferred shall be repaid by the commissioner from the revolving fund to the fund from which transferred, at such time as shall be specified by the commissioner of finance, together with interest thereon at such rate as shall be specified by the commissioner of finance, not exceeding four percent per annum. When any transfer shall so have been made to the correctional industries revolving fund, the commissioner of finance shall notify the commissioner of corrections of the amount so transferred to the credit of the correctional industries revolving fund, the date when the same is to be repaid, and the rate of interest so to be paid.

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

Sec. 10. Minnesota Statutes 2006, section 241.278, is amended to read:

241.278 AGREEMENTS FOR WORK FORCE OF STATE OR COUNTY JAIL INMATES.

The commissioner of corrections, in the interest of inmate rehabilitation or to promote programs under section 241.275, subdivision 2, may enter into interagency agreements with state, county, or municipal agencies, or contract with nonprofit agencies to manage, fund, or partially fund the cost of programs that use state or county jail inmates as a work force. The commissioner is authorized to receive funds via these agreements and these funds are appropriated to the commissioner for community service programming or when prison industries are party to the agreement, shall be deposited in the Minnesota correctional industries revolving fund for use as described under section 241.27, subdivision 2.

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

Sec. 11. Minnesota Statutes 2006, section 241.69, subdivision 3, is amended to read:

Subd. 3. **Transfer.** If the licensed mental health professional finds the person to be a person who is mentally ill and in need of short-term care, the ~~examining licensed mental health care~~ professional may recommend transfer by the commissioner of corrections to the mental health unit established pursuant to subdivision 1.

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

Sec. 12. Minnesota Statutes 2006, section 241.69, subdivision 4, is amended to read:

Subd. 4. **Commitment.** If the ~~examining health care professional or~~ licensed mental health professional finds the person to be a person who is mentally ill and in need of long-term care in a hospital, or if an inmate transferred pursuant to subdivision 3 refuses to voluntarily participate in the treatment program at the mental health unit, the director of psychological services of the institution or the mental health professional shall initiate proceedings for judicial commitment as provided in section 253B.07. Upon the recommendation of the licensed mental health professional and upon completion of the hearing and consideration of the record, the court may commit the person to the mental health unit established in subdivision 1 or to another hospital. A person confined in a state correctional institution for adults who has been adjudicated to be a person who is mentally ill and in need of treatment may be committed to the commissioner of corrections and placed in the mental health unit established in subdivision 1.

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

Sec. 13. 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 Department of Corrections for the purpose of postconfinement employment tracking.
- (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 July 1, 2007.

Sec. 14. Minnesota Statutes 2006, section 383A.08, subdivision 6, is amended to read:

Subd. 6. **Rules and regulations.** The county may promulgate rules and regulations for the proper operation and maintenance of each facility and the proper care and discipline of inmates detained in the facility. These rules and regulations may, among other things, provide for the diminution of sentences of inmates for good behavior, ~~but in no event to exceed a total of five days for each 30-day sentence~~ in accordance with section 643.29.

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

Sec. 15. Minnesota Statutes 2006, section 383A.08, subdivision 7, is amended to read:

Subd. 7. **Confinement of inmates from other counties.** The county may accept an inmate for confinement at a county correction facility when the inmate is committed to the facility by order of a judge of a municipality or county outside Ramsey County if the county is paid the amount of compensation for board, confinement, and maintenance of the inmate that it determines. ~~No compensation of this kind may be in an amount less than the actual per diem cost per person confined.~~ A county outside Ramsey County or a municipality outside Ramsey County may enter into and agree with Ramsey County for the incarceration of prisoners.

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

Sec. 16. Minnesota Statutes 2006, section 401.15, subdivision 1, is amended to read:

Subdivision 1. **Certified statements; determinations; adjustments.** ~~On or before~~ Within 60 days of the end of each calendar quarter, participating counties which have received the payments authorized by section 401.14 shall submit to the commissioner certified statements detailing the amounts expended and costs incurred in furnishing the correctional services provided in sections 401.01 to 401.16. Upon receipt of certified statements, the commissioner shall, in the manner provided in sections 401.10 and 401.12, determine the amount each participating county is entitled to receive, making any adjustments necessary to rectify any disparity between the amounts received pursuant to the estimate provided in section 401.14 and the amounts actually expended. If the amount received pursuant to the estimate is greater than the amount actually expended during the quarter, the commissioner may withhold the difference from any subsequent monthly payments made pursuant to section 401.14. Upon certification by the commissioner of the amount a participating county is entitled to receive under the provisions of section 401.14 or of this subdivision the commissioner of finance shall thereupon issue a state warrant to the chief fiscal officer of each participating county for the amount due together with a copy of the certificate prepared by the commissioner.

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

Sec. 17. Minnesota Statutes 2006, section 641.15, is amended by adding a subdivision to read:

Subd. 3a. **Intake procedure; approved mental health screening.** As part of its intake procedure for new prisoners, the sheriff or local corrections shall use a mental health screening tool approved by the commissioner of corrections in consultation with the commissioner of human services and local corrections staff to identify persons who may have mental illness.

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

Sec. 18. Minnesota Statutes 2006, section 641.265, subdivision 2, is amended to read:

Subd. 2. **Withdrawal.** A county board may withdraw from cooperation in a regional jail system ~~if the county boards of all of the other cooperating counties decide, by majority vote, to allow the withdrawal in accordance with the terms of a joint powers agreement.~~ With the approval of the county board of each cooperating county, the regional jail board shall fix the sum, if any, to be paid to the county withdrawing, to reimburse it for capital cost, debt service, or lease rental payments made by the county prior to withdrawal, in excess of its proportionate share of benefits from the regional jail prior to withdrawal, and the time and manner of making the payments. The payments shall be deemed additional payments of capital cost, debt service, or lease rentals to be made proportionately by the remaining counties and, when received, shall be deposited in and paid from the regional jail fund; provided that:

~~(a)~~ (1) payments shall not be made from any amounts in the regional jail fund which are needed for maintenance and operation expenses or lease rentals currently due and payable; and

~~(b)~~ (2) the withdrawing county shall remain obligated for the payment of its proportionate share of any lease rentals due and payable after its withdrawal, in the event and up to the amount of any lease payment not made when due by one or more of the other cooperating counties.

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

Sec. 19. **DISCIPLINARY CONFINEMENT; PROTOCOL.**

The commissioner of corrections shall develop a protocol that is fair, firm, and consistent so that inmates have an opportunity to be released from disciplinary confinement in a timely manner. For those inmates in disciplinary confinement who are nearing the inmate's release date, the commissioner of corrections shall develop a reentry plan.

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

Sec. 20. **REPEALER.**

Minnesota Statutes 2006, sections 241.021, subdivision 5; 241.85, subdivision 2; and 242.193, subdivision 2, are repealed.

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

ARTICLE 7

PUBLIC SAFETY

Section 1. Minnesota Statutes 2006, section 13.82, subdivision 27, is amended to read:

Subd. 27. **Pawnshop and scrap metal dealer data.** Data that would reveal the identity of persons who are customers of a licensed pawnbroker ~~or~~, secondhand goods dealer, or a scrap metal dealer are private data on individuals. Data describing the property in a regulated transaction with a licensed pawnbroker ~~or~~, secondhand goods dealer, or a scrap metal dealer are public.

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

Sec. 2. Minnesota Statutes 2006, section 243.167, subdivision 1, is amended to read:

Subdivision 1. **Definition.** As used in this section, "crime against the person" means a violation of any of the following or a similar law of another state or of the United States: section 609.165; 609.185; 609.19; 609.195; 609.20; 609.205; 609.221; 609.222; 609.223; 609.2231; 609.224, subdivision 2 or 4; 609.2242, subdivision 2 or 4; 609.2247; 609.235; 609.245, subdivision 1; 609.25; 609.255; 609.3451, subdivision 2; 609.498, subdivision 1; 609.582, subdivision 1; or 617.23, subdivision 2; or any felony-level violation of section 609.229; 609.377; 609.749; or 624.713.

EFFECTIVE DATE. This section is effective the day following final enactment, and applies retroactively to crimes committed on or after August 1, 2005.

Sec. 3. Minnesota Statutes 2006, section 297I.06, subdivision 3, is amended to read:

Subd. 3. **Fire safety account, annual transfers, allocation.** A special account, to be known as the fire safety account, is created in the state treasury. The account consists of the proceeds under subdivisions 1 and 2. \$468,000 in fiscal year 2008 and \$2,268,000 in each year thereafter is transferred from the fire safety account in the special

revenue fund to the general fund to offset the loss of revenue caused by the repeal of the one-half of one percent tax on fire insurance premiums. ~~The general fund base appropriation for the fire marshal program is reduced by \$2,832,000 in fiscal year 2008 and each year thereafter. The base funding for the fire marshal program from the fire safety account in the special revenue fund shall be \$2,832,000 in fiscal year 2008 and each year thereafter.~~

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

Sec. 4. Minnesota Statutes 2006, section 299A.641, subdivision 2, is amended to read:

Subd. 2. **Membership.** The oversight council shall consist of the following individuals or their designees:

- (1) the director of the office of special investigations as the representative of the commissioner of corrections;
- (2) the superintendent of the Bureau of Criminal Apprehension as the representative of the commissioner of public safety;
- (3) the attorney general;
- (4) eight chiefs of police, selected by the Minnesota Chiefs of Police Association, two of which must be selected from cities with populations greater than 200,000;
- (5) eight sheriffs, selected by the Minnesota Sheriffs Association to represent each district, two of which must be selected from counties with populations greater than 500,000;
- (6) the United States attorney for the district of Minnesota;
- (7) two county attorneys, selected by the Minnesota County Attorneys Association;
- (8) a command-level representative of a gang strike force;
- (9) a representative from a drug task force, selected by the Minnesota State Association of Narcotics Investigators;
- (10) a representative from the United States Drug Enforcement Administration;
- (11) a representative from the United States Bureau of Alcohol, Tobacco, and Firearms;
- (12) a representative from the Federal Bureau of Investigation;
- (13) a tribal peace officer, selected by the Minnesota Tribal Law Enforcement Association; ~~and~~
- (14) two additional members who may be selected by the oversight council;
- (15) a senator who serves on the committee having jurisdiction over criminal justice policy, chosen by the Subcommittee on Committees of the senate Committee on Rules and Administration; and
- (16) a representative who serves on the committee having jurisdiction over criminal justice policy, chosen by the speaker of the house of representatives.

The oversight council may adopt procedures to govern its conduct as necessary and may select a chair from among its members. The legislative members of the council may not vote on matters before the council.

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

Sec. 5. Minnesota Statutes 2006, section 299A.681, subdivision 2, is amended to read:

Subd. 2. **Membership.** The oversight council consists of the following individuals, or their designees:

- (1) the commissioner of public safety;
- (2) the attorney general;
- (3) two chiefs of police, selected by the Minnesota Chiefs of Police Association from police departments that participate in the Minnesota Financial Crimes Task Force;
- (4) two sheriffs, selected by the Minnesota Sheriffs Association from sheriff departments that participate in the task force;
- (5) the United States attorney for the district of Minnesota;
- (6) a county attorney, selected by the Minnesota County Attorneys Association;
- (7) a representative from the United States Postal Inspector's Office, selected by the oversight council;
- (8) a representative from a not-for-profit retail merchants industry, selected by the oversight council;
- (9) a representative from a not-for-profit banking and credit union industry, selected by the oversight council;
- (10) a representative from a not-for-profit association representing senior citizens, selected by the oversight council;
- (11) the statewide commander of the task force;
- (12) a representative from the Board of Public Defense, selected by the board; ~~and~~
- (13) two additional members selected by the oversight council;
- (14) a senator who serves on the committee having jurisdiction over criminal justice policy, chosen by the Subcommittee on Committees of the senate Committee on Rules and Administration; and
- (15) a representative who serves on the committee having jurisdiction over criminal justice policy, chosen by the speaker of the house of representatives.

The oversight council may adopt procedures to govern its conduct and shall select a chair from among its members. The legislative members of the council may not vote on matters before the council.

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

Sec. 6. Minnesota Statutes 2006, section 299A.681, is amended by adding a subdivision to read:

Subd. 13. Report required. By February 1 of each year, the oversight council shall report to the chairs and ranking minority members of the senate and house of representatives committees and divisions having jurisdiction over criminal justice policy and funding on the activities of the council and task force. At a minimum, this annual report must include:

(1) a description of the council's and task force's goals for the previous year and for the coming year;

(2) a description of the outcomes the council and task force achieved or did not achieve during the preceding year and a description of the outcomes they will seek to achieve during the coming year;

(3) any legislative recommendations the council or task force has including, where necessary, a description of the specific legislation needed to implement the recommendations;

(4) a detailed accounting of how appropriated money, grants, and in-kind contributions were spent; and

(5) a detailed accounting of the grants awarded under this section.

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

Sec. 7. **[299C.25] SCRAP METAL DEALERS; EDUCATIONAL MATERIALS.**

(a) The superintendent shall develop educational materials relating to the laws governing scrap metal dealers, including, but not limited to, applicable laws addressing receiving stolen property and the provisions of section 325E.21. In addition, the materials must address the proper use of the criminal alert network under section 299A.61, and must include a glossary of the terms used by law enforcement agencies to describe items of scrap metal that are different from the terms used in the scrap metal industry to describe those same items.

(b) In developing the materials under paragraph (a), the superintendent shall seek the advice of scrap metal trade associations, Minnesota scrap metal dealers, and law enforcement agencies.

(c) The superintendent shall distribute the materials developed in paragraph (a) to all scrap metal dealers registered with the criminal alert network.

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

Sec. 8. Minnesota Statutes 2006, section 299C.65, subdivision 2, is amended to read:

Subd. 2. **Task force.** ~~(a) The policy group shall appoint~~ A task force ~~to shall~~ assist ~~them~~ the policy group in ~~their~~ its duties. The task force shall monitor, review, and report to the policy group on CriMNet-related projects and provide oversight to ongoing operations as directed by the policy group. The task force shall consist of the following members:

(1) two ~~sheriffs recommended~~ members appointed by the Minnesota Sheriffs Association, at least one of whom must be a sheriff;

(2) two ~~police chiefs recommended~~ members appointed by the Minnesota Chiefs of Police Association, at least one of whom must be a chief of police;

(3) two ~~county attorneys recommended~~ members appointed by the Minnesota County Attorneys Association, at least one of whom must be a county attorney;

(4) two ~~city attorneys recommended~~ members appointed by the Minnesota League of Cities representing the interests of city attorneys, at least one of whom must be a city attorney;

(5) two ~~public defenders~~ members appointed by the Board of Public Defense, at least one of whom must be a public defender;

(6) two district judges appointed by the Judicial Council, ~~one of whom is currently assigned to the juvenile court~~ at least one of whom has experience dealing with juvenile court matters;

(7) two ~~community~~ corrections administrators ~~recommended~~ appointed by the Minnesota Association of Counties; representing the interests of local corrections, at least one of whom represents a community corrections act county;

(8) two probation officers appointed by the commissioner of corrections in consultation with the president of the Minnesota Association of Community Corrections Act Counties and the president of the Minnesota Association of County Probation Officers;

(9) four public members appointed by the governor for a term of six years, one of whom ~~has been a victim of crime~~ represents the interests of victims, and two ~~who~~ of whom are representatives of the private business community who have expertise in integrated information systems and who for the purpose of meetings of the full task force may be compensated pursuant to section 15.059;

(10) two ~~court administrators~~ members appointed by the Minnesota Association for Court Management, at least one of whom must be a court administrator;

(11) one member of the house of representatives appointed by the speaker of the house, or an alternate who is also a member of the house, appointed by the speaker of the house;

(12) one member of the senate appointed by the majority leader, or an alternate who is also a member of the senate, appointed by the majority leader of the senate;

(13) one member appointed by the attorney general or a designee;

(14) two ~~individuals recommended~~ elected officials appointed by the Minnesota League of Cities, one of whom works or resides in greater Minnesota and one of whom works or resides in the seven-county metropolitan area;

(15) two ~~individuals recommended~~ elected officials appointed by the Minnesota Association of Counties, one of whom works or resides in greater Minnesota and one of whom works or resides in the seven-county metropolitan area;

(16) the director of the Sentencing Guidelines Commission or a designee;

(17) one member appointed by the state chief information officer;

(18) one member appointed by the commissioner of public safety;

(19) one member appointed by the commissioner of corrections;

(20) one member appointed by the commissioner of administration; and

(21) one member appointed by the chief justice of the Supreme Court.

~~(b) In making these appointments, the appointing authority shall select members with expertise in integrated data systems or best practices.~~

~~(c) The commissioner of public safety may appoint additional, nonvoting members to the task force as necessary from time to time.~~

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

Sec. 9. Minnesota Statutes 2006, section 299C.65, subdivision 5, is amended to read:

Subd. 5. **Review of funding and grant requests.** (a) The Criminal and Juvenile Justice Information Policy Group shall review the funding requests for criminal justice information systems from state, county, and municipal government agencies. The policy group shall review the requests for compatibility to statewide criminal justice information system standards. The review shall be forwarded to the chairs and ranking minority members of the house and senate committees and divisions with jurisdiction over criminal justice funding and policy.

(b) The CriMNet program office, in consultation with the Criminal and Juvenile Justice Information Task Force and with the approval of the policy group, shall create the requirements for any grant request and determine the integration priorities for the grant period. The CriMNet program office shall also review the requests submitted for compatibility to statewide criminal justice information systems standards.

(c) The task force shall review funding requests for criminal justice information systems grants and make recommendations to the policy group. The policy group shall review the recommendations of the task force and shall make a final recommendation for criminal justice information systems grants to be made by the commissioner of public safety. Within the limits of available state appropriations and federal grants, the commissioner of public safety shall make grants for projects that have been recommended by the policy group.

(d) The policy group may approve grants only if the applicant provides an appropriate share of matching funds as determined by the policy group to help pay up to one-half of the costs of the grant request. The matching requirement must be constant for all ~~counties~~ applicants within each grant offering. The policy group shall adopt policies concerning the use of in-kind resources to satisfy the match requirement and the sources from which matching funds may be obtained. Local operational or technology staffing costs may be considered as meeting this match requirement. Each grant recipient shall certify to the policy group that it has not reduced funds from local, county, federal, or other sources which, in the absence of the grant, would have been made available to the grant recipient to improve or integrate criminal justice technology.

(e) All grant recipients shall submit to the CriMNet program office all requested documentation including grant status, financial reports, and a final report evaluating how the grant funds improved the agency's criminal justice integration priorities. The CriMNet program office shall establish the recipient's reporting dates at the time funds are awarded.

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

Sec. 10. **[299F.850] CIGARETTE FIRE SAFETY DEFINITIONS.**

Subdivision 1. **Scope.** The terms used in sections 299F.850 to 299F.859 have the meanings given them in this section.

Subd. 2. **Agent.** "Agent" means any person licensed by the commissioner of revenue to purchase and affix adhesive or meter stamps on packages of cigarettes.

Subd. 3. **Cigarette.** "Cigarette" means any roll for smoking made wholly or in part of tobacco, the wrapper or cover of which is made of paper or any other substance or material except tobacco.

Subd. 4. **Manufacturer.** "Manufacturer" means:

(1) any entity that manufactures or otherwise produces cigarettes or causes cigarettes to be manufactured or produced anywhere that the manufacturer intends to be sold in the state, including cigarettes intended to be sold in the United States through an importer;

(2) the first purchaser anywhere that intends to resell in the United States cigarettes manufactured anywhere that the original manufacturer or maker does not intend to be sold in the United States; or

(3) any entity that becomes a successor of an entity described in clause (1) or (2).

Subd. 5. **Quality control and quality assurance program.** "Quality control and quality assurance program" means the laboratory procedures implemented to ensure that operator bias, systematic and nonsystematic methodological errors, and equipment-related problems do not affect the results of the testing. This program ensures that the testing repeatability remains within the required repeatability values stated in section 299F.851, subdivision 1, paragraph (g), for all test trials used to certify cigarettes in accordance with sections 299F.850 to 299F.859.

Subd. 6. **Repeatability.** "Repeatability" means the range of values within which the repeat results of cigarette test trials from a single laboratory will fall 95 percent of the time.

Subd. 7. **Retail dealer.** "Retail dealer" means any person, other than a wholesale dealer, engaged in selling cigarettes or tobacco products.

Subd. 8. **Sale.** "Sale" means any transfer of title or possession or both, exchange or barter, conditional or otherwise, in any manner or by any means whatever or any agreement therefore. In addition to cash and credit sales, the giving of cigarettes as samples, prizes, or gifts and the exchanging of cigarettes for any consideration other than money, are considered sales.

Subd. 9. **Sell.** "Sell" means to make a sale or to offer or agree to make a sale.

Subd. 10. **Wholesale dealer.** "Wholesale dealer" means any person who (1) sells cigarettes or tobacco products to retail dealers or other persons for purposes of resale or (2) owns, operates, or maintains one or more cigarette or tobacco product vending machines in, at, or upon premises owned or occupied by any other person.

EFFECTIVE DATE. This section is effective the first day of the 19th month following the date of its final enactment.

Sec. 11. [299F.851] TEST METHOD AND PERFORMANCE STANDARD.

Subdivision 1. **Requirements.** (a) Except as provided in this subdivision, no cigarettes may be sold or offered for sale in this state or offered for sale or sold to persons located in this state unless (1) the cigarettes have been tested in accordance with the test method and have met the performance standard specified in this section, (2) a written certification has been filed by the manufacturer with the state fire marshal in accordance with section 299F.852, and (3) the cigarettes have been marked in accordance with section 299F.853.

(b) Testing of cigarettes must be conducted in accordance with the American Society of Testing and Materials (ASTM) Standard E2187-04, "Standard Test Method for Measuring the Ignition Strength of Cigarettes."

(c) Testing must be conducted on ten layers of filter paper.

(d) No more than 25 percent of the cigarettes tested in a test trial in accordance with this section may exhibit full-length burns. Forty replicate tests comprise a complete test trial for each cigarette tested.

(e) The performance standard required by this subdivision must only be applied to a complete test trial.

(f) Written certifications must be based upon testing conducted by a laboratory that has been accredited pursuant to standard ISO/IEC 17025 of the International Organization for Standardization (ISO), or other comparable accreditation standard required by the state fire marshal.

(g) Laboratories conducting testing in accordance with this section shall implement a quality control and quality assurance program that includes a procedure that will determine the repeatability of the testing results. The repeatability value must be no greater than 0.19.

(h) This subdivision does not require additional testing if cigarettes are tested consistent with sections 299F.850 to 299F.859 for any other purpose.

(i) Testing performed or sponsored by the state fire marshal to determine a cigarette's compliance with the performance standard required must be conducted in accordance with this section.

Subd. 2. **Permeability bands.** Each cigarette listed in a certification submitted pursuant to section 299F.852 that uses lowered permeability bands in the cigarette paper to achieve compliance with the performance standard set forth in this section must have at least two nominally identical bands on the paper surrounding the tobacco column. At least one complete band must be located at least 15 millimeters from the lighting end of the cigarette. For cigarettes on which the bands are positioned by design, there must be at least two bands fully located at least 15 millimeters from the lighting end and ten millimeters from the filter end of the tobacco column, or ten millimeters from the labeled end of the tobacco column for nonfiltered cigarettes.

Subd. 3. **Equivalent test methods.** A manufacturer of a cigarette that the state fire marshal determines cannot be tested in accordance with the test method prescribed in subdivision 1, paragraph (b), shall propose a test method and performance standard for the cigarette to the state fire marshal. Upon approval of the proposed test method and a determination by the state fire marshal that the performance standard proposed by the manufacturer is equivalent to the performance standard prescribed in subdivision 1, paragraph (d), the manufacturer may employ such test method and performance standard to certify the cigarette pursuant to section 299F.852. If the state fire marshal determines that another state has enacted reduced cigarette ignition propensity standards that include a test method and performance standard that are the same as those contained in this subdivision, and the state fire marshal finds that the officials responsible for implementing those requirements have approved the proposed alternative test method and performance standard for a particular cigarette proposed by a manufacturer as meeting the fire safety standards of that state's law or regulation under a legal provision comparable to this subdivision, then the state fire marshal shall authorize that manufacturer to employ the alternative test method and performance standard to certify that cigarette for sale in this state, unless the state fire marshal demonstrates a reasonable basis why the alternative test should not be accepted under sections 299F.850 to 299F.859. All other applicable requirements of this section apply to the manufacturer.

Subd. 4. **Civil penalty.** Each manufacturer shall maintain copies of the reports of all tests conducted on all cigarettes offered for sale for a period of three years, and shall make copies of these reports available to the state fire marshal and the attorney general upon written request. Any manufacturer who fails to make copies of these reports available within 60 days of receiving a written request is subject to a civil penalty not to exceed \$10,000 for each day after the 60th day that the manufacturer does not make such copies available.

Subd. 5. **Future ASTM Standards.** The state fire marshal may, by written order published in the State Register, adopt a subsequent ASTM Standard Test Method for Measuring the Ignition Strength of Cigarettes upon a finding that the subsequent method does not result in a change in the percentage of full-length burns exhibited by any tested cigarette when compared to the percentage of full-length burns the same cigarette would exhibit when tested in accordance with ASTM Standard E2187-04 and the performance standard in subdivision 1, paragraph (d). A determination by the state fire marshal under this subdivision is exempt from the rulemaking provisions of chapter 14, and section 14.386 does not apply.

Subd. 6. **Report to legislature.** The state fire marshal shall review the effectiveness of this section and report findings every three years to the legislature and, if appropriate, make recommendations for legislation to improve the effectiveness of this section. The report and legislative recommendations must be submitted no later than January 2 of each three-year period.

Subd. 7. **Inventory before state standards.** The requirements of subdivision 1 do not prohibit wholesale or retail dealers from selling their existing inventory of cigarettes on or after the effective date of this section if the wholesale or retail dealer can establish that state tax stamps were affixed to the cigarettes before the effective date of this section, and if the wholesale or retail dealer can establish that the inventory was purchased before the effective date of this section in comparable quantity to the inventory purchased during the same period of the previous year.

Subd. 8. **Implementation.** This section must be implemented in accordance with the implementation and substance of the New York "Fire Safety Standards for Cigarettes."

EFFECTIVE DATE. This section is effective the first day of the 19th month following the date of its final enactment.

Sec. 12. **[299F.852] CERTIFICATION AND PRODUCT CHANGE.**

Subdivision 1. **Attestation.** Each manufacturer shall submit to the state fire marshal a written certification attesting that each cigarette listed in the certification:

- (1) has been tested in accordance with section 299F.851; and
- (2) meets the performance standard set forth in section 299F.851, subdivision 1, paragraph (d).

Subd. 2. **Description.** Each cigarette listed in the certification must be described with the following information:

- (1) brand or trade name on the package;
- (2) style, such as light or ultra light;
- (3) length in millimeters;
- (4) circumference in millimeters;
- (5) flavor, such as menthol or chocolate, if applicable;
- (6) filter or nonfilter;
- (7) package description, such as soft pack or box;
- (8) marking approved in accordance with section 299F.853;
- (9) the name, address, and telephone number of the laboratory, if different than the manufacturer that conducted the test; and
- (10) the date that the testing occurred.

Subd. 3. **Information availability.** The certifications must be made available to the attorney general for purposes consistent with this section and the commissioner of revenue for the purposes of ensuring compliance with this subdivision.

Subd. 4. **Recertification.** Each cigarette certified under this subdivision must be recertified every three years.

Subd. 5. **Fee.** For each cigarette listed in a certification, a manufacturer shall pay to the state fire marshal a \$250 fee, to be deposited in the reduced cigarette ignition propensity account described in section 299F.857.

Subd. 6. **Retesting.** If a manufacturer has certified a cigarette pursuant to this section, and thereafter makes any change to the cigarette that is likely to alter its compliance with the reduced cigarette ignition propensity standards required by sections 299F.850 to 299F.859, that cigarette must not be sold or offered for sale in this state until the manufacturer retests the cigarette in accordance with the testing standards set forth in section 299F.851 and maintains records of that retesting as required by section 299F.851. Any altered cigarette that does not meet the performance standard set forth in section 299F.851 may not be sold in this state.

EFFECTIVE DATE. This section is effective the first day of the 19th month following the date of its final enactment.

Sec. 13. **[299F.853] MARKING AND CIGARETTE PACKAGING.**

(a) Cigarettes that are certified by a manufacturer in accordance with section 299F.852 must be marked to indicate compliance with the requirements of section 299F.851. The marking must be in eight-point type or larger and consist of:

(1) modification of the product UPC code to include a visible mark printed at or around the area of the UPC code, which may consist of alphanumeric or symbolic characters permanently stamped, engraved, embossed, or printed in conjunction with the UPC;

(2) any visible combination of alphanumeric or symbolic characters permanently stamped, engraved, or embossed upon the cigarette package or cellophane wrap; or

(3) printed, stamped, engraved, or embossed text that indicates that the cigarettes meet the standards of sections 299F.850 to 299F.859.

(b) A manufacturer shall use only one marking and shall apply this marking uniformly for all brands marketed by that manufacturer and all packages, including but not limited to packs, cartons, and cases.

(c) The state fire marshal must be notified as to the marking that is selected.

(d) Prior to the certification of any cigarette, a manufacturer shall present its proposed marking to the state fire marshal for approval. Upon receipt of the request, the state fire marshal shall approve or disapprove the marking offered, except that the state fire marshal shall approve any marking in use and approved for sale in New York pursuant to the New York "Fire Safety Standards for Cigarettes." Proposed markings are deemed approved if the state fire marshal fails to act within ten business days of receiving a request for approval.

(e) No manufacturer shall modify its approved marking unless the modification has been approved by the state fire marshal in accordance with this section.

(f) Manufacturers certifying cigarettes in accordance with section 299F.852 shall provide a copy of the certifications to all wholesale dealers and agents to which they sell cigarettes, and shall also provide sufficient copies of an illustration of the package marking utilized by the manufacturer pursuant to this section for each retail dealer to which the wholesale dealers or agents sell cigarettes. Wholesale dealers and agents shall provide a copy of these package markings received from manufacturers to all retail dealers to whom they sell cigarettes. Wholesale dealers, agents, and retail dealers shall permit the state fire marshal, the commissioner of revenue, the attorney general, and their employees to inspect markings of cigarette packaging marked in accordance with this section.

EFFECTIVE DATE. This section is effective the first day of the 19th month following the date of its final enactment.

Sec. 14. **[299F.854] PENALTIES AND REMEDIES.**

Subdivision 1. **Wholesale.** (a) A manufacturer, wholesale dealer, agent, or any other person or entity who knowingly sells or offers to sell cigarettes, other than through retail sale, in violation of section 299F.851 is liable to a civil penalty:

(1) for a first offense, not to exceed \$10,000 per each sale of such cigarettes; and

(2) for a subsequent offense, not to exceed \$25,000 per each sale of such cigarettes.

(b) However, the penalty against any such person or entity for a violation under paragraph (a) must not exceed \$100,000 during any 30-day period.

Subd. 2. **Retail.** (a) A retail dealer who knowingly sells cigarettes in violation of section 299F.851 is liable to a civil penalty for a first offense, not to exceed:

(1) \$500, and for a subsequent offense, not to exceed \$2,000, per each sale or offer for sale of such cigarettes, if the total number sold or offered for sale does not exceed 1,000 cigarettes; or

(2) \$1,000, and for a subsequent offense, not to exceed \$5,000, per each sale or offer for sale of such cigarettes, if the total number sold or offered for sale exceeds 1,000 cigarettes.

(b) However, the penalty against any retail dealer must not exceed \$25,000 during any 30-day period.

Subd. 3. **False certification.** In addition to any penalty prescribed by law, any corporation, partnership, sole proprietor, limited partnership, or association engaged in the manufacture of cigarettes that knowingly makes a false certification pursuant to this subdivision is, for a first offense, liable to a civil penalty of at least \$75,000, and for a subsequent offense a civil penalty not to exceed \$250,000 for each false certification.

Subd. 4. **Violation of other provision.** Any person violating any other provision in sections 299F.850 to 299F.859 is liable to a civil penalty for a first offense not to exceed \$1,000, and for a subsequent offense a civil penalty not to exceed \$5,000, for each violation.

Subd. 5. **Forfeiture.** Cigarettes that have been sold or offered for sale that do not comply with the performance standard required by section 299F.851 are subject to forfeiture under section 297F.21 and, upon judgment of forfeiture, shall be destroyed; provided, however, that before destroying any cigarettes seized in accordance with section 297F.21, which seizure is hereby authorized, the true holder of the trademark rights in the cigarette brand must be permitted to inspect the cigarette.

Subd. 6. **Remedies.** In addition to any other remedy provided by law, the state fire marshal or attorney general may institute a civil action in district court for a violation of this section, including petitioning for injunctive relief or to recover any costs or damages suffered by the state because of a violation under this section, including enforcement costs relating to the specific violation and attorney fees. Each violation of sections 299F.850 to 299F.859 or of rules adopted under sections 299F.850 to 299F.859 constitutes a separate civil violation for which the state fire marshal or attorney general may obtain relief.

EFFECTIVE DATE. This section is effective the first day of the 19th month following the date of its final enactment.

Sec. 15. **[299F.855] IMPLEMENTATION.**

Subdivision 1. **Rules.** The commissioner of public safety, in consultation with the state fire marshal, may adopt rules, pursuant to chapter 14, necessary to effectuate the purposes of sections 299F.850 to 299F.859.

Subd. 2. **Commissioner of revenue.** The commissioner of revenue in the regular course of conducting inspections of wholesale dealers, agents, and retail dealers, as authorized under chapter 297F, may inspect cigarettes to determine if the cigarettes are marked as required by section 299F.853. If the cigarettes are not marked as required, the commissioner of revenue shall notify the state fire marshal.

EFFECTIVE DATE. Subdivision 1 is effective the day following final enactment. Subdivision 2 is effective the first day of the 19th month following the date of its final enactment.

Sec. 16. **[299F.856] INSPECTION.**

To enforce sections 299F.850 to 299F.859, the attorney general and the state fire marshal may examine the books, papers, invoices, and other records of any person in possession, control, or occupancy of any premises where cigarettes are placed, stored, sold, or offered for sale, as well as the stock of cigarettes on the premises. Every person in the possession, control, or occupancy of any premises where cigarettes are placed, sold, or offered for sale is hereby directed and required to give the attorney general and the state fire marshal the means, facilities, and opportunity for the examinations authorized by this section.

EFFECTIVE DATE. This section is effective the first day of the 19th month following the date of its final enactment.

Sec. 17. **[299F.857] REDUCED CIGARETTE IGNITION PROPENSITY ACCOUNT.**

The reduced cigarette ignition propensity account is established in the state treasury. The account consists of all money recovered as penalties under section 299F.854 and fees collected under section 299F.852, subdivision 5. The money must be deposited to the credit of the account and, in addition to any other money made available for such purpose, is appropriated to the state fire marshal for costs associated with sections 299F.850 to 299F.859.

EFFECTIVE DATE. This section is effective the first day of the 19th month following the date of its final enactment.

Sec. 18. **[299F.858] SALE OUTSIDE OF MINNESOTA.**

Sections 299F.850 to 299F.859 do not prohibit any person or entity from manufacturing or selling cigarettes that do not meet the requirements of section 299F.851 if the cigarettes are or will be stamped for sale in another state or are packaged for sale outside the United States and that person or entity has taken reasonable steps to ensure that such cigarettes will not be sold or offered for sale to persons located in Minnesota.

EFFECTIVE DATE. This section is effective the first day of the 19th month following the date of its final enactment.

Sec. 19. **[299F.859] LOCAL REGULATION.**

Notwithstanding any other provision of law, the local governmental units of this state may neither enact nor enforce any ordinance or other local law or regulation conflicting with, or preempted by, any provision of sections 299F.850 to 299F.858 or with any policy of this state expressed by sections 299F.850 to 299F.858, whether that policy be expressed by inclusion of a provision in sections 299F.850 to 299F.858 or by exclusion of that subject from sections 299F.850 to 299F.858.

EFFECTIVE DATE. This section is effective the first day of the 19th month following the date of its final enactment.

Sec. 20. Minnesota Statutes 2006, section 299N.02, subdivision 3, is amended to read:

Subd. 3. **Powers and duties.** (a) The board shall:

(1) review fire service training needs and make recommendations on training to Minnesota fire service organizations;

(2) establish standards for educational programs for the fire service and develop procedures for continuing oversight of the programs; and

(3) establish qualifications for fire service training instructors in programs established under clause (2).

(b) The board may:

(1) hire or contract for technical or professional services according to section 15.061;

(2) pay expenses necessary to carry out its duties;

(3) apply for, receive, and accept grants, gifts, devises, and endowments that any entity may make to the board for the purposes of this chapter and may use any money given to it consistent with the terms and conditions under which the money was received and for the purposes stated;

(4) make recommendations to the legislature to improve the quality of firefighter training;

(5) collect and provide data, subject to section 13.03;

(6) conduct studies and surveys and make reports; and

(7) conduct other activities necessary to carry out its duties.

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

Sec. 21. Minnesota Statutes 2006, section 325E.21, is amended to read:

325E.21 DEALERS IN ~~WIRE AND CABLE~~ SCRAP METAL; RECORDS AND, REPORTS, AND REGISTRATION.

Subdivision 1. **Definitions.** (a) For purposes of this section, the terms defined in this subdivision have the meanings given.

(b) "Law enforcement agency" or "agency" means a duly authorized municipal, county, state, or federal law enforcement agency.

(c) "Person" means an individual, partnership, limited partnership, limited liability company, corporation, or other entity.

(d) "Scrap metal" means:

(1) wire and cable commonly and customarily used by communication and electric utilities; and

(2) copper, aluminum, or any other metal purchased primarily for its reuse or recycling value as raw metal, including metal that is combined with other materials at the time of purchase.

(e) "Scrap metal dealer" or "dealer" means a person engaged in the business of buying or selling scrap metal, or both, but does not include a person engaged exclusively in the business of buying or selling new or used motor vehicles or motor vehicle parts, paper or wood products, rags or furniture, or secondhand machinery.

~~Subdivision 1. Subd. 1a. **Purchase or acquisition record required.** (a) Every person, firm or corporation scrap metal dealer, including an agent, employee, or representative thereof of the dealer, engaging in the business of buying and selling wire and cable commonly and customarily used by communication and electric utilities shall keep a written record, in the English language, legibly written in ink or typewriting, at the time of each purchase or acquisition, of scrap metal. The record must include:~~

~~(1) an accurate account or description, including the weight if customarily purchased by weight, of such wire and cable commonly and customarily used by communication and electric utilities the scrap metal purchased or acquired;~~

~~(2) the date, time, and place of the receipt of the same, scrap metal purchased or acquired;~~

~~(3) the name and address of the person selling or delivering the same and scrap metal;~~

~~(4) the number of the check or electronic transfer used to purchase the scrap metal;~~

~~(5) the number of the seller's or deliverer's driver's license of such person, Minnesota identification card number, or other identification document number of an identification document issued for identification purposes by any state, federal, or foreign government if the document includes the person's photograph, full name, birth date, and signature; and~~

~~(6) the license plate number and description of the vehicle used by the person when delivering the scrap metal, and any identifying marks on the vehicle, such as a business name, decals, or markings, if applicable.~~

~~Such (b) The record, as well as such wire and cable commonly and customarily used by communication and electric utilities the scrap metal purchased or received, shall at all reasonable times be open to the inspection of any sheriff or deputy sheriff of the county, or of any police officer in any incorporated city or statutory city, in which such business may be carried on law enforcement agency.~~

~~Such person shall not be (c) No record is required to furnish or keep such record of any for property purchased from merchants, manufacturers or wholesale dealers, having an established place of business, or of any goods purchased at open sale from any bankrupt stock, but a bill of sale or other evidence of open or legitimate purchase of such the property shall be obtained and kept by such the person, which must be shown upon demand to the sheriff or deputy sheriff of the county, or to any police officer in any incorporated city or statutory city, in which such~~

~~business may be carried on. The provisions of this subdivision and of subdivision 2 shall not apply to or include any person, firm or corporation engaged exclusively in the business of buying or selling motor vehicles, new or used, paper or wood products, rags or furniture, secondhand machinery any law enforcement agency.~~

(d) Except as otherwise provided in this section, a scrap metal dealer or the dealer's agent, employee, or representative may not disclose personal information concerning a customer without the customer's consent unless the disclosure is made in response to a request from a law enforcement agency. A scrap metal dealer must implement reasonable safeguards to protect the security of the personal information and prevent unauthorized access to or disclosure of the information. For purposes of this paragraph, "personal information" is any individually identifiable information gathered in connection with a record under paragraph (a).

~~Subd. 2. **Sheriff's copy of record required.** It shall be the duty of every such person, firm or corporation defined in subdivision 1 hereof, to make out and to deliver or mail to the office of the sheriff of the county in which business is conducted, not later than the second business day of each week, a legible and correct copy of the record required in subdivision 1 of the entries during the preceding week. In the event such person, firm or corporation has not made any purchases or acquisitions required to be recorded under subdivision 1 hereof during the preceding week no report need be submitted to the sheriff under this subdivision.~~

~~Subd. 3. **Retention required.** Records required to be maintained by subdivision 1 hereof 1a shall be retained by the person making them scrap metal dealer for a period of three years.~~

Subd. 3. **Payment by check or electronic transfer required.** A scrap metal dealer or the dealer's agent, employee, or representative shall pay for all scrap metal purchases only by check or electronic transfer.

Subd. 4. **Registration required.** (a) Every scrap metal dealer shall register with and participate in the criminal alert network described in section 299A.61. The dealer shall ensure that the dealer's system for receiving incoming notices from the network is in proper working order and ready to receive incoming notices. The dealer shall check the system for incoming notices twice each day the business is open, once upon opening and then again before closing. The dealer shall inform all employees involved in the purchasing or receiving of scrap metal of alerts received relating to scrap metal of the type that might be conceivably sold to the dealer. In addition, the dealer shall post copies of the alerts in a conspicuous location.

(b) The scrap metal dealer shall pay to the commissioner of public safety a \$50 annual fee to participate in the criminal alert network and for the educational materials described in section 299C.25.

(c) The commissioner shall notify the scrap metal dealer if a message sent to the dealer is returned as undeliverable or is otherwise not accepted for delivery by the dealer's system. The dealer shall take action necessary to ensure that future messages are received.

Subd. 5. **Training.** Each scrap metal dealer shall review the educational materials provided by the superintendent of the Bureau of Criminal Apprehension under section 299C.25 and ensure that all employees do so as well.

Subd. 6. **Criminal penalty.** A scrap metal dealer, or the agent, employee, or representative of the dealer, who intentionally violates a provision of this section, is guilty of a misdemeanor.

Subd. 7. **Exemption.** A scrap metal dealer may purchase aluminum cans without complying with this section.

Subd. 8. **Property held by law enforcement.** (a) Whenever a law enforcement official from any agency has probable cause to believe that property in the possession of a scrap metal dealer is stolen or is evidence of a crime and notifies the dealer not to sell the item, the item may not be sold or removed from the premises. This investigative hold remains in effect for 90 days from the date of initial notification, or until it is canceled or a seizure order is issued, whichever comes first.

(b) If an item is identified as stolen or evidence in a criminal case, the law enforcement official may:

(1) physically seize and remove it from the dealer, pursuant to a written order from the law enforcement official;
or

(2) place the item on hold or extend the hold as provided in this section and leave it in the shop.

(c) When an item is seized, the person doing so shall provide identification upon request of the dealer, and shall provide the dealer the name and telephone number of the seizing agency and investigator, and the case number related to the seizure.

(d) A dealer may request seized property be returned in accordance with section 626.04.

(e) When an order to hold or seize is no longer necessary, the law enforcement official shall so notify the dealer.

Subd. 9. **Video security cameras required.** (a) Each scrap metal dealer shall install and maintain at each location video surveillance cameras, still digital cameras, or similar devices positioned to record or photograph a frontal view showing the face of each seller or prospective seller of scrap metal who enters the location. The scrap metal dealer shall also photograph the seller's or prospective seller's vehicle, including license plate, either by video camera or still digital camera, so that an accurate and complete description of it may be obtained from the recordings made by the cameras. The video camera or still digital camera must be kept in operating condition. The camera must record and display the accurate date and time. The video camera must be turned on at all times when the location is open for business and at any other time when scrap metal is purchased.

(b) If the scrap metal dealer does not purchase some or any scrap metal at a specific business location, the dealer need not comply with this subdivision with respect to those purchases.

EFFECTIVE DATE. This section is effective August 1, 2007, and applies to crimes committed on or after that date.

Sec. 22. **REPEAL BY PREEMPTION.**

Minnesota Statutes, sections 299F.850 to 299F.859, are repealed if a federal reduced cigarette ignition propensity standard that preempts these sections is adopted and becomes effective.

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

Sec. 23. **COLLATERAL SANCTIONS COMMITTEE.**

Subdivision 1. **Establishment; duties.** The Collateral Sanctions Committee shall study issues related to collateral sanctions. Specifically, the committee shall study how collateral sanctions are addressed in other states and determine best practices on this. In addition, the committee shall study issues relating to how criminal convictions and adjudications affect an individual's employment and professional licensing opportunities in Minnesota. The committee shall consider the policy implications of providing a process to allow individuals currently prohibited from certain types of employment or professional licensing because of a criminal record to seek a waiver. The committee shall make recommendations on changes in law and policy it deems appropriate in this area. By January 15, 2008, the committee shall report its findings and recommendations to the chairs and ranking minority members of the committees having jurisdiction over criminal justice policy in the senate and house of representatives.

Subd. 2. **Resources.** The Sentencing Guidelines Commission shall provide technical and research assistance to the committee, with the assistance of the commissioner of public safety and the commissioner of corrections.

Subd. 3. **Membership.** The committee consists of the following:

(1) the executive director of the Sentencing Guidelines Commission, who shall serve as the committee's chair and convening authority;

(2) the commissioner of public safety, or designee;

(3) the commissioner of corrections, or designee;

(4) the attorney general, or designee;

(5) the state public defender, or designee;

(6) a crime victim's advocate, appointed by the commissioner of public safety;

(7) a county attorney, appointed by the Minnesota County Attorneys Association;

(8) a city attorney, appointed by the League of Minnesota Cities;

(9) a district court judge, appointed by the Judicial Council;

(10) a private criminal defense attorney, appointed by the Minnesota Association of Criminal Defense Lawyers;

(11) a probation officer, appointed by the Minnesota Association of County Probation Officers;

(12) two peace officers, one appointed by the Minnesota Sheriffs' Association and the other appointed by the Minnesota Chiefs of Police Association;

(13) two members with knowledge of housing issues, one of whom is a landlord and the other a tenant, appointed by the commissioner of public safety;

(14) a member from the employment industry, appointed by the commissioner of public safety;

(15) a member from a community crime prevention organization, appointed by the commissioner of public safety;

(16) a member from a community of color, appointed by the commissioner of public safety;

(17) a member who is an ex-criminal offender, appointed by the commissioner of public safety; and

(18) a member from an agency that provides re-entry services to offenders being released from incarceration, appointed by the commissioner of public safety.

Subd. 4. **Expenses; expiration.** The provisions of Minnesota Statutes, section 15.059, apply to the committee. The committee expires on January 15, 2008.

Subd. 5. **Definition.** As used in this section, "collateral sanctions" has the meaning given in Minnesota Statutes, section 609B.050, subdivision 1.

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

ARTICLE 8

EMERGENCY COMMUNICATIONS

Section 1. Minnesota Statutes 2006, section 403.07, subdivision 4, is amended to read:

Subd. 4. **Use of furnished information.** (a) Names, addresses, and telephone numbers provided to a 911 system under subdivision 3 are private data and may be used only ~~for identifying:~~ (1) to identify the location or identity, or both, of a person calling a 911 public safety answering point; or (2) by a public safety answering point to notify the public of an emergency. The information furnished under subdivision 3 may not be used or disclosed by 911 system agencies, their agents, or their employees for any other purpose except under a court order.

(b) For purposes of this subdivision, "emergency" means a situation in which property or human life is in jeopardy and the prompt notification of the public by the public safety answering point is essential.

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

Sec. 2. Minnesota Statutes 2006, section 403.07, subdivision 5, is amended to read:

Subd. 5. **Liability.** (a) A wire-line telecommunications service provider, its employees, or its agents are not liable to any person who uses enhanced 911 telecommunications service for release of subscriber information required under this chapter to any public safety answering point.

(b) A wire-line telecommunications service provider is not liable to any person for the good faith release to emergency communications personnel of information not in the public record, including, but not limited to, nonpublished or nonlisted telephone numbers.

(c) A wire-line telecommunications service provider, its employees, or its agents are not liable to any person for civil damages resulting from or caused by any act or omission in the development, design, installation, operation, maintenance, performance, or provision of enhanced 911 telecommunications service, except for willful or wanton misconduct.

(d) A multiline telephone system manufacturer, provider, or operator is not liable for any civil damages or penalties as a result of any act or omission, except willful or wanton misconduct, in connection with developing, designing, installing, maintaining, performing, provisioning, adopting, operating, or implementing any plan or system required by section 403.15.

(e) A telecommunications service provider that participates in or cooperates with the public safety answering point in notifying the public of an emergency, as authorized under subdivision 4, is immune from liability arising out of the notification except for willful or wanton misconduct.

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

Sec. 3. Minnesota Statutes 2006, section 403.11, subdivision 1, is amended to read:

Subdivision 1. **Emergency telecommunications service fee; account.** (a) Each customer of a wireless or wire-line switched or packet-based telecommunications service provider connected to the public switched telephone network that furnishes service capable of originating a 911 emergency telephone call is assessed a fee based upon the number of wired or wireless telephone lines, or their equivalent, to cover the costs of ongoing maintenance and related improvements for trunking and central office switching equipment for 911 emergency telecommunications service, to offset administrative and staffing costs of the commissioner related to managing the 911 emergency

telecommunications service program, to make distributions provided for in section 403.113, and to offset the costs, including administrative and staffing costs, incurred by the State Patrol Division of the Department of Public Safety in handling 911 emergency calls made from wireless phones.

(b) Money remaining in the 911 emergency telecommunications service account after all other obligations are paid must not cancel and is carried forward to subsequent years and may be appropriated from time to time to the commissioner to provide financial assistance to counties for the improvement of local emergency telecommunications services. The improvements may include providing access to 911 service for telecommunications service subscribers currently without access and upgrading existing 911 service to include automatic number identification, local location identification, automatic location identification, and other improvements specified in revised county 911 plans approved by the commissioner.

(c) The fee may not be less than eight cents nor more than 65 cents a month until June 30, 2008, not less than eight cents nor more than 75 cents a month until June 30, 2009, not less than eight cents nor more than 85 cents a month until June 30, 2010, and not less than eight cents nor more than 95 cents a month on or after July 1, 2010, for each customer access line or other basic access service, including trunk equivalents as designated by the Public Utilities Commission for access charge purposes and including wireless telecommunications services. With the approval of the commissioner of finance, the commissioner of public safety shall establish the amount of the fee within the limits specified and inform the companies and carriers of the amount to be collected. When the revenue bonds authorized under section 403.27, subdivision 1, have been fully paid or defeased, the commissioner shall reduce the fee to reflect that debt service on the bonds is no longer needed. The commissioner shall provide companies and carriers a minimum of 45 days' notice of each fee change. The fee must be the same for all customers.

(d) The fee must be collected by each wireless or wire-line telecommunications service provider subject to the fee. Fees are payable to and must be submitted to the commissioner monthly before the 25th of each month following the month of collection, except that fees may be submitted quarterly if less than \$250 a month is due, or annually if less than \$25 a month is due. Receipts must be deposited in the state treasury and credited to a 911 emergency telecommunications service account in the special revenue fund. The money in the account may only be used for 911 telecommunications services.

(e) This subdivision does not apply to customers of interexchange carriers.

(f) The installation and recurring charges for integrating wireless 911 calls into enhanced 911 systems are eligible for payment by the commissioner if the 911 service provider is included in the statewide design plan and the charges are made pursuant to contract.

(g) Competitive local exchanges carriers holding certificates of authority from the Public Utilities Commission are eligible to receive payment for recurring 911 services.

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

Sec. 4. Minnesota Statutes 2006, section 403.11, is amended by adding a subdivision to read:

Subd. 1a. Fee collection declaration. If the commissioner disputes the accuracy of a fee submission or if no fees are submitted by a wireless, wire-line, or packet-based telecommunications service provider, the wireless, wire-line, or packet-based telecommunications service provider shall submit a sworn declaration signed by an officer of the company certifying, under penalty of perjury, that the information provided with the fee submission is true and

correct. The sworn declaration must specifically describe and affirm that the 911 fee computation is complete and accurate. When a wireless, wire-line, or packet-based telecommunications service provider fails to provide a sworn declaration within 90 days of notice by the commissioner that the fee submission is disputed, the commissioner may estimate the amount due from the wireless, wire-line, or packet-based telecommunications service provider and refer that amount for collection under section 16D.04.

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

Sec. 5. Minnesota Statutes 2006, section 403.11, is amended by adding a subdivision to read:

Subd. 1b. **Examination of fees.** If the commissioner determines that an examination is necessary to document the fee submission and sworn declaration in subdivision 1a, the wireless, wire-line, or packet-based telecommunications service provider must contract with an independent certified public accountant to conduct an examination of fees. The examination must be conducted in accordance with attestation audit standards.

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

Sec. 6. Minnesota Statutes 2006, section 403.31, subdivision 1, is amended to read:

~~Subdivision 1. **Allocation of operating costs.** The current costs of the board in implementing the regionwide public safety radio communication plan system and the first and second phase systems shall be allocated among and paid by the following users, all in accordance with the regionwide public safety radio system communication plan adopted by the board:~~

~~(1) the state of Minnesota for its operations using the system in the metropolitan counties;~~

~~(2) all local government units using the system; and~~

~~(3) other eligible users of the system. (a) The ongoing costs of the commissioner not otherwise appropriated in operating the statewide public safety radio communication system shall be allocated among and paid by the following users, all in accordance with the statewide public safety radio communication system plan under section 403.36:~~

~~(1) the state of Minnesota for its operations using the system;~~

~~(2) all local government units using the system; and~~

~~(3) other eligible users of the system.~~

~~(b) Each local government and other eligible users of the system shall pay to the commissioner all sums charged under this section, at the times and in the manner determined by the commissioner. The governing body of each local government shall take all action necessary to provide the money required for these payments and to make the payments when due.~~

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

Sec. 7. **REPEALER.**

Minnesota Statutes 2006, section 403.31, subdivision 6, is repealed.

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

Delete the title and insert:

"A bill for an act relating to public safety; appropriating money for the courts, public defenders, public safety, corrections, human rights, and other criminal justice and judiciary-related agencies; establishing, funding, modifying, and regulating public safety, criminal justice, judiciary, law enforcement, corrections, insurance, and crime victims services, policies, programs, duties, activities, or practices; requiring studies and reports; creating and modifying working groups, councils, and task forces; imposing criminal and civil penalties; setting or increasing fines or fees; regulating DWI and driving provisions; regulating scrap metal dealers; requiring insurer good faith practices; establishing ignition strength standards for cigarettes; providing conditional repeals of certain laws; amending Minnesota Statutes 2006, sections 2.722, subdivision 1; 3.732, subdivision 1; 3.736, subdivision 1; 13.82, subdivision 27; 15A.083, subdivision 4; 16A.72; 16B.181, subdivision 2; 16C.23, subdivision 2; 169A.275, by adding a subdivision; 169A.51, subdivision 7; 171.12, by adding a subdivision; 171.305, by adding a subdivision; 171.55; 241.016, subdivision 1; 241.018; 241.27, subdivisions 1, 2, 3, 4; 241.278; 241.69, subdivisions 3, 4; 243.167, subdivision 1; 260C.193, subdivision 6; 268.19, subdivision 1; 297I.06, subdivision 3; 299A.641, subdivision 2; 299A.681, subdivision 2, by adding a subdivision; 299C.46, by adding a subdivision; 299C.65, subdivisions 2, 5; 299N.02, subdivision 3; 302A.781, by adding a subdivision; 325E.21; 352D.02, subdivision 1; 363A.06, subdivision 1; 383A.08, subdivisions 6, 7; 401.15, subdivision 1; 403.07, subdivisions 4, 5; 403.11, subdivision 1, by adding subdivisions; 403.31, subdivision 1; 471.982, subdivision 3; 484.54, subdivision 2; 484.83; 504B.361, subdivision 1; 518.165, subdivisions 1, 2; 518A.35, subdivision 3; 518B.01, subdivision 22; 563.01, by adding a subdivision; 595.02, subdivision 1; 609.02, subdivision 16; 609.135, subdivision 8; 609.21, subdivisions 1, 4a, 5, by adding subdivisions; 609.341, subdivision 11; 609.344, subdivision 1; 609.345, subdivision 1; 609.3455, by adding a subdivision; 609.352; 609.52, subdivision 3, by adding a subdivision; 609.526; 609.581, by adding subdivisions; 609.582, subdivision 2; 609.595, subdivisions 1, 2; 611A.036, subdivisions 2, 7; 611A.675, subdivisions 1, 2, 3, 4, by adding a subdivision; 634.15, subdivisions 1, 2; 641.15, by adding a subdivision; 641.265, subdivision 2; Laws 2001, First Special Session chapter 8, article 4, section 4; Laws 2003, First Special Session chapter 2, article 1, section 2; proposing coding for new law in Minnesota Statutes, chapters 171; 241; 299C; 299F; 357; 484; 504B; 604; 609; 611A; repealing Minnesota Statutes 2006, sections 241.021, subdivision 5; 241.85, subdivision 2; 242.193, subdivision 2; 260B.173; 403.31, subdivision 6; 480.175, subdivision 3; 609.21, subdivisions 2, 2a, 2b, 3, 4; 609.805; 611.20, subdivision 5."

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

House Conferees: MICHAEL PAYMAR, JOE MULLERY, TINA LIEBLING, DEBRA HILSTROM AND STEVE SMITH.

Senate Conferees: LINDA HIGGINS, LEO FOLEY, MARY OLSON, THOMAS M. NEUVILLE AND JULIE ROSEN.

Paymar moved that the report of the Conference Committee on H. F. No. 829 be adopted and that the bill be repassed as amended by the Conference Committee.

Seifert moved that the House refuse to adopt the Conference Committee report on H. F. No. 829, and that the bill be returned to the Conference Committee.

A roll call was requested and properly seconded.

The question was taken on the Seifert motion and the roll was called. There were 50 yeas and 84 nays as follows:

Those who voted in the affirmative were:

Abeler	DeLaForest	Gottwalt	Lanning	Peppin	Tingelstad
Anderson, B.	Demmer	Gunther	Magnus	Peterson, N.	Urdahl
Anderson, S.	Dettmer	Hackbarth	McFarlane	Ruth	Wardlow
Beard	Eastlund	Hamilton	McNamara	Seifert	Westrom
Berns	Emmer	Heidgerken	Nornes	Severson	Zellers
Brod	Erhardt	Holberg	Olson	Shimanski	
Buesgens	Erickson	Hoppe	Ozment	Simpson	
Cornish	Finstad	Howes	Paulsen	Smith	
Dean	Garofalo	Kohls	Pelowski	Sviggum	

Those who voted in the negative were:

Anzelc	Doty	Huntley	Lillie	Norton	Slocum
Atkins	Eken	Jaros	Loeffler	Olin	Solberg
Benson	Faust	Johnson	Madore	Otremba	Swails
Bigham	Fritz	Juhnke	Mahoney	Paymar	Thao
Bly	Gardner	Kahn	Mariani	Peterson, A.	Thissen
Brown	Greiling	Kalin	Marquart	Peterson, S.	Tillberry
Brynaert	Hansen	Knuth	Masin	Poppe	Tschumper
Bunn	Hausman	Koenen	Moe	Rukavina	Wagenius
Carlson	Haws	Kranz	Morgan	Ruud	Walker
Clark	Hilstrom	Laine	Morrow	Sailer	Ward
Davnie	Hilty	Lenczewski	Mullery	Scalze	Welti
Dill	Hornstein	Lesch	Murphy, E.	Sertich	Winkler
Dittrich	Hortman	Liebling	Murphy, M.	Simon	Wollschlager
Dominguez	Hosch	Lieder	Nelson	Slawik	Spk. Kelliher

The motion did not prevail.

The question recurred on the Paymar motion that the report of the Conference Committee on H. F. No. 829 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 829, A bill for an act relating to state government; appropriating money for public safety and corrections initiatives, courts, public defenders, tax court, Uniform Laws Commission and Board on Judicial Standards; providing certain general criminal and sentencing provisions; regulating DWI and driving provisions; modifying or establishing various provisions relating to public safety; providing for residency documentation; regulating corrections, the courts, and emergency communications; regulating scrap metal dealers; modifying certain law enforcement, insurance, human services, and public defense provisions; providing immunity from certain civil liability; establishing reduced ignition propensity standards for cigarettes; providing conditional repeals of certain laws; providing penalties; amending Minnesota Statutes 2006, sections 2.722, subdivision 1; 3.732, subdivision 1; 3.736, subdivision 1; 13.87, subdivision 1; 15A.083, subdivision 4; 16A.72; 16B.181, subdivision 2; 16C.23, subdivision 2; 168.012, subdivision 1; 169.13, by adding a subdivision; 169.471, subdivision 2; 169A.275, by adding a subdivision; 169A.51, subdivision 7; 171.09, subdivision 1; 171.12, by adding a subdivision; 171.55; 241.016, subdivision 1; 241.018; 241.27, subdivisions 1, 2, 3, 4; 241.278; 241.69, subdivisions 3, 4; 243.167, subdivision 1; 243.55, subdivision 1; 244.05, by adding a subdivision; 245.041; 253B.09, subdivision 3a; 260B.007, by adding a subdivision; 260B.125, subdivision 1; 260B.130, subdivision 1; 260B.141, subdivision 4; 260B.198, subdivision 6; 260C.193, subdivision 6; 270A.03, subdivision 5; 299A.641, subdivision 2; 299C.65, subdivisions 2,

5; 302A.781, by adding a subdivision; 325E.21; 352D.02, subdivision 1; 363A.06, subdivision 1; 383A.08, subdivisions 6, 7; 401.15, subdivision 1; 403.07, subdivision 4; 403.11, subdivision 1, by adding subdivisions; 403.31, subdivision 1; 484.54, subdivision 2; 484.83; 504B.361, subdivision 1; 518.165, subdivisions 1, 2; 518A.35, subdivision 3; 518B.01, subdivisions 6a, 22; 548.091, subdivision 1a; 549.09, subdivision 1; 563.01, by adding a subdivision; 590.05; 595.02, subdivision 1; 609.02, subdivision 16; 609.055; 609.135, subdivision 8, by adding a subdivision; 609.15, subdivision 1; 609.21, subdivisions 1, 4a, 5, by adding subdivisions; 609.221, subdivision 2; 609.2232; 609.341, subdivision 11; 609.344, subdivision 1; 609.345, subdivision 1; 609.3451, subdivision 3; 609.3455, subdivision 4, by adding a subdivision; 609.352; 609.505, subdivision 2; 609.581, by adding subdivisions; 609.582, subdivision 2; 609.595, subdivisions 1, 2; 609.748, subdivisions 1, 5; 609.75, subdivision 8, by adding subdivisions; 611.14; 611.20, subdivision 6; 611.215, subdivisions 1, 1a; 611.23; 611.24; 611.25, subdivision 1; 611.26, subdivisions 2, 7; 611.27, subdivisions 3, 13, 15; 611.35; 611A.036, subdivisions 2, 7; 611A.675, subdivisions 1, 2, 3, 4, by adding a subdivision; 626.5572, subdivision 21; 634.15, subdivisions 1, 2; 641.05; 641.15, by adding a subdivision; 641.265, subdivision 2; Laws 2001, First Special Session chapter 8, article 4, section 4; Laws 2003, First Special Session chapter 2, article 1, section 2; proposing coding for new law in Minnesota Statutes, chapters 72A; 171; 241; 299A; 299F; 357; 484; 504B; 540; 609; 611A; repealing Minnesota Statutes 2006, sections 169.796, subdivision 3; 241.021, subdivision 5; 241.85, subdivision 2; 260B.173; 403.31, subdivision 6; 480.175, subdivision 3; 609.21, subdivisions 2, 2a, 2b, 3, 4; 609.805; 611.20, subdivision 5; Laws 2005, First Special Session chapter 6, article 3, section 91.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 82 yeas and 52 nays as follows:

Those who voted in the affirmative were:

Anzelc	Doty	Hosch	Lillie	Norton	Swails
Atkins	Eken	Huntley	Loeffler	Olin	Thao
Benson	Erhardt	Jaros	Madore	Paymar	Thissen
Bigham	Faust	Johnson	Mahoney	Peterson, A.	Tillberry
Bly	Fritz	Juhnke	Mariani	Peterson, S.	Tschumper
Brown	Gardner	Kahn	Marquart	Poppe	Wagenius
Brynaert	Greiling	Kalin	Masin	Ruud	Walker
Bunn	Hansen	Knuth	Moe	Sailer	Ward
Carlson	Hausman	Kranz	Morgan	Scalze	Walti
Clark	Haws	Laine	Morrow	Sertich	Winkler
Davnie	Hilstrom	Lenczewski	Mullery	Simon	Wollschlager
Dill	Hilty	Lesch	Murphy, E.	Slawik	Spk. Kelliher
Dittrich	Hornstein	Liebling	Murphy, M.	Slocum	
Dominguez	Hortman	Lieder	Nelson	Solberg	

Those who voted in the negative were:

Abeler	DeLaForest	Gunther	Lanning	Pelowski	Smith
Anderson, B.	Demmer	Hackbarth	Magnus	Peppin	Sviggum
Anderson, S.	Dettmer	Hamilton	McFarlane	Peterson, N.	Tingelstad
Beard	Eastlund	Heidgerken	McNamara	Rukavina	Urdahl
Berns	Emmer	Holberg	Nornes	Ruth	Wardlow
Brod	Erickson	Hoppe	Olson	Seifert	Westrom
Buesgens	Finstad	Howes	Otremba	Severson	Zellers
Cornish	Garofalo	Koenen	Ozment	Shimanski	
Dean	Gottwalt	Kohls	Paulsen	Simpson	

The bill was repassed, as amended by Conference, and its title agreed to.

There being no objection, the order of business advanced to Motions and Resolutions.

MOTIONS AND RESOLUTIONS

Ward, Garofalo, Otremba, Fritz and Hamilton introduced:

House Resolution No. 5, A House resolution recognizing May 3, 2007, as a Day of Prayer in Minnesota.

SUSPENSION OF RULES

Ward moved that the rules be so far suspended that House Resolution No. 5 be now considered and be placed upon its adoption. The motion prevailed.

HOUSE RESOLUTION NO. 5

A House resolution recognizing May 3, 2007, as a Day of Prayer in Minnesota.

Whereas, the citizens of the state of Minnesota come from many nations on earth, and observe a remarkable variety of religious faiths and traditions; and

Whereas, the history of our state is replete with leaders who voluntarily called upon God, whether the need was great or small; and

Whereas, civic and national days of prayer have a long and venerable history in our constitutional republic, dating back to the First Continental Congress in 1775; and

Whereas, throughout our nation's history, America has been a beacon for millions in search of spiritual and religious freedom; and

Whereas, the National Day of Prayer is an opportunity for Americans of all faiths to join in united prayer to give thanks for blessings received, to request healing for wounds endured, to pray for our troops in combat and all human beings over the world affected by war; and

Whereas, we ask God to guide us in our search for solutions to the difficult challenges of providing a safe and rewarding future for our children, securing adequate health care for our people, and of building good, nurturing communities; and

Whereas, May 3, 2007, marks the 56th consecutive observance of the National Day of Prayer in cities and towns throughout the United States; and

Whereas, the citizens of Minnesota should gather on this day to pray, each in his or her own custom, to remember those who are in need, to resolve the problems that divide us, and to express thanks for the abundance we have experienced throughout our history; *Now, Therefore*,

Be It Resolved by the House of Representatives of the State of Minnesota that it recognizes May 3, 2007, as a Day of Prayer in the state of Minnesota.

Ward moved that House Resolution No. 5 be now adopted. The motion prevailed and the resolution was adopted.

Sertich moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

Kranz and Pelowski were excused for the remainder of today's session.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 272, A bill for an act relating to the military and veterans; clarifying that a statute ensuring the continuation of state licenses and certificates of registration for any trade, employment, occupation, or profession while soldiers and certain essential employees are engaged in active military service applies to licenses and certificates of registration requiring firearms and use of force training; amending Minnesota Statutes 2006, section 326.56, subdivision 2.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICE DWORAK, First Assistant Secretary of the Senate

Madam Speaker:

I hereby announce that the Senate refuses to adopt the Conference Committee report on:

H. F. No. 829, A bill for an act relating to state government; appropriating money for public safety and corrections initiatives, courts, public defenders, tax court, Uniform Laws Commission and Board on Judicial Standards; providing certain general criminal and sentencing provisions; regulating DWI and driving provisions; modifying or establishing various provisions relating to public safety; providing for residency documentation; regulating corrections, the courts, and emergency communications; regulating scrap metal dealers; modifying certain law enforcement, insurance, human services, and public defense provisions; providing immunity from certain civil liability; establishing reduced ignition propensity standards for cigarettes; providing conditional repeals of certain laws; providing penalties; amending Minnesota Statutes 2006, sections 2.722, subdivision 1; 3.732, subdivision 1; 3.736, subdivision 1; 13.87, subdivision 1; 15A.083, subdivision 4; 16A.72; 16B.181, subdivision 2; 16C.23, subdivision 2; 168.012, subdivision 1; 169.13, by adding a subdivision; 169.471, subdivision 2; 169A.275, by

adding a subdivision; 169A.51, subdivision 7; 171.09, subdivision 1; 171.12, by adding a subdivision; 171.55; 241.016, subdivision 1; 241.018; 241.27, subdivisions 1, 2, 3, 4; 241.278; 241.69, subdivisions 3, 4; 243.167, subdivision 1; 243.55, subdivision 1; 244.05, by adding a subdivision; 245.041; 253B.09, subdivision 3a; 260B.007, by adding a subdivision; 260B.125, subdivision 1; 260B.130, subdivision 1; 260B.141, subdivision 4; 260B.198, subdivision 6; 260C.193, subdivision 6; 270A.03, subdivision 5; 299A.641, subdivision 2; 299C.65, subdivisions 2, 5; 302A.781, by adding a subdivision; 325E.21; 352D.02, subdivision 1; 363A.06, subdivision 1; 383A.08, subdivisions 6, 7; 401.15, subdivision 1; 403.07, subdivision 4; 403.11, subdivision 1, by adding subdivisions; 403.31, subdivision 1; 484.54, subdivision 2; 484.83; 504B.361, subdivision 1; 518.165, subdivisions 1, 2; 518A.35, subdivision 3; 518B.01, subdivisions 6a, 22; 548.091, subdivision 1a; 549.09, subdivision 1; 563.01, by adding a subdivision; 590.05; 595.02, subdivision 1; 609.02, subdivision 16; 609.055; 609.135, subdivision 8, by adding a subdivision; 609.15, subdivision 1; 609.21, subdivisions 1, 4a, 5, by adding subdivisions; 609.221, subdivision 2; 609.2232; 609.341, subdivision 11; 609.344, subdivision 1; 609.345, subdivision 1; 609.3451, subdivision 3; 609.3455, subdivision 4, by adding a subdivision; 609.352; 609.505, subdivision 2; 609.581, by adding subdivisions; 609.582, subdivision 2; 609.595, subdivisions 1, 2; 609.748, subdivisions 1, 5; 609.75, subdivision 8, by adding subdivisions; 611.14; 611.20, subdivision 6; 611.215, subdivisions 1, 1a; 611.23; 611.24; 611.25, subdivision 1; 611.26, subdivisions 2, 7; 611.27, subdivisions 3, 13, 15; 611.35; 611A.036, subdivisions 2, 7; 611A.675, subdivisions 1, 2, 3, 4, by adding a subdivision; 626.5572, subdivision 21; 634.15, subdivisions 1, 2; 641.05; 641.15, by adding a subdivision; 641.265, subdivision 2; Laws 2001, First Special Session chapter 8, article 4, section 4; Laws 2003, First Special Session chapter 2, article 1, section 2; proposing coding for new law in Minnesota Statutes, chapters 72A; 171; 241; 299A; 299F; 357; 484; 504B; 540; 604; 609; 611A; repealing Minnesota Statutes 2006, sections 169.796, subdivision 3; 241.021, subdivision 5; 241.85, subdivision 2; 260B.173; 403.31, subdivision 6; 480.175, subdivision 3; 609.21, subdivisions 2, 2a, 2b, 3, 4; 609.805; 611.20, subdivision 5; Laws 2005, First Special Session chapter 6, article 3, section 91.

The Senate requests that H. F. No. 829 be returned to the Conference Committee as formerly constituted.

Said House File is herewith returned to the House.

PATRICE DWORAK, First Assistant Secretary of the Senate

MOTIONS FOR RECONSIDERATION

Sertich moved that the vote whereby H. F. No. 829 was repassed as amended by conference be now reconsidered. The motion prevailed.

Sertich moved that the vote whereby the House adopted the conference committee report on H. F. No. 829 be now reconsidered. The motion prevailed.

Sertich moved that the House accede to the request of the Senate and that H. F. No. 829 be returned to the Conference Committee. The motion prevailed.

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 2236.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2236, A bill for an act relating to capital investment; providing relief for public and private property damaged by the Browns Valley flooding of March 2007; authorizing flood mitigation projects in Browns Valley; appropriating money; amending Laws 2005, chapter 20, article 1, section 7, subdivision 2; Laws 2006, chapter 258, section 7, subdivision 3.

The bill was read for the first time.

DECLARATION OF URGENCY

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Sertich moved that the rule therein be suspended and an urgency be declared so that S. F. No. 2236 be given its second and third readings and be placed upon its final passage. The motion prevailed.

SUSPENSION OF RULES

Sertich moved that the rules of the House be so far suspended that S. F. No. 2236 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 2236 was read for the second time.

Marquart moved to amend S. F. No. 2236, the first engrossment, as follows:

Page 1, line 10, delete "to mitigate" and insert "for relief from"

Page 1, line 10, delete "to public"

Page 1, line 11, delete "and private property"

Page 1, line 11, delete "Grant money may be used"

Page 1, line 12, delete everything before "This"

Page 1, line 13, delete "2008" and insert "2009"

Amend the title as follows:

Page 1, line 2, delete "public and private property" and insert "damage caused"

Page 1, line 3, delete "damaged"

The motion prevailed and the amendment was adopted.

Winkler was excused for the remainder of today's session.

Peppin and Olin moved to amend S. F. No. 2236, the first engrossment, as amended, as follows:

Page 1, line 8, delete "**BROWNS VALLEY FLOOD**" and insert "**DISASTER**"

Page 1, line 9, before "\$2,000,000" insert:

"Subdivision 1. Browns Valley flood."

Page 1, after line 13, insert:

"Subd. 2. Rogers tornado. \$600,000 is appropriated from the general fund to the commissioner of public safety for a grant to the city of Rogers. Grant money may be used for relief for damages caused by the September 16, 2006, tornado.

Subd. 3. City of Warroad. \$74,000 is appropriated from the general fund to the commissioner of employment and economic development for a grant to the city of Warroad for new public facilities to replace those damaged or destroyed by the August 2006 tornado, including approximately 28 new street lights and underground electrical circuits and a new fish cleaning house."

Page 1, line 18, after the comma, insert "and the tornado through the city of Rogers on September 16, 2006."

Adjust amounts accordingly

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 2236, as amended, was read for the third time.

LAY ON THE TABLE

Marquart moved that S. F. No. 2236, as amended, be laid on the table. The motion prevailed and S. F. No. 2236, as amended, was laid on the table.

There being no objection, the order of business reverted to Reports of Standing Committees and Divisions.

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Carlson from the Committee on Finance to which was referred:

H. F. No. 2433, A bill for an act relating to capital investment; providing relief for public and private property damaged by the Browns Valley flooding of March 2007; authorizing flood mitigation projects in Browns Valley; appropriating money; amending Laws 2005, chapter 20, article 1, section 7, subdivision 2; Laws 2006, chapter 258, section 7, subdivision 3.

Reported the same back with the following amendments:

Page 1, line 10, delete "to mitigate damage to public" and insert "for relief from damage"

Page 1, line 11, delete "and private property" and delete "Grant money may be used to" and insert "This appropriation is available until June 30, 2009."

Page 1, delete line 12

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

SUSPENSION OF RULES

Sertich moved that the rules of the House be so far suspended that the committee recommendation relating to H. F. No. 2433, to pass as amended, be now considered, that H. F. No. 2433 be given its second and third readings, and be placed upon its final passage. The motion prevailed.

The question was taken on the adoption of the recommendation of the Committee relating to H. F. No. 2433, to pass as amended. The recommendation was adopted.

H. F. No. 2433 was read for the second time.

DECLARATION OF URGENCY

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Sertich moved that the rule therein be suspended and an urgency be declared so that H. F. No. 2433 be given its third reading and be placed upon its final passage. The motion prevailed.

Peppin and Olin moved to amend H. F. No. 2433, as amended by the Committee on Finance, as follows:

Page 1, line 8, delete "**BROWNS VALLEY FLOOD**" and insert "**DISASTER**"

Page 1, line 9, before "\$2,000,000" insert:

"Subdivision 1. **Browns Valley flood.**"

Page 1, after line 11, insert:

"Subd. 2. **Rogers tornado.** \$600,000 is appropriated from the general fund to the commissioner of public safety for a grant to the city of Rogers. Grant money may be used for relief for damages caused by the September 16, 2006, tornado."

Subd. 3. **City of Warroad.** \$74,000 is appropriated from the general fund to the commissioner of employment and economic development for a grant to the city of Warroad for new public facilities to replace those damaged or destroyed by the August 2006 tornado, including approximately 28 new street lights and underground electrical circuits and a new fish cleaning house."

Page 1, line 16, after the comma, insert "and the tornado through the city of Rogers on September 16, 2006."

Adjust amounts accordingly

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Marquart moved to amend H. F. No. 2433, as amended by the Committee on Finance, as amended, as follows:

Amend the title as follows:

Page 1, line 2, delete "public and private property" and insert "damage caused"

Page 1 line 3, delete "damaged"

The motion prevailed and the amendment was adopted.

H. F. No. 2433, A bill for an act relating to capital investment; providing disaster relief for Browns Valley, Rogers, and Warroad; authorizing flood mitigation projects in Browns Valley; appropriating money; amending Laws 2005, chapter 20, article 1, section 7, subdivision 2; Laws 2006, chapter 258, section 7, subdivision 3.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 120 yeas and 8 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Buesgens	Emmer	Mullery	Thao
DeLaForest	Holberg	Olson	Wollschlager

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

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Sertich from the Committee on Rules and Legislative Administration, pursuant to rule 1.21, designated the following bills to be placed on the Calendar for the Day for Thursday, May 3, 2007:

S. F. Nos. 1495 and 463; H. F. No. 1351; and S. F. Nos. 1073 and 1509.

CALENDAR FOR THE DAY

Sertich moved that the Calendar for the Day be continued. The motion prevailed.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 532:

Winkler, Bigham and Abeler.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1085:

Hortman, Dominguez and Abeler.

Thissen was excused for the remainder of today's session.

Buesgens moved that the House revert to the order of business Presentation of Petitions or other Communications.

A roll call was requested and properly seconded.

The question was taken on the Buesgens motion and the roll was called. There were 48 yeas and 81 nays as follows:

Those who voted in the affirmative were:

Abeler	Berns	Cornish	Demmer	Emmer	Finstad
Anderson, S.	Brod	Dean	Dettmer	Erhardt	Garofalo
Beard	Buesgens	DeLaForest	Eastlund	Erickson	Gottwalt

Gunther	Hoppe	McNamara	Peppin	Shimanski	Urdahl
Hackbarth	Kohls	Nornes	Peterson, N.	Simpson	Wardlow
Hamilton	Lanning	Olson	Ruth	Smith	Westrom
Heidgerken	Magnus	Ozment	Seifert	Sviggum	Wollschlager
Holberg	McFarlane	Paulsen	Severson	Tingelstad	Zellers

Those who voted in the negative were:

Anzelc	Doty	Howes	Lillie	Norton	Slocum
Atkins	Eken	Huntley	Loeffler	Olin	Solberg
Benson	Faust	Jaros	Madore	Otremba	Swails
Bigham	Fritz	Johnson	Mahoney	Paymar	Thao
Bly	Gardner	Juhnke	Mariani	Peterson, A.	Tillberry
Brown	Greiling	Kahn	Marquart	Peterson, S.	Tschumper
Brynaert	Hansen	Kalin	Masin	Poppe	Wagenius
Bunn	Hausman	Knuth	Moe	Rukavina	Walker
Carlson	Haws	Koenen	Morgan	Ruud	Ward
Clark	Hilstrom	Laine	Morrow	Sailer	Welti
Davnie	Hilty	Lenczewski	Mullery	Scalze	Spk. Kelliher
Dill	Hornstein	Lesch	Murphy, E.	Sertich	
Dittrich	Hortman	Liebling	Murphy, M.	Simon	
Dominguez	Hosch	Lieder	Nelson	Slawik	

The motion did not prevail.

MOTIONS AND RESOLUTIONS

Zellers moved that the name of Demmer be added as an author on H. F. No. 622. The motion prevailed.

Clark moved that the name of Paymar be added as an author on H. F. No. 1332. The motion prevailed.

Paulsen moved that the name of Berns be added as an author on H. F. No. 1349. The motion prevailed.

Paulsen moved that the name of Berns be added as an author on H. F. No. 1424. The motion prevailed.

Marquart moved that the name of Berns be added as an author on H. F. No. 2433. The motion prevailed.

Dettmer moved that H. F. No. 2364 be returned to its author. The motion prevailed.

ADJOURNMENT

Sertich moved that when the House adjourns today it adjourn until 10:00 a.m., Friday, May 4, 2007. The motion prevailed.

Sertich moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 10:00 a.m., Friday, May 4, 2007.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives