

STATE OF MINNESOTA

EIGHTY-FIFTH SESSION — 2007

 SIXTY-SECOND DAY

SAINT PAUL, MINNESOTA, FRIDAY, MAY 4, 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 Deacon Carl Valdez, Pastoral Associate, Church of the Assumption, Richfield, Minnesota.

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

The roll was called and the following members were present:

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

A quorum was present.

Anderson, B.; Holberg and Pelowski were excused.

Olson was excused until 12:00 noon.

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

REPORTS OF CHIEF CLERK

S. F. No. 1398 and H. F. No. 1589, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Murphy, E., moved that the rules be so far suspended that S. F. No. 1398 be substituted for H. F. No. 1589 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received:

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

MOTION TO OVERRIDE VETO

Kohls moved that H. F. No. 886, Chapter No. 38, be now reconsidered and repassed, the objections of the Governor notwithstanding, pursuant to Article IV, Section 23, of the Constitution of the State of Minnesota.

Sertich moved to lay the Kohls motion on the table.

A roll call was requested and properly seconded.

The question was taken on the Sertich motion and the roll was called. There were 82 yeas and 46 nays as follows:

Those who voted in the affirmative were:

Anzelc	Doty	Huntley	Lillie	Norton	Solberg
Atkins	Eken	Jaros	Loeffler	Olin	Swails
Benson	Faust	Johnson	Madore	Paymar	Thao
Bigham	Fritz	Juhnke	Mahoney	Peterson, A.	Thissen
Bly	Gardner	Kahn	Mariani	Peterson, S.	Tillberry
Brown	Greiling	Kalin	Marquart	Poppe	Tschumper
Brynaert	Hansen	Knuth	Masin	Rukavina	Wagenius
Bunn	Hausman	Koenen	Moe	Ruud	Walker
Carlson	Haws	Kranz	Morgan	Sailer	Ward
Clark	Hilstrom	Laine	Morrow	Scalze	Welti
Davnie	Hilty	Lenczewski	Mullery	Sertich	Winkler
Dill	Hornstein	Lesch	Murphy, E.	Simon	Spk. Kelliher
Dittrich	Hortman	Liebling	Murphy, M.	Slawik	
Dominguez	Hosch	Lieder	Nelson	Slocum	

Those who voted in the negative were:

Abeler	DeLaForest	Garofalo	Lanning	Peterson, N.	Tingelstad
Anderson, S.	Demmer	Gottwalt	Magnus	Ruth	Urdahl
Beard	Dettmer	Gunther	McFarlane	Seifert	Wardlow
Berns	Eastlund	Hackbarth	McNamara	Severson	Westrom
Brod	Emmer	Hamilton	Nornes	Shimanski	Wollschlager
Buesgens	Erhardt	Heidgerken	Ozment	Simpson	Zellers
Cornish	Erickson	Hoppe	Paulsen	Smith	
Dean	Finstad	Kohls	Peppin	Sviggum	

The motion prevailed.

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 3, 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. 31, H. F. No. 881, a bill that amends the Metropolitan Land Planning Act and eliminates the existing Legislative Commission on Metropolitan Government.

In anticipation of the next round of local government comprehensive plan updates, the Metropolitan Council has been working with local governments to streamline planning process and make it more effective. Although it would be beneficial to have these modifications to the Metropolitan Land Planning Act enacted to assist in the planning process, I have vetoed Chapter No. 31 because it would eliminate the Legislative Commission on Metropolitan Government. This provision was added to the bill by the Senate and was not part of the House's original legislation.

As you are aware, I supported the creation of the Legislative Commission on Metropolitan Government when it was established. The commission provides a necessary bipartisan means for the legislature to work with the Metropolitan Council and local governments on regional planning. This Commission also reviews the Metropolitan Council's budget, which includes millions of dollars of state appropriations. This Commission has not burdened the daily operations of the Metropolitan Council, but has provided reasonable degree of oversight to ensure that the appropriate balance is reached between regional and local needs.

I encourage the legislature to pass the Metropolitan Council's agency initiative that amends the Metropolitan Land Planning Act, but without the provision eliminating the Legislative Commission on Metropolitan Government.

Sincerely,

TIM PAWLENTY
Governor

SECOND READING OF SENATE BILLS

S. F. No. 1398 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Tschumper introduced:

H. F. No. 2464, A bill for an act relating to public finance; increasing the limit on debt for county capital improvement projects; requiring a referendum on revenue bonding for a project that could be implemented under the county capital improvement program and will be leased to or used by the county; amending Minnesota Statutes 2006, sections 373.40, subdivision 4; 475.58, subdivision 1.

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

Doty introduced:

H. F. No. 2465, A bill for an act relating to highways; appropriating money to reconstruct highway 25 through city of Pierz; authorizing sale of trunk highway bonds.

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

Doty introduced:

H. F. No. 2466, A bill for an act relating to capital improvements; appropriating money for a tornado siren in the city of Buckman; authorizing the sale and issuance of state bonds.

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

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Madam Speaker:

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

S. F. No. 345.

PATRICE DWORAK, First Assistant Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 345, A bill for an act relating to health; providing for the medical use of marijuana; providing civil and criminal penalties; appropriating money; amending Minnesota Statutes 2006, section 13.3806, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 152.

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

The following Conference Committee Report was received:

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 3, 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.

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

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>Subd. 3. Supreme Court Operations</u>	<u>31,292,000</u>	<u>32,623,000</u>
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Contingent Account. \$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.

<u>Subd. 4. Civil Legal Services</u>	<u>13,300,000</u>	<u>13,300,000</u>
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Base Budget. The base budget for civil legal services is \$12,320,000 each year for fiscal years 2010 and 2011.

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.

<u>APPROPRIATIONS</u>		
<u>Available for the Year</u>		
	<u>2008</u>	<u>2009</u>
Sec. 4. <u>COURT OF APPEALS</u>	<u>\$9,766,000</u>	<u>\$10,620,000</u>
<p><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.</p>		
Sec. 5. <u>TRIAL COURTS</u>	<u>\$246,077,000</u>	<u>\$254,916,000</u>
<p><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.</p>		
<p><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.</p>		
<p><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.</p>		
<p><u>Interpreter Services.</u> \$606,000 the first year and \$777,000 the second year are for interpreter services.</p>		
<p><u>Psychological Services.</u> \$1,531,000 the first year and \$2,151,000 the second year are for psychological services.</p>		
<p><u>In Forma Pauperis Services.</u> \$178,000 each year is for in forma pauperis services.</p>		
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>

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
<u>Ending June 30</u>	
<u>2008</u>	<u>2009</u>
<u>\$450,000</u>	<u>\$460,000</u>

Sec. 8. **BOARD ON JUDICIAL STANDARDS**

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. **BOARD OF PUBLIC DEFENSE**

\$66,348,000 **\$69,519,000**

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. **Total Appropriation**

\$152,112,000 **\$152,706,000**

Appropriations by Fund

	<u>2008</u>	<u>2009</u>
<u>General</u>	<u>89,202,000</u>	<u>92,026,000</u>
<u>Special Revenue</u>	<u>6,788,000</u>	<u>9,846,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>55,688,000</u>	<u>50,392,000</u>
<u>Environmental</u>	<u>67,000</u>	<u>69,000</u>
<u>Trunk Highway</u>	<u>367,000</u>	<u>373,000</u>

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

<u>General</u>	<u>2,620,000</u>	<u>2,629,000</u>
<u>Environmental</u>	<u>67,000</u>	<u>69,000</u>

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

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	<u>43,787,000</u>	<u>45,726,000</u>
Special Revenue	<u>445,000</u>	<u>459,000</u>
State Government		
Special Revenue	<u>7,000</u>	<u>7,000</u>
Trunk Highway	<u>367,000</u>	<u>373,000</u>

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.

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.

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

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.

Subd. 5. **Alcohol and Gambling Enforcement**

1,792,000

1,838,000

Appropriations by Fund

General

1,642,000

1,685,000

Special Revenue

150,000

153,000

Subd. 6. **Office of Justice Programs**

41,153,000

41,986,000

Crime Victim Reparations. \$250,000 each year is to increase the amount of funding for crime victim reparations.

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

Emergency Assistance Grants. \$100,000 each year is for grants under Minnesota Statutes, section 611A.675. This is a onetime appropriation.

Gang and Drug Task Force. \$600,000 the first year and \$1,900,000 the second year are for grants to the Gang and Drug Task Force.

Victim Notification System. \$455,000 each year is for the continuation of the victim information and notification everyday (VINE) service.

Supervised Parenting Grants. \$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.

Child Advocacy Center Grants. \$50,000 each year is for child advocacy center grants under section 18. This is a onetime appropriation.

Squad Car Cameras. \$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.

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.

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

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.

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.

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

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.

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.

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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.

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.

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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 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.

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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.

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

\$4,296,000

\$4,278,000

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.

<u>APPROPRIATIONS</u>	
<u>Available for the Year</u>	
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<u>2008</u>	<u>2009</u>

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**

\$129,000

\$132,000

Sec. 13. **HUMAN RIGHTS**

\$4,986,000

\$3,733,000

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.

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.

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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.

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

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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.

Subd. 3. **Community Services**

119,821,000 121,396,000

Appropriations 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.

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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.

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.

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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.

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.

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<u>Ending June 30</u>		
	<u>2008</u>	<u>2009</u>
Subd. 4. <u>Operations Support</u>	<u>17,516,000</u>	<u>17,927,000</u>
<u>Appropriations by Fund</u>		
General	<u>17,306,000</u>	<u>17,717,000</u>
Special Revenue	<u>210,000</u>	<u>210,000</u>
Sec. 15. <u>SENTENCING GUIDELINES</u>	<u>\$704,000</u>	<u>\$609,000</u>

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.

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;

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(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 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. 10. 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. 11. [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. 12. 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.~~

(c)

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. 13. 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. 14. 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. 15. 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. 16. 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. 17. 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. 18. 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

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. 19. 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

~~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. 20. **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. 21. **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 cochairs 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 capitol 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, 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; 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; 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; 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, 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. 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; 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 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 124 yeas and 6 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Buesgens	Emmer	Garofalo	Mahoney	Peppin	Rukavina
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The bill was repassed, as amended by Conference, and its title agreed to.

CALENDAR FOR THE DAY

S. F. No. 124 was reported to the House.

Buesgens moved to amend S. F. No. 124, the second engrossment, as follows:

Page 1, line 8, reinstate "shall" and delete "may"

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

S. F. No. 124, A bill for an act relating to counties; modifying procedures on the filling of vacancies for certain offices; amending Minnesota Statutes 2006, section 375.101, subdivision 1, by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 111 yeas and 20 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, S.	Emmer	Gunther	Otremba	Simpson
Buesgens	Erickson	Juhnke	Paymar	Smith
DeLaForest	Finstad	Magnus	Peppin	Wardlow
Dettmer	Garofalo	Olson	Seifert	Zellers

The bill was passed and its title agreed to.

S. F. No. 802 was reported to the House.

Liebling moved to amend S. F. No. 802, the second engrossment, as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 1072, the first engrossment:

"Section 1. Minnesota Statutes 2006, section 149A.01, subdivision 2, is amended to read:

Subd. 2. **Scope.** In Minnesota no person shall, without being licensed by the commissioner of health:

- (1) take charge of, or remove from the place of death, ~~or transport~~ a dead human body;
- (2) prepare a dead human body for final disposition, in any manner; or
- (3) arrange, direct, or supervise a funeral, memorial service, or graveside service.

Sec. 2. Minnesota Statutes 2006, section 149A.01, subdivision 3, is amended to read:

Subd. 3. **Exceptions to licensure.** (a) Except as otherwise provided in this chapter, nothing in this chapter shall in any way interfere with the duties of:

- ~~(1) an officer of any public institution;~~
- ~~(2) (1) an officer of a medical college, county medical society, anatomical association, or anatomical bequest program located within an accredited school of medicine or an accredited college of mortuary science;~~
- ~~(3) a donee of an anatomical gift;~~
- ~~(4) (2)~~ a person engaged in the performance of duties prescribed by law relating to the conditions under which unclaimed dead human bodies are held subject to anatomical study;
- ~~(5) (3)~~ authorized personnel from a licensed ambulance service in the performance of their duties;
- ~~(6) (4)~~ licensed medical personnel in the performance of their duties; or
- ~~(7) (5)~~ the coroner or medical examiner in the performance of the duties of their offices.

(b) This chapter does not apply to or interfere with the recognized customs or rites of any culture or recognized religion in the final disposition ceremonial washing, dressing, and casketing of their dead, to the extent that ~~the all other provisions of this chapter are inconsistent with the customs or rites complied with.~~

(c) Noncompensated persons ~~related by blood, adoption, or marriage to a decedent who chose to remove a body of a decedent from the place of death, transport the body, prepare the body for disposition, except embalming, or arrange for final disposition of the body are not required to be licensed, with the right to control the dead human~~ body may remove a body from the place of death; transport the body; prepare the body for disposition, except embalming; or arrange for final disposition of the body, provided that all actions are in compliance with this chapter.

~~(d) Noncompensated persons acting pursuant to the lawful directive of a decedent who remove a body of the decedent from the place of death, transport the body, prepare the body for disposition, except embalming, or arrange for final disposition of the body are not required to be licensed, provided that all actions are otherwise in compliance with this chapter.~~

~~(e)~~ (d) Persons serving internships pursuant to section 149A.20, subdivision 6, or students officially registered for a practicum or clinical through ~~an a program of mortuary science accredited college or university or a college of funeral service education accredited~~ by the American Board of Funeral Service Education are not required to be licensed, provided that the persons or students are registered with the commissioner and act under the direct and exclusive supervision of a person holding a current license to practice mortuary science in Minnesota.

~~(f)~~ (e) Notwithstanding this subdivision, nothing in this section shall be construed to prohibit an institution or entity from establishing, implementing, or enforcing a policy that permits only persons licensed by the commissioner to remove or cause to be removed a dead body or body part from the institution or entity.

(f) An unlicensed person may arrange for and direct or supervise a memorial service after final disposition of the dead human body has taken place. An unlicensed person may not take charge of the dead human body, however an unlicensed person may arrange for and direct or supervise a memorial service before final disposition of the dead human body has taken place.

Sec. 3. Minnesota Statutes 2006, section 149A.02, subdivision 2, is amended to read:

Subd. 2. **Alternative container.** "Alternative container" means a rigid nonmetal receptacle or enclosure, without ornamentation or a fixed interior lining, which is designed for the encasement of dead human bodies and is made of corrugated cardboard, fiberboard, pressed-wood, ~~composition materials, with or without an outside covering,~~ or other like materials.

Sec. 4. Minnesota Statutes 2006, section 149A.02, is amended by adding a subdivision to read:

Subd. 5a. **Clinical student.** "Clinical student" means a person officially registered for a clinical through a program of mortuary science accredited by the American Board of Funeral Service Education.

Sec. 5. Minnesota Statutes 2006, section 149A.02, subdivision 8, is amended to read:

Subd. 8. **Cremated remains container.** "Cremated remains container" means a receptacle in which postcremation remains are placed. For purposes of this chapter, "cremated remains container" is interchangeable with "urn" or similar keepsake storage jewelry.

Sec. 6. Minnesota Statutes 2006, section 149A.02, subdivision 11, is amended to read:

Subd. 11. **Cremation container.** "Cremation container" means a rigid, combustible, closed container resistant to the leakage of bodily fluids into which that encases the body and can be made of materials like fiberboard, or corrugated cardboard and into which a dead human body is placed prior to insertion into a cremation chamber for cremation. Cremation containers may be combustible "alternative containers" or combustible "caskets."

Sec. 7. Minnesota Statutes 2006, section 149A.02, subdivision 12, is amended to read:

Subd. 12. **Crematory.** "Crematory" means a building or structure containing one or more cremation chambers or retorts for the cremation of dead human bodies ~~or any person that performs cremations.~~

Sec. 8. Minnesota Statutes 2006, section 149A.02, subdivision 13, is amended to read:

Subd. 13. **Direct cremation.** "Direct cremation" means a final disposition of a dead human body by cremation, without formal viewing, visitation, or ceremony with the body present.

Sec. 9. Minnesota Statutes 2006, section 149A.02, is amended by adding a subdivision to read:

Subd. 13a. **Direct supervision.** "Direct supervision" means overseeing the performance of an individual. For the purpose of a clinical, practicum, or internship, direct supervision means that the supervisor is available to observe and correct, as needed, the performance of the trainee. The mortician supervisor is accountable for the actions of the clinical student, practicum student, or intern throughout the course of the training. The supervising mortician is accountable for any violations of law or rule, in the performance of their duties, by the clinical student, practicum student, or intern.

Sec. 10. Minnesota Statutes 2006, section 149A.02, subdivision 16, is amended to read:

Subd. 16. **Final disposition.** "Final disposition" means the acts leading to and the entombment, burial in a cemetery, or cremation of a dead human body.

Sec. 11. Minnesota Statutes 2006, section 149A.02, subdivision 33, is amended to read:

Subd. 33. **Practicum student.** "Practicum student" means a person officially registered for a practicum through ~~an a program of mortuary science accredited college or university or a college of funeral service education accredited~~ by the American Board of Funeral Service Education.

Sec. 12. Minnesota Statutes 2006, section 149A.02, subdivision 34, is amended to read:

Subd. 34. **Preparation of the body.** "Preparation of the body" means embalming of the body or such items of care as washing, disinfecting, shaving, positioning of features, restorative procedures, ~~care of hair,~~ application of cosmetics, dressing, and casketing.

Sec. 13. Minnesota Statutes 2006, section 149A.02, is amended by adding a subdivision to read:

Subd. 37b. **Refrigeration.** "Refrigeration" means to preserve by keeping cool at a temperature of 40 degrees Fahrenheit or less using mechanical or natural means.

Sec. 14. Minnesota Statutes 2006, section 149A.03, is amended to read:

149A.03 DUTIES OF COMMISSIONER.

The commissioner shall:

- (1) enforce all laws and adopt and enforce rules relating to the:
 - (i) removal, preparation, transportation, arrangements for disposition, and final disposition of dead human bodies;
 - (ii) licensure and professional conduct of funeral directors, morticians, ~~and~~ interns, practicum students, and clinical students;
 - (iii) licensing and operation of a funeral establishment; and
 - (iv) licensing and operation of a crematory;
- (2) provide copies of the requirements for licensure and permits to all applicants;
- (3) administer examinations and issue licenses and permits to qualified persons and other legal entities;
- (4) maintain a record of the name and location of all current licensees and interns;
- (5) perform periodic compliance reviews and premise inspections of licensees;
- (6) accept and investigate complaints relating to conduct governed by this chapter;
- (7) maintain a record of all current preneed arrangement trust accounts;
- (8) maintain a schedule of application, examination, permit, and licensure fees, initial and renewal, sufficient to cover all necessary operating expenses;
- (9) educate the public about the existence and content of the laws and rules for mortuary science licensing and the removal, preparation, transportation, arrangements for disposition, and final disposition of dead human bodies to enable consumers to file complaints against licensees and others who may have violated those laws or rules;
- (10) evaluate the laws, rules, and procedures regulating the practice of mortuary science in order to refine the standards for licensing and to improve the regulatory and enforcement methods used; and
- (11) initiate proceedings to address and remedy deficiencies and inconsistencies in the laws, rules, or procedures governing the practice of mortuary science and the removal, preparation, transportation, arrangements for disposition, and final disposition of dead human bodies.

Sec. 15. Minnesota Statutes 2006, section 149A.20, subdivision 1, is amended to read:

Subdivision 1. **License required.** Except as provided in section 149A.01, subdivision 3, any person who takes charge of, or removes from the place of death, ~~or transports~~ a dead human body, or prepares a dead human body for final disposition in any manner, or arranges, directs, or supervises a funeral, memorial service, or graveside service must possess a valid license to practice mortuary science issued by the commissioner. A funeral establishment may provide a nonlicensed individual to direct or supervise a memorial service provided they disclose that information to the person or persons with the authority to make the funeral arrangement as provided in section 149A.80.

Sec. 16. Minnesota Statutes 2006, section 149A.20, subdivision 4, is amended to read:

Subd. 4. **Educational requirements.** ~~(a) Effective on January 1, 1999,~~ The person shall have:

(1) received a bachelor of science degree with a major in mortuary science from an accredited college or university;

(2) received a bachelor of science or arts degree from an accredited college or university and completed a separate course of study in mortuary science from a college of funeral service education accredited by the American Board of Funeral Service Education; or

(3) completed credit hours at accredited colleges or universities that in the numerical aggregate and distribution are the functional equivalent of a bachelor of arts or science degree and have completed a separate course of study in mortuary science from a ~~college of funeral service education~~ program of mortuary science accredited by the American Board of Funeral Service Education.

~~(b) In the interim, from July 1, 1997, to December 31, 1998, the educational requirements for initial licensure shall be:~~

~~(1) successful completion of at least 60 semester credit hours or 90 quarter credit hours at an accredited college or university with the following minimum credit distribution:~~

~~(i) communications, including speech and English; 12 quarter hours or nine semester hours;~~

~~(ii) social science, including an introductory course in sociology and psychology; 20 quarter hours or 12 semester hours;~~

~~(iii) natural science, including general or inorganic chemistry and biology; 20 quarter hours or 12 semester hours;~~

~~(iv) health education, including personal or community health; three quarter hours or two semester hours; and~~

~~(v) elective areas; 35 quarter hours or 25 semester hours; and~~

~~(2) successful completion of a separate course of study in mortuary science from a college of funeral service education accredited by the American Board of Funeral Service Education.~~

Sec. 17. Minnesota Statutes 2006, section 149A.20, subdivision 6, is amended to read:

Subd. 6. **Internship.** (a) A person who attains a passing score on both examinations in subdivision 5 must complete a registered internship under the direct supervision of an individual currently licensed to practice mortuary science in Minnesota. Interns must file with the commissioner:

(1) the appropriate fee; and

(2) a registration form indicating the name and home address of the intern, the date the internship begins, and the name, license number, and business address of the supervising mortuary science licensee.

(b) Any changes in information provided in the registration must be immediately reported to the commissioner. The internship shall be a minimum of one calendar year and a maximum of three calendar years in duration; however, the commissioner may waive up to three months of the internship time requirement upon satisfactory

completion of ~~the~~ a clinical or practicum in mortuary science administered through the program of mortuary science of the University of Minnesota or a substantially similar program. Registrations must be renewed on an annual basis if they exceed one calendar year. During the internship period, the intern must be under the direct ~~and exclusive~~ supervision of a person holding a current license to practice mortuary science in Minnesota. An intern may be registered under only one licensee at any given time and may be directed and supervised only by the registered licensee. The registered licensee shall have only one intern registered at any given time. The commissioner shall issue to each registered intern a registration permit that must be displayed with the other establishment and practice licenses. While under the direct ~~and exclusive~~ supervision of the licensee, the intern must actively participate in the embalming of at least 25 dead human bodies and in the arrangements for and direction of at least 25 funerals. Case reports, on forms provided by the commissioner, shall be completed by the intern, signed by the supervising licensee, and filed with the commissioner for at least 25 embalming and funerals in which the intern participates. Information contained in these reports that identifies the subject or the family of the subject embalmed or the subject or the family of the subject of the funeral shall be classified as licensing data under section 13.41, subdivision 2.

Sec. 18. Minnesota Statutes 2006, section 149A.40, subdivision 11, is amended to read:

Subd. 11. **Continuing education.** The commissioner may, ~~upon presentation of an appropriate program of continuing education developed by the Minnesota Funeral Directors Association,~~ require continuing education hours for renewal of a license to practice mortuary science.

Sec. 19. Minnesota Statutes 2006, section 149A.45, is amended by adding a subdivision to read:

Subd. 6. **Fees.** The renewal fees shall be paid to the commissioner of finance and shall be credited to the state government special revenue fund in the state treasury.

Sec. 20. Minnesota Statutes 2006, section 149A.45, is amended by adding a subdivision to read:

Subd. 7. **Reinstatement.** After one year a person who registers under this section may reapply meeting current requirements for licensure listed in section 149A.20.

Sec. 21. Minnesota Statutes 2006, section 149A.50, subdivision 2, is amended to read:

Subd. 2. **Requirements for funeral establishment.** A funeral establishment licensed under this section must ~~contain~~:

- (1) contain a preparation and embalming room as described in section 149A.92; ~~and~~
- (2) contain office space for making arrangements-; and
- (3) comply with applicable local and state building codes, zoning laws, and ordinances.

Sec. 22. Minnesota Statutes 2006, section 149A.50, subdivision 4, is amended to read:

Subd. 4. **Nontransferability of license.** A license to operate a funeral establishment is not assignable or transferable and shall not be valid for any person other than the one named. Each license issued to operate a funeral establishment is valid only for the location identified on the license. A 50 percent or more change in ownership or location of the funeral establishment automatically terminates the license. Separate licenses shall be required of two or more persons or other legal entities operating from the same location.

Sec. 23. Minnesota Statutes 2006, section 149A.52, subdivision 4, is amended to read:

Subd. 4. **Nontransferability of license.** A license to operate a crematory is not assignable or transferable and shall not be valid for any person other than the one named. Each license issued to operate a crematory is valid only for the location identified on the license. A 50 percent or more change in ownership or location of the crematory automatically terminates the license. Separate licenses shall be required of two or more persons or other legal entities operating from the same location.

Sec. 24. Minnesota Statutes 2006, section 149A.52, is amended by adding a subdivision to read:

Subd. 5a. **Initial licensure and inspection fees.** The licensure and inspection fees shall be paid to the commissioner of finance and shall be credited to the state government special revenue fund in the state treasury.

Sec. 25. Minnesota Statutes 2006, section 149A.53, is amended by adding a subdivision to read:

Subd. 9. **Renewal and reinspection fees.** The renewal and reinspection fees shall be paid to the commissioner of finance and shall be credited to the state government special revenue fund in the state treasury.

Sec. 26. Minnesota Statutes 2006, section 149A.63, is amended to read:

149A.63 PROFESSIONAL COOPERATION.

A licensee, clinical student, practicum student, intern, or applicant for licensure under this chapter that is the subject of or part of an inspection or investigation by the commissioner or the commissioner's designee shall cooperate fully with the inspection or investigation. Failure to cooperate constitutes grounds for disciplinary action under this chapter.

Sec. 27. Minnesota Statutes 2006, section 149A.70, subdivision 1, is amended to read:

Subdivision 1. **Use of titles.** Only a person holding a valid license to practice mortuary science issued by the commissioner may use the title of mortician, funeral director, or any other title implying that the licensee is engaged in the business or practice of mortuary science. Only the holder of a valid license to operate a funeral establishment issued by the commissioner may use the title of funeral home, funeral chapel, funeral service, or any other title, word, or term implying that the licensee is engaged in the business or practice of mortuary science. Only the holder of a valid license to operate a crematory issued by the commissioner may use the title of crematory, crematorium, or any other title, word, or term implying that the licensee operates a crematory or crematorium.

Sec. 28. Minnesota Statutes 2006, section 149A.70, subdivision 3, is amended to read:

Subd. 3. **Advertising.** No licensee, clinical student, practicum student, or intern shall publish or disseminate false, misleading, or deceptive advertising. False, misleading, or deceptive advertising includes, but is not limited to:

(1) identifying, by using the names or pictures of, persons who are not licensed to practice mortuary science in a way that leads the public to believe that those persons will provide mortuary science services;

(2) using any name other than the names under which the funeral establishment or crematory is known to or licensed by the commissioner;

(3) using a surname not directly, actively, or presently associated with a licensed funeral establishment or crematory, unless the surname had been previously and continuously used by the licensed funeral establishment or crematory; and

(4) using a founding or establishing date or total years of service not directly or continuously related to a name under which the funeral establishment or crematory is currently or was previously licensed.

Any advertising or other printed material that contains the names or pictures of persons affiliated with a funeral establishment or crematory shall state the position held by the persons and shall identify each person who is licensed or unlicensed under this chapter.

Sec. 29. Minnesota Statutes 2006, section 149A.70, subdivision 5, is amended to read:

Subd. 5. **Reimbursement prohibited.** No licensee, clinical student, practicum student, or intern shall offer, solicit, or accept a commission, fee, bonus, rebate, or other reimbursement in consideration for recommending or causing a dead human body to be disposed of ~~in~~ by a specific body donation program, funeral establishment, crematory, mausoleum, or cemetery.

Sec. 30. Minnesota Statutes 2006, section 149A.70, subdivision 5a, is amended to read:

Subd. 5a. **Solicitations prohibited in certain situations.** No funeral provider or whole body donation program may directly or indirectly:

(1) call upon an individual at a grave site, in a hospital, nursing home, hospice, or similar institution or facility, or at a visitation, wake, or reviewal for the purpose of soliciting the sale of funeral goods, funeral services, burial site goods, or burial site services or for the purpose of making arrangements for a funeral or the final disposition of a dead human body, without a specific request for solicitation from that individual;

(2) solicit the sale of funeral goods, funeral services, burial site goods, or burial site services from an individual whose impending death is readily apparent, without a specific request for solicitation from that individual; or

(3) engage in ~~telephone~~ solicitation of an individual who has the right to control the final disposition of a dead human body within ten days after the death of the individual whose body is being disposed, without a specific request for solicitation from that individual.

This subdivision does not apply to communications between an individual and a funeral provider who is related to the individual by blood, adoption, or marriage.

Sec. 31. Minnesota Statutes 2006, section 149A.70, subdivision 6, is amended to read:

Subd. 6. **Use of unlicensed personnel; interns; and practicum students.** Except as otherwise provided in this chapter, a licensed funeral establishment may not employ unlicensed personnel to perform the duties of a funeral director or mortician ~~so long as the unlicensed personnel act under the direct supervision of an individual holding a current license to practice mortuary science in Minnesota and all applicable provisions of this chapter are followed. It is the duty of the licensees, individual or establishment, to provide proper training for all unlicensed personnel, and the licensees shall be strictly accountable for compliance with this chapter. This subdivision does not apply to registered interns who are under the direct and exclusive supervision of a registered licensee or a student duly registered for a practicum through an accredited college or university or a college of funeral service education accredited by the American Board of Funeral Service Education. A licensee may be personally assisted by a nonlicensed employee when removing a dead human body from the place of death and in the lifting of a dead human body at the funeral establishment. The nonlicensed employee must be in the immediate physical presence of the~~

licensee in charge at all times. The funeral establishment and the individual licensee are responsible for compliance and training of the nonlicensed employee outlined in sections 149A.90, subdivision 6, and 149A.92, subdivisions 7 and 10, and shall be fully accountable for all actions of the nonlicensed employee.

Sec. 32. Minnesota Statutes 2006, section 149A.70, subdivision 7, is amended to read:

Subd. 7. **Unprofessional conduct.** No licensee or intern shall engage in or permit others under the licensee's or intern's supervision or employment to engage in unprofessional conduct. Unprofessional conduct includes, but is not limited to:

(1) harassing, abusing, or intimidating a customer, employee, or any other person encountered while within the scope of practice, employment, or business;

(2) using profane, indecent, or obscene language within the immediate hearing of the family or relatives of the deceased;

(3) failure to treat with dignity and respect the body of the deceased, any member of the family or relatives of the deceased, any employee, or any other person encountered while within the scope of practice, employment, or business;

(4) the habitual overindulgence in the use of or dependence on intoxicating liquors, prescription drugs, over-the-counter drugs, illegal drugs, or any other mood altering substances that substantially impair a person's work-related judgment or performance;

(5) revealing personally identifiable facts, data, or information about a decedent, customer, member of the decedent's family, or employee acquired in the practice or business without the prior consent of the individual, except as authorized by law;

(6) intentionally misleading or deceiving any customer in the sale of any goods or services provided by the licensee;

(7) knowingly making a false statement in the procuring, preparation, or filing of any required permit or document; or

(8) knowingly making a false statement on a record of death.

Sec. 33. Minnesota Statutes 2006, section 149A.70, subdivision 8, is amended to read:

Subd. 8. **Disclosure of ownership.** All funeral establishments and funeral providers must clearly state by whom they are owned ~~in~~ on all price lists, business literature, stationary, Web sites, correspondence, and contracts. This subdivision does not apply to envelopes, business cards, newspaper advertisements, telephone book advertisements, billboard advertisements, or radio and television advertisements.

Sec. 34. Minnesota Statutes 2006, section 149A.70, subdivision 9, is amended to read:

Subd. 9. **Disclosure of change of ownership.** (a) Within 15 days of a change in ownership of a funeral establishment or funeral provider, the funeral establishment or funeral provider shall notify all preneed consumers by first class mail of the change in ownership. The notification shall advise the preneed consumers of their right to transfer all preneed trust funds to a new funeral provider and shall advise all preneed consumers who have revocable preneed trusts of their right to terminate the trust and receive a refund of all principal paid into the trust, plus interest accrued.

(b) For purposes of this subdivision:

(1) "change in ownership" means:

(i) the sale or transfer of ~~all or substantially all~~ 50 percent or more of the controlling interest or assets of a funeral establishment or funeral provider;

(ii) the sale or transfer of a controlling interest of a funeral establishment or funeral provider; or

(iii) the termination of the business of a funeral establishment or funeral provider where there is no transfer of assets or stock; and

(2) "controlling interest" means:

(i) an interest in a partnership of greater than 50 percent; or

(ii) greater than 50 percent of the issued and outstanding shares of a stock of a corporation.

Sec. 35. Minnesota Statutes 2006, section 149A.71, subdivision 2, is amended to read:

Subd. 2. **Preventive requirements.** (a) To prevent unfair or deceptive acts or practices, the requirements of this subdivision must be met.

(b) Funeral providers must tell persons who ask by telephone about the funeral provider's offerings or prices any accurate information from the price lists described in paragraphs (c) to (e) and any other readily available information that reasonably answers the questions asked.

(c) Funeral providers must make available for viewing to people who inquire in person about the offerings or prices of funeral goods or burial site goods, separate printed or typewritten price lists using a ten-point font or larger. Each funeral provider must have a separate price list for each of the following types of goods that are sold or offered for sale:

(1) caskets;

(2) alternative containers;

(3) outer burial containers;

(4) cremation containers ~~and~~;

(5) cremated remains containers;

~~(5)~~ (6) markers; and

~~(6)~~ (7) headstones.

(d) Each separate price list must contain the name of the funeral provider's place of business, address, and telephone number and a caption describing the list as a price list for one of the types of funeral goods or burial site goods described in paragraph (c), clauses (1) to ~~(6)~~ (7). The funeral provider must offer the list upon beginning discussion of, but in any event before showing, the specific funeral goods or burial site goods and must provide a photocopy of the price list, for retention, if so asked by the consumer. The list must contain, at least, the retail prices

of all the specific funeral goods and burial site goods offered which do not require special ordering, enough information to identify each, and the effective date for the price list. ~~In lieu of a written price list, other formats, such as notebooks, brochures, or charts may be used if they contain the same information as would the printed or typewritten list, and display it in a clear and conspicuous manner.~~ However, funeral providers are not required to make a specific price list available if the funeral providers place the information required by this paragraph on the general price list described in paragraph (e).

(e) Funeral providers must give a printed ~~or typewritten~~ price list, for retention, to persons who inquire in person about the funeral goods, funeral services, burial site goods, or burial site services or prices offered by the funeral provider. The funeral provider must give the list upon beginning discussion of either the prices of or the overall type of funeral service or disposition or specific funeral goods, funeral services, burial site goods, or burial site services offered by the provider. This requirement applies whether the discussion takes place in the funeral establishment or elsewhere. However, when the deceased is removed for transportation to the funeral establishment, an in-person request for authorization to embalm does not, by itself, trigger the requirement to offer the general price list. If the provider, in making an in-person request for authorization to embalm, discloses that embalming is not required by law except in certain special cases, the provider is not required to offer the general price list. Any other discussion during that time about prices or the selection of funeral goods, funeral services, burial site goods, or burial site services triggers the requirement to give the consumer a general price list. The general price list must contain the following information:

- (1) the name, address, and telephone number of the funeral provider's place of business;
- (2) a caption describing the list as a "general price list";
- (3) the effective date for the price list;
- (4) the retail prices, in any order, expressed either as a flat fee or as the prices per hour, mile, or other unit of computation, and other information described as follows:
 - (i) forwarding of remains to another funeral establishment, together with a list of the services provided for any quoted price;
 - (ii) receiving remains from another funeral establishment, together with a list of the services provided for any quoted price;
 - (iii) separate prices for each cremation offered by the funeral provider, with the price including an alternative or cremation container, any crematory charges, and a description of the services and container included in the price, where applicable, and the price of cremation where the purchaser provides the container;
 - (iv) separate prices for each immediate burial offered by the funeral provider, including a casket or alternative container, and a description of the services and container included in that price, and the price of immediate burial where the purchaser provides the casket or alternative container;
 - (v) transfer of remains to the funeral establishment;
 - (vi) embalming;
 - (vii) other preparation of the body;
 - (viii) use of facilities, equipment, or staff for viewing;

(ix) use of facilities, equipment, or staff for funeral ceremony;

(x) use of facilities, equipment, or staff for memorial service;

(xi) use of equipment or staff for graveside service;

(xii) hearse or funeral coach;

(xiii) limousine; and

(xiv) separate prices for all cemetery-specific goods and services, including all goods and services associated with interment and burial site goods and services and excluding markers and headstones;

(5) the price range for the caskets offered by the funeral provider, together with the statement "A complete price list will be provided at the funeral establishment or casket sale location." or the prices of individual caskets, as disclosed in the manner described in paragraphs (c) and (d);

(6) the price range for the alternative containers offered by the funeral provider, together with the statement "A complete price list will be provided at the funeral establishment or alternative container sale location." or the prices of individual alternative containers, as disclosed in the manner described in paragraphs (c) and (d);

(7) the price range for the outer burial containers offered by the funeral provider, together with the statement "A complete price list will be provided at the funeral establishment or outer burial container sale location." or the prices of individual outer burial containers, as disclosed in the manner described in paragraphs (c) and (d);

(8) the price range for the cremation containers ~~and cremated remains containers~~ offered by the funeral provider, together with the statement "A complete price list will be provided at the funeral establishment or cremation container sale location." or the prices of individual cremation containers and cremated remains containers, as disclosed in the manner described in paragraphs (c) and (d);

(9) the price range for the cremated remains containers offered by the funeral provider, together with the statement, "A complete price list will be provided at the funeral establishment or cremation container sale location," or the prices of individual cremation containers as disclosed in the manner described in paragraphs (c) and (d);

(10) the price for the basic services of funeral provider and staff, together with a list of the principal basic services provided for any quoted price and, if the charge cannot be declined by the purchaser, the statement "This fee for our basic services will be added to the total cost of the funeral arrangements you select. (This fee is already included in our charges for direct cremations, immediate burials, and forwarding or receiving remains.)" If the charge cannot be declined by the purchaser, the quoted price shall include all charges for the recovery of unallocated funeral provider overhead, and funeral providers may include in the required disclosure the phrase "and overhead" after the word "services." This services fee is the only funeral provider fee for services, facilities, or unallocated overhead permitted by this subdivision to be nondeclinable, unless otherwise required by law;

~~(10) if the price for basic services, as described in clause (9), is not applicable, the statement "Please note that a fee for the use of our basic services is included in the price of our caskets. Our services include (specify services provided)." The fee shall include all charges for the recovery of unallocated funeral provider overhead, and funeral providers may include in the required disclosure the phrase "and overhead" after the word "services." The statement must be placed on the general price list, together with the casket price range or the prices of individual caskets. This services fee is the only funeral provider fee for services, facilities, or unallocated overhead permitted by this subdivision to be nondeclinable, unless otherwise required by law; and~~

(11) the price range for the markers and headstones offered by the funeral provider, together with the statement "A complete price list will be provided at the funeral establishment or marker or headstone sale location." or the prices of individual markers and headstones, as disclosed in the manner described in paragraphs (c) and (d); and

(12) any package priced funerals offered must be listed in addition to and following the information required in paragraph (e) and must clearly state the funeral goods and services being offered, the price being charged for those goods and services, and the discounted savings.

(f) Funeral providers must give an itemized written statement, for retention, to each consumer who arranges ~~a~~ an at-need funeral or other disposition of human remains at the conclusion of the discussion of the arrangements. The itemized written statement must be signed by the consumer selecting the goods and services as required in section 149A.80. If the statement is provided ~~at~~ by a funeral establishment, the statement must be signed by the licensed funeral director or mortician planning the arrangements. If the statement is provided by any other funeral provider, the statement must be signed by an authorized agent of the funeral provider. The statement must list the funeral goods, funeral services, burial site goods, or burial site services selected by that consumer and the prices to be paid for each item, specifically itemized cash advance items (these prices must be given to the extent then known or reasonably ascertainable if the prices are not known or reasonably ascertainable, a good faith estimate shall be given and a written statement of the actual charges shall be provided before the final bill is paid), and the total cost of goods and services selected. ~~The information required by this paragraph may be included on any contract, statement, or other document which the funeral provider would otherwise provide at the conclusion of discussion of arrangements.~~ At the conclusion of an at-need arrangement, the funeral provider is required to give the consumer a copy of the signed itemized written contract that must contain the information required in this paragraph.

~~(g) Funeral providers must give any other price information, in any other format, in addition to that required by paragraphs (c) to (e) so long as the written statement required by paragraph (f) is given when required.~~

~~(h)~~ (g) Upon receiving actual notice of the death of an individual with whom a funeral provider has entered a preneed funeral agreement, the funeral provider must provide a copy of all preneed funeral agreement documents to the person who controls final disposition of the human remains or to the designee of the person controlling disposition. The person controlling final disposition shall be provided with these documents at the time of the person's first in-person contact with the funeral provider, if the first contact occurs in person at a funeral establishment, crematory, or other place of business of the funeral provider. If the contact occurs by other means or at another location, the documents must be provided within 24 hours of the first contact.

Sec. 36. Minnesota Statutes 2006, section 149A.71, subdivision 4, is amended to read:

Subd. 4. **Casket, alternate container, and cremation container sales; records; required disclosures.** Any funeral provider who sells or offers to sell a casket, alternate container, or cremation container, or cremated remains container to the public must maintain a record of each sale that includes the name of the purchaser, the purchaser's mailing address, the name of the decedent, the date of the decedent's death, and the place of death. These records shall be open to inspection by the regulatory agency ~~and reported to the commissioner~~. Any funeral provider selling a casket, alternate container, or cremation container to the public, and not having charge of the final disposition of the dead human body, shall ~~enclose within the casket, alternate container, or cremation container information provided by the commissioner that includes a blank record of death, and~~ provide a copy of the statutes and rules controlling the removal, preparation, transportation, arrangements for disposition, and final disposition of a dead human body. This subdivision does not apply to morticians, funeral directors, funeral establishments, crematories, or wholesale distributors of caskets, alternate containers, or cremation containers.

Sec. 37. Minnesota Statutes 2006, section 149A.72, subdivision 4, is amended to read:

Subd. 4. **Casket for cremation provision; preventive measures.** To prevent deceptive acts or practices, funeral providers must place the following disclosure in immediate conjunction with the prices shown for cremations: "Minnesota law does not require you to purchase a casket for cremation. If you want to arrange a cremation, you can use a cremation container. A cremation container is a rigid, combustible, closed container resistant to the leakage of bodily fluids, that encases the body and can be made of materials like fiberboard or composition materials (with or without an outside covering) corrugated cardboard and into which a dead human body is placed prior to insertion into a cremation chamber for cremation. The containers we provide are (specify containers provided)." This disclosure is required only if the funeral provider arranges direct cremations.

Sec. 38. Minnesota Statutes 2006, section 149A.74, subdivision 1, is amended to read:

Subdivision 1. **Services provided without prior approval; deceptive acts or practices.** In selling or offering to sell funeral goods or funeral services to the public, it is a deceptive act or practice for any funeral provider to embalm a dead human body unless state or local law or regulation requires embalming in the particular circumstances regardless of any funeral choice which might be made, or prior approval for embalming has been obtained from an individual legally authorized to make such a decision, ~~or the funeral provider is unable to contact the legally authorized individual after exercising due diligence, has no reason to believe the legally authorized individual does not want embalming performed, and obtains subsequent approval for embalming already performed.~~ In seeking approval to embalm, the funeral provider must disclose that embalming is not required by law except in certain circumstances; that a fee will be charged if a funeral is selected which requires embalming, such as a funeral with viewing; and that no embalming fee will be charged if the family selects a service which does not require embalming, such as direct cremation or immediate burial.

Sec. 39. Minnesota Statutes 2006, section 149A.80, subdivision 1, is amended to read:

Subdivision 1. **Advance directives and will of decedent.** A person may direct the preparation for, type, or place of that person's final disposition, either by oral or written instructions. A person may arrange for the preparation, type of service, and place of final disposition in advance of need with a funeral establishment by written instructions that are dated, signed, and notarized or witnessed. The person or persons otherwise entitled to control the final disposition under this chapter shall faithfully carry out the reasonable and otherwise lawful directions of the decedent to the extent that the decedent has provided resources for the purpose of carrying out the directions. If the instructions are contained in a will, they shall be immediately carried out, regardless of the validity of the will in other respects or of the fact that the will may not be offered for or admitted to probate until a later date, subject to other provisions of this chapter or any other law of this state. This subdivision shall be administered and construed so that the reasonable and lawful instructions of the decedent or the person entitled to control the final disposition shall be faithfully and promptly performed.

Sec. 40. Minnesota Statutes 2006, section 149A.80, subdivision 2, is amended to read:

Subd. 2. **Determination of right to control and duty of disposition.** The right to control the disposition of the remains of a deceased person, including the location and conditions of final disposition, unless other directions have been given by the decedent pursuant to subdivision 1, vests in, and the duty of final disposition of the body devolves upon, the following in the order named:

(1) the person or persons appointed in a dated written instrument signed by the decedent. Written instrument includes, but is not limited to, a health care directive executed under chapter 145C. Written instrument does not include a durable or nondurable power of attorney which terminates on the death of the principal pursuant to sections 523.08 and 523.09;

(2) the surviving, legally recognized spouse;

(3) a majority of the surviving biological or adopted child or children of the decedent over the age of majority, provided that, in the absence of actual knowledge to the contrary, a funeral director or mortician may rely on instructions given by the child or children who represent that they are the sole surviving child, or that they constitute a majority of the surviving children;

(4) the surviving parent or parents of the decedent each having equal authority;

(5) a majority of the surviving biological or adopted sibling or siblings of the decedent over the age of majority, provided that, in the absence of actual knowledge to the contrary, a funeral director or mortician may rely on instructions given by the sibling or siblings who represent that they are the sole surviving sibling, or that they constitute a majority of the surviving siblings;

(6) the person or persons respectively in the next degree of kinship in the order named by law to inherit the estate of the decedent; and

(7) the appropriate public or court authority, as required by law.

For purposes of this subdivision, the appropriate public or court authority includes the county board of the county in which the death occurred if the person dies without apparent financial means to provide for final disposition or the district court in the county in which the death occurred.

Sec. 41. Minnesota Statutes 2006, section 149A.80, subdivision 3, is amended to read:

Subd. 3. **Estranged persons.** An estranged person gives up their rights according to subdivision 2, clauses (1) to (6). Where there is only one person in a degree of relationship to the decedent described in subdivision 2, clauses (1) to (6), and a district court pursuant to subdivision 5, determines that the person and the decedent were estranged at the time of death, the right to control and the duty of disposition shall devolve to the person or persons in the next degree of relationship pursuant to subdivision 2, clauses (1) to (6). For purposes of this subdivision, "estranged" means having a relationship characterized by mutual enmity, hostility, or indifference.

Sec. 42. Minnesota Statutes 2006, section 149A.90, subdivision 1, is amended to read:

Subdivision 1. **Death record.** (a) Except as provided in this section, a death record must be completed and filed for every known death by the mortician, funeral director, or other person lawfully in charge of the final disposition of the body.

(b) If the body is that of an individual whose identity is unknown, the person in charge of the final disposition of the body must notify the commissioner for purposes of compliance with section 144.05, subdivision 4.

Sec. 43. Minnesota Statutes 2006, section 149A.90, subdivision 3, is amended to read:

Subd. 3. **Referrals to coroner or medical examiner.** ~~The mortician, funeral director, or other person lawfully in charge of the disposition of the body shall notify the coroner or medical examiner before moving a body from the site of death in any case:~~

~~(1) where the person is unable to obtain firm assurance from the physician in attendance that the medical certification will be signed;~~

~~(2) when circumstances suggest that the death was caused by other than natural causes;~~

- (3) ~~where deaths occur under mysterious or unusual circumstances;~~
- (4) ~~where there is a violent death, whether homicidal, suicidal, or accidental, including but not limited to: thermal, chemical, electrical, or radiational injury; and deaths due to criminal abortion, whether self induced or not;~~
- (5) ~~where the body is to be disposed of in some manner which prevents later examination, including but not limited to, cremation, dissection, or burial at sea; or~~
- (6) ~~when the decedent was an inmate of a public institution who was not hospitalized for organic disease.~~
Referrals to the coroner or medical examiner are outlined in section 390.11.

Sec. 44. Minnesota Statutes 2006, section 149A.90, subdivision 4, is amended to read:

Subd. 4. **Documentation Certificate of removal.** No dead human body shall be removed from the place of death by a mortician or funeral director without the completion of a certificate of removal ~~certification~~ and, where possible, presentation of a copy of that ~~certification~~ certificate to the person or a representative of the legal entity with physical or legal custody of the body at the death site. The certificate of removal ~~certification may~~ shall be ~~on a form in the format~~ provided by the commissioner ~~or on any other form~~ that contains, at least, the following information:

- (1) the name of the deceased, if known;
- (2) the date and time of removal;
- (3) a brief listing of the type and condition of any personal property removed with the body;
- (4) the location to which the body is being taken;
- (5) the name, business address, and license number of the individual making the removal; and
- (6) the signatures of the individual making the removal and, where possible, the individual or representative of the legal entity with physical or legal custody of the body at the death site.

Sec. 45. Minnesota Statutes 2006, section 149A.90, subdivision 5, is amended to read:

Subd. 5. **Retention of documentation certificate of removal.** A copy of the certificate of removal ~~certification~~ shall be given, where possible, to the person or representative of the legal entity having physical or legal custody of the body at the death site. The original certificate of removal ~~certification~~ shall be retained by the individual making the removal and shall be kept on file, at the funeral establishment ~~or crematory~~ to which the body was taken, for a period of three calendar years following the date of the removal. Following this period, and subject to any other laws requiring retention of records, the funeral establishment ~~or crematory~~ may then place the records in storage or reduce them to microfilm, microfiche, laser disc, or any other method that can produce an accurate reproduction of the original record, for retention for a period of ten calendar years from the date of the removal of the body. At the end of this period and subject to any other laws requiring retention of records, the funeral establishment ~~or crematory~~ may destroy the records by shredding, incineration, or any other manner that protects the privacy of the individuals identified in the records.

Sec. 46. Minnesota Statutes 2006, section 149A.90, subdivision 6, is amended to read:

Subd. 6. **Removal procedure.** Every individual removing a dead human body from the place of death shall use universal precautions and otherwise exercise all reasonable precautions to minimize the risk of transmitting any communicable disease from the body. Before removal, the body shall be wrapped in a sheet or pouch that is impervious to liquids, covered in such a manner that the body cannot be viewed, ~~encased in a secure pouch~~, and placed on a regulation ambulance cot or on an aircraft ambulance stretcher. Any dead human body measuring 36 inches or less in length may be removed after having been properly wrapped, covered, and encased, but does not need to be placed on an ambulance cot or aircraft ambulance stretcher.

Sec. 47. Minnesota Statutes 2006, section 149A.90, subdivision 7, is amended to read:

Subd. 7. **Conveyances permitted for removal.** A dead human body may be transported from the place of death by any vehicle that meets the following standards:

- (1) promotes respect for and preserves the dignity of the dead human body;
- (2) shields the body from being viewed from outside of the conveyance;
- (3) has ample enclosed area to accommodate an ambulance cot or aircraft ambulance stretcher in a horizontal position;
- (4) is so designed to permit loading and unloading of the body without excessive tilting of the cot or stretcher; ~~and~~
- (5) if used for the transportation of more than one dead human body at one time, the vehicle must be designed so that a body or container does not rest directly on top of another body or container and that each body or container is secured to prevent the body or container from excessive movement within the conveyance. A dead human body measuring 36 inches or less in length may be transported from the place of death by passenger automobile. For purposes of this subdivision, a passenger automobile is a vehicle designed and used for carrying not more than ten persons, but excludes motorcycles and motor scooters; and
- (6) is designed so that the driver and the dead human body are in the same cab.

Sec. 48. Minnesota Statutes 2006, section 149A.90, subdivision 8, is amended to read:

Subd. 8. **Proper holding facility required.** The funeral establishment ~~or crematory~~ to which a dead human body is taken shall have an appropriate holding facility for storing the body while awaiting final disposition. The holding facility must be secure from access by anyone except the authorized personnel of the funeral establishment ~~or crematory~~, preserve the dignity of the remains, and protect the health and safety of the funeral establishment ~~or crematory~~ personnel.

Sec. 49. Minnesota Statutes 2006, section 149A.91, subdivision 2, is amended to read:

Subd. 2. **Preparation procedures; access to preparation room.** The preparation of a dead human body for final disposition shall be performed in privacy. No person shall be permitted to be present in the preparation room while a dead human body is being embalmed, washed, or otherwise prepared for final disposition, except:

- (1) licensed morticians ~~or funeral directors and their authorized agents and employees~~;
- (2) registered interns or students as described in subdivision 6;

(3) public officials or representatives in the discharge of their official duties; and

(4) licensed medical personnel; and.

~~(5) members of the immediate family of the deceased, their designated representatives, and any person receiving written authorization to be present. The written authorization must be dated and signed by the person with legal right to control the disposition and must be presented to the mortician or intern or practicum student who will be performing the procedure. The written authorization shall become part of the required records pursuant to subdivision 10.~~

Sec. 50. Minnesota Statutes 2006, section 149A.91, subdivision 3, is amended to read:

Subd. 3. **Embalming required.** A dead human body must be embalmed by a licensed mortician or registered intern or practicum student or clinical student in the following circumstances:

(1) if the body will be transported by public transportation;

(2) if final disposition will not be accomplished within 72 hours after death or release of the body by a competent authority with jurisdiction over the body or the body will be lawfully stored for final disposition in the future, except as provided in section 149A.94, subdivision 1;

(3) if the body will be publicly viewed; or

(4) if so ordered by the commissioner of health for the control of infectious disease and the protection of the public health.

For purposes of this subdivision, publicly viewed means reviewal of a dead human body by anyone other than those mentioned in section 149A.80, subdivision 2, and minor children. Refrigeration may be used in lieu of embalming when required in clause (2). A body may not be kept in refrigeration for a period that exceeds six calendar days from the time and release of the body from the place of death or from the time of release from the coroner or medical examiner.

Sec. 51. Minnesota Statutes 2006, section 149A.91, subdivision 5, is amended to read:

Subd. 5. **Authorization to embalm; required form.** A written authorization to embalm must contain the following information:

(1) the date of the authorization;

(2) the name of the funeral establishment that will perform the embalming;

(3) the name, address, and relationship to the decedent of the person signing the authorization;

(4) an acknowledgment of the circumstances where embalming is required by law under subdivision 3;

(5) a statement certifying that the person signing the authorization is the person with legal right to control the disposition of the body prescribed in section 149A.80 or that person's legal designee;

(6) the name and signature of the person requesting the authorization and that person's relationship to the funeral establishment where the procedure will be performed; and

(7) the signature of the person who has the legal right to control the disposition or their legal designee.

Sec. 52. Minnesota Statutes 2006, section 149A.91, subdivision 6, is amended to read:

Subd. 6. **Mortician required.** Embalming of a dead human body shall be performed only by an individual holding a license to practice mortuary science in Minnesota, a registered intern pursuant to section 149A.20, subdivision 6, or a student registered for a practicum or clinical through an accredited college or university or a college of funeral service education accredited by the American Board of Funeral Service Education. An individual who holds a funeral director only license issued pursuant to section 149A.40, subdivision 2, is prohibited from engaging in the embalming of a dead human body.

Sec. 53. Minnesota Statutes 2006, section 149A.91, subdivision 10, is amended to read:

Subd. 10. **Required records.** Every funeral establishment that causes a dead human body to be embalmed shall create and maintain on its premises or other business location in Minnesota an accurate record of every embalming performed. The record shall include all of the following information for each embalming:

- (1) the name of the decedent and the date of death;
- (2) the date the funeral establishment took physical custody of the body and, if applicable, the name of the person releasing the body to the custody of the funeral establishment;
- (3) the reason for embalming the body;
- (4) the name, address, and relationship to the decedent of the person who authorized the embalming of the body;
- (5) the date the body was embalmed, including the time begun and the time of completion;
- (6) the name, license number, and signature of the mortician who performed or personally supervised the intern or student who performed the embalming;
- (7) the name, permit number, if applicable, and signature of any intern or practicum student or clinical student that participates in the embalming of a body, whether the intern or practicum student or clinical student performs part or all of the embalming; and
- (8) the original written authorization to embalm and any other supporting documentation that establishes the legal right of the funeral establishment to physical custody of the body and to embalm the body.

Sec. 54. Minnesota Statutes 2006, section 149A.92, subdivision 2, is amended to read:

Subd. 2. **Minimum requirements; general.** Every funeral establishment must have a preparation and embalming room. The room shall be of sufficient size and dimensions to accommodate a preparation or embalming table, an ~~open fixture~~ approved flush bowl with water connections, a hand sink with water connections, and an instrument table, cabinet, or shelves.

Sec. 55. Minnesota Statutes 2006, section 149A.92, subdivision 6, is amended to read:

Subd. 6. **Minimum requirements; equipment and supplies.** The preparation and embalming room must have a ~~preparation and embalming table and a~~ functional aspirator, eye wash, and quick drench shower. ~~The preparation and embalming table shall have a nonporous top, preferably of rustproof metal or porcelain, with raised edges around the top of the entire table and a drain opening at the lower end.~~ Where embalmings are actually performed in

the room, the room must be equipped with a preparation and embalming table, a functional method for injection of fluids, ~~an eye wash station~~, and sufficient supplies and instruments for normal operation. The preparation and embalming table shall have a nonporous top of rustproof metal or porcelain, with raised edges around the top of the entire table and a drain opening at the lower end. All supplies must be stored and used in accordance with all applicable state and federal regulations for occupational health and safety.

Sec. 56. Minnesota Statutes 2006, section 149A.93, subdivision 1, is amended to read:

Subdivision 1. **Permits required.** After removal from the place of death to any location where the body is held awaiting final disposition, further transportation of the body shall require a ~~transit permit issued by a licensed mortician~~ certificate of removal. ~~Permits~~ The certificate of removal shall contain the information required on in the permit form format as furnished by the commissioner.

Sec. 57. Minnesota Statutes 2006, section 149A.93, subdivision 2, is amended to read:

Subd. 2. ~~Transit permit~~ **Certificate of removal.** A ~~transit permit~~ certificate of removal is required when:

- (1) legal and physical custody of the body is transferred;
- (2) a body is transported by public transportation; or
- (3) a body is removed from the state.

Sec. 58. Minnesota Statutes 2006, section 149A.93, is amended by adding a subdivision to read:

Subd. 2a. **Retention of certificate of removal.** A copy of the certificate of removal shall be retained by the funeral establishment or representative of the legal entity releasing legal and physical custody of the body. The original certificate of removal shall accompany the remains to the legal entity to which custody is transferred. The funeral establishment releasing the custody of the remains shall retain a copy of the certificate of removal for a period of three calendar years following the date of the transfer of custody. Following this period, and subject to any other laws requiring retention of records, the funeral establishment may then place the records in storage or reduce them to microfilm, microfiche, laser disc, or any other method that can produce an accurate reproduction of the original record, for retention for a period of ten calendar years from the date of the removal of the body. At the end of this period and subject to any other laws requiring retention of records, the funeral establishment may destroy the records by shredding, incineration, or any other manner that protects the privacy of the individuals identified in the records.

Sec. 59. Minnesota Statutes 2006, section 149A.93, subdivision 3, is amended to read:

Subd. 3. **Disposition permit.** A disposition permit is required before a body can be buried, entombed, or cremated. No disposition permit shall be issued until a fact of death record has been completed and filed with the local or state registrar of vital statistics.

Sec. 60. Minnesota Statutes 2006, section 149A.93, subdivision 4, is amended to read:

Subd. 4. **Possession of permit.** Until the body is delivered for final disposition, the disposition permit shall be in possession of the person in physical or legal custody of the body, or attached to the transportation container which holds the body. At the place of final disposition, legal and physical custody of the body shall pass with the filing of the disposition permit with the person in charge of that place.

Sec. 61. Minnesota Statutes 2006, section 149A.93, subdivision 6, is amended to read:

Subd. 6. **Conveyances permitted for transportation.** A dead human body may be transported by means of public transportation provided that the body must be properly embalmed and encased in an appropriate container, or by any private vehicle or aircraft that meets the following standards:

- (1) promotes respect for and preserves the dignity of the dead human body;
- (2) shields the body from being viewed from outside of the conveyance;
- (3) has ample enclosed area to accommodate a regulation ambulance cot, aircraft ambulance stretcher, casket, alternative container, or cremation container in a horizontal position;
- (4) is designed to permit loading and unloading of the body without excessive tilting of the casket, alternative container, or cremation container; ~~and~~
- (5) if used for the transportation of more than one dead human body at one time, the vehicle must be designed so that a body or container does not rest directly on top of another body or container and that each body or container is secured to prevent the body or container from excessive movement within the conveyance; and
- (6) is designed so that the driver and the dead human body are in the same cab.

Sec. 62. Minnesota Statutes 2006, section 149A.93, subdivision 8, is amended to read:

Subd. 8. **Who may transport.** ~~Subject to section 149A.09, A dead human body need not be transported under the direct, personal supervision of a licensed mortician or funeral director. In circumstances where there is no reasonable probability that unlicensed personnel will encounter family members or other persons with whom funeral arrangements are normally made by licensed morticians or funeral directors, a dead human body may be transported without the direct, personal supervision of a licensed mortician. Any inadvertent contact with family members or other persons as described above shall be restricted to unlicensed personnel identifying the employer to the person encountered, offering to arrange an appointment with the employer for any person who indicates a desire to make funeral arrangements for the deceased, and making any disclosure to the person that is required by state or federal regulations may be transported by unlicensed personnel according to section 149A.90. A licensed mortician or funeral director who directs the transport of a dead human body without providing direct, personal supervision by unlicensed personnel shall be held strictly accountable for compliance with this chapter.~~

Sec. 63. Minnesota Statutes 2006, section 149A.94, subdivision 1, is amended to read:

Subdivision 1. **Generally.** Every dead human body lying within the state, except those delivered for dissection pursuant to section 525.9213, those delivered for anatomical study pursuant to section 149A.81, subdivision 2, or lawfully carried through the state for the purpose of disposition elsewhere; and the remains of any dead human body after dissection or anatomical study, shall be decently buried, entombed, or cremated, within a reasonable time after death. Where final disposition of a body will not be accomplished within 72 hours following death or release of the body by a competent authority with jurisdiction over the body, the body must be properly embalmed or refrigerated. A body may not be kept in refrigeration for a period exceeding six calendar days from the time of death or release of the body from the coroner or medical examiner. For purposes of this section, refrigeration is not considered a form of preservation or disinfection and does not alter the 72-hour requirement, except as provided in subdivision 2.

Sec. 64. Minnesota Statutes 2006, section 149A.94, subdivision 3, is amended to read:

Subd. 3. **Permit required.** No dead human body shall be buried, entombed, or cremated without a disposition permit. The disposition permit must be filed with the person in charge of the place of final disposition. Where a dead human body will be transported out of this state for final disposition, the body must be accompanied by a ~~transit permit~~ certificate of removal.

Sec. 65. Minnesota Statutes 2006, section 149A.95, subdivision 2, is amended to read:

Subd. 2. **General requirements.** Any building to be used as a crematory must comply with all applicable local and state building codes, zoning laws and ordinances, and environmental standards. A crematory must have, on site, a human cremation system approved by the commissioner, a motorized mechanical device for processing cremated remains and must have, in the building ~~or adjacent to it~~, a holding facility for the retention of dead human bodies awaiting cremation. The holding facility must be secure from access by anyone except the authorized personnel of the crematory, preserve the dignity of the remains, and protect the health and safety of the crematory personnel.

Sec. 66. Minnesota Statutes 2006, section 149A.95, subdivision 4, is amended to read:

Subd. 4. **Authorization to cremate required.** No crematory shall cremate or cause to be cremated any dead human body or identifiable body part without receiving written authorization to do so from the person or persons who ~~has~~ have the legal right to control disposition as described in section 149A.80 or the person's legal designee. The written authorization must include:

- (1) the name of the deceased and the date of death;
- (2) a statement authorizing the crematory to cremate the body;
- (3) the name, address, relationship to the deceased, and signature of the person or persons with legal right to control final disposition or a legal designee;
- (4) certification that the body does not contain any implanted mechanical or radioactive device, such as a heart pacemaker, that may create a hazard when placed in the cremation chamber;
- (5) authorization to remove the body from the container in which it was delivered, if that container is not appropriate for cremation, and to place the body in an appropriate cremation container and directions for the disposition of the original container;
- (6) authorization to open the cremation chamber and reposition the body to facilitate a thorough cremation and to remove from the cremation chamber and separate from the cremated remains, any noncombustible materials or items;
- (7) directions for the disposition of any noncombustible materials or items recovered from the cremation chamber;
- (8) acknowledgment that the cremated remains will be mechanically reduced to a granulated appearance and placed in an appropriate container and authorization to place any cremated remains that a selected urn or container will not accommodate into a temporary container;
- (9) acknowledgment that, even with the exercise of reasonable care, it is not possible to recover all particles of the cremated remains and that some particles may inadvertently become commingled with disintegrated chamber material and particles of other cremated remains that remain in the cremation chamber or other mechanical devices used to process the cremated remains; and

(10) directions for the ultimate disposition of the cremated remains.

Sec. 67. Minnesota Statutes 2006, section 149A.95, subdivision 6, is amended to read:

Subd. 6. **Acceptance of delivery of body.** No dead human body shall be accepted for final disposition by cremation unless encased in an appropriate cremation container ~~or casket, wrapped in an impermeable sheet or pouch of five millimeters or more thickness,~~ accompanied by a disposition permit issued pursuant to section 149A.93, subdivision 3, including a photocopy of the completed death record or a signed release authorizing cremation of the body received from the coroner or medical examiner, and accompanied by a cremation authorization that complies with subdivision 4. A crematory ~~may~~ shall refuse to accept delivery of a cremation container where there is:

- (1) evidence of leakage of fluids from the ~~body~~ cremation container;
- (2) a known dispute concerning cremation of the body delivered;
- (3) a reasonable basis for questioning any of the representations made on the written authorization to cremate; or
- (4) any other lawful reason.

Sec. 68. Minnesota Statutes 2006, section 149A.95, is amended by adding a subdivision to read:

Subd. 6a. **Bodies awaiting cremation.** A dead human body must be cremated within 24 hours of the crematory accepting legal and physical custody of the body.

Sec. 69. Minnesota Statutes 2006, section 149A.95, subdivision 7, is amended to read:

Subd. 7. **Handling of cremation containers for dead human bodies.** All crematory employees handling cremation containers for dead human bodies shall use universal precautions and otherwise exercise all reasonable precautions to minimize the risk of transmitting any communicable disease from the body. No dead human body shall be removed from the container in which it is delivered to the crematory without express written authorization of the person or persons with legal right to control the disposition and only by a licensed mortician. If, after accepting delivery of a body for cremation, it is discovered that the body contains an implanted mechanical or radioactive device, that device must be removed from the body by a licensed mortician or physician prior to cremation.

Sec. 70. Minnesota Statutes 2006, section 149A.95, subdivision 9, is amended to read:

Subd. 9. **Cremation chamber for human remains.** A licensed crematory shall knowingly cremate only dead human bodies or human remains in a cremation chamber, along with the cremation container ~~or casket~~ and a ~~the~~ sheet or pouch used for disease control.

Sec. 71. Minnesota Statutes 2006, section 149A.95, subdivision 13, is amended to read:

Subd. 13. **Cremation procedures; commingling of cremated remains prohibited.** Except with the express written permission of the person with legal right to control the final disposition or otherwise provided by law, no crematory shall mechanically process the cremated human remains of more than one body at a time in the same mechanical processor, or introduce the cremated human remains of a second body into a mechanical processor until processing of any preceding cremated human remains has been terminated and reasonable efforts have been employed to remove all fragments of the preceding cremated remains. The fact that there is incidental and unavoidable residue in the mechanical processor or any container used in a prior cremation is not a violation of this provision.

Sec. 72. Minnesota Statutes 2006, section 149A.95, subdivision 14, is amended to read:

Subd. 14. **Cremation procedures; processing cremated remains.** The cremated human remains shall be reduced by a motorized mechanical device to a granulated appearance appropriate for final disposition and placed in a cremated remains container along with the appropriate identifying disk, tab, or permanent label.

Sec. 73. Minnesota Statutes 2006, section 149A.95, subdivision 15, is amended to read:

Subd. 15. **Cremation procedures; container of insufficient capacity.** If a cremated remains container is of insufficient capacity to accommodate all cremated remains of a given dead human body, subject to directives provided in the written authorization to cremate, the crematory shall place the excess cremated remains in a secondary cremated remains container and attach the second container, in a manner so as not to be easily detached through incidental contact, to the primary cremated remains container. The secondary container shall contain a duplicate of the identification disk, tab, or permanent label that was placed in the primary container and all paperwork regarding the given body shall include a notation that the cremated remains were placed in two containers.

Sec. 74. Minnesota Statutes 2006, section 149A.95, subdivision 20, is amended to read:

Subd. 20. **Required records.** Every crematory shall create and maintain on its premises or other business location in Minnesota an accurate record of every cremation provided. The record shall include all of the following information for each cremation:

- (1) the name of the person or funeral establishment delivering the body for cremation;
- (2) the name of the deceased and the identification number assigned to the body;
- (3) the date of acceptance of delivery;
- (4) the names of the cremation chamber and mechanical processor operator;
- (5) the time and date that the body was placed in and removed from the cremation chamber;
- (6) the time and date that processing and inurnment of the cremated remains was completed;
- (7) the time, date, and manner of release of the cremated remains;
- (8) the name and address of the person who signed the authorization to cremate; ~~and~~
- (9) all supporting documentation, including any transit or disposition permits, a photocopy of the death record, and the authorization to cremate; and
- (10) the type of cremation container.

Sec. 75. Minnesota Statutes 2006, section 149A.96, subdivision 1, is amended to read:

Subdivision 1. **Written authorization.** Except as provided in this section, no dead human body or human remains shall be disinterred and reinterred without the written authorization of the person or persons legally entitled to control the body or remains and a disinterment-reinterment permit properly issued by the ~~state registrar~~ commissioner or a licensed mortician. Permits shall contain the information required on the permit form as furnished by the commissioner.

Sec. 76. **REPEALER.**

Minnesota Statutes 2006, sections 149A.93, subdivision 9; and 149A.94, subdivision 2, are repealed."

The motion prevailed and the amendment was adopted.

Liebling moved to amend S. F. No. 802, the second engrossment, as amended, as follows:

Page 3, line 11, delete "rigid"

Page 3, line 27, delete "rigid"

Page 18, line 5, delete "rigid"

The motion prevailed and the amendment was adopted.

S. F. No. 802, A bill for an act relating to health; mortuary science; changing provisions dealing with mortuary science; amending Minnesota Statutes 2006, sections 149A.01, subdivisions 2, 3; 149A.02, subdivisions 2, 8, 11, 12, 13, 16, 33, 34, by adding subdivisions; 149A.03; 149A.20, subdivisions 1, 4, 6; 149A.40, subdivision 11; 149A.45, by adding subdivisions; 149A.50, subdivisions 2, 4; 149A.52, subdivision 4, by adding a subdivision; 149A.53, by adding a subdivision; 149A.63; 149A.70, subdivisions 1, 3, 5, 5a, 6, 7, 8, 9; 149A.71, subdivisions 2, 4; 149A.72, subdivision 4; 149A.74, subdivision 1; 149A.80, subdivisions 2, 3; 149A.90, subdivisions 1, 3, 4, 5, 6, 7, 8; 149A.91, subdivisions 2, 3, 5, 6, 10; 149A.92, subdivisions 2, 6; 149A.93, subdivisions 1, 2, 3, 4, 6, 8, by adding a subdivision; 149A.94, subdivisions 1, 3; 149A.95, subdivisions 2, 4, 6, 7, 9, 13, 14, 15, 20, by adding a subdivision; 149A.96, subdivision 1; repealing Minnesota Statutes 2006, sections 149A.93, subdivision 9; 149A.94, subdivision 2.

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 130 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abeler	Clark	Erickson	Hilty	Kranz	McFarlane
Anderson, S.	Cornish	Faust	Hoppe	Laine	McNamara
Anzelc	Davnie	Fritz	Hornstein	Lanning	Moe
Atkins	Dean	Gardner	Hortman	Lenczewski	Morgan
Beard	DeLaForest	Garofalo	Hosch	Lesch	Morrow
Benson	Demmer	Gottwalt	Howes	Liebling	Mullery
Berns	Dettmer	Greiling	Huntley	Lieder	Murphy, E.
Bigham	Dill	Gunther	Jaros	Lillie	Murphy, M.
Bly	Dittrich	Hackbarth	Johnson	Loeffler	Nelson
Brod	Dominguez	Hamilton	Juhnke	Madore	Nornes
Brown	Doty	Hansen	Kahn	Magnus	Norton
Brynaert	Eastlund	Hausman	Kalin	Mahoney	Olin
Buesgens	Eken	Haws	Knuth	Mariani	Olson
Bunn	Emmer	Heidgerken	Koenen	Marquart	Otremba
Carlson	Erhardt	Hilstrom	Kohls	Masin	Ozment

Paulsen	Rukavina	Severson	Solberg	Tschumper	Westrom
Paymar	Ruth	Shimanski	Sviggum	Urdahl	Winkler
Peppin	Ruud	Simon	Swails	Wagenius	Wollschlager
Peterson, A.	Sailer	Simpson	Thao	Walker	Zellers
Peterson, N.	Scalze	Slawik	Thissen	Ward	Spk. Kelliher
Peterson, S.	Seifert	Slocum	Tillberry	Wardlow	
Poppe	Sertich	Smith	Tingelstad	Welti	

Those who voted in the negative were:

Finstad

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

S. F. No. 493 was reported to the House.

Lesch moved to amend S. F. No. 493, the second engrossment, as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 49, as introduced:

"Section 1. **[617.91] DEFINITIONS.**

Subdivision 1. **General.** The definitions in this section apply to sections 617.91 to 617.97.

Subd. 2. **Continuously or regularly.** "Continuously or regularly" means at least five times in a period of not more than 12 months.

Subd. 3. **Criminal gang.** "Criminal gang" has the meaning given in section 609.229.

Subd. 4. **Gang activity.** "Gang activity" means the commission of one or more of the offenses listed in section 609.11, subdivision 9; criminal damage to property in the first or second degree under section 609.595, subdivision 1 or 1a; trespass under section 609.605; or disorderly conduct under section 609.72.

Sec. 2. **[617.92] PUBLIC NUISANCE.**

Subdivision 1. **Gang activities.** A criminal gang that continuously or regularly engages in gang activities is a public nuisance.

Subd. 2. **Use of place.** The habitual use of a place by a criminal gang for engaging in gang activity is a public nuisance.

Sec. 3. **[617.93] SUIT TO ABATE NUISANCE.**

(a) A county or city attorney, the attorney general, or a resident of the state may sue to enjoin a public nuisance under sections 617.91 to 617.97.

(b) A person who habitually associates with others to engage in the gang activity as a member of the criminal gang may be made a defendant in the suit. A person who owns or is responsible for maintaining a place that is habitually used for engaging in gang activity may be made a defendant in the suit.

Sec. 4. **[617.94] COURT ORDER.**

(a) If the court finds that a criminal gang constitutes a public nuisance, the court may enter a temporary or permanent order:

(1) enjoining a defendant in the suit from engaging in the gang activities; and

(2) imposing other reasonable requirements to prevent the gang from engaging in future gang activities.

(b) "Reasonable requirements" as specified in paragraph (a), clause (2), means any injunctive limitation on gang behavior and social interaction that reduces opportunity for gang activity. The court in imposing reasonable requirements must balance state interest in public safety against constitutional first amendment freedom of association requirements.

(c) If the court finds that a place is habitually used in a manner that constitutes a public nuisance, the court may include in its order reasonable requirements to prevent the use of the place for gang activity.

Sec. 5. **[617.95] VIOLATION OF COURT ORDER.**

A person who violates a temporary or permanent injunctive order under section 617.94 is subject to the following sentences for civil contempt:

(1) a fine of not less than \$1,000 nor more than \$10,000;

(2) confinement in jail for a term of not less than ten nor more than 30 days; or

(3) both a fine and confinement.

Sec. 6. **[617.96] ATTORNEY FEES.**

In an action brought under sections 617.91 to 617.97, the court may award a prevailing party reasonable attorney fees and costs.

Sec. 7. **[617.97] USE OF PLACE; EVIDENCE.**

In an action brought under sections 617.91 to 617.97, proof that gang activity by a member of a criminal gang is frequently committed at a place or proof that a place is frequently used for engaging in gang activity by a member of a criminal gang is prima facie evidence that the person who owns or is responsible for maintaining the place knowingly permitted the act."

The motion prevailed and the amendment was adopted.

S. F. No. 493, A bill for an act relating to public nuisances; providing that certain criminal gang behavior is a public nuisance; authorizing injunctive relief and other remedies; proposing coding for new law in Minnesota Statutes, chapter 617.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 120 yeas and 11 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Buesgens	Hoppe	Jaros	Murphy, M.	Rukavina	Westrom
DeLaForest	Huntley	Kahn	Olson	Walker	

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

S. F. No. 646, A bill for an act relating to education; prohibiting electronic and Internet intimidation and bullying; amending Minnesota Statutes 2006, section 121A.0695.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 96 yeas and 35 nays as follows:

Those who voted in the affirmative were:

Abeler	Bunn	Eken	Hilstrom	Juhnke	Liebling
Anzelc	Carlson	Erhardt	Hilty	Kahn	Lieder
Atkins	Clark	Faust	Hornstein	Kalin	Lillie
Benson	Cornish	Fritz	Hortman	Knuth	Loeffler
Berns	Davnie	Gardner	Hosch	Koenen	Madore
Bigham	Dill	Greiling	Howes	Kranz	Mahoney
Bly	Dittrich	Hansen	Huntley	Laine	Mariani
Brown	Dominguez	Hausman	Jaros	Lenczewski	Marquart
Brynaert	Doty	Haws	Johnson	Lesch	Masin

McNamara	Nelson	Peterson, N.	Sertich	Thao	Walker
Moe	Norton	Peterson, S.	Simon	Thissen	Ward
Morgan	Olin	Poppe	Slawik	Tillberry	Wardlow
Morrow	Otremba	Rukavina	Slocum	Tingelstad	Walti
Mullery	Ozment	Ruud	Smith	Tschumper	Winkler
Murphy, E.	Paymar	Sailer	Solberg	Urdahl	Zellers
Murphy, M.	Peterson, A.	Scalze	Swails	Wagenius	Spk. Kelliher

Those who voted in the negative were:

Anderson, S.	Demmer	Garofalo	Hoppe	Olson	Shimanski
Beard	Dettmer	Gottwalt	Kohls	Paulsen	Simpson
Brod	Eastlund	Gunther	Lanning	Peppin	Sviggum
Buesgens	Emmer	Hackbarth	Magnus	Ruth	Westrom
Dean	Erickson	Hamilton	McFarlane	Seifert	Wollschlager
DeLaForest	Finstad	Heidgerken	Nornes	Severson	

The bill was passed and its title agreed to.

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.

Demmer was 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 accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

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.

The Senate has appointed as such committee:

Senators Erickson Ropes, Kubly and Koering.

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 has concurred in and adopted the report of the Conference Committee 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 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 has concurred in and adopted the report of the Conference Committee on:

S. F. No. 2089.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICE DWORAK, First Assistant Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. No. 2089

A bill for an act relating to state government; appropriating money for jobs and economic development purposes; establishing and modifying certain programs; regulating certain activities and practices; providing for accounts, assessments, and fees; modifying provisions governing contractors; requiring studies; amending Minnesota Statutes 2006, sections 13.712, by adding a subdivision; 13.7905, by adding a subdivision; 16B.61, subdivision 1a; 16B.65, subdivisions 1, 5a; 16B.70, subdivision 2; 80A.28, subdivision 1; 116J.551, subdivision 1; 116J.554, subdivision 2; 116J.555, subdivision 1; 116J.575, subdivisions 1, 1a; 116J.966, subdivision 1; 116L.17, subdivision 1; 116L.20, subdivision 1; 116M.18, subdivision 6a; 177.27, subdivisions 1, 4; 268A.01, subdivision 13, by adding a subdivision; 268A.085, subdivision 1; 268A.15, by adding a subdivision; 298.22, subdivision 2; 298.227; 326.242, subdivision 8, by adding a subdivision; 326.2441; 326.37, subdivision 1; 326.38; 326.40, subdivision 1; 326.401, subdivision 2; 326.42, subdivision 1; 326.46; 326.461, by adding a subdivision; 326.47, subdivisions 2, 6; 326.48, subdivisions 1, 2; 326.50; 326.51; 326.52; 326.975, subdivision 1; 326.992; 327.33, subdivisions 2, 6; 327B.04, subdivision 7; 462A.21, subdivision 8b; 462A.33, subdivision 3; 471.471, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 177; 181; 182; 326; proposing coding for new law as Minnesota Statutes, chapters 59C; 326B; repealing Minnesota Statutes 2006, sections 16B.747, subdivision 4; 16C.18, subdivision 2; 181.722; 183.375, subdivision 5; 183.545, subdivision 9; 326.241; 326.44; 326.52; 326.64; 326.975.

May 3, 2007

The Honorable James P. Metzen
President of the Senate

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 2089 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 2089 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

JOBS, ECONOMIC DEVELOPMENT, HOUSING AND MINNESOTA HERITAGE APPROPRIATIONS SUMMARY

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>\$221,903,000</u>	<u>\$147,158,000</u>	<u>\$369,061,000</u>
<u>Workforce Development</u>	<u>16,259,000</u>	<u>16,274,000</u>	<u>32,533,000</u>
<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>	<u>1,400,000</u>
<u>Workers' Compensation</u>	<u>22,736,000</u>	<u>23,074,000</u>	<u>45,810,000</u>
<u>Total</u>	<u>\$261,598,000</u>	<u>\$187,206,000</u>	<u>\$448,804,000</u>

Sec. 2. **JOBS AND ECONOMIC DEVELOPMENT 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. **EMPLOYMENT AND ECONOMIC DEVELOPMENT**

Subdivision 1. **Total Appropriation** **\$110,772,000** **\$63,656,000**

Appropriations by Fund

	<u>2008</u>	<u>2009</u>
<u>General</u>	<u>94,577,000</u>	<u>47,461,000</u>
<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>
<u>Workforce Development</u>	<u>15,495,000</u>	<u>15,495,000</u>

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

Subd. 2. **Business and Community Development** **57,389,000** **10,431,000**

Appropriations by Fund

<u>General</u>	<u>56,689,000</u>	<u>9,731,000</u>
<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>

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

(a) (1) \$1,250,000 the first year and \$250,000 the second year are from the general fund for a grant under Minnesota Statutes, section 116J.421, to the Rural Policy and Development Center at St. Peter, Minnesota. The grant shall be used for research and policy analysis on emerging economic and social issues in rural Minnesota, to serve as a policy resource center for rural Minnesota communities, to encourage collaboration across higher education institutions to provide interdisciplinary team approaches to research and problem-solving in rural communities, and to administer overall operations of the center.

(2) The grant shall be provided upon the condition that each state-appropriated dollar be matched with a nonstate dollar. Acceptable matching funds are nonstate contributions that the center has received and have not been used to match previous state grants. Any unencumbered balance in the first year is available for the second year.

(3) Of the amount appropriated in the first year, \$1,000,000 is for deposit in the rural policy and development center fund under section 116J.422 as an endowment for the center. This is a onetime appropriation and is available until expended. This endowment is not subject to the match requirements under paragraph (2).

(b) \$250,000 the first year and \$250,000 the second year are from the general fund for a grant to WomenVenture for women's business development programs.

(c) \$500,000 the first year is for a grant to University Enterprise Laboratories (UEL) for its direct and indirect expenses to support efforts to encourage the growth of early-stage and emerging bioscience companies. UEL must provide a report by June 30 each year to the commissioner on the expenditures until the appropriation is expended. This is a onetime appropriation and is available until expended.

(d) \$1,650,000 the first year is for grants under Minnesota Statutes, section 116J.571, for the redevelopment grant program. This is a onetime appropriation.

(e) \$100,000 the first year and \$100,000 the second year are to help small businesses access federal funds through the federal Small Business Innovation Research Program and the federal Small Business Technology Transfer Program. Department services must include maintaining connections to 11 federal

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

programs, assessment of specific funding opportunities, review of funding proposals, referral to specific consulting services, and training workshops throughout the state. Unless prohibited by federal law, the department must implement fees for services that help companies seek federal Phase II Small Business Innovation Research grants. The recommended fee schedule must be reported to the chairs of the house of representatives finance committee and senate budget division with jurisdiction over economic development by February 1, 2008.

(f) \$100,000 the first year and \$100,000 the second year are appropriated to the Public Facilities Authority for the small community wastewater treatment program under Minnesota Statutes, chapter 446A.

(g) \$410,000 the first year and \$155,000 the second year are from the general fund for a grant to the Metropolitan Economic Development Association for continuing minority business development programs in the metropolitan area.

(h) \$85,000 the first year and \$85,000 the second year are for grants to the Minnesota Inventors Congress. Of this amount, \$10,000 each year is for the Student Inventors Congress.

(i) \$151,000 the first year is for a onetime grant to the city of Faribault to design, construct, furnish, and equip renovations to accommodate handicapped accessibility at the Paradise Center for the Arts.

(j) \$1,000,000 each year is to Minnesota Technology, Inc. for the small business growth acceleration program established under Minnesota Statutes, section 116O.115. This is a onetime appropriation.

(k) \$300,000 the first year is for a onetime grant to the city of Northome for the construction of a new municipal building to replace the structures damaged by fire on July 22, 2006. This appropriation is available when the commissioner determines that a sufficient match is available from nonstate sources to complete the project.

(l) \$250,000 the first year and \$250,000 the second year are for a technology and commercialization unit established in this act. This is a onetime appropriation and is available until expended.

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

(m) \$300,000 the first year is for a grant to the city of Worthington for an agricultural-based bioscience training and testing center. Funds appropriated under this section must be used to provide a training and testing facility for incubator firms developing new agricultural processes and products. This is a onetime appropriation and is available until expended.

(n) \$2,000,000 the first year is for a onetime grant to BioBusiness Alliance of Minnesota for bioscience business development programs to promote and position the state as a global leader in bioscience business activities. These funds may be used for:

(1) completion and periodic updating of a statewide bioscience business industry assessment of business technology enterprises and Minnesota's competitive position employing annual updates to federal industry classification data;

(2) long-term strategic planning that includes projections of market changes resulting from developments in biotechnology and the development of 20-year goals, strategies, and identified objectives for renewable energy, medical devices, biopharma, and biologics business development in Minnesota;

(3) the design and construction of a Minnesota focused bioscience business model to test competing strategies and scenarios, evaluate options, and forecast outcomes; and

(4) creation of a bioscience business resources network that includes development of a statewide bioscience business economic development framework to encourage bioscience business development and encourage spin-off activities, attract bioscience business location or expansion in Minnesota, and establish a local capability to support strategic system level planning for industry, government, and academia.

This appropriation is available until June 30, 2009.

(o) \$325,000 is for a grant to the Walker Area Community Center, Inc., to construct, furnish, and equip the Walker Area Community Center. This appropriation is not available until the commissioner has determined that an amount sufficient to complete the project has been committed from nonstate sources. This is a onetime appropriation and is available until expended.

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(p) \$100,000 the first year is for a grant to the Pine Island Economic Development Authority for predesign to upgrade and extend utilities to serve Elk Run Bioscience Research Park and The Falls - Healthy Living By Nature, an integrated medicine facility. This is a onetime appropriation and is available until expended.

(q) \$350,000 the first year is for a grant to Thomson Township for infrastructure improvements for the industrial park. This is a onetime appropriation and is available until expended.

(r) \$75,000 the first year is for a grant to Le Sueur County for the cost of cleaning up debris from lakes in Le Sueur County, caused by the August 24, 2006, tornado in southern Le Sueur County. This is a onetime appropriation and is available until expended.

(s) \$75,000 the first year is 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. This is a onetime appropriation and is available until expended.

(t) \$500,000 the first year is for a grant to the Upper Sioux Community to improve the current water system to ensure continuity of service to the entire population of the community and to meet the demands of the community expansion over the next 20 years. The is a onetime appropriation and is not available until the Public Facilities Authority has determined that at least \$1,000,000 has been committed from nonstate sources. This appropriation is available until expended.

(u) \$1,500,000 the second year is for bioscience business development and commercialization grants. The commissioner shall designate an evaluation team to accept grant applications, review and evaluate grant proposals, and select up to five grant proposals to receive funding each year. The evaluation team shall be comprised of not more than 12 members including: the commissioner or the commissioner's designee; representatives of bioscience businesses; public and private institutions of higher education; private investment companies; a nonprofit entity that qualifies as a 501(c)6 under the Internal Revenue Code and is a trade association representing the life sciences industry; and a bio business alliance that qualifies as a 501(c)3 under the Internal Revenue Code. The criteria used by the evaluation team in evaluating grant proposals must include, but is not limited to: the potential to create and sustain jobs within the state of Minnesota; the potential for long-term business activity, growth, and

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expansion in Minnesota; the level of technological maturity; the potential to attract private investment; and the availability and readiness of markets. The commissioner must report to the standing committees of the house of representatives and the senate having jurisdiction over bioscience and technology issues by February 1 each year on the number, type, and amounts of grants awarded and the activities of the grant recipients. This is a onetime appropriation and is available until expended.

All data contained in a grant application and evaluations of a grant application are classified as nonpublic data, as defined in section 13.02, subdivision 9, or private data on individuals, as defined in section 13.02, subdivision 12. The grant applicant's name, address, and amount requested are classified as public data. When a grant is approved, the commissioner shall release the following in a manner that does not disclose the nonpublic or private data: a description of the problem presented by the applicant, how the applicant proposes to resolve the problem, and for what the grant will be used.

The commissioner may share nonpublic or private data contained in a grant application with the grant evaluation team and outside experts consulted by the grant evaluation team. Prior to sharing the data, the commissioner must obtain a signed nondisclosure agreement from each member of the grant evaluation team and any outside expert providing consultation to the team. The nondisclosure agreement must prohibit the use or dissemination of any of the nonpublic or private data outside of the grant evaluation process.

The grant evaluation team and any outside experts consulted by the grant evaluation team are subject to the penalties and remedies provided in sections 13.08 and 13.09.

(v) \$755,000 the first year is for the urban challenge grant program under Minnesota Statutes, section 116M.18. This is a onetime appropriation.

(w) \$1,200,000 is for a grant to the Neighborhood Development Center for assistance necessary to retain minority business enterprises at the Global Market. This is a onetime appropriation and is available until expended.

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(x) \$300,000 the first year is to develop and operate a bioscience business marketing program to market Minnesota bioscience businesses and business opportunities to other states and other countries. The bioscience business marketing program must emphasize bioscience business location and expansion opportunities in communities outside of the seven-county metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2, that have established collaborative plans among two or more municipal units for bioscience business activities, and that are within 15 miles of a four-year, baccalaureate degree granting institution or a two-year technical or community college that offers bioscience curricula. The commissioner must report to the committees of the senate and house of representatives having jurisdiction over bioscience and technology issues by February 1 of each year on the expenditures of these funds and the promotional activities undertaken to market the Minnesota bioscience industry to persons outside of the state. This is a onetime appropriation and is available until expended.

(y) \$250,000 the first year is for the purposes of the nanotechnology development fund program (NDF) established in article 8, section 8. This is a onetime appropriation.

(z) \$50,000 the first year is for a contract with a public higher education institution in Minnesota jointly entered into with the Center for Rural Development to study the needs of the renewable energy economy for trained employees and the training required for those employees. The study must include extensive consultation and involvement of representatives of the renewable energy industry, environmental interests, labor, the University of Minnesota, and the Minnesota State Colleges and Universities. The commissioner shall report the results of the study to the chairs of the finance divisions of the legislature with jurisdiction over economic development, energy, and higher education by November 1, 2007. This is a onetime appropriation.

(aa) \$700,000 the first year is for a onetime grant to the city of Inver Grove Heights to reduce debt on the Inver Grove Heights Veterans Memorial Community Center.

(bb) \$31,350,000 the first year is for the Minnesota minerals 21st century fund created in Minnesota Statutes, section 116J.423, to partially restore the money unallotted by the commissioner of finance in 2003 pursuant to Minnesota Statutes, section 16A.152. This appropriation may be used as provided in Minnesota Statutes, section 116J.423, subdivision 2. This appropriation is available until expended.

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(cc) \$5,400,000 the first year is for a grant to the city of St. Paul to be used to pay, redeem, or refund debt service costs incurred for the River Centre Campus.

(dd) \$189,000 each year is appropriated from the general fund to the commissioner of employment and economic development for grants of \$63,000 to eligible organizations each year and for the purposes of this paragraph. Each state grant dollar must be matched with \$1 of nonstate funds. Any balance in the first year does not cancel but is available in the second year.

The commissioner of employment and economic development must make grants to organizations to assist in the development of entrepreneurs and small businesses. Three grants must be awarded to continue or to develop a program. One grant must be awarded to the Riverbend Center for Entrepreneurial Facilitation in Blue Earth County, and two to other organizations serving Faribault and Martin Counties. Grant recipients must report to the commissioner by February 1 of each year that the organization receives a grant with the number of customers served; the number of businesses started, stabilized, or expanded; the number of jobs created and retained; and business success rates. The commissioner must report to the house of representatives and senate committees with jurisdiction over economic development finance on the effectiveness of these programs for assisting in the development of entrepreneurs and small businesses.

Subd. 3. Workforce Development

50,374,000

50,183,000

Appropriations by Fund

<u>General</u>	<u>34,879,000</u>	<u>34,688,000</u>
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<u>Workforce</u>		
<u>Development</u>	<u>15,495,000</u>	<u>15,495,000</u>

(a) \$6,785,000 the first year and \$6,785,000 the second year are from the general fund for the Minnesota job skills partnership program under Minnesota Statutes, sections 116L.01 to 116L.17. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. This appropriation does not cancel.

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(b) \$455,000 the first year and \$455,000 the second year are from the general fund for a grant under Minnesota Statutes, section 116J.8747, to Twin Cities RISE! to provide training to hard-to-train individuals.

(c) \$1,375,000 each year is from the workforce development fund for Opportunities Industrialization Center programs.

(d) \$5,614,000 each year is from the general fund and \$6,920,000 each year is from the workforce development fund for extended employment services for persons with severe disabilities or related conditions under Minnesota Statutes, section 268A.15. Of this, \$125,000 each year and in the base for fiscal years 2010 and 2011 is to supplement funds paid for wage incentives for the community support fund established in Minnesota Rules, part 3300.2045.

(e) \$1,650,000 the first year and \$1,650,000 the second year are from the general fund for grants for programs that provide employment support services to persons with mental illness under Minnesota Statutes, sections 268A.13 and 268A.14. Up to \$77,000 each year may be used for administrative and salary expenses.

(f) \$2,440,000 the first year and \$2,440,000 the second year are from the general fund for grants under Minnesota Statutes, section 268A.11, for the eight centers for independent living. Money not expended the first year is available the second year.

The commissioner must:

(1) transfer \$115,000 of federal independent living Part B rehabilitation services funds to the Minnesota Centers for Independent Living each year contingent upon the availability of federal funds under Title VII, Part B, of the Federal Rehabilitation Act of 1973 as amended under United States Code, title 29, section 711(c), and approved by the Statewide Independent Living Council;

(2) replace federal Part B funds in the State Independent Living Council budget transferred under clause (1) with \$115,000 of Social Security Administration program income funds each year; and

(3) provide an additional \$185,000 each year from the Social Security Administration program income to the Minnesota Centers for Independent Living to be allocated equally among the eight centers.

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Additional funding for centers for independent living under clauses (1) and (3) must be used for core independent living services by the Centers for Independent Living. The Statewide Independent Living Council framework for statewide distribution of state and federal funding to the Minnesota Centers for Independent Living does not apply to the funds under clauses (1) and (3). The commissioner must report on the transfers in clauses (1), (2), and (3), and any other effort to pursue additional funding for the Centers for Independent Living to the standing committees of the senate and house of representatives having jurisdiction over Centers for Independent Living by March 15 each year.

(g) \$5,940,000 the first year and \$5,940,000 the second year are from the general fund for state services for the blind activities.

(h) \$150,000 the first year and \$150,000 the second year are from the general fund and \$175,000 the first year and \$175,000 the second year are from the workforce development fund for grants under Minnesota Statutes, section 268A.03, to Rise, Inc. for the Minnesota Employment Center for People Who are Deaf or Hard-of-Hearing. Money not expended the first year is available the second year.

(i) \$9,021,000 the first year and \$9,021,000 the second year are from the general fund for the state's vocational rehabilitation program for people with significant disabilities to assist with employment, under Minnesota Statutes, chapter 268A.

(j) \$350,000 the first year and \$350,000 the second year are from the workforce development fund for grants to provide interpreters for a regional transition program that specializes in providing culturally appropriate transition services leading to employment for deaf, hard-of-hearing, and deaf-blind students. This amount must be added to the department's base.

(k) \$150,000 the first year and \$150,000 the second year are for a grant to Advocating Change Together for training, technical assistance, and resources materials to persons with developmental and mental illness disabilities.

(l) \$250,000 the first year and \$250,000 the second year are from the workforce development fund and \$150,000 the first year and \$100,000 the second year are from the general fund for a grant to Lifetrack Resources for its immigrant and refugee collaborative programs, including those related to job-seeking skills and workplace orientation, intensive job development, functional work English, and on-site job coaching. \$50,000 of the first year general fund appropriation is for a onetime pilot Lifetrack project in Rochester.

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(m) \$1,250,000 the first year and \$1,250,000 the second year are from the general fund for the youthbuild program under Minnesota Statutes, sections 116L.361 to 116L.366. This appropriation may be used for:

(1) restoring the three youthbuild programs that were eliminated due to budget reductions and adding seven more youthbuild programs statewide;

(2) restoring funding levels for all youthbuild programs plus an inflationary increase for each program;

(3) increasing the number of at-risk youth served by the youthbuild programs from 260 youth per year to 500 youth per year; and

(4) restoring the youthbuild focus on careers in technology and adding a youthbuild focus on careers in the medical field.

(n) \$1,325,000 each year is from the workforce development fund for grants to fund summer youth employment in Minneapolis. The grants shall be used to fund up to 500 jobs for youth each summer. Of this appropriation, \$325,000 each year is for a grant to the learn-to-earn summer youth employment program. The commissioner shall establish criteria for awarding the grants. This appropriation is available in either year of the biennium and is available until spent.

(o) \$600,000 the first year and \$600,000 the second year are from the workforce development fund for a grant to the city of St. Paul for grants to fund summer youth employment in St. Paul. The grants shall be used to fund up to 500 jobs for youth each summer. The commissioner shall establish criteria for awarding the grants within the city of St. Paul. This appropriation is available in either year of the biennium and is available until spent.

(p) \$250,000 the first year and \$250,000 the second year are from the general fund for grants to Northern Connections in Perham to implement and operate a pilot workforce program that provides one-stop supportive services to individuals as they transition into the workforce.

(q) \$100,000 each year is for a grant to Ramsey County Workforce Investment Board for the development of the building lives program. This is a onetime appropriation.

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(r) \$250,000 each year is for a grant to the Hennepin-Carver Workforce Investment Board (WIB) to coordinate with the Partners for Progress Regional Skills Consortium to provide employment and training as demonstrated by the Twin Cities regional health care training partnership project.

(s) \$160,000 the first year is for a onetime grant to Workforce Development, Inc., for a pilot project to provide demand-driven employment and training services to welfare recipients and other economically disadvantaged populations in Mower, Freeborn, Dodge, and Steele Counties.

(t) \$200,000 the first year and \$200,000 the second year are from the general fund for a grant to HIRED to operate its industry sector training initiatives, which provide employee training developed in collaboration with employers in specific, high-demand industries.

(u) \$100,000 the first year is for a onetime grant to a nonprofit organization. The nonprofit organization must work on behalf of all licensed vendors to coordinate their efforts to respond to solicitations or other requests from private and governmental units as defined in Minnesota Statutes, section 471.59, subdivision 1, in order to increase employment opportunities for persons with disabilities.

(v) \$3,500,000 each year from the workforce development fund is for the Minnesota youth program under Minnesota Statutes, sections 116L.56 and 116L.561.

(w) \$1,000,000 each year from the workforce development fund is for a grant to the Minnesota Alliance of Boys and Girls Clubs to administer a statewide project of youth job skills development. This project, which may have career guidance components, including health and life skills, is to encourage, train, and assist youth in job-seeking skills, workplace orientation, and job site knowledge through coaching. This grant requires a 25 percent match from nonstate resources.

(x) \$10,000 the first year is for a study on ways to promote employment opportunities for minorities, with a particular focus on opportunities for American blacks, in the state of Minnesota. The study should focus on how to significantly expand the job training available to minorities and promote substantial increases in the wages paid to minorities, at least to a rate well above living wage, and within several years, to equality. The commissioner must report on the study to the governor and the chair of the finance committee in each house of the legislature that has jurisdiction over employment by January 15, 2008, with recommendations for implementing the findings.

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2008 **2009**

(y) The commissioner must provide funding for the Minnesota Conservation Corps to provide learning stipends for deaf students and wages for interpreters participating in the MCC summer youth program.

Subd. 4. State-Funded Administration

3,009,000

3,042,000

The first \$1,450,000 deposited in each year of the biennium and in each year of subsequent bienniums into the contingent account created under Minnesota Statutes, section 268.196, subdivision 3, shall be transferred by June 30 of each fiscal year to the workforce development fund created under Minnesota Statutes, section 116L.20. Deposits in excess of \$1,450,000 shall be transferred by June 30 of each fiscal year to the general fund.

Sec. 4. EXPLORE MINNESOTA TOURISM

\$12,778,000

\$11,730,000

(a) To develop maximum private sector involvement in tourism, \$1,000,000 the first year and \$1,000,000 the second year must be matched by Explore Minnesota Tourism from nonstate sources. Each \$1 of state incentive must be matched with \$3 of private sector funding. Cash match is defined as revenue to the state or documented cash expenditures directly expended to support Explore Minnesota Tourism programs. Up to one-half of the private sector contribution may be in-kind or soft match. The incentive in the first year shall be based on fiscal year 2007 private sector contributions as prescribed in Laws 2005, First Special Session chapter 1, article 3, section 6. The incentive increase in the second year will be based on fiscal year 2008 private sector contributions. This incentive is ongoing.

Funding for the marketing grants is available either year of the biennium. Unexpended grant funds from the first year are available in the second year.

Any unexpended money from the general fund appropriations made under this section does not cancel but must be placed in a special marketing account for use by Explore Minnesota Tourism for additional marketing activities.

(b) \$325,000 the first year and \$325,000 the second year are for the Minnesota Film and TV Board. The appropriation in each year is available only upon receipt by the board of \$1 in matching contributions of money or in-kind contributions from nonstate sources for every \$3 provided by this appropriation.

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(c) \$1,750,000 the first year and \$750,000 the second year are appropriated for a grant to the Minnesota Film and TV Board for the film jobs production program under Minnesota Statutes, section 116U.26. These appropriations are available in either year of the biennium and are available until expended. The budget base for the film jobs production program shall be \$500,000 in fiscal year 2010 and \$500,000 in fiscal year 2011.

(d) \$150,000 the first year is for a onetime grant to St. Louis County to be used for feasibility studies and planning activities concerning additional uses for the St. Louis County Heritage and Arts Center at the Duluth depot. The studies and planning activities must include:

(1) examining the costs and benefits of relocating the Northeast Minnesota Office of Tourism to the Duluth depot;

(2) establishing a heritage tourism center at the Duluth depot;

(3) developing a multimodal operational plan integrating railroad and bus service; and

(4) identifying additional services and activities that would contribute toward returning the Duluth depot to being a working railroad station and cultural gateway to Duluth and St. Louis County.

This appropriation is available until expended.

Sec. 5. **HOUSING FINANCE AGENCY**

Subdivision 1. **Total Appropriation**

\$70,866,000

\$47,624,000

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

This appropriation is for transfer to the housing development fund for the programs specified. Except as otherwise indicated, this transfer is part of the agency's permanent budget base.

Subd. 2. **Challenge Program**

24,622,000

9,622,000

For the economic development and housing challenge program under Minnesota Statutes, section 462A.33, for housing that:

<u>APPROPRIATIONS</u>		
<u>Available for the Year</u>		
<u>Ending June 30</u>		
<u>2008</u>		<u>2009</u>
<u>(1) conserves energy and utilizes sustainable, healthy building materials;</u>		
<u>(2) preserves sensitive natural areas and open spaces and minimizes the need for new infrastructure;</u>		
<u>(3) is accessible to jobs and services through integration with transportation or transit systems; and</u>		
<u>(4) expands the mix of housing choices in a community by diversifying the levels of housing affordability.</u>		
<u>The agency may fund demonstration projects that have unique approaches to achieving the housing described in clauses (1) to (4).</u>		
<u>Subd. 3. Housing Trust Fund</u>	<u>13,658,000</u>	<u>10,445,000</u>
<u>For deposit in the housing trust fund account created under Minnesota Statutes, section 462A.201, and used for the purposes provided in that section. The general fund base is reduced by \$1,340,000 each year in fiscal year 2010 and fiscal year 2011.</u>		
<u>Subd. 4. Rental Assistance for Mentally Ill</u>	<u>2,638,000</u>	<u>2,638,000</u>
<u>For a rental housing assistance program for persons with a mental illness or families with an adult member with a mental illness under Minnesota Statutes, section 462A.2097. The agency must not reduce the funding under this subdivision.</u>		
<u>Subd. 5. Family Homeless Prevention</u>	<u>7,465,000</u>	<u>7,465,000</u>
<u>For family homeless prevention and assistance programs under Minnesota Statutes, section 462A.204. Any balance in the first year does not cancel but is available in the second year.</u>		
<u>Subd. 6. Home Ownership Assistance Fund</u>	<u>1,135,000</u>	<u>1,135,000</u>
<u>The base is reduced by \$250,000 each year in fiscal year 2010 and fiscal year 2011.</u>		
<u>Subd. 7. Affordable Rental Investment Fund</u>	<u>11,496,000</u>	<u>8,996,000</u>

For the affordable rental investment fund program under Minnesota Statutes, section 462A.21, subdivision 8b.

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

This appropriation is to finance the acquisition, rehabilitation, and debt restructuring of federally assisted rental property and for making equity take-out loans under Minnesota Statutes, section 462A.05, subdivision 39.

The owner of the federally assisted rental property must agree to participate in the applicable federally assisted housing program and to extend any existing low-income affordability restrictions on the housing for the maximum term permitted. The owner must also enter into an agreement that gives local units of government, housing and redevelopment authorities, and nonprofit housing organizations the right of first refusal if the rental property is offered for sale. Priority must be given among comparable federally assisted rental properties to properties with the longest remaining term under an agreement for federal rental assistance. Priority must also be given among comparable rental housing developments to developments that are or will be owned by local government units, a housing and redevelopment authority, or a nonprofit housing organization.

This appropriation also may be used to finance the acquisition, rehabilitation, and debt restructuring of existing supportive housing properties. For purposes of this subdivision, "supportive housing" means affordable rental housing with links to services necessary for individuals, youth, and families with children to maintain housing stability.

Of this amount, \$2,500,000 is appropriated for the purposes of financing the rehabilitation and operating costs to preserve public housing. For purposes of this subdivision, "public housing" is housing for low-income persons and households financed by the federal government and owned and operated by public housing authorities and agencies. Eligible public housing authorities must have a public housing assessment system rating of standard or above. Priority among comparable proposals must be given to proposals that maximize federal or local resources to finance the capital and operating costs.

Subd. 8. Housing Rehabilitation and Accessibility

5,587,000

4,287,000

For the housing rehabilitation and accessibility program under Minnesota Statutes, section 462A.05, subdivisions 14a and 15a.

<u>APPROPRIATIONS</u>		
<u>Available for the Year</u>		
<u>Ending June 30</u>		
	<u>2008</u>	<u>2009</u>
<u>Subd. 9. Urban Indian Housing Program</u>	<u>187,000</u>	<u>187,000</u>
<u>For the urban Indian housing program under Minnesota Statutes, section 462A.07, subdivision 15. The base is reduced by \$7,000 each year in fiscal year 2010 and fiscal year 2011.</u>		
<u>Subd. 10. Tribal Indian Housing Program</u>	<u>1,683,000</u>	<u>1,394,000</u>
<u>For the tribal Indian housing program under Minnesota Statutes, section 462A.07, subdivision 14. The base is reduced by \$179,000 each year in fiscal year 2010 and fiscal year 2011.</u>		
<u>Subd. 11. Home Ownership Education, Counseling, and Training</u>	<u>2,020,000</u>	<u>1,115,000</u>
<u>For the home ownership education, counseling, and training program under Minnesota Statutes, section 462A.209. The base is reduced by \$250,000 each year in fiscal year 2010 and fiscal year 2011. Of this amount, \$630,000 the first year is for:</u>		
<u>(1) foreclosure prevention and assistance activities in communities that have mortgage foreclosure rates that exceed the statewide average foreclosure rate for the most recent quarter for which data is available; and</u>		
<u>(2) home buyer education and counseling activities by organizations that have experience working with emerging markets or partner with organizations with experience working with emerging markets and that have demonstrated a commitment to increasing the homeownership rate of emerging markets.</u>		
<u>Subd. 12. Capacity Building Grants</u>	<u>340,000</u>	<u>340,000</u>
<u>For nonprofit capacity building grants under Minnesota Statutes, section 462A.21, subdivision 3b. The base is reduced by \$90,000 each year in fiscal year 2010 and fiscal year 2011.</u>		
<u>Subd. 13. Grant for Hennepin County</u>		
<u>\$35,000 is a onetime appropriation in the first year for a grant to Hennepin County for collaboration with the Center for Urban and Regional Affairs at the University of Minnesota for the development of a predictive, data-driven model that can be used to identify at-risk properties in order to target resources to prevent foreclosure.</u>		

<u>APPROPRIATIONS</u> <u>Available for the Year</u> <u>Ending June 30</u>		
	<u>2008</u>	<u>2009</u>
Sec. 6. <u>LABOR AND INDUSTRY</u>		
Subdivision 1. <u>Total Appropriation</u>	<u>\$22,909,000</u>	<u>\$23,174,000</u>
<u>Appropriations by Fund</u>		
	<u>2008</u>	<u>2009</u>
General	<u>1,069,000</u>	<u>1,024,000</u>
Workers' Compensation	<u>21,076,000</u>	<u>21,371,000</u>
Workforce Development	<u>764,000</u>	<u>779,000</u>
<u>The amounts that may be spent for each purpose are specified in the following subdivisions.</u>		
Subd. 2. <u>Workers' Compensation</u>	<u>10,360,000</u>	<u>10,617,000</u>
<u>This appropriation is from the workers' compensation fund.</u>		
<u>Up to \$200,000 the first year and up to \$200,000 the second year are for grants to the Vinland Center for rehabilitation services. The grants shall be distributed as the department refers injured workers to the Vinland Center to receive rehabilitation services.</u>		
Subd. 3. <u>Safety Codes and Services</u>	<u>4,685,000</u>	<u>4,773,000</u>
<u>This appropriation is from the workers' compensation fund.</u>		
<u>\$500,000 the first year and \$500,000 the second year are from the workers' compensation fund for patient safe handling grants under Minnesota Statutes, section 182.6553. This is a onetime appropriation and is available until expended.</u>		
Subd. 4. <u>Labor Standards/Apprenticeship</u>	<u>1,833,000</u>	<u>1,803,000</u>
<u>Appropriations by Fund</u>		
General	<u>1,069,000</u>	<u>1,024,000</u>
Workforce Development	<u>764,000</u>	<u>779,000</u>
<u>The appropriation from the workforce development fund is for the apprenticeship program under Minnesota Statutes, chapter 178, and includes \$100,000 each year for labor education and advancement program grants.</u>		

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\$360,000 the first year and \$300,000 the second year from the general fund are for prevailing wage enforcement of which \$60,000 in the first year is for outreach and survey participation improvements.

Subd. 5. **General Support**

6,031,000

5,981,000

This appropriation is from the workers' compensation fund.

Sec. 7. **BUREAU OF MEDIATION SERVICES**

Subdivision 1. **Total Appropriation**

\$1,864,000

\$1,904,000

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

Subd. 2. **Mediation Services**

1,714,000

1,754,000

Subd. 3. **Labor Management Cooperation Grants**

150,000

150,000

\$150,000 the first year and \$150,000 the second year are for grants to area labor-management committees. Grants may be awarded for a 12-month period beginning July 1 of each year. Any unencumbered balance remaining at the end of the first year does not cancel but is available for the second year.

Sec. 8. **WORKERS' COMPENSATION COURT OF APPEALS**

\$1,660,000

\$1,703,000

This appropriation is from the workers' compensation fund.

Sec. 9. **MINNESOTA HISTORICAL SOCIETY**

Subdivision 1. **Total Appropriation**

\$27,744,000

\$24,504,000

The amounts that may be spent for each purpose are specified in the following subdivisions. Of the appropriations, \$500,000 the first year and \$500,000 the second year are for increased building lease costs. These amounts are added to the department's base.

Subd. 2. **Education and Outreach**

16,425,000

13,862,000

(a) Of this amount, \$1,300,000 the first year is a onetime appropriation for the Minnesota Sesquicentennial Commission. Of this appropriation, \$600,000 is for competitive matching grants for local events and projects; \$600,000 is for planning and support of statewide activities, and up to \$100,000 may be used for administration.

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2008 **2009**

The Minnesota Historical Society, the State Arts Board, and Explore Minnesota Tourism may assist the commission in designing and implementing the grants program.

The commission shall encourage private contributions to match the state funds to the greatest extent possible. Any gifts, pledges, membership fees, or contributions received by the commission are appropriated to the commission.

(b) \$1,500,000 the first year is for a grant-in-aid program for county and local historical societies. The Minnesota Historical Society shall establish program guidelines and grant evaluation and award criteria for the program. Each dollar of state funds awarded to a grantee must be matched with nonstate funds on a dollar-for-dollar basis by a grantee. This is a onetime appropriation and is available until expended.

(c) Notwithstanding Minnesota Statutes, section 138.668, the Minnesota Historical Society may not charge a fee for its general tours at the Capitol, but may charge fees for special programs other than general tours.

Subd. 3. Preservation and Access

10,757,000

10,396,000

(a) \$400,000 the first year is to conduct a conservation survey and for restoration, treatment, moving, and storage of the 1905 historic furnishings and works of art in the Minnesota State Capitol. This is a onetime appropriation and is available until expended.

(b) \$150,000 the first year is for the preservation of battle flags. This is a onetime appropriation and is available until expended.

(c) Funds may be reallocated between paragraphs (a) and (b) for the purpose of maximizing federal funds.

Subd. 4. Fiscal Agent

(a) Minnesota International Center

43,000

43,000

(b) Minnesota Air National Guard Museum

16,000

-0-

(c) Minnesota Military Museum

100,000

-0-

(d) Farmamerica

128,000

128,000

(e) Balances Forward

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Ending June 30
2008 **2009**

Any unencumbered balance remaining in this subdivision the first year does not cancel but is available for the second year of the biennium.

(f) \$100,000 the first year is for a onetime grant to the Nicollet County Historical Society for renovation of the center exhibit gallery in the Treaty Site History Center in St. Peter, including additions to the center's infrastructure and state-of-the-art interpretive elements. This appropriation is available until expended.

(g) \$100,000 the first year is for a grant to the Hmong Studies Center at Concordia University in St. Paul, Minnesota, to be used for preservation of Hmong historical artifacts and documents. Any part of the appropriation not used in fiscal year 2008 is available for use in fiscal year 2009. This is a onetime appropriation and is available until expended.

(h) \$75,000 the first year and \$75,000 the second year are for a grant to the city of Eveleth to be used for the support of the Hockey Hall of Fame Museum provided that it continues to operate in the city. This grant is in addition to and must not be used to supplant funding under Minnesota Statutes, section 298.28, subdivision 9c. This appropriation is added to the society's base budget.

Subd. 5. Fund Transfer

The Minnesota Historical Society may reallocate funds appropriated in and between subdivisions 2 and 3 for any program purposes.

Subd. 6. Minnesota River Valley Study Group

The Minnesota Historical Society in cooperation with Explore Minnesota Tourism shall establish and coordinate a Minnesota River Valley study group. The Minnesota River Valley study group shall be comprised of representatives of the Minnesota Valley Scenic Byway Alliance, the Department of Natural Resources, the Department of Transportation, the Minnesota Indian Affairs Council, the Region 6 West, Region 6 East, Region 8 and Region 9 Regional Development Commissions, the Minnesota Historical Society, Explore Minnesota Tourism, State Arts Board, and other interested parties. The study group must develop a plan for coordinated activities among organizations represented on the study group to enhance and promote historic

APPROPRIATIONS
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sites, and historic, scenic, and natural features of the Minnesota River Valley area. Study topics shall include, but are not limited to, historic sites related to the Dakota Conflict of 1862 and the state and local preparations for the sesquicentennial of this event. The Minnesota Historical Society and Explore Minnesota Tourism shall report on the findings and recommendations of the Minnesota River Valley study group to the standing committees of the house of representatives and senate with jurisdiction over historic sites and tourism by March 1, 2008. The Minnesota River Valley study group shall serve without compensation.

Sec. 10. **BOARD OF THE ARTS**

Subdivision 1. **Total Appropriation**

\$10,330,000

\$10,342,000

If the appropriation for either year is insufficient, the appropriation for the other year is available.

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

Subd. 2. **Operations and Services**

641,000

651,000

Subd. 3. **Grants Program**

6,732,000

6,732,000

Subd. 4. **Regional Arts Councils**

2,957,000

2,959,000

Sec. 11. **BOARD OF ACCOUNTANCY**

\$496,000

\$505,000

Sec. 12. **BOARD OF ARCHITECTURE, ENGINEERING, LAND SURVEYING, LANDSCAPE ARCHITECTURE, GEOSCIENCE, AND INTERIOR DESIGN**

\$800,000

\$815,000

Sec. 13. **BOARD OF BARBER AND COSMETOLOGIST EXAMINERS**

\$829,000

\$749,000

Sec. 14. **MINNESOTA BOXING COMMISSION**

\$50,000

\$-0-

This is a onetime appropriation to transition the commission to being a self-funded entity.

Sec. 15. **MINNESOTA HUMANITIES COMMISSION**

\$500,000

\$500,000

Of this amount, ten percent each year is for lifelong learning programs in greater Minnesota communities that do not receive financial support from other large educational institutions. The base budget for the Minnesota Humanities Commission is \$500,000 each year in the 2010-2011 biennium.

APPROPRIATIONS
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Sec. 16. **TRANSFERS**

The commissioner of labor and industry shall transfer \$1,627,000 by June 30, 2008, and \$1,515,000 by June 30, 2009, from the construction code fund to the general fund.

Of the balance remaining in Laws 2005, First Special Session chapter 1, article 3, section 2, subdivision 2, for the methamphetamine laboratory cleanup revolving loan fund, \$100,000 is for transfer to the small community wastewater treatment account established in Minnesota Statutes, section 446A.075, subdivision 1.

ARTICLE 2

EMPLOYMENT AND DEVELOPMENT-RELATED PROVISIONS

Section 1. Minnesota Statutes 2006, section 13.7931, is amended by adding a subdivision to read:

Subd. 5. **Data from safety and education programs for loggers.** The following data collected from persons who attend safety and education programs or seminars for loggers established or approved by the commissioner under section 176.130, subdivision 11, is public data:

(1) the names of the individuals attending the program or seminar;

(2) the names of each attendee's employer;

(3) the city where the employer is located;

(4) the date the program or seminar was held; and

(5) a description of the seminar or program.

Sec. 2. Minnesota Statutes 2006, section 16B.61, subdivision 1a, is amended to read:

Subd. 1a. **Administration by commissioner.** The commissioner shall administer and enforce the State Building Code as a municipality with respect to public buildings and state licensed facilities in the state. The commissioner shall establish appropriate permit, plan review, and inspection fees, and surcharges for public buildings and state licensed facilities. ~~Fees and surcharges for public buildings and state licensed facilities must be remitted to the commissioner, who shall deposit them in the state treasury for credit to the special revenue fund.~~

Municipalities other than the state having an agreement with the commissioner for code administration and enforcement service for public buildings and state licensed facilities shall charge their customary fees, including surcharge, to be paid directly to the jurisdiction by the applicant seeking authorization to construct a public building or a state licensed facility. The commissioner shall sign an agreement with a municipality other than the state for plan review, code administration, and code enforcement service for public buildings and state licensed facilities in the jurisdiction if the building officials of the municipality meet the requirements of section 16B.65 and wish to provide those services and if the commissioner determines that the municipality has enough adequately trained and qualified building inspectors to provide those services for the construction project.

The commissioner may direct the state building official to assist a community that has been affected by a natural disaster with building evaluation and other activities related to building codes.

Administration and enforcement in a municipality under this section must apply any optional provisions of the State Building Code adopted by the municipality. A municipality adopting any optional code provision shall notify the state building official within 30 days of its adoption.

The commissioner shall administer and enforce the provisions of the code relating to elevators statewide, except as provided for under section 16B.747, subdivision 3.

Sec. 3. Minnesota Statutes 2006, section 16B.65, subdivision 1, is amended to read:

Subdivision 1. **Designation.** ~~By January 1, 2002,~~ Each municipality shall designate a building official to administer the code. A municipality may designate no more than one building official responsible for code administration defined by each certification category established in rule. Two or more municipalities may combine in the designation of a building official for the purpose of administering the provisions of the code within their communities. In those municipalities for which no building officials have been designated, the state building official may use whichever state employees are necessary to perform the duties of the building official until the municipality makes a temporary or permanent designation. All costs incurred by virtue of these services rendered by state employees must be borne by the involved municipality and receipts arising from these services must be paid into the state treasury and credited to the special revenue fund to the commissioner.

Sec. 4. Minnesota Statutes 2006, section 16B.65, subdivision 5a, is amended to read:

Subd. 5a. **Administrative action and penalties.** The commissioner shall, by rule, establish a graduated schedule of administrative actions for violations of sections 16B.59 to 16B.75 and rules adopted under those sections. The schedule must be based on and reflect the culpability, frequency, and severity of the violator's actions. The commissioner may impose a penalty from the schedule on a certification holder for a violation of sections 16B.59 to 16B.75 and rules adopted under those sections. The penalty is in addition to any criminal penalty imposed for the same violation. ~~Administrative monetary penalties imposed by the commissioner must be paid to the special revenue fund.~~

Sec. 5. Minnesota Statutes 2006, section 16B.70, subdivision 2, is amended to read:

Subd. 2. **Collection and reports.** All permit surcharges must be collected by each municipality and a portion of them remitted to the state. Each municipality having a population greater than 20,000 people shall prepare and submit to the commissioner once a month a report of fees and surcharges on fees collected during the previous month but shall retain the greater of two percent or that amount collected up to \$25 to apply against the administrative expenses the municipality incurs in collecting the surcharges. All other municipalities shall submit the report and surcharges on fees once a quarter but shall retain the greater of four percent or that amount collected up to \$25 to apply against the administrative expenses the municipalities incur in collecting the surcharges. The report, which must be in a form prescribed by the commissioner, must be submitted together with a remittance covering the surcharges collected by the 15th day following the month or quarter in which the surcharges are collected. ~~All money collected by the commissioner through surcharges and other fees prescribed by sections 16B.59 to 16B.75 shall be deposited in the state government special revenue fund and is appropriated to the commissioner for the purpose of administering and enforcing the State Building Code under sections 16B.59 to 16B.75.~~

Sec. 6. Minnesota Statutes 2006, section 116J.551, subdivision 1, is amended to read:

Subdivision 1. **Grant account.** A contaminated site cleanup and development grant account is created in the general fund. Money in the account may be used, as appropriated by law, to make grants as provided in section 116J.554 and to pay for the commissioner's costs in reviewing applications and making grants. Notwithstanding section 16A.28, money appropriated to the account for this program from any source is available ~~for four years until spent.~~

Sec. 7. Minnesota Statutes 2006, section 116J.554, subdivision 2, is amended to read:

Subd. 2. **Qualifying sites.** A site qualifies for a grant under this section, if the following criteria are met:

(1) the site is not scheduled for funding during the current or next fiscal year under the Comprehensive Environmental Response, Compensation, and Liability Act, United States Code, title 42, section 9601, et seq. or under the Environmental Response, and Liability Act under sections 115B.01 to 115B.20;

~~(2) the appraised value of the site after adjusting for the effect on the value of the presence or possible presence of contaminants using accepted appraisal methodology, or the current market value of the site as issued under section 273.121, separately taking into account the effect of the contaminants on the market value, (i) is less than 75 percent of the estimated project costs for the site or (ii) is less than or equal to the estimated cleanup costs for the site and the cleanup costs equal or exceed \$3 per square foot for the site; and~~

~~(3)~~ (2) if the proposed cleanup is completed, it is expected that the site will be improved with buildings or other improvements and these improvements will provide a substantial increase in the property tax base within a reasonable period of time or the site will be used for an important publicly owned or tax-exempt facility.

Sec. 8. Minnesota Statutes 2006, section 116J.555, subdivision 1, is amended to read:

Subdivision 1. **Priorities.** (a) The legislature expects that applications for grants will exceed the available appropriations and the agency will be able to provide grants to only some of the applicant development authorities.

(b) If applications for grants for qualified sites exceed the available appropriations, the agency shall make grants for sites that, in the commissioner's judgment, provide the highest return in public benefits for the public costs incurred and that meet all the requirements provided by law. In making this judgment, the commissioner shall consider the following factors:

(1) the recommendations or ranking of projects by the commissioner of the Pollution Control Agency regarding the potential threat to public health and the environment that would be reduced or eliminated by completion of each of the response action plans;

(2) the potential increase in the property tax base of the local taxing jurisdictions, considered relative to the fiscal needs of the jurisdictions, that will result from developments that will occur because of completion of each of the response action plans;

(3) the social value to the community of the cleanup and redevelopment of the site, including the importance of development of the proposed public facilities on each of the sites;

(4) the probability that each site will be cleaned up without use of government money in the reasonably foreseeable future by considering but not limited to the current market value of the site versus the cleanup cost;

(5) the amount of cleanup costs for each site; and

(6) the amount of the commitment of municipal or other local resources to pay for the cleanup costs.

The factors are not listed in a rank order of priority; rather the commissioner may weigh each factor, depending upon the facts and circumstances, as the commissioner considers appropriate. The commissioner may consider other factors that affect the net return of public benefits for completion of the response action plan. The commissioner, notwithstanding the listing of priorities and the goal of maximizing the return of public benefits, shall make grants that distribute available money to sites both within and outside of the metropolitan area. The commissioner shall provide a written statement of the supporting reasons for each grant. Unless sufficient applications are not received for qualifying sites outside of the metropolitan area, at least 25 percent of the money provided as grants must be made for sites located outside of the metropolitan area.

Sec. 9. Minnesota Statutes 2006, section 116J.575, subdivision 1, is amended to read:

Subdivision 1. **Commissioner discretion.** The commissioner may make a grant for up to 50 percent of the eligible costs of a project. The determination of whether to make a grant for a site is within the discretion of the commissioner, subject to this section and sections 116J.571 to 116J.574 and available unencumbered money in the redevelopment account. ~~If the commissioner determines that the applications for grants for projects in greater Minnesota are less than the amount of grant funds available, the commissioner may make grants for projects anywhere in Minnesota.~~ The commissioner's decisions and application of the priorities under this section are not subject to judicial review, except for abuse of discretion.

Sec. 10. Minnesota Statutes 2006, section 116J.575, subdivision 1a, is amended to read:

Subd. 1a. **Priorities.** (a) If applications for grants exceed the available appropriations, grants shall be made for sites that, in the commissioner's judgment, provide the highest return in public benefits for the public costs incurred. "Public benefits" include job creation, bioscience development, environmental benefits to the state and region, efficient use of public transportation, efficient use of existing infrastructure, provision of affordable housing, multiuse development that constitutes community rebuilding rather than single-use development, crime reduction, blight reduction, community stabilization, and property tax base maintenance or improvement. In making this judgment, the commissioner shall give priority to redevelopment projects with one or more of the following characteristics:

- (1) the need for redevelopment in conjunction with contamination remediation needs;
 - (2) the redevelopment project meets current tax increment financing requirements for a redevelopment district and tax increments will contribute to the project;
 - (3) the redevelopment potential within the municipality;
 - (4) proximity to public transit if located in the metropolitan area; ~~and~~
 - (5) redevelopment costs related to expansion of a bioscience business in Minnesota; and
- ~~(5)~~ (6) multijurisdictional projects that take into account the need for affordable housing, transportation, and environmental impact.

(b) The factors in paragraph (a) are not listed in a rank order of priority; rather, the commissioner may weigh each factor, depending upon the facts and circumstances, as the commissioner considers appropriate. The commissioner may consider other factors that affect the net return of public benefits for completion of the redevelopment plan. The commissioner, notwithstanding the listing of priorities and the goal of maximizing the return of public benefits, shall make grants that distribute available money to sites both within and outside of the metropolitan area. Unless sufficient applications are not received for qualifying sites outside of the metropolitan area, at least 50 percent of the money provided as grants must be made for sites located outside of the metropolitan area.

Sec. 11. Minnesota Statutes 2006, section 116J.966, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) The commissioner shall promote, develop, and facilitate trade and foreign investment in Minnesota. In furtherance of these goals, and in addition to the powers granted by section 116J.035, the commissioner may:

- (1) locate, develop, and promote international markets for Minnesota products and services;
 - (2) arrange and lead trade missions to countries with promising international markets for Minnesota goods, technology, services, and agricultural products;
 - (3) promote Minnesota products and services at domestic and international trade shows;
 - (4) organize, promote, and present domestic and international trade shows featuring Minnesota products and services;
 - (5) host trade delegations and assist foreign traders in contacting appropriate Minnesota businesses and investments;
 - (6) develop contacts with Minnesota businesses and gather and provide information to assist them in locating and communicating with international trading or joint venture counterparts;
 - (7) provide information, education, and counseling services to Minnesota businesses regarding the economic, commercial, legal, and cultural contexts of international trade;
 - (8) provide Minnesota businesses with international trade leads and information about the availability and sources of services relating to international trade, such as export financing, licensing, freight forwarding, international advertising, translation, and custom brokering;
 - (9) locate, attract, and promote foreign direct investment and business development in Minnesota to enhance employment opportunities in Minnesota;
 - (10) provide foreign businesses and investors desiring to locate facilities in Minnesota information regarding sources of governmental, legal, real estate, financial, and business services;
 - (11) enter into contracts or other agreements with private persons and public entities, including agreements to establish and maintain offices and other types of representation in foreign countries, to carry out the purposes of promoting international trade and attracting investment from foreign countries to Minnesota and to carry out this section, without regard to section 16C.06; and
 - (12) market trade-related materials to businesses and organizations, and the proceeds of which must be placed in a special revolving account and are appropriated to the commissioner to prepare and distribute trade-related materials.
- (b) The programs and activities of the commissioner of employment and economic development and the Minnesota Trade Division may not duplicate programs and activities of the commissioner of agriculture.
- (c) The commissioner shall notify the chairs of the senate Finance and house Ways and Means Committees of each agreement under this subdivision to establish and maintain an office or other type of representation in a foreign country.

(d) The Minnesota Trade Office shall serve as the state's office of protocol providing assistance to official visits by foreign government representatives and shall serve as liaison to the foreign diplomatic corps in Minnesota.

Sec. 12. Minnesota Statutes 2006, section 116L.01, is amended by adding a subdivision to read:

Subd. 4. **Workforce development intermediaries.** "Workforce development intermediaries" means public, private, or nonprofit entities that provide employment services to low-income individuals and have a demonstrated track record bringing together employers and workers, private and public funding streams, and other stakeholders to implement pathways to career advancement for low-income individuals. Entities may include, but are not limited to, nonprofit organizations, educational institutions, or the administrative entity of a local workforce service area.

Sec. 13. Minnesota Statutes 2006, section 116L.04, subdivision 1a, is amended to read:

Subd. 1a. **Pathways program.** The pathways program may provide grants-in-aid for developing programs which assist in the transition of persons from welfare to work and assist individuals at or below 200 percent of the federal poverty guidelines. The program is to be operated by the board. The board shall consult and coordinate with program administrators at the Department of Employment and Economic Development to design and provide services for temporary assistance for needy families recipients.

Pathways grants-in-aid may be awarded to educational or other nonprofit training institutions or to workforce development intermediaries for education and training programs and services supporting education and training programs that serve eligible recipients.

Preference shall be given to projects that:

- (1) provide employment with benefits paid to employees;
- (2) provide employment where there are defined career paths for trainees;
- (3) pilot the development of an educational pathway that can be used on a continuing basis for transitioning persons from welfare to work; and
- (4) demonstrate the active participation of Department of Employment and Economic Development workforce centers, Minnesota State College and University institutions and other educational institutions, and local welfare agencies.

Pathways projects must demonstrate the active involvement and financial commitment of private business. Pathways projects must be matched with cash or in-kind contributions on at least a ~~one-to-one~~ one-half-to-one ratio by participating private business.

A single grant to any one institution shall not exceed \$400,000. A portion of a grant may be used for preemployment training.

Sec. 14. Minnesota Statutes 2006, section 116L.17, subdivision 1, is amended to read:

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

- (b) "Commissioner" means the commissioner of employment and economic development.

(c) "Dislocated worker" means an individual who is a resident of Minnesota at the time employment ceased or was working in the state at the time employment ceased and:

(1) has been permanently separated or has received a notice of permanent separation from public or private sector employment and is eligible for or has exhausted entitlement to unemployment benefits, and is unlikely to return to the previous industry or occupation;

(2) has been long-term unemployed and has limited opportunities for employment or reemployment in the same or a similar occupation in the area in which the individual resides, including older individuals who may have substantial barriers to employment by reason of age;

(3) has been terminated or has received a notice of termination of employment as a result of a plant closing or a substantial layoff at a plant, facility, or enterprise;

(4) has been self-employed, including farmers and ranchers, and is unemployed as a result of general economic conditions in the community in which the individual resides or because of natural disasters; or

~~(4)~~ (5) is a displaced homemaker. A "displaced homemaker" is an individual who has spent a substantial number of years in the home providing homemaking service and (i) has been dependent upon the financial support of another; and now due to divorce, separation, death, or disability of that person, must find employment to self support; or (ii) derived the substantial share of support from public assistance on account of dependents in the home and no longer receives such support.

To be eligible under this clause, the support must have ceased while the worker resided in Minnesota.

(d) "Eligible organization" means a state or local government unit, nonprofit organization, community action agency, business organization or association, or labor organization.

(e) "Plant closing" means the announced or actual permanent shutdown of a single site of employment, or one or more facilities or operating units within a single site of employment.

(f) "Substantial layoff" means a permanent reduction in the workforce, which is not a result of a plant closing, and which results in an employment loss at a single site of employment during any 30-day period for at least 50 employees excluding those employees that work less than 20 hours per week.

Sec. 15. Minnesota Statutes 2006, section 116L.20, subdivision 1, is amended to read:

Subdivision 1. **Determination and collection of special assessment.** (a) In addition to amounts due from an employer under the Minnesota unemployment insurance program, each employer, except an employer making reimbursements is liable for a special assessment levied at the rate of .10 percent per year for calendar years 2006 and 2007 on all taxable wages, as defined in section 268.035, subdivision 24. ~~Beginning January 1, 2008, the special assessment shall be levied at a rate of .085 percent per year on all taxable wages.~~ The assessment shall become due and be paid by each employer on the same schedule and in the same manner as other amounts due from an employer under section 268.051, subdivision 1.

(b) The special assessment levied under this section shall be subject to the same requirements and collection procedures as any amounts due from an employer under the Minnesota unemployment insurance program.

Sec. 16. Minnesota Statutes 2006, section 116L.666, subdivision 1, is amended to read:

Subdivision 1. **Designation of workforce service areas.** For the purpose of administering federal, state, and local employment and training services, the commissioner shall designate the geographic boundaries for workforce service areas in Minnesota.

The commissioner shall approve a request to be a workforce service area from:

(1) a home rule charter or statutory city with a population of 200,000 or more or a county with a population of 200,000 or more; or

(2) a consortium of contiguous home rule charter or statutory cities or counties with an aggregate population of 200,000 or more that serves a substantial part of one or more labor markets.

The commissioner may approve a request to be a workforce service area from a home rule charter or statutory city or a county or a consortium of contiguous home rule charter or statutory cities or counties, without regard to population, that serves a substantial portion of a labor market area.

The commissioner shall make a final designation of workforce service areas within the state after consulting with local elected officials and the governor's Workforce Development Council. Existing service delivery areas designated under the federal Job Training Partnership Act shall be initially designated as workforce service areas providing that no other petitions are submitted by local elected officials.

The commissioner may redesignate workforce service areas upon the advice of the affected local elected officials, no more frequently than every two years. These redesignations must be made not later than four months before the beginning of a program year.

Sec. 17. Minnesota Statutes 2006, section 116M.18, subdivision 6a, is amended to read:

Subd. 6a. **Nonprofit corporation loans.** The board may make loans to a nonprofit corporation with which it has entered into an agreement under subdivision 1. These loans must be used to support a new or expanding business. This support may include such forms of financing as the sale of goods to the business on installment or deferred payments, lease purchase agreements, or royalty investments in the business. The interest rate charged by a nonprofit corporation for a loan under this subdivision must not exceed the Wall Street Journal prime rate plus four percent. For a loan under this subdivision, the nonprofit corporation may charge a loan origination fee equal to or less than one percent of the loan value. The nonprofit corporation may retain the amount of the origination fee. The nonprofit corporation must provide at least an equal match to the loan received by the board. The maximum loan available to the nonprofit corporation under this subdivision is \$50,000. Loans made to the nonprofit corporation under this subdivision may be made without interest. Repayments made by the nonprofit corporation must be deposited in the revolving fund created for urban initiative grants.

Sec. 18. **[116O.115] SMALL BUSINESS GROWTH ACCELERATION PROGRAM.**

Subdivision 1. **Establishment; purpose.** The small business growth acceleration program is established. The purpose of the program is to (1) help qualified companies implement technology and business improvements; and (2) bridge the gap between standard market pricing for technology and business improvements and what qualified companies can afford to pay.

Subd. 2. **Qualified company.** A company is qualified to receive assistance under the small business growth acceleration program if it is a manufacturing company or a manufacturing-related service company that employs 100 or fewer full-time equivalent employees.

Subd. 3. **Applications for assistance.** A company seeking assistance under the small business growth acceleration program must file an application according to the requirements of the corporation. A company's application for small business growth acceleration program assistance must include documentation of the company's overall plan for technology and business improvement and prioritize the components of the overall plan. The application must also document the company's need for small business growth acceleration program funds in order to carry forward the highest priority components of the plan.

Subd. 4. **Fund awards; use of funds.** (a) The corporation shall establish procedures for determining which applicants for assistance under the small business growth acceleration program will receive program funding. Funding shall be awarded only to accelerate a qualified company's adoption of needed technology or business improvements when the corporation concludes that it is unlikely the improvements could be accomplished in any other way.

(b) The maximum amount of funds awarded to a qualified company under the small business growth acceleration program for a particular project must not exceed 50 percent of the total cost of a project and must not under any circumstances exceed \$25,000 during a calendar year. The corporation shall not award to a qualified company small business growth acceleration program funds in excess of \$50,000 per year.

(c) Any funds awarded to a qualified company under the small business growth acceleration program must be used for business services and products that will enhance the operation of the company. These business services and products must come either directly from the corporation or from a network of expert providers identified and approved by the corporation. No company receiving small business growth acceleration program funds may use the funds for refinancing, overhead costs, new construction, renovation, equipment, or computer hardware.

(d) Any funds awarded must be disbursed to the qualified company as reimbursement documented according to requirements of the corporation.

Subd. 5. **Service agreements.** The corporation shall enter a written service agreement with each company awarded funds under the small business growth acceleration program. Each service agreement shall clearly articulate the company's need for service, state the cost of the service, identify who will provide the service, and define the scope of the service that will be provided. The service agreement must also include an estimate of the financial impact of the service on the company and require the company to report the actual financial impact of the service to the corporation 24 months after the service is provided.

Subd. 6. **Reporting.** The corporation shall report annually to the legislative committees with fiscal jurisdiction over the Department of Employment and Economic Development:

(1) the funds awarded under the small business growth acceleration program during the past 12 months;

(2) the estimated financial impact of the funds awarded to each company receiving service under the program;
and

(3) the actual financial impact of funds awarded during the past 24 months.

Sec. 19. [179.86] PACKINGHOUSE WORKERS BILL OF RIGHTS.

Subdivision 1. **Definition.** For the purpose of this section, "employer" means an employer in the meatpacking industry.

Subd. 2. **Right to adequate equipment.** An employer must furnish its employees with equipment to safely perform their jobs under OSHA standards.

Subd. 3. **Information provided to employee by employer.** (a) An employer must provide an explanation in an employee's native language of the employee's rights and duties as an employee either person to person or through written materials that, at a minimum, include:

(1) a complete description of the salary and benefits plans as they relate to the employee;

(2) a job description for the employee's position;

(3) a description of leave policies;

(4) a description of the work hours and work hours policy; and

(5) a description of the occupational hazards known to exist for the position.

(b) The explanation must also include information on the following employee rights as protected by state or federal law and a description of where additional information about those rights may be obtained:

(1) the right to organize and bargain collectively and refrain from organizing and bargaining collectively;

(2) the right to a safe workplace; and

(3) the right to be free from discrimination.

Subd. 4. **Commissioner duties.** The commissioner of labor and industry must develop and implement a strategy to provide adequate notice and education to employees of their rights under this section and education on how to assimilate into their local community. The commissioner must consult with the commissioner of human rights in the development of the strategy. The commissioner shall assign the duty to implement the strategy to a specific identified position in the department. The position, along with contact information, must be included on printed materials the department prepares and distributes to carry out the commissioner's duties under this section.

Sec. 20. Minnesota Statutes 2006, section 179A.04, subdivision 3, is amended to read:

Subd. 3. **Other duties.** (a) The commissioner shall:

(1) provide mediation services as requested by the parties until the parties reach agreement, and may continue to assist parties after they have submitted their final positions for interest arbitration;

(2) issue notices, subpoenas, and orders required by law to carry out duties under sections 179A.01 to 179A.25;

(3) assist the parties in formulating petitions, notices, and other papers required to be filed with the commissioner;

(4) conduct elections;

(5) certify the final results of any election or other voting procedure conducted under sections 179A.01 to 179A.25;

(6) adopt rules relating to the administration of this chapter and the conduct of hearings and elections;

(7) receive, catalogue, file, and make available to the public all decisions of arbitrators and panels authorized by sections 179A.01 to 179A.25, all grievance arbitration decisions, and the commissioner's orders and decisions;

(8) adopt, subject to chapter 14, a grievance procedure that fulfills the purposes of section 179A.20, subdivision 4, that is available to any employee in a unit not covered by a contractual grievance procedure;

(9) maintain a schedule of state employee classifications or positions assigned to each unit established in section 179A.10, subdivision 2;

(10) collect fees established by rule for empanelment of persons on the labor arbitrator roster maintained by the commissioner or in conjunction with fair share fee challenges. Arbitrator application fees will be \$100 per year for initial applications and renewals effective July 1, 2007;

(11) provide technical support and assistance to voluntary joint labor-management committees established for the purpose of improving relationships between exclusive representatives and employers, at the discretion of the commissioner;

(12) provide to the parties a list of arbitrators as required by section 179A.16, subdivision 4; and

(13) maintain a list of up to 60 arbitrators for referral to employers and exclusive representatives for the resolution of grievance or interest disputes. Each person on the list must be knowledgeable about collective bargaining and labor relations in the public sector, well versed in state and federal labor law, and experienced in and knowledgeable about labor arbitration. To the extent practicable, the commissioner shall appoint members to the list so that the list is gender and racially diverse.

(b) From the names provided by representative organizations, the commissioner shall maintain a list of arbitrators to conduct teacher discharge or termination hearings according to section 122A.40 or 122A.41. The persons on the list must meet at least one of the following requirements:

(1) be a former or retired judge;

(2) be a qualified arbitrator on the list maintained by the bureau;

(3) be a present, former, or retired administrative law judge; or

(4) be a neutral individual who is learned in the law and admitted to practice in Minnesota, who is qualified by experience to conduct these hearings, and who is without bias to either party.

Each year, education Minnesota shall provide a list of up to 14 names and the Minnesota School Boards Association a list of up to 14 names of persons to be on the list. The commissioner may adopt rules about maintaining and updating the list.

Sec. 21. **[181A.115] PROHIBITED EMPLOYMENT RELATING TO THE PRESENCE OF LIQUOR.**

No minor under the age of 18 shall be employed in any rooms constituting the place in which intoxicating liquors or 3.2 percent malt liquors are served or consumed or in any tasks involving the serving, dispensing, or handling of such liquors that are consumed on the premises except that:

(1) minors who have reached the age of 16 may be employed to perform busing, dishwashing, or hosting services in those rooms or areas of a restaurant, hotel, motel, or resort where the presence of intoxicating liquor is incidental to food service or preparation;

(2) minors who have reached the age of 16 may be employed to perform busing, dishwashing, or hosting services or to provide waiter or waitress service in rooms or areas where the presence of 3.2 percent malt liquor is incidental to food service or preparation;

(3) minors who have reached the age of 16 may be employed to provide musical entertainment in those rooms or areas where the presence of intoxicating liquor and 3.2 percent malt liquor is incidental to food service or preparation; and

(4) minors are not prevented from working at tasks which are not prohibited by law in establishments where liquor is sold, served, dispensed, or handled in those rooms or areas where no liquor is consumed or served.

Sec. 22. Minnesota Statutes 2006, section 182.65, subdivision 2, is amended to read:

Subd. 2. **Legislative findings and purpose.** The legislature finds that the burden on employers and employees of this state resulting from personal injuries and illnesses arising out of work situations is substantial; that the prevention of these injuries and illnesses is an important objective of the government of this state; that the greatest hope of attaining this objective lies in programs of research and education, and in the earnest cooperation of government, employers and employees; and that a program of regulation and enforcement is a necessary supplement to these more basic programs.

The legislature declares it to be its purpose and policy through the exercise of its powers to assure so far as possible every worker in the state of Minnesota safe and healthful working conditions and to preserve our human resources by:

(a) authorizing the Occupational Safety and Health Advisory Council to advise, consult with or recommend on any matters relating to the Minnesota occupational safety and health plan to the commissioner of labor and industry and by authorizing the commissioner of labor and industry to promulgate and enforce mandatory occupational safety and health standards applicable to employers and employees in the state of Minnesota;

(b) encouraging employers and employees to increase their efforts to reduce the number of occupational safety and health hazards at their places of employment, and to stimulate employers and employees to institute new and to perfect existing programs for providing safe and healthful working conditions;

(c) providing that employers and employees have separate but dependent responsibilities and rights with respect to achieving safe and healthful working conditions;

(d) providing for research in the field of occupational safety and health; including the psychological factors involved, and by developing innovative methods, techniques, and approaches for dealing with occupational safety and health problems;

(e) exploring ways to discover latent diseases, establishing causal connections between diseases and work in environmental conditions, and conducting other research relating to health problems, in recognition of the fact that occupational health standards present problems often different from those involved in occupational safety;

(f) utilizing advances already made by federal laws and regulations providing safe and healthful working conditions;

(g) providing criteria which will assure insofar as practicable that no employee will suffer diminished health, functional capacity, or life expectancy as a result of work experience;

(h) providing an effective enforcement program which shall include locating enforcement personnel in areas of the state with a higher incidence of workplace fatalities, injuries, and complaints and a prohibition against giving advance notice of an inspection and sanctions for any individual violating this prohibition;

(i) providing for appropriate reporting procedures with respect to occupational safety and health, which procedures will help achieve the objectives of this chapter and accurately describe the nature of the occupational safety and health problem;

(j) encouraging joint labor-management efforts to reduce injuries and diseases arising out of employment;

(k) providing consultation to employees and employers which will aid them in complying with their responsibilities under this chapter where such consultation does not interfere with the effective enforcement of this chapter; and

(l) providing for training programs to increase the number and competence of personnel engaged in the field of occupational safety and health.

Sec. 23. **[182.6551] CITATION.**

Sections 182.6551 to 182.6553 may be cited as the "Safe Patient Handling Act."

Sec. 24. **[182.6552] DEFINITIONS.**

Subdivision 1. **Direct patient care worker.** "Direct patient care worker" means an individual doing the job of directly providing physical care to patients including nurses, as defined by section 148.171, who provide physical care to patients.

Subd. 2. **Health care facility.** "Health care facility" means a hospital as defined in section 144.50, subdivision 2; an outpatient surgical center as defined in section 144.55, subdivision 2; and a nursing home as defined in section 144A.01, subdivision 5.

Subd. 3. **Safe patient handling.** "Safe patient handling" means a process, based on scientific evidence on causes of injuries, that uses safe patient handling equipment rather than people to transfer, move, and reposition patients in all health care facilities to reduce workplace injuries. This process also reduces the risk of injury to patients.

Subd. 4. **Safe patient handling equipment.** "Safe patient handling equipment" means engineering controls, lifting and transfer aids, or mechanical assistive devices used by nurses and other direct patient care workers instead of manual lifting to perform the acts of lifting, transferring, and repositioning health care facility patients and residents.

Sec. 25. **[182.6553] SAFE PATIENT HANDLING PROGRAM.**

Subdivision 1. **Safe patient handling program required.** (a) By July 1, 2008, every licensed health care facility in the state shall adopt a written safe patient handling policy establishing the facility's plan to achieve by January 1, 2011, the goal of minimizing manual lifting of patients by nurses and other direct patient care workers by utilizing safe patient handling equipment.

(b) The program shall address:

(1) assessment of hazards with regard to patient handling;

- (2) the acquisition of an adequate supply of appropriate safe patient handling equipment;
- (3) initial and ongoing training of nurses and other direct patient care workers on the use of this equipment;
- (4) procedures to ensure that physical plant modifications and major construction projects are consistent with program goals; and
- (5) periodic evaluations of the safe patient handling program.

Subd. 2. **Safe patient handling committee.** (a) By July 1, 2008, every licensed health care facility in the state shall establish a safe patient handling committee either by creating a new committee or assigning the functions of a safe patient handling committee to an existing committee.

(b) Membership of a safe patient handling committee or an existing committee must meet the following requirements:

- (1) at least half the members shall be nonmanagerial nurses and other direct patient care workers; and
- (2) in a health care facility where nurses and other direct patient care workers are covered by a collective bargaining agreement, the union shall select the committee members proportionate to its representation of nonmanagerial workers, nurses, and other direct patient care workers.
- (c) A health care organization with more than one covered health care facility may establish a committee at each facility or one committee to serve this function for all the facilities. If the organization chooses to have one overall committee for multiple facilities, at least half of the members of the overall committee must be nonmanagerial nurses and other direct patient care workers and each facility must be represented on the committee.

(d) Employees who serve on a safe patient handling committee must be compensated by their employer for all hours spent on committee business.

Subd. 3. **Facilities with existing programs.** A facility that has already adopted a safe patient handling policy that satisfies the requirements of subdivision 1, and established a safe patient handling committee by July 1, 2008, is considered to be in compliance with those requirements. The committee must continue to satisfy the requirements of subdivision 2, paragraph (b), on an ongoing basis.

Subd. 4. **Committee duties.** A safe patient handling committee shall:

- (1) complete a patient handling hazard assessment that:
 - (i) considers patient handling tasks, types of nursing units, patient populations, and the physical environment of patient care areas;
 - (ii) identifies problems and solutions;
 - (iii) identifies areas of highest risk for lifting injuries; and
 - (iv) recommends a mechanism to report, track, and analyze injury trends;
- (2) make recommendations on the purchase, use, and maintenance of an adequate supply of appropriate safe patient handling equipment;

(3) make recommendations on training of nurses and other direct patient care workers on use of safe patient handling equipment, initially when the equipment arrives at the facility and periodically afterwards;

(4) conduct annual evaluations of the safe patient handling implementation plan and progress toward goals established in the safe patient handling policy; and

(5) recommend procedures to ensure that, when remodeling of patient care areas occurs, the plans incorporate safe patient handling equipment or the physical space and construction design needed to accommodate safe patient handling equipment at a later date.

Subd. 5. **Training materials.** The commissioner shall make training materials on implementation of this section available to all health care facilities at no cost as part of the training and education duties of the commissioner under section 182.673.

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

Subd. 7. **Grant program.** The commissioner may make grants to health care facilities to acquire safe patient handling equipment and for training on safe patient handling and safe patient handling equipment. Grants to any one facility may not exceed \$40,000. A grant must be matched on a dollar-for-dollar basis by the grantee. The commissioner shall establish a grant application process. The commissioner may give priority for grants to facilities that demonstrate that acquiring safe patient handling equipment will impose a financial hardship on the facility. For health care facilities that provide evidence of hardship, the commissioner may waive the 50 percent match requirement and may grant such a facility more than \$40,000. Health care facilities that the commissioner determines are experiencing hardship shall not be required to meet the safe patient handling requirements until July 1, 2012.

Sec. 26. Minnesota Statutes 2006, section 268.085, subdivision 3, is amended to read:

Subd. 3. **Payments that delay unemployment benefits.** (a) An applicant shall not be eligible to receive unemployment benefits for any week with respect to which the applicant is receiving, has received, or has filed for payment, equal to or in excess of the applicant's weekly unemployment benefit amount, in the form of:

(1) vacation pay paid upon temporary, indefinite, or seasonal separation. This clause shall not apply to vacation pay paid upon a permanent separation from employment;

(2) severance pay, bonus pay, sick pay, and any other money payments, except earnings under subdivision 5, and back pay under subdivision 6, paid by an employer because of, upon, or after separation from employment, but only if the money payment is considered wages at the time of payment under section 268.035, subdivision 29, or United States Code, title 26, section 3121, clause (2), of the Federal Insurance Contribution Act; This clause does not apply to the first \$5,000 of any amount of severance pay, bonus pay, sick pay, or any other payments paid to an employee; or

(3) pension, retirement, or annuity payments from any plan contributed to by a base period employer including the United States government, except Social Security benefits which are provided for in subdivision 4. The base period employer contributed to the plan if the contribution is excluded from the definition of wages under section 268.035, subdivision 29, clause (1), or United States Code, title 26, section 3121, clause (2), of the Federal Insurance Contribution Act.

An applicant shall not be considered to have received the lump sum payment if the applicant immediately deposits that payment in a qualified pension plan or account; or

(4) holiday pay.

(b) This subdivision shall apply to all the weeks of payment and shall be applied to the period immediately following the last day of employment. The number of weeks of payment shall be determined as follows:

(1) if the payments are made periodically, the total of the payments to be received shall be divided by the applicant's last level of regular weekly pay from the employer; or

(2) if the payment is made in a lump sum, that sum shall be divided by the applicant's last level of regular weekly pay from the employer.

(c) If the payment is less than the applicant's weekly unemployment benefit amount, unemployment benefits shall be reduced by the amount of the payment. If the computation of reduced unemployment benefits is not a whole dollar, it shall be rounded down to the next lower whole dollar.

EFFECTIVE DATE. This section is effective for unemployment benefits paid on or after January 1, 2006, regardless of when the continued request was filed or the week for which the unemployment benefits are paid.

Sec. 27. Minnesota Statutes 2006, section 268.196, is amended by adding a subdivision to read:

Subd. 5. Unemployment insurance benefits telephone system. The commissioner must ensure that the telephone system used for unemployment insurance benefits provides an option for any caller to speak to an unemployment insurance specialist. An individual who calls any of the publicized telephone numbers seeking information about applying for benefits or on the status of a claim must have the option to speak on the telephone to a specialist who can provide direct assistance or can direct the caller to the person or office that is able to respond to the caller's needs.

Sec. 28. Minnesota Statutes 2006, section 268A.01, subdivision 13, is amended to read:

Subd. 13. Supported employment. (a) "Supported employment" means employment of a person with a disability so severe that the person needs ongoing training and support to get and keep a job in which:

(1) the person engages in paid work in a position removed from the service vendor's site where individuals without disabilities who do not require public subsidies also may be employed;

(2) public funds are necessary to provide ongoing training and support services throughout the period of the person's employment; and

(3) the person has the opportunity for social interaction with individuals who do not have disabilities and who are not paid caregivers.

(b) If the commissioner has certified a rehabilitation facility setting as integrated, then employment at that site may be considered supported employment.

Sec. 29. Minnesota Statutes 2006, section 268A.01, is amended by adding a subdivision to read:

Subd. 14. Affirmative business enterprise employment. "Affirmative business enterprise employment" means employment which provides paid work on the premises of an affirmative business enterprise as certified by the commissioner.

Affirmative business enterprise employment is considered community employment for purposes of funding under Minnesota Rules, parts 3300.1000 to 3300.2055, provided that the wages for individuals reported must be at or above customary wages for the same employer. The employer must also provide one benefit package that is available to all employees.

Sec. 30. Minnesota Statutes 2006, section 268A.085, subdivision 1, is amended to read:

Subdivision 1. **Appointment; membership.** Every city, town, county, nonprofit corporation, or combination thereof establishing a rehabilitation facility shall appoint a rehabilitation facility board of no fewer than ~~nine~~ seven voting members before becoming eligible for the assistance provided by sections 268A.06 to 268A.15. When any city, town, or county singly establishes such a rehabilitation facility, the board shall be appointed by the chief executive officer of the city or the chair of the governing board of the county or town. When any combination of cities, towns, counties, or nonprofit corporations establishes a rehabilitation facility, the chief executive officers of the cities, nonprofit corporations, and the chairs of the governing bodies of the counties or towns shall appoint the board. If a nonprofit corporation singly establishes a rehabilitation facility, the corporation shall appoint the board of directors. Membership on a board shall be representative of the community served and shall include a person with a disability. ~~One third to one half of the board shall be representative of industry or business. The remaining members should be representative of lay associations for persons with a disability, labor, the general public, and education, welfare, medical, and health professions. Nothing in sections 268A.06 to 268A.15 shall be construed to preclude the appointment of elected or appointed public officials or members of the board of directors of the sponsoring nonprofit corporation to the board, so long as the representation described above is preserved.~~ If a county establishes an extended employment program and manages the program with county employees, the governing board shall be the county board of commissioners, and other provisions of this chapter pertaining to membership on the governing board do not apply.

Sec. 31. Minnesota Statutes 2006, section 268A.15, is amended by adding a subdivision to read:

Subd. 9. **Integrated setting.** At the commissioner's discretion, paid work on the premises of a rehabilitation facility may be certified as an integrated setting after a site review by the department.

Sec. 32. **[325E.60] RESTROOM ACCESS.**

Subdivision 1. **Short title.** This section may be cited as the Restroom Access Act.

Subd. 2. **Definitions.** For purposes of this section:

(a) "Customer" means an individual who is lawfully on the premises of a retail establishment.

(b) "Eligible medical condition" means Crohn's disease, ulcerative colitis, any other inflammatory bowel disease, irritable bowel syndrome, or any other medical condition that requires immediate access to a restroom facility.

(c) "Retail establishment" means a place of business open to the general public for the sale of goods or services. Retail establishment does not include a filling station or service station with a structure of 800 square feet or less that has an employee restroom facility located within that structure.

Subd. 3. **Retail establishment; customer access to restroom facilities.** A retail establishment that has a restroom facility for its employees shall allow a customer to use that facility during normal business hours if the restroom facility is reasonably safe and all of the following conditions are met:

(1) the customer requesting the use of the employee restroom facility suffers from an eligible medical condition or uses an ostomy device, provided that the existence of the condition or device is documented in writing by the customer's physician or a nonprofit organization whose purpose includes serving individuals who suffer from the condition;

(2) three or more employees of the retail establishment are working at the time the customer requests use of the employee restroom facility;

(3) the retail establishment does not normally make a restroom available to the public;

(4) the employee restroom facility is not located in an area where providing access would create an obvious health or safety risk to the customer or an obvious security risk to the establishment; and

(5) a public restroom is not immediately accessible to the customer.

Subd. 4. **Liability.** (a) A retail establishment or an employee of a retail establishment is not civilly liable for an act or omission in allowing a customer who claims to have an eligible medical condition to use an employee restroom facility that is not a public restroom if the act or omission:

(1) is not negligent;

(2) occurs in an area of the retail establishment that is not accessible to the public; and

(3) results in an injury to or death of the customer or an individual other than an employee accompanying the customer.

(b) This section does not require a retail establishment to make any physical changes to an employee restroom facility.

Subd. 5. **Violation.** For a first violation of this section, the city or county attorney shall issue a warning letter to the retail establishment or employee informing the establishment or employee of the requirements of this section. A retail establishment or an employee of a retail establishment that violates this section after receiving a warning letter is guilty of a petty misdemeanor. The fine for a first offense must not exceed \$50.

Sec. 33. Minnesota Statutes 2006, section 462.39, is amended by adding a subdivision to read:

Subd. 5. **Local planning assistance.** A regional development commission or, in regions not served by regional development commissions, a regional organization selected by the commissioner of employment and economic development, may develop a program to support planning on behalf of local units of government. The local planning must be related to issues of regional or statewide significance and may include, but is not limited to, the following:

(1) local planning and development assistance, which may include local zoning ordinances and land use plans;

(2) community or economic development plans, which may include workforce development plans, housing development plans and market analysis, JOBZ administration, grant writing assistance, and grant administration;

(3) environment and natural resources plans, which may include solid waste management plans, wastewater management plans, and renewable energy development plans;

(4) rural community health services; and

(5) development of geographical information systems to serve regional needs, including hardware and software purchases and related labor costs.

Each regional development commission or organization shall submit to the commissioner of employment and economic development an annual work program that outlines the work items for the upcoming year and establishes the relationship of the work items to development issues of regional or statewide significance. The entity completing the annual work program and identifying the statewide development issues shall consider input from the Departments of Employment and Economic Development, Natural Resources, Transportation, Agriculture, Commerce, and other state agencies as appropriate to the issues.

Sec. 34. Minnesota Statutes 2006, section 469.334, is amended to read:

469.334 DESIGNATION OF ZONE.

Subdivision 1. **Commissioner to designate.** (a) The commissioner, in consultation with the commissioner of revenue and the director of the Office of Strategic and Long-Range Planning, ~~shall~~ may designate ~~one or more~~ biotechnology and health sciences industry zones. Priority must be given to applicants with a development plan that links a higher education/research institution with a biotechnology and health sciences industry facility.

(b) The commissioner may consult with the applicant prior to the designation of the zone. The commissioner may modify the development plan, including the boundaries of the zone or subzones, if in the commissioner's opinion a modified plan would better meet the objectives of the biotechnology and health sciences industry zone program. The commissioner shall notify the applicant of the modifications and provide a statement of the reasons for the modifications.

Subd. 2. **Need indicators.** (a) In evaluating applications to determine the need for designation of a biotechnology and health sciences industry zone, the commissioner shall consider the following factors as indicators of need:

(1) the extent to which land in proximity to a significant scientific research institution could be developed as a higher and better use for biotechnology and health sciences industry facilities;

(2) the amount of property in or near the zone that is deteriorated or underutilized; and

(3) the extent to which property in the area would remain underdeveloped or nonperforming due to physical characteristics.

(b) The commissioner may require applicants to provide data to demonstrate how the area meets one or more of the indicators of need.

Subd. 3. **Success indicators.** In determining the likelihood of success of a proposed zone, the commissioner shall consider:

(1) applicants that show a viable link between a higher education/research institution, the biotechnology and/or medical devices business sectors, and one or more units of local government with a development plan;

(2) the extent to which the area has substantial real property with adequate infrastructure and energy to support new or expanded development;

(3) the strength and viability of the proposed development goals, objectives, and strategies in the development plan;

- (4) whether the development plan is creative and innovative in comparison to other applications;
- (5) local public and private commitment to development of a biotechnology and health sciences industry facility or facilities in the proposed zone and the potential cooperation of surrounding communities;
- (6) existing resources available to the proposed zone;
- (7) how the designation of the zone would relate to other economic and community development projects and to regional initiatives or programs;
- (8) how the regulatory burden will be eased for biotechnology and health sciences industry facilities located in the proposed zone;
- (9) proposals to establish and link job creation and job training in the biotechnology and health sciences industry with research/educational institutions; and
- (10) the extent to which the development is directed at encouraging, and that designation of the zone is likely to result in, the creation of high-paying jobs.

Subd. 4. **Designation schedule.** (a) The schedule in paragraphs (b) to (e) applies to the designation of the first biotechnology and health sciences industry zone.

(b) The commissioner shall publish the form for applications and any procedural, form, or content requirements for applications by no later than August 1, 2003. The commissioner may publish these requirements on the Internet, in the State Register, or by any other means the commissioner determines appropriate to disseminate the information to potential applicants for designation.

(c) Applications must be submitted by October 15, 2003.

(d) The commissioner shall designate the zones by no later than December 31, 2003.

(e) The designation of the zones takes effect January 1, 2004.

(f) Additional zones may be designated in later years, ~~following substantially the same application and designation process as provided in paragraphs (b) to (e) only after the commissioner of employment and economic development has established criteria for expanding the number of zones. The criteria must limit designating a new zone to a community that has adequate resources and infrastructure to support bioindustry, including postsecondary institutions, strong health care systems, and existing bioscience companies. It must also require that a new zone be located on a transportation corridor.~~

Sec. 35. **WORKFORCE ENHANCEMENT FEE.**

If the commissioner of employment and economic development determines that the need for services under the dislocated worker program substantially exceeds the resources that will be available for the program, the commissioner may increase the special assessment levied under Minnesota Statutes, section 116L.20, subdivision 1, to no more than .12 percent of taxable wages.

Sec. 36. **FEDERAL PROCUREMENT LIAISON.**

The commissioner of employment and economic development must establish and operate a technology and commercialization unit in the Department of Employment and Economic Development. Appropriation for this purpose must be used to: coordinate public and private efforts to procure federal funding for collaborative research and development projects of primary benefit to small- and medium-sized businesses; promote contractual

relationships between Minnesota businesses who, as recipients of federal grants, are prime contractors, and appropriate Minnesota-based subcontractors; assess the research and development capabilities of small- and medium-sized businesses; undertake referral activities to link Minnesota companies with federal requests for proposal opportunities; and develop a framework for Minnesota companies to establish sole-sourcing relationships with federal agencies.

The commissioner must report to the committees in the house of representatives and the senate having jurisdiction over bioscience and technology issues on the activities of the technology and commercialization unit by June 30 of each year.

Sec. 37. **LOCATION OF NORTHERN MINNESOTA INSPECTORS.**

By December 31, 2007, the commissioner of labor and industry must assign three occupational safety and health inspectors to one or more offices on the Iron Range and one inspector to an office in Bemidji.

Sec. 38. **WORKING GROUP ON STATE ROLE IN TRADE POLICY.**

Subdivision 1. **Work group members.** The Department of Employment and Economic Development must convene a working group to develop recommendations for establishing policies and procedures regarding the role of the state in federal trade policy and trade agreements. The working group must be comprised of 17 members as follows:

- (1) the governor or his designee;
- (2) the commissioner of the Department of Employment and Economic Development or his designee;
- (3) the commissioner of the Department of Agriculture or his designee;
- (4) the commissioner of the Department of Administration or his designee;
- (5) the attorney general or her designee;
- (6) two members of the Minnesota senate one of whom is appointed by the senate majority leader and one appointed by the minority leader;
- (7) two members of the Minnesota house of representatives, one of whom is appointed by the speaker and one appointed by the minority leader;
- (8) two members designated by the Minnesota AFL-CIO;
- (9) two members representing labor organizations other than the AFL-CIO with one to be appointed by the speaker of the Minnesota house of representatives and one to be appointed by the majority leader of the Minnesota senate;
- (10) two members designated by the Minnesota Chamber of Commerce; and
- (11) two members representing business organizations other than the Minnesota Chamber of Commerce appointed by the governor.

The Department of Employment and Economic Development must provide administrative support to the working group.

Subd. 2. **Duties; responsibilities.** The working group may obtain input from other state and federal agencies as appropriate and may conduct public hearings to allow input from interested stakeholders. The working group must:

- (1) determine the state's jurisdiction regarding federal trade policy and trade agreements;
- (2) assess the state's current policies, procedures, roles and responsibilities for providing advice and consent on federal trade policy and trade agreements;
- (3) review the current means through which the state interacts with the Office of the United States Trade Representative (USTR) and Congress regarding trade policy and trade agreements;
- (4) inventory the federal trade policies and trade agreements that the state of Minnesota has formally approved or signed on to;
- (5) examine trade policy models established by other states;
- (6) develop recommendations for defining responsibilities and procedures for the state's role in federal trade policy and trade agreements; and
- (7) prepare legislative recommendations to implement the recommendations of the working group.

The working group must report its findings and recommendations to the governor and the legislature by December 1, 2007.

Sec. 39. STUDY; SAFE PATIENT HANDLING.

(a) The commissioner of labor and industry shall study ways to require workers' compensation insurers to recognize compliance with Minnesota Statutes, section 182.6553, in the workers' compensation premiums of health care and long-term care facilities. The commissioner shall report by January 15, 2008, the results of the study to the chairs of the policy committees of the legislature with primary jurisdiction over workers' compensation issues.

(b) By January 15, 2008, the commissioner must make recommendations to the legislature regarding funding sources available to health care facilities for safe patient handling programs and equipment, including, but not limited to, low interest loans, interest free loans, and federal, state, or county grants.

Sec. 40. WORK GROUP; SAFE PATIENT HANDLING.

The Minnesota State Council on Disability shall convene a work group comprised of representatives from the Minnesota Medical Association and other organizations representing clinics, disability advocates, and direct care workers, to do the following:

- (1) assess the current options for and use of safe patient handling equipment in unlicensed outpatient clinics, physician offices, and dental settings;
- (2) identify barriers to the use of safe patient handling equipment in these settings; and
- (3) define clinical settings that move patients to determine applicability of the Safe Patient Handling Act.

The work group must report to the legislature by January 15, 2008, including reports to the chairs of the senate and house of representatives committees on workforce development.

Sec. 41. EFFECT ON RULES.

The commissioner of labor and industry shall amend Minnesota Rules, part 5200.0910, to conform to Minnesota Statutes, section 181A.115. The commissioner may use the good cause exemption in Minnesota Statutes, section 14.388, in adopting the amendment required by this section.

Sec. 42. PUBLIC FACILITIES AUTHORITY FUNDING.

To the greatest practical extent, projects on the Public Facilities Authority's 2007 intended use plan, the listings for which were based on the Pollution Control Agency's 2006 project priority list, shall be carried over to the 2008 intended use plan. Projects that qualified for funding from the Public Facilities Authority under Laws 2006, chapter 258, section 21, that could not be certified by the Pollution Control Agency by the applicable deadline shall have until May 1, 2008, or six months after the Minnesota Supreme Court issues an opinion in the cities of Maple Lake and Annandale matter, whichever is later, to obtain the required certification from the Pollution Control Agency.

Sec. 43. REPEALER.

(a) Minnesota Statutes 2006, sections 16B.747, subdivision 4; 16C.18, subdivision 2; 183.375, subdivision 5; 183.545, subdivision 9; 326.241; 326.44; 326.52; and 326.64, are repealed.

(b) Minnesota Statutes 2006, section 326.975, is repealed effective December 1, 2007.

ARTICLE 3**LICENSING AND WAGES**

Section 1. Minnesota Statutes 2006, section 16B.63, subdivision 5, is amended to read:

Subd. 5. **Interpretative authority.** To achieve uniform and consistent application of the State Building Code, the ~~state building official~~ commissioner has final interpretative authority applicable to all codes adopted as part of the State Building Code except for the Plumbing Code and the Electrical Code ~~when enforced by the State Board of Electricity~~. A final interpretative committee composed of seven members, consisting of three building officials, two inspectors from the affected field, and two construction industry representatives, shall review requests for final interpretations relating to that field for which the commissioner has final interpretative authority. ~~A request~~ The Plumbing Board has final interpretative authority applicable to the state Plumbing Code and shall review requests for final interpretation made to the board that relate to the state plumbing code. The Board of Electricity has final interpretative authority applicable to the state Electrical Code and shall review requests for final interpretation made to the board that relate to the state Electrical Code. The Board of High Pressure Piping Systems has final interpretative authority applicable to the state High Pressure Piping Code and shall review requests for final interpretation made to the board that relate to the state high pressure piping code. Except for requests for final interpretations that relate to the state plumbing code, the state Electrical Code, and the state High Pressure Piping Code, requests for final interpretation must come from a local or state level building code board of appeals. The ~~state building official~~ commissioner must establish procedures for membership of the final interpretative committees. The appropriate committee shall review the request and make a recommendation to the ~~state building official~~ commissioner for the final interpretation within 30 days of the request. The ~~state building official~~ commissioner must issue ~~an~~ a final interpretation within ten business days ~~from~~ after the receipt of the recommendation from the ~~review~~ final interpretative committee. ~~A~~ The Plumbing Board, the Board of Electricity, or the Board of High Pressure Piping Systems shall review a request and issue a final interpretation within 30 days of the request. Any person aggrieved by final interpretation may be ~~appealed~~ appeal within 30 days of its issuance ~~to by the commissioner under section 16B.67 or the board in accordance with chapter 14.~~ The final interpretation

must be published within ten business days of its issuance and made available to the public. Municipal building officials shall administer all final interpretations issued by the ~~state building official commissioner~~ until the final interpretations are considered by the commissioner, the Plumbing Board, the Board of Electricity, or the Board of High Pressure Piping Systems for adoption as part of the State Building Code, state Plumbing Code, state Electrical Code, or the High Pressure Piping Code.

Sec. 2. Minnesota Statutes 2006, section 154.003, is amended to read:

154.003 FEES.

(a) The fees collected, as required in this chapter, chapter 214, and the rules of the board, shall be paid to the executive secretary of the board. The executive secretary shall deposit the fees in the general fund in the state treasury.

(b) The board shall charge the following fees:

- (1) examination and certificate, registered barber, \$65;
- (2) examination and certificate, apprentice, \$60;
- (3) examination, instructor, \$160;
- (4) certificate, instructor, \$45;
- (5) temporary teacher or apprentice permit, \$50;
- (6) renewal of license, registered barber, \$50;
- (7) renewal of license, apprentice, \$45;
- (8) renewal of license, instructor, \$60;
- (9) renewal of temporary teacher permit, \$35;
- (10) student permit, \$25;
- (11) initial shop registration, \$60;
- (12) initial school registration, \$1,010;
- (13) renewal shop registration, \$60;
- (14) renewal school registration, \$260;
- (15) restoration of registered barber license, \$75;
- (16) restoration of apprentice license, \$70;
- (17) restoration of shop registration, \$85;

(18) change of ownership or location, \$35;

(19) duplicate license, \$20; ~~and~~

(20) home study course, \$75; and

(21) registration of hair braiders, \$20 per year.

Sec. 3. **[154.465] HAIR BRAIDING.**

Subdivision 1. **Registration.** Any person engaged in hair braiding solely for compensation as a profession, except persons licensed as cosmetologists, shall register with the Minnesota Board of Barber and Cosmetology Examiners in a form determined by the board.

Subd. 2. **Definition.** "Hair braiding" means a natural form of hair manipulation that results in tension on hair strands by beading, braiding, cornrowing, extending, lacing, locking, sewing, twisting, weaving, or wrapping human hair, natural fibers, synthetic fibers, and hair extensions into a variety of shapes, patterns, and textures predominantly by hand and by only using simple braiding devices, and maintenance thereof. Hair braiding includes what is commonly known as "African-style hair braiding" or "natural hair care" but is not limited to any particular cultural, ethnic, racial, or religious forms of hair styles. Hair braiding includes the making of customized wigs from natural hair, natural fibers, synthetic fibers, and hair extensions. Hair braiding includes the use of topical agents such as conditioners, gels, moisturizers, oils, pomades, and shampoos. Hair braiding does not involve the use of penetrating chemical hair treatments, chemical hair coloring agents, chemical hair straightening agents, chemical hair joining agents, permanent wave styles, or chemical hair bleaching agents applied to growing human hair. For purposes of this section, "simple hair braiding devices" means clips, combs, curlers, curling irons, hairpins, rollers, scissors, needles, thread, and hair binders including adhesives, if necessary, that are required solely for hair braiding.

Subd. 3. **Requirements.** In order to qualify for initial registration, any person engaged in hair braiding solely for compensation as a profession, except persons licensed as cosmetologists, shall satisfactorily complete instruction at either an accredited school, professional association, or by an individual approved by the board. Instruction includes coursework covering the topics of health, safety, sanitation, and state laws related to cosmetology not to exceed 30 hours. The coursework is encouraged to be provided in a foreign language format and such availability shall be reported to and posted by the Minnesota Board of Barber and Cosmetology Examiners.

Subd. 4. **Curriculum.** An accredited school, professional association, or an individual approved by the board desiring to provide the coursework required under subdivision 3 shall have curriculum in place by January 1, 2008.

EFFECTIVE DATE. This section is effective July 1, 2008, except subdivision 4 is effective the day following final enactment.

Sec. 4. Minnesota Statutes 2006, section 177.27, subdivision 1, is amended to read:

Subdivision 1. **Examination of records.** The commissioner may enter during reasonable office hours or upon request and inspect the place of business or employment of any employer of employees working in the state, to examine and inspect books, registers, payrolls, and other records of any employer that in any way relate to wages, hours, and other conditions of employment of any employees. The commissioner may transcribe any or all of the books, registers, payrolls, and other records as the commissioner deems necessary or appropriate and may question the employees to ascertain compliance with sections 177.21 to ~~177.35~~ 177.435. The commissioner may investigate wage claims or complaints by an employee against an employer if the failure to pay a wage may violate Minnesota law or an order or rule of the department.

Sec. 5. Minnesota Statutes 2006, section 177.27, subdivision 4, is amended to read:

Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an employer to comply with sections 177.21 to ~~177.35~~ 177.435, 181.02, 181.03, 181.031, 181.032, 181.101, 181.11, 181.12, 181.13, 181.14, 181.145, 181.15, and 181.79, or with any rule promulgated under section 177.28. The department shall serve the order upon the employer or the employer's authorized representative in person or by certified mail at the employer's place of business. An employer who wishes to contest the order must file written notice of objection to the order with the commissioner within 15 calendar days after being served with the order. A contested case proceeding must then be held in accordance with sections 14.57 to 14.69. If, within 15 calendar days after being served with the order, the employer fails to file a written notice of objection with the commissioner, the order becomes a final order of the commissioner.

Sec. 6. Minnesota Statutes 2006, section 177.27, subdivision 8, is amended to read:

Subd. 8. **Court actions; suits brought by private parties.** An employee may bring a civil action seeking redress for a violation or violations of sections 177.21 to ~~177.35~~ 177.44 directly to district court. An employer who pays an employee less than the wages and overtime compensation to which the employee is entitled under sections 177.21 to ~~177.35~~ 177.44 is liable to the employee for the full amount of the wages, gratuities, and overtime compensation, less any amount the employer is able to establish was actually paid to the employee and for an additional equal amount as liquidated damages. In addition, in an action under this subdivision the employee may seek damages and other appropriate relief provided by subdivision 7 and otherwise provided by law. An agreement between the employee and the employer to work for less than the applicable wage is not a defense to the action.

Sec. 7. Minnesota Statutes 2006, section 177.27, subdivision 9, is amended to read:

Subd. 9. **District court jurisdiction.** Any action brought under subdivision 8 may be filed in the district court of the county wherein a violation or violations of sections 177.21 to ~~177.35~~ 177.44 are alleged to have been committed, where the respondent resides or has a principal place of business, or any other court of competent jurisdiction. The action may be brought by one or more employees.

Sec. 8. Minnesota Statutes 2006, section 177.27, subdivision 10, is amended to read:

Subd. 10. **Attorney fees and costs.** In any action brought pursuant to subdivision 8, the court shall order an employer who is found to have committed a violation or violations of sections 177.21 to ~~177.35~~ 177.44 to pay to the employee or employees reasonable costs, disbursements, witness fees, and attorney fees.

Sec. 9. Minnesota Statutes 2006, section 177.28, subdivision 1, is amended to read:

Subdivision 1. **General authority.** The commissioner may adopt rules, including definitions of terms, to carry out the purposes of sections 177.21 to ~~177.35~~ 177.44, to prevent the circumvention or evasion of those sections, and to safeguard the minimum wage and overtime rates established by sections 177.24 and 177.25.

Sec. 10. Minnesota Statutes 2006, section 177.30, is amended to read:

177.30 KEEPING RECORDS; PENALTY.

Every employer subject to sections 177.21 to ~~177.35~~ 177.44 must make and keep a record of:

- (1) the name, address, and occupation of each employee;
- (2) the rate of pay, and the amount paid each pay period to each employee;

(3) the hours worked each day and each workweek by the employee; ~~and~~

(4) for each employer subject to sections 177.41 to 177.44, and while performing work on public works projects funded in whole or in part with state funds, the prevailing wage master job classification of each employee working on the project for each hour worked; and

~~(4)~~ (5) other information the commissioner finds necessary and appropriate to enforce sections 177.21 to 177.35. The records must be kept for three years in or near the premises where an employee works except each employer subject to sections 177.41 to 177.44, and while performing work on public works projects funded in whole or in part with state funds, the records must be kept for three years after the contracting authority has made final payment on the public works project.

The commissioner may fine an employer up to \$1,000 for each failure to maintain records as required by this section. This penalty is in addition to any penalties provided under section 177.32, subdivision 1. In determining the amount of a civil penalty under this subdivision, the appropriateness of such penalty to the size of the employer's business and the gravity of the violation shall be considered.

Sec. 11. Minnesota Statutes 2006, section 177.43, subdivision 3, is amended to read:

Subd. 3. **Contract requirements.** The contract must specifically state the prevailing wage rates, prevailing hours of labor, and hourly basic rates of pay. The contract must also provide that the contracting agency shall demand, and the contractor and subcontractor shall furnish to the contracting agency, copies of any or all payrolls not more than 14 days after the end of each pay period. The payrolls must contain all the data required by section 177.30. The contracting authority may examine all records relating to wages paid laborers or mechanics on work to which sections 177.41 to 177.44 apply.

Sec. 12. Minnesota Statutes 2006, section 177.43, subdivision 4, is amended to read:

Subd. 4. **Determination by commissioner; posting; petition for reconsideration.** The prevailing wage rates, prevailing hours of labor, and hourly basic rates of pay for all trades and occupations required in any project must be ascertained before the state asks for bids. The commissioner of labor and industry shall investigate as necessary to ascertain the information. ~~The commissioner~~ Each contractor and subcontractor performing work on a public project shall keep the information posted on the project in at least one conspicuous place for the information of the employees working on the project. A person aggrieved by a final determination of the commissioner may petition the commissioner for reconsideration of findings. A person aggrieved by a decision of the commissioner after reconsideration may, within 20 days after the decision, petition the commissioner for a public hearing in the manner of a contested case under sections 14.57 to 14.61.

Sec. 13. Minnesota Statutes 2006, section 177.43, subdivision 6, is amended to read:

Subd. 6. **Examination of records; investigation by the department.** The Department of Labor and Industry shall enforce this section. The department may demand, and the contractor and subcontractor shall furnish to the department, copies of any or all payrolls. The department may examine all records relating to wages paid laborers or mechanics on work to which sections 177.41 to 177.44 apply. The department shall employ at least three investigators to perform on-site project reviews, receive and investigate complaints of violations of this section, and conduct training and outreach to contractors and contracting authorities for public works projects financed in whole or in part with state funds.

Sec. 14. Minnesota Statutes 2006, section 177.43, is amended by adding a subdivision to read:

Subd. 6a. **Prevailing wage violations.** Upon issuing a compliance order to an employer pursuant to section 177.27, subdivision 4, for violation of sections 177.41 to 177.44, the commissioner shall issue a withholding order to the contracting authority ordering the contracting authority to withhold payment of sufficient sum to the prime or general contractor on the project to satisfy the back wages assessed or otherwise cure the violation, and the contracting authority must withhold the sum ordered until the compliance order has become a final order of the commissioner and has been fully paid or otherwise resolved by the employer.

During an investigation of a violation of sections 177.41 to 177.44 which the commissioner reasonably determines is likely to result in the finding of a violation of sections 177.41 to 177.44 and the issuance of a compliance order pursuant to section 177.27, subdivision 4, the commissioner may notify the contracting authority of the determination and the amount expected to be assessed and the contracting authority shall give the commissioner 90 days' prior notice of the date the contracting authority intends to make final payment.

Sec. 15. **[181.723] INDEPENDENT CONTRACTORS.**

Subdivision 1. **Definitions.** The definitions in this subdivision apply to this section.

(a) "Person" means any individual, limited liability corporation, corporation, partnership, incorporated or unincorporated association, sole proprietorship, joint stock company, or any other legal or commercial entity.

(b) "Department" means the Department of Labor and Industry.

(c) "Commissioner" means the commissioner of labor and industry or a duly designated representative of the commissioner who is either an employee of the Department of Labor and Industry or person working under contract with the Department of Labor and Industry.

(d) "Individual" means a human being.

(e) "Day" means calendar day unless otherwise provided.

(f) "Knowingly" means knew or could have known with the exercise of reasonable diligence.

(g) "Document" or "documents" includes papers; books; records; memoranda; data; contracts; drawings; graphs; charts; photographs; digital, video, and audio recordings; records; accounts; files; statements; letters; e-mails; invoices; bills; notes; and calendars maintained in any form or manner.

Subd. 2. **Limited application.** This section only applies to individuals performing public or private sector commercial or residential building construction or improvement services.

Subd. 3. **Employee-employer relationship.** Except as provided in subdivision 4, for purposes of chapters 176, 177, 181A, 182, and 268, as of January 1, 2009, an individual who performs services for a person that are in the course of the person's trade, business, profession, or occupation is an employee of that person and that person is an employer of the individual.

Subd. 4. **Independent contractor.** An individual is an independent contractor and not an employee of the person for whom the individual is performing services in the course of the person's trade, business, profession, or occupation only if (1) the individual holds a current independent contractor exemption certificate issued by the commissioner; and (2) the individual is performing services for the person under the independent contractor exemption certificate as provided in subdivision 6. The requirements in clauses (1) and (2) must be met in order to qualify as an independent contractor and not as an employee of the person for whom the individual is performing services in the course of the person's trade, business, profession, or occupation.

Subd. 5. **Application.** To obtain an independent contractor exemption certificate, the individual must submit, in the manner prescribed by the commissioner, a complete application and the certificate fee required under subdivision 14.

(a) A complete application must include all of the following information:

(1) the individual's full name;

(2) the individual's residence address and telephone number;

(3) the individual's business name, address, and telephone number;

(4) the services for which the individual is seeking an independent contractor exemption certificate;

(5) the individual's Social Security number;

(6) the individual's or the individual's business federal employer identification number, if a number has been issued to the individual or the individual's business;

(7) any information or documentation that the commissioner requires by rule that will assist the department in determining whether to grant or deny the individual's application; and

(8) the individual's sworn statement that the individual meets all of the following conditions:

(i) maintains a separate business with the individual's own office, equipment, materials, and other facilities;

(ii) holds or has applied for a federal employer identification number or has filed business or self-employment income tax returns with the federal Internal Revenue Service if the person has performed services in the previous year for which the individual is seeking the independent contractor exemption certificate;

(iii) operates under contracts to perform specific services for specific amounts of money and under which the individual controls the means of performing the services;

(iv) incurs the main expenses related to the service that the individual performs under contract;

(v) is responsible for the satisfactory completion of services that the individual contracts to perform and is liable for a failure to complete the service;

(vi) receives compensation for service performed under a contract on a commission or per-job or competitive bid basis and not on any other basis;

(vii) may realize a profit or suffer a loss under contracts to perform service;

(viii) has continuing or recurring business liabilities or obligations; and

(ix) the success or failure of the individual's business depends on the relationship of business receipts to expenditures.

(b) Individuals who are applying for or renewing a residential building contractor or residential remodeler license under sections 326.83 to 326.992 and any rules promulgated pursuant thereto may simultaneously apply for or renew an independent contractor exemption certificate. The commissioner shall create an application form that

allows for the simultaneous application for both a residential building contractor or residential remodeler license and an independent contractor exemption certificate. If individuals simultaneously apply for or renew a residential building contractor or residential remodeler license and an independent contractor exemption certificate using the form created by the commissioner, individuals shall only be required to provide, in addition to the information required by section 326.89 and rules promulgated pursuant thereto, the sworn statement required by paragraph (a), clause (8), and any additional information required by this subdivision that is not also required by section 326.89 and any rules promulgated thereto. When individuals submit a simultaneous application on the form created by the commissioner for both a residential building contractor or residential remodeler license and an independent contractor exemption certificate, the application fee shall be \$150. An independent contractor exemption certificate that is in effect before March 1, 2009, shall remain in effect until March 1, 2011, unless revoked by the commissioner or cancelled by the individual.

(c) Within 30 days of receiving a complete application and the certificate fee, the commissioner must either grant or deny the application. The commissioner may deny an application for an independent contractor exemption certificate if the individual has not submitted a complete application and certificate fee or if the individual does not meet all of the conditions for holding the independent contractor exemption certificate. The commissioner may revoke an independent contractor exemption certificate if the commissioner determines that the individual no longer meets all of the conditions for holding the independent contractor exemption certificate, commits any of the actions set out in subdivision 7, or fails to cooperate with a department investigation into the continued validity of the individual's certificate. Once issued, an independent contractor exemption certificate remains in effect for two years unless:

(1) revoked by the commissioner; or

(2) canceled by the individual.

(d) If the department denies an individual's original or renewal application for an independent contractor exemption certificate or revokes an independent contractor exemption certificate, the commissioner shall issue to the individual an order denying or revoking the certificate. The commissioner may issue an administrative penalty order to an individual or person who commits any of the actions set out in subdivision 7.

(e) An individual or person to whom the commissioner issues an order under paragraph (d) shall have 30 days after service of the order to request a hearing. The request for hearing must be in writing and must be served on or faxed to the commissioner at the address or facsimile number specified in the order by the 30th day after service of the order. If the individual does not request a hearing or if the individual's request for a hearing is not served on or faxed to the commissioner by the 30th day after service of the order, the order shall become a final order of the commissioner and will not be subject to review by any court or agency. The date on which a request for hearing is served by mail shall be the postmark date on the envelope in which the request for hearing is mailed. If the individual serves or faxes a timely request for hearing, the hearing shall be a contested case hearing and shall be held in accordance with chapter 14.

Subd. 6. **Performing services under exemption certificate.** An individual is performing services for a person under an independent contractor exemption certificate if:

(a) the individual is performing services listed on the individual's independent contractor exemption certificate; and

(b) at the time the individual is performing services listed on the individual's independent contractor exemption certificate, the individual meets all of the following conditions:

(1) maintains a separate business with the individual's own office, equipment, materials, and other facilities;

(2) holds or has applied for a federal employer identification number or has filed business or self-employment income tax returns with the federal Internal Revenue Service if the individual performed services in the previous year for which the individual has the independent contractor exemption certificate;

(3) is operating under contract to perform the specific services for the person for specific amounts of money and under which the individual controls the means of performing the services;

(4) is incurring the main expenses related to the services that the individual is performing for the person under the contract;

(5) is responsible for the satisfactory completion of the services that the individual has contracted to perform for the person and is liable for a failure to complete the services;

(6) receives compensation from the person for the services performed under the contract on a commission or per-job or competitive bid basis and not on any other basis;

(7) may realize a profit or suffers a loss under the contract to perform services for the person;

(8) has continuing or recurring business liabilities or obligations; and

(9) the success or failure of the individual's business depends on the relationship of business receipts to expenditures.

Subd. 7. Prohibited activities. (a) An individual shall not:

(1) perform work as an independent contractor who meets the qualifications under subdivision 6 without first obtaining from the department an independent contractor exemption certificate;

(2) perform work as an independent contractor when the department has denied or revoked the individual's independent contractor exemption certificate;

(3) transfer to another individual or allow another individual to use the individual's independent contractor exemption certificate;

(4) alter or falsify an independent contractor exemption certificate;

(5) misrepresent the individual's status as an independent contractor; or

(6) make a false material statement, representation, or certification; omit material information; or alter, conceal, or fail to file a document required by this section or any rule promulgated by the commissioner under rulemaking authority set out in this section.

(b) A person shall not:

(1) require an individual through coercion, misrepresentation, or fraudulent means to adopt independent contractor status;

(2) knowingly misrepresent that an individual who has not been issued an independent contractor exemption certificate or is not performing services for the person under an independent contractor exemption certificate is an independent contractor; or

(3) make a false material statement, representation, or certification; omit material information; or alter, conceal, or fail to file a document required by this section or any rule promulgated by the commissioner under rulemaking authority set out in this section.

(c) A person for whom an individual is performing services must obtain a copy of the individual's independent contractor exemption certificate before services may commence. A copy of the independent contractor exemption certificate must be retained for five years from the date of receipt by the person for whom an individual is performing services.

Subd. 8. **Remedies.** An individual or person who violates any provision of subdivision 7 is subject to a penalty to be assessed by the department of up to \$5,000 for each violation. The department shall deposit penalties in the assigned risk safety account.

Subd. 9. **Commissioner's powers.** (a) In order to carry out the purposes of this section, the commissioner may:

(1) administer oaths and affirmations, certify official acts, interview, question, take oral or written statements, and take depositions;

(2) request, examine, take possession of, photograph, record, and copy any documents, equipment, or materials;

(3) at a time and place indicated by the commissioner, request persons to appear before the commissioner to give testimony and produce documents, equipment, or materials;

(4) issue subpoenas to compel persons to appear before the commissioner to give testimony and produce documents, equipment, or materials; and

(5) subject to paragraph (c), with or without notice, enter without delay upon any property, public or private, for the purpose of taking any action authorized under this subdivision or the applicable law, including obtaining information or conducting inspections or investigations.

(b) Persons requested by the commissioner to give testimony or produce documents, equipment, or materials shall respond within the time and in the manner specified by the commissioner. If no time to respond is specified in the request, then a response shall be submitted within 30 days of the commissioner's service of the request.

(c) Upon the refusal or anticipated refusal of a property owner, lessee, property owner's representative, or lessee's representative to permit the commissioner's entry onto property as provided in paragraph (a), the commissioner may apply for an administrative inspection order in the Ramsey County District Court or, at the commissioner's discretion, in the district court in the county in which the property is located. The commissioner may anticipate that a property owner or lessee will refuse entry if the property owner, lessee, property owner's representative, or lessee's representative has refused to permit entry on a prior occasion or has informed the commissioner that entry will be refused. Upon showing of administrative probable cause by the commissioner, the district court shall issue an administrative inspection order that compels the property owner or lessee to permit the commissioner to enter the property for the purposes specified in paragraph (a).

(d) Upon the application of the commissioner, a district court shall treat the failure of any person to obey a subpoena lawfully issued by the commissioner under this subdivision as a contempt of court.

Subd. 10. **Notice requirements.** Unless otherwise specified, service of a document on a person under this section may be by mail, by personal service, or in accordance with any consent to service filed with the commissioner. Service by mail shall be accomplished in the manner provided in Minnesota Rules, part 1400.5550, subpart 2. Personal service shall be accomplished in the manner provided in Minnesota Rules, part 1400.5550, subpart 3.

Subd. 11. **Facsimile; timely service.** When this section permits a request for hearing to be served by facsimile on the commissioner, the facsimile shall not exceed 15 pages in length. The request shall be considered timely served if the facsimile is received by the commissioner, at the facsimile number identified by the commissioner in the order, no later than 4:30 p.m. central time on the last day permitted for faxing the request. Where the quality or authenticity of the faxed request is at issue, the commissioner may require the original request to be filed. Where the commissioner has not identified quality or authenticity of the faxed request as an issue and the request has been faxed in accordance with this subdivision, the person faxing the request does not need to file the original request with the commissioner.

Subd. 12. **Time period computation.** In computing any period of time prescribed or allowed by this section, the day of the act, event, or default from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included, unless it is a Saturday, Sunday, or legal holiday, in which event the period runs until the next day which is not a Saturday, Sunday, or legal holiday.

Subd. 13. **Rulemaking.** The commissioner may, in consultation with the commissioner of revenue and the commissioner of employment and economic development, adopt, amend, suspend, and repeal rules under the rulemaking provisions of chapter 14 that relate to the commissioner's responsibilities under this section. This subdivision is effective the day following final enactment.

Subd. 14. **Fee.** The certificate fee for the original application and for the renewal of an independent contractor exemption certificate shall be \$150.

Subd. 15. **Notice to commissioner; review by commissioner of revenue.** When the commissioner has reason to believe that an individual who holds a certificate has failed to maintain all the conditions required by subdivision 6 or is not performing services for a person under the independent contractor exemption certificate, the commissioner must notify the commissioner of revenue and the commissioner of employment and economic development. Upon receipt of notification from the commissioner that an individual who holds a certificate has failed to maintain all the conditions required by subdivision 6 or is not performing services for a person under the independent contractor exemption certificate, the commissioner of revenue must review the information returns required under section 6041A of the Internal Revenue Code. The commissioner of revenue shall also review the submitted certification that is applicable to returns audited or investigated under section 289A.35.

Subd. 16. **Data classified.** Data in applications for an independent contractor exemption certificate and any required documentation submitted to the commissioner are private data on individuals as defined in section 13.02. Data in exemption certificates issued by the commissioner are public data. Data that document a revocation or cancellation of an exemption certificate are public data. Upon request of the Department of Revenue or Department of Employment and Economic Development, the commissioner may release to the requesting department data classified as private under this subdivision or investigative data that are not public under section 13.39 that relate to the issuance or denial of applications or revocations of certificates.

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 16. Minnesota Statutes 2006, section 181.932, subdivision 1, is amended to read:

Subdivision 1. **Prohibited action.** An employer shall not discharge, discipline, threaten, otherwise discriminate against, or penalize an employee regarding the employee's compensation, terms, conditions, location, or privileges of employment because:

(a) the employee, or a person acting on behalf of an employee, in good faith, reports a violation or suspected violation of any federal or state law or rule adopted pursuant to law to an employer or to any governmental body or law enforcement official;

(b) the employee is requested by a public body or office to participate in an investigation, hearing, inquiry;

(c) the employee refuses an employer's order to perform an action that the employee has an objective basis in fact to believe violates any state or federal law or rule or regulation adopted pursuant to law, and the employee informs the employer that the order is being refused for that reason; ~~or~~

(d) the employee, in good faith, reports a situation in which the quality of health care services provided by a health care facility, organization, or health care provider violates a standard established by federal or state law or a professionally recognized national clinical or ethical standard and potentially places the public at risk of harm; or

(e) a public employee communicates the findings of a scientific or technical study that the employee, in good faith, believes to be truthful and accurate, including reports to a governmental body or law enforcement official.

The disclosures protected pursuant to this section do not authorize the disclosure of data otherwise protected by law.

Sec. 17. Minnesota Statutes 2006, section 181.935, is amended to read:

181.935 INDIVIDUAL REMEDIES; PENALTY.

(a) In addition to any remedies otherwise provided by law, an employee injured by a violation of section 181.932 may bring a civil action to recover any and all damages recoverable at law, together with costs and disbursements, including reasonable attorney's fees, and may receive such injunctive and other equitable relief as determined by the court.

(b) An employer who failed to notify, as required under section 181.933 or 181.934, an employee injured by a violation of section 181.932 is subject to a civil penalty of \$25 per day per injured employee not to exceed \$750 per injured employee.

(c) If the district court determines that a violation of section 181.932 occurred, the court may order any appropriate relief, including but not limited to reinstatement, back-pay, restoration of lost service credit, if appropriate, compensatory damages, and the expungement of any adverse records of an employee who was the subject of the alleged acts of misconduct.

Sec. 18. Minnesota Statutes 2006, section 325E.37, subdivision 6, is amended to read:

Subd. 6. **Scope; limitations.** (a) This section applies to a sales representative who, during some part of the period of the sales representative agreement:

(1) is a resident of Minnesota or maintains that person's principal place of business in Minnesota; or

(2) whose geographical territory specified in the sales representative agreement includes part or all of Minnesota.

(b) To be effective, any demand for arbitration under subdivision 5 must be made in writing and delivered to the principal on or before one year after the effective date of the termination of the agreement.

(c) A provision in any contract between a sales representative dealing in plumbing equipment or supplies and a principal purporting to waive any provision of this act, whether by express waiver or by a provision stipulating that the contract is subject to the laws of another state, shall be void.

Sec. 19. Minnesota Statutes 2006, section 326.37, subdivision 1, is amended to read:

Subdivision 1. **Rules.** The state ~~commissioner of health~~ Plumbing Board may, by rule, prescribe minimum standards which shall be uniform, and which standards shall thereafter be effective for all new plumbing installations, including additions, extensions, alterations, and replacements connected with any water or sewage disposal system owned or operated by or for any municipality, institution, factory, office building, hotel, apartment building, or any other place of business regardless of location or the population of the city or town in which located. Notwithstanding the provisions of Minnesota Rules, part 4715.3130, as they apply to review of plans and specifications, the commissioner may allow plumbing construction, alteration, or extension to proceed without approval of the plans or specifications by the commissioner.

Except for powers granted to the Plumbing Board, the commissioner of labor and industry shall administer the provisions of sections 326.37 to 326.45 and for such purposes may employ plumbing inspectors and other assistants.

Sec. 20. Minnesota Statutes 2006, section 326.37, is amended by adding a subdivision to read:

Subd. 4. **Air admittance valves and water-free urinals prohibited.** (a) Mechanical devices and fittings with internal moving parts are prohibited from installation in plumbing venting systems.

(b) All urinals covered under the jurisdiction of the state Plumbing Code must have a water flush device with a volume of not more than one gallon per use.

Sec. 21. **[326.372] PLUMBING BOARD.**

Subdivision 1. **Composition.** (a) The Plumbing Board shall consist of 13 members. Eleven members shall be appointed by the governor with the advice and consent of the senate and shall be voting members. Appointments of members by the governor shall be made in accordance with section 15.066. If the senate votes to refuse to consent to an appointment of a member made by the governor, the governor shall appoint a new member with the advice and consent of the senate. One member shall be the commissioner of labor and industry or the designee, who shall be a voting member. One member shall be the commissioner of health or the designee, who shall not be a voting member. Of the 11 appointed members, the composition shall be as follows:

(1) two members shall be municipal plumbing inspectors, one from the metropolitan area and one from greater Minnesota;

(2) one member shall be a licensed professional engineer specializing in plumbing designs or systems;

(3) two members shall be commercial/industrial plumbing contractors, one from the metropolitan area and one from greater Minnesota;

(4) one member shall be a residential plumbing contractor;

(5) two members shall be commercial/industrial journeymen, one from the metropolitan area and one from greater Minnesota;

(6) one member shall be a residential plumbing journeyman;

(7) one member shall be a water conditioning contractor; and

(8) one member shall be a municipal public water supply system operator or superintendent.

(b) One of the municipal plumbing inspectors shall be appointed for an initial term to end on December 31, 2010, and one municipal plumbing inspector shall be appointed for an initial term to end on December 31, 2011. The professional engineer shall be appointed for an initial term to end on December 31, 2011. One of the commercial/industrial plumbing contractors shall be appointed for an initial term to end on December 31, 2010, and one commercial/industrial plumbing contractor shall be appointed for an initial term to end on December 31, 2011. The residential plumbing contractor shall be appointed for an initial term to end on December 31, 2010. One of the commercial/industrial plumbing journeymen shall be appointed for an initial term to end on December 31, 2011, and one commercial/industrial plumbing journeyman shall be appointed for an initial term to end on December 31, 2010. The residential plumbing journeyman shall be appointed for an initial term to end on December 31, 2011. The water conditioning contractor shall be appointed for an initial term to end on December 31, 2010. The municipal public water supply system operator or superintendent shall be appointed for an initial term to end on December 31, 2011.

(c) The licensed professional engineer must possess a current Minnesota professional engineering license and maintain the license for the duration of the term served on the board. All other appointed members, except the water conditioning contractor and the municipal public water supply system operator or superintendent, must possess a current plumbing license issued by the Department of Labor and Industry and maintain that license for the duration of their terms. The water conditioning contractor must be licensed as a water conditioning contractor by the department and maintain the license for the duration of the term served on the board. All appointed members must be residents of Minnesota at the time of and throughout their terms. The term of any appointed member who does not maintain membership qualification status shall end on the date of status change and the governor shall appoint a replacement member. It is the responsibility of the member to notify the board of a change in the member's status.

(d) For appointed members, except the initial terms designated in paragraph (a), each term shall be three years with the terms ending on the first Monday in January. Members appointed by the governor shall be limited to three consecutive terms. The governor shall, all or in part, reappoint the current members or appoint replacement members with the advice and consent of the senate. Midterm vacancies shall be filled for the remaining portion of the term. Vacancies occurring with less than six months time remaining in the term shall be filled for the existing term and the following three-year term. Members may serve until successors are appointed but in no case later than July 1 in a year in which the term expires unless reappointed.

Subd. 2. **Powers; duties; administrative support.** (a) The board shall have the power to:

(1) elect its chair, vice-chair, and secretary;

(2) adopt bylaws that specify the duties of its officers, the meeting dates of the board, and contain such other provisions as may be useful and necessary for the efficient conduct of the business of the board;

(3) adopt the Plumbing Code that must be followed in this state and any Plumbing Code amendments thereto. The board shall adopt the Plumbing Code and any amendments thereto pursuant to chapter 14, and as provided in subdivision 6, paragraphs (b), (c), and (d);

(4) review requests for final interpretations and issue final interpretations as provided in section 16B.63, subdivision 5;

(5) adopt rules that regulate the licensure or registration of plumbing contractors, journeymen, apprentices, master plumbers, restricted master plumbers, and restricted journeymen and other persons engaged in the design, installation, and alteration of plumbing systems, except for those individuals licensed under section 326.02, subdivisions 2 and 3. The board shall adopt these rules pursuant to chapter 14 and as provided in subdivision 6, paragraphs (e) and (f);

(6) adopt rules that regulate continuing education for individuals licensed or registered as plumbing contractors, journeymen, apprentices, master plumbers, restricted master plumbers, and restricted journeymen or other persons engaged in the design, installation, and alteration of plumbing systems licensed pursuant to sections 326.37 to 326.45. The board shall adopt these rules pursuant to chapter 14 and as provided in subdivision 6, paragraphs (e) and (f);

(7) advise the commissioner regarding educational requirements for plumbing inspectors;

(8) refer complaints or other communications, whether oral or written, that allege or imply a violation of a statute, rule, or order that the commissioner has the authority to enforce pertaining to code compliance, licensure, or an offering to perform or performance of unlicensed plumbing services to the commissioner under subdivision 8;

(9) approve per diem and expenses deemed necessary for its members as provided in subdivision 3;

(10) approve license reciprocity agreements;

(11) select from its members individuals to serve on any other state advisory council, board, or committee; and

(12) recommend the fees for licenses and certifications.

Except for the powers granted to the Plumbing Board, the commissioner of labor and industry shall administer and enforce the provisions of sections 326.37 to 326.45 and any rules promulgated pursuant thereto.

(b) The board shall comply with section 15.0597, subdivisions 2 and 4.

(c) The commissioner shall coordinate the board's rulemaking and recommendations with the recommendations and rulemaking conducted by the other boards. The commissioner shall provide staff support to the board. The support includes professional, legal, technical, and clerical staff necessary to perform rulemaking and other duties assigned to the board. The commissioner of labor and industry shall supply necessary office space and supplies to assist the board in its duties.

Subd. 3. **Compensation.** (a) Members of the board may be compensated at the rate of \$55 a day spent on board activities, when authorized by the board, plus expenses in the same manner and amount as authorized by the commissioner's plan adopted under section 43A.18, subdivision 2. Members who, as a result of time spent attending board meetings, incur child care expenses that would not otherwise have been incurred, may be reimbursed for those expenses upon board authorization.

(b) Members who are state employees or employees of the political subdivisions of the state must not receive the daily payment for activities that occur during working hours for which they are compensated by the state or political subdivision. However, a state or political subdivision employee may receive the daily payment if the employee uses vacation time or compensatory time accumulated in accordance with a collective bargaining agreement or compensation plan for board activities. Members who are state employees or employees of the political subdivisions of the state may receive the expenses provided for in this subdivision unless the expenses are reimbursed by another source. Members who are state employees or employees of political subdivisions of the state may be reimbursed for child care expenses only for time spent on board activities that are outside their working hours.

(c) The board shall adopt internal standards prescribing what constitutes a day spent on board activities for purposes of making daily payments under this subdivision.

Subd. 4. **Removal; vacancies.** (a) An appointed member of the board may be removed by the governor at any time (1) for cause, after notice and hearing, or (2) after missing three consecutive meetings. The chair of the board shall inform the governor of an appointed member missing three consecutive meetings. After the second consecutive missed meeting and before the next meeting, the secretary of the board shall notify the appointed member in writing that the member may be removed for missing the next meeting. In the case of a vacancy on the board, the governor shall, with the advice and consent of the senate, appoint a person to fill the vacancy for the remainder of the unexpired term.

(b) Vacancies shall be filled pursuant to section 15.0597, subdivisions 5 and 6.

Subd. 5. **Membership vacancies within three months of appointment.** Notwithstanding any law to the contrary, when a seat on the board becomes vacant within three months after being filled through the appointment process, the governor may, upon notification to the Office of the Secretary of State, choose a new member from the applications on hand and need not repeat the process.

Subd. 6. **Officers, quorum, voting.** (a) The board shall elect annually from its members a chair, vice-chair, and secretary. A quorum of the board shall consist of a majority of members of the board qualified to vote on the matter in question. All questions concerning the manner in which a meeting is conducted or called that are not covered by statute shall be determined by Robert's Rules of Order (revised) unless otherwise specified by the bylaws.

(b) Except as provided in paragraph (c), each Plumbing Code amendment considered by the board that receives an affirmative two-thirds or more majority vote of all of the voting members of the board shall be included in the next Plumbing Code rulemaking proceeding initiated by the board. If a Plumbing Code amendment considered, or reconsidered, by the board receives less than a two-thirds majority vote of all of the voting members of the board, the Plumbing Code amendment shall not be included in the next Plumbing Code rulemaking proceeding initiated by the board.

(c) If the Plumbing Code amendment considered by the board is to replace the Minnesota Plumbing Code with a model Plumbing Code, then the amendment may only be included in the next Plumbing Code rulemaking proceeding if it receives an affirmative two-thirds or more majority vote of all of the voting members of the board.

(d) The board may reconsider Plumbing Code amendments during an active Plumbing Code rulemaking proceeding in which the amendment previously failed to receive a two-thirds majority vote or more of all of the voting members of the board only if new or updated information that affects the Plumbing Code amendment is presented to the board. The board may also reconsider failed Plumbing Code amendments in subsequent Plumbing Code rulemaking proceedings.

(e) Except as provided in paragraph (f), each proposed rule and rule amendment considered by the board pursuant to the rulemaking authority specified in subdivision 2, paragraph (a), clauses (5) and (6), that receives an affirmative majority vote of all of the voting members of the board shall be included in the next rulemaking proceeding initiated by the board. If a proposed rule or rule amendment considered, or reconsidered, by the board receives less than an affirmative majority vote of all of the voting members of the board, the proposed rule or rule amendment shall not be included in the next rulemaking proceeding initiated by the board.

(f) The board may reconsider a proposed rule or rule amendment during an active rulemaking proceeding in which the amendment previously failed to receive an affirmative majority vote of all of the voting members of the board only if new or updated information that affects the proposed rule or rule amendment is presented to the board. The board may also reconsider a failed proposed rule or rule amendment in subsequent rulemaking proceedings.

Subd. 7. **Board meetings.** (a) The board shall hold meetings at such times as the board shall specify. Notice and conduct of all meetings shall be pursuant to chapter 13D and in such a manner as the bylaws may provide.

(b) If compliance with section 13D.02 is impractical, the board may conduct a meeting of its members by telephone or other electronic means so long as the following conditions are met:

(1) all members of the board participating in the meeting, wherever their physical location, can hear one another and can hear all discussion and testimony;

(2) members of the public present at the regular meeting location of the board can hear clearly all discussion and testimony and all votes of members of the board and, if needed, receive those services required by sections 15.44 and 15.441;

(3) at least one member of the board is physically present at the regular meeting location; and

(4) all votes are conducted by roll call, so each member's vote on each issue can be identified and recorded.

(c) Each member of the board participating in a meeting by telephone or other electronic means is considered present at the meeting for purposes of determining a quorum and participating in all proceedings.

(d) If telephone or other electronic means is used to conduct a regular, special, or emergency meeting, the board, to the extent practical, shall allow a person to monitor the meeting electronically from a remote location. The board may require the person making such a connection to pay for documented costs that the board incurs as a result of the additional connection.

(e) If telephone or other electronic means is used to conduct a regular, special, or emergency meeting, the board shall provide notice of the regular meeting location, of the fact that some members may participate by telephone or other electronic means, and that a person may monitor the meeting electronically from a remote location. The timing and method of providing notice is governed by section 13D.04.

Subd. 8. **Complaints.** (a) The board shall promptly forward to the commissioner the substance of any complaint or communication it receives, whether written or oral, that alleges or implies a violation of a statute, rule, or order that the commissioner has the authority to enforce pertaining to the license or registration of any person authorized by the department to provide plumbing services, the performance or offering to perform plumbing services requiring licensure by an unlicensed person, or Plumbing Code compliance. Each complaint or communication that is forwarded to the commissioner shall be submitted on a form provided by the commissioner.

(b) The commissioner shall advise the board of the status of a complaint within 90 days after the board's written submission is received, or within 90 days after the board is provided with a written request for additional information or documentation from the commissioner or the commissioner's designee, whichever is later. The commissioner shall advise the board of the disposition of a complaint referred by the board within 180 days after the board's written submission is received. The commissioner shall annually report to the board a summary of the actions taken in response to complaints referred by the board.

Subd. 9. **Data Practices Act.** The board is subject to chapter 13, the Minnesota Government Data Practices Act, and shall protect from unlawful disclosure data classified as not public.

Subd. 10. **Official records.** The board shall make and preserve all records necessary to a full and accurate knowledge of its official activities in accordance with section 15.17.

Sec. 22. Minnesota Statutes 2006, section 326.38, is amended to read:

326.38 LOCAL REGULATIONS.

Any city having a system of waterworks or sewerage, or any town in which reside over 5,000 people exclusive of any statutory cities located therein, or the metropolitan airports commission, may, by ordinance, adopt local regulations providing for plumbing permits, bonds, approval of plans, and inspections of plumbing, which regulations are not in conflict with the plumbing standards on the same subject prescribed by the state ~~commissioner of health~~ Plumbing Board. No city or such town shall prohibit plumbers licensed by the state commissioner of ~~health labor and industry~~ from engaging in or working at the business, except cities and statutory cities which, prior to April 21, 1933, by ordinance required the licensing of plumbers. No city or town may require a license for persons performing building sewer or water service installation who have completed pipe laying training as prescribed by the commissioner of labor and industry. Any city by ordinance may prescribe regulations, reasonable standards, and inspections and grant permits to any person, firm, or corporation engaged in the business of installing water softeners, who is not licensed as a master plumber or journeyman plumber by the state commissioner of ~~health labor and industry~~, to connect water softening and water filtering equipment to private residence water distribution systems, where provision has been previously made therefor and openings left for that purpose or by use of cold water connections to a domestic water heater; where it is not necessary to rearrange, make any extension or alteration of, or addition to any pipe, fixture or plumbing connected with the water system except to connect the water softener, and provided the connections so made comply with minimum standards prescribed by the state ~~commissioner of health~~ Plumbing Board.

Sec. 23. Minnesota Statutes 2006, section 326.40, subdivision 1, is amended to read:

Subdivision 1. ~~License required; master and journeyman plumbers.~~ ~~In any city now or hereafter having 5,000 or more population, according to the last federal census, and having a system of waterworks or sewerage, (a)~~ No person, firm, or corporation shall engage in or work at the business of a master plumber ~~or, restricted master plumber, journeyman plumber, and restricted journeyman plumber~~ unless licensed to do so by the state commissioner of ~~health labor and industry~~. A license is not required for persons performing building sewer or water service installation who have completed pipe laying training as prescribed by the commissioner of labor and industry. A master plumber may also work as a journeyman plumber, a restricted journeyman plumber, and a restricted master plumber. A journeyman plumber may also work as a restricted journeyman plumber. Anyone not so licensed may do plumbing work which complies with the provisions of the minimum ~~standard~~ standards prescribed by the state ~~commissioner of health~~ Plumbing Board on premises or that part of premises owned and actually occupied by the worker as a residence, unless otherwise forbidden to do so by a local ordinance.

~~In any such city (b)~~ No person, firm, or corporation shall engage in the business of installing plumbing nor install plumbing in connection with the dealing in and selling of plumbing material and supplies unless at all times a licensed master plumber, or in cities and towns with a population of fewer than 5,000 according to the federal census a restricted master plumber, who shall be responsible for proper installation, is in charge of the plumbing work of the person, firm, or corporation.

The ~~Department of Health~~ Plumbing Board shall prescribe rules, not inconsistent herewith, for the examination and licensing of plumbers.

Sec. 24. Minnesota Statutes 2006, section 326.401, subdivision 2, is amended to read:

Subd. 2. **Journeyman exam.** A plumber's apprentice who has completed four years of practical plumbing experience is eligible to take the journeyman plumbing examination. Up to 24 months of practical plumbing experience prior to registration as an apprentice may be applied to the four-year experience requirement. However, none of this practical plumbing experience may be applied if the person did not have any practical plumbing

experience in the 12-month period immediately prior to registration. The ~~commissioner~~ Plumbing Board may adopt rules to evaluate whether the person's past practical plumbing experience is applicable in preparing for the journeyman's examination. If two years after completing the training the person has not taken the examination, the four years of experience shall be forfeited.

The commissioner may allow an extension of the two-year period for taking the exam for cases of hardship or other appropriate circumstances.

Sec. 25. **[326.402] RESTRICTED PLUMBER LICENSE.**

Subdivision 1. **Licensure.** The commissioner of labor and industry shall grant a restricted journeyman or restricted master plumber license to an individual if:

(1) the individual completes an application with information required by the commissioner of labor and industry;

(2) the completed application is accompanied by a fee of \$90;

(3) the commissioner of labor and industry receives the completed application and fee before January 1, 2008;

(4) the completed application demonstrates that the applicant has had at least two years for a restricted journeyman plumber license or four years for a restricted master plumber license of practical plumbing experience in the plumbing trade prior to the application; and

(5) during the entire time for which the applicant is claiming experience in contracting for plumbing work under clause (4), the applicant was in compliance with all applicable requirements of section 326.40.

Subd. 2. **Use of license.** A restricted master plumber and restricted journeyman plumber may engage in the plumbing trade in all areas of the state except in cities and towns with a population of more than 5,000 according to the federal census.

Subd. 3. **Application period.** Applications for restricted master plumber and restricted journeyman plumber licenses must be submitted to the commissioner prior to January 1, 2008.

Subd. 4. **Renewal; use period for license.** A restricted master plumber and restricted journeyman plumber license must be renewed annually for as long as that licensee engages in the plumbing trade. Failure to renew a restricted master plumber and restricted journeyman plumber license within 12 months after the expiration date will result in permanent forfeiture of the restricted master plumber and restricted journeyman plumber license.

Subd. 5. **Prohibition of transference.** A restricted master plumber and restricted journeyman plumber license may not be transferred or sold to any other person.

Subd. 6. **Bond; insurance.** A restricted master plumber licensee is subject to the bond and insurance requirements of section 326.40, subdivision 2, unless the exemption provided by section 326.40, subdivision 3, applies.

Subd. 7. **Fee.** The annual fee for the restricted master plumber and restricted journeyman plumber licenses is the same fee as for a master or journeyman plumber license, respectively.

Sec. 26. Minnesota Statutes 2006, section 326.405, is amended to read:

326.405 RECIPROCITY WITH OTHER STATES.

The commissioner of health may license without examination, upon payment of the required fee, nonresident applicants who are licensed under the laws of a state having standards for licensing plumbers which the commissioner determines are substantially equivalent to the standards of this state if the other state grants similar privileges to Minnesota residents duly licensed in this state. The commissioner may issue a temporary license without examination, upon payment of the required fee, nonresident applicants who are licensed under the laws of a state having standards for licensing which the commissioner determines are substantially equivalent to the standards of this state if the other state grants similar privileges to Minnesota residents duly licensed in this state. Applicants who receive a temporary license under this section may acquire an aggregate of 24 months of experience before they have to apply and pass the licensing examination. Applicants must register with the commissioner of labor and industry and the commissioner shall set a fee for a temporary license. Applicants have five years in which to comply with this section.

Sec. 27. Minnesota Statutes 2006, section 326.42, subdivision 1, is amended to read:

Subdivision 1. **Application.** Applications for plumber's license shall be made to the state commissioner of health labor and industry, with fee. Unless the applicant is entitled to a renewal, the applicant shall be licensed by the state commissioner of health labor and industry only after passing a satisfactory examination administered by the examiners commissioner of labor and industry, based upon rules adopted by the Plumbing Board showing fitness. Examination fees for both journeyman and master plumbers shall be in an amount prescribed by the state commissioner of health labor and industry pursuant to section 144.122. Upon being notified that of having successfully passed the examination for original license the applicant shall submit an application, with the license fee herein provided. License fees shall be in an amount prescribed by the state commissioner of health labor and industry pursuant to section 144.122. Licenses shall expire and be renewed as prescribed by the commissioner pursuant to section 144.122.

Sec. 28. **[326B.04] DEPOSIT OF MONEY.**

Subdivision 1. **Construction code fund.** There is created in the state treasury a construction code fund as a special revenue fund for the purpose of administering this chapter, sections 327.31 to 327.36, and chapter 327B. All money collected under those sections, except penalties, is credited to the construction code fund unless otherwise specifically designated by law. Any interest or profit accruing from investment of these sums is credited to the construction code fund. All money collected in the construction code fund is appropriated to the commissioner of labor and industry to administer and enforce the provisions of the laws identified in this section.

Unless otherwise provided by law, all penalties assessed under this chapter, section 327.35, and chapter 327B are credited to the assigned risk safety account established by section 79.253.

Subd. 2. **Deposits.** All remaining balances as of June 30, 2007, in the state government special revenue fund and special revenue fund accounts maintained for the Building Codes and Standards Division, Board of Electricity, and plumbing and engineering unit are transferred to the construction code fund. Unless otherwise specifically designated by law: (1) all money collected under chapter 183 and sections 16B.59 to 16B.76; 144.122, paragraph (f); 181.723; 326.241 to 326.248; 326.37 to 326.521; 326.57 to 326.65; 326.83 to 326.992; 327.31 to 327.36; and 327B.01 to 327B.12, except penalties, is credited to the construction code fund; (2) all fees collected under section 45.23 in connection with continuing education for residential contractors, residential remodelers, and residential roofers are credited to the construction code fund; and (3) all penalties assessed under the sections set forth in clauses (1) and (2) and all penalties assessed under sections 144.99 to 144.993 in connection with any violation of sections 326.37 to 326.45 or 326.57 to 327.65 or the rules adopted under those sections are credited to the assigned risk safety account established by section 79.253.

Sec. 29. **[326B.89] CONTRACTOR RECOVERY FUND.**

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

(b) "Gross annual receipts" means the total amount derived from residential contracting or residential remodeling activities, regardless of where the activities are performed, and must not be reduced by costs of goods sold, expenses, losses, or any other amount.

(c) "Licensee" means a person licensed as a residential contractor or residential remodeler.

(d) "Residential real estate" means a new or existing building constructed for habitation by one to four families, and includes detached garages.

(e) "Fund" means the contractor recovery fund.

Subd. 2. Generally. The contractor recovery fund is created in the state treasury and shall be administered by the commissioner for the purposes described in this section. Any interest or profit accruing from investment of money in the fund shall be credited to the contractor recovery fund.

Subd. 3. Fund fees. In addition to any other fees, a person who applies for or renews a license under sections 326.83 to 326.98 shall pay a fee to the fund. The person shall pay, in addition to the appropriate application or renewal fee, the following additional fee that shall be deposited in the fund. The amount of the fee shall be based on the person's gross annual receipts for the person's most recent fiscal year preceding the application or renewal, on the following scale:

<u>Fee</u>	<u>Gross Annual Receipts</u>
<u>\$160</u>	<u>under \$1,000,000</u>
<u>\$210</u>	<u>\$1,000,000 to \$5,000,000</u>
<u>\$260</u>	<u>over \$5,000,000</u>

Subd. 4. Purpose of fund. The purpose of this fund is to:

(1) compensate owners or lessees of residential real estate who meet the requirements of this section;

(2) reimburse the department for all legal and administrative expenses, disbursements, and costs, including staffing costs, incurred in administering and defending the fund;

(3) pay for educational or research projects in the field of residential contracting to further the purposes of sections 326B.801 to 326B.825; and

(4) provide information to the public on residential contracting issues.

Subd. 5. Payment limitations. Except as otherwise provided in this section, the commissioner shall not pay compensation from the fund to an owner or a lessee in an amount greater than \$75,000. Except as otherwise provided in this section, the commissioner shall not pay compensation from the fund to owners and lessees in an amount that totals more than \$150,000 per licensee. The commissioner shall not pay compensation from the fund for a final judgment based on a cause of action that arose before the commissioner's receipt of the licensee's fee required by subdivision 3.

Subd. 6. **Verified application.** To be eligible for compensation from the fund, an owner or lessee shall serve on the commissioner a verified application for compensation on a form approved by the commissioner. The application shall verify the following information:

- (1) the specific grounds upon which the owner or lessee seeks to recover from the fund;
- (2) that the owner or the lessee has obtained a final judgment in a court of competent jurisdiction against a licensee licensed under section 326B.803;
- (3) that the final judgment was obtained against the licensee on the grounds of fraudulent, deceptive, or dishonest practices, conversion of funds, or failure of performance that arose directly out of a transaction that occurred when the licensee was licensed and performing any of the special skills enumerated under section 326B.802, subdivision 19;
- (4) the amount of the owner's or the lessee's actual and direct out-of-pocket loss on the owner's residential real estate, on residential real estate leased by the lessee, or on new residential real estate that has never been occupied or that was occupied by the licensee for less than one year prior to purchase by the owner;
- (5) that the residential real estate is located in Minnesota;
- (6) that the owner or the lessee is not the spouse of the licensee or the personal representative of the licensee;
- (7) the amount of the final judgment, any amount paid in satisfaction of the final judgment, and the amount owing on the final judgment as of the date of the verified application; and
- (8) that the verified application is being served within two years after the judgment became final.

The owner's and the lessee's actual and direct out-of-pocket loss shall not include attorney fees, interest on the loss, and interest on the final judgment obtained as a result of the loss. An owner or lessee may serve a verified application regardless of whether the final judgment has been discharged by a bankruptcy court. A judgment issued by a court is final if all proceedings on the judgment have either been pursued and concluded or been forgone, including all reviews and appeals. For purposes of this section, owners who are joint tenants or tenants in common are deemed to be a single owner. For purposes of this section, owners and lessees eligible for payment of compensation from the fund shall not include government agencies, political subdivisions, financial institutions, and any other entity that purchases, guarantees, or insures a loan secured by real estate.

Subd. 7. **Commissioner review.** The commissioner shall within 120 days after receipt of the verified application:

- (1) enter into an agreement with an owner or a lessee that resolves the verified application for compensation from the fund; or
- (2) issue an order to the owner or the lessee accepting, modifying, or denying the verified application for compensation from the fund.

Upon receipt of an order issued under clause (2), the owner or the lessee shall have 30 days to serve upon the commissioner a written request for a hearing. If the owner or the lessee does not serve upon the commissioner a timely written request for hearing, the order issued under clause (2) shall become a final order of the commissioner that may not be reviewed by any court or agency. The commissioner shall order compensation from the fund only if the owner or the lessee has filed a verified application that complies with subdivision 6 and if the commissioner determines based on review of the application that compensation should be paid from the fund. The commissioner shall not be bound by any prior settlement, compromise, or stipulation between the owner or the lessee and the licensee.

Subd. 8. Administrative hearing. If an owner or a lessee timely serves a request for hearing under subdivision 7, the commissioner shall request that an administrative law judge be assigned and that a hearing be conducted under the contested case provisions of chapter 14 within 30 days after the service of the request for hearing upon the commissioner. Upon petition of the commissioner, the administrative law judge shall continue the hearing up to 60 days and upon a showing of good cause may continue the hearing for such additional period as the administrative law judge deems appropriate. At the hearing the owner or the lessee shall have the burden of proving by substantial evidence under subdivision 6, clauses (1) to (8). The administrative law judge shall issue findings of fact, conclusions of law, and order. If the administrative law judge finds that compensation should be paid to the owner or the lessee, the administrative law judge shall order the commissioner to make payment from the fund of the amount it finds to be payable pursuant to the provisions of and in accordance with the limitations contained in this section. The order of the administrative law judge shall constitute the final decision of the agency in the contested case. Judicial review of the administrative law judge's findings of fact, conclusions of law, and order shall be in accordance with sections 14.63 to 14.69.

Subd. 9. Satisfaction of applications for compensation. The commissioner shall pay compensation from the fund to an owner or a lessee pursuant to the terms of an agreement that has been entered into under subdivision 7, clause (1), or pursuant to a final order that has been issued under subdivision 7, clause (2), or subdivision 8 by December 1 of the fiscal year following the fiscal year during which the agreement was entered into or during which the order became final, subject to the limitations of this section. At the end of each fiscal year the commissioner shall calculate the amount of compensation to be paid from the fund pursuant to agreements that have been entered into under subdivision 7, clause (1), and final orders that have been issued under subdivision 7, clause (2), or subdivision 8. If the calculated amount exceeds the amount available for payment, then the commissioner shall allocate the amount available among the owners and the lessees in the ratio that the amount agreed to or ordered to be paid to each owner or lessee bears to the amount calculated. The commissioner shall mail notice of the allocation to all owners and lessees not less than 45 days following the end of the fiscal year. Any compensation paid by the commissioner in accordance with this subdivision shall be deemed to satisfy and extinguish any right to compensation from the fund based upon the verified application of the owner or lessee.

Subd. 10. Right of subrogation. If the commissioner pays compensation from the fund to an owner or a lessee pursuant to an agreement under subdivision 7, clause (1), or a final order issued under subdivision 7, clause (2), or subdivision 8, then the commissioner shall be subrogated to all of the rights, title, and interest in the owner's or lessee's final judgment in the amount of compensation paid from the fund and the owner or the lessee shall assign to the commissioner all rights, title, and interest in the final judgment in the amount of compensation paid. The commissioner shall deposit in the fund money recovered under this subdivision.

Subd. 11. Effect of section on commissioner's authority. Nothing contained in this section shall limit the authority of the commissioner to take disciplinary action against a licensee under the provisions of this chapter. A licensee's repayment in full of obligations to the fund shall not nullify or modify the effect of any other disciplinary proceeding brought under the provisions of this chapter.

Subd. 12. Limitation. Nothing may obligate the fund to compensate:

(1) insurers or sureties under subrogation or similar theories; or

(2) owner of residential property for final judgments against a prior owner of the residential property unless the claim is brought and judgment is rendered for breach of the statutory warranty set forth in chapter 327A.

Subd. 13. Condominiums or townhouses. For purposes of this section, the owner or the lessee of a condominium or townhouse is considered an owner or a lessee of residential property regardless of the number of residential units per building.

Subd. 14. **Accelerated compensation.** (a) Payments made from the fund to compensate owners and lessees that do not exceed the jurisdiction limits for conciliation court matters as specified in section 491A.01 may be paid on an accelerated basis if all of the requirements in paragraphs (b) and (c) have been satisfied.

(b) The owner or the lessee has served upon the commissioner a verified application for compensation that complies with the requirements set out in subdivision 6 and the commissioner determines based on review of the application that compensation should be paid from the fund. The commissioner shall calculate the actual and direct out-of-pocket loss in the transaction, minus attorney fees, interest on the loss and on the judgment obtained as a result of the loss, and any satisfaction of the judgment, and make payment to the owner or the lessee up to the conciliation court jurisdiction limits within 15 days after the owner or lessee serves the verified application.

(c) The commissioner may pay compensation to owners or lessees that totals not more than \$50,000 per licensee per fiscal year under this accelerated process. The commissioner may prorate the amount of compensation paid to owners or lessees under this subdivision if applications submitted by owners and lessees seek compensation in excess of \$50,000 against a licensee. Any unpaid portion of a verified application that has been prorated under this subdivision shall be satisfied in the manner set forth in subdivision 9.

Subd. 15. **Appropriation.** Money in the fund is appropriated to the commissioner for the purposes of this section.

Subd. 16. **Additional assessment.** If the balance in the fund is at any time less than the commissioner determines is necessary to carry out the purposes of this section, every licensee, when renewing a license, shall pay, in addition to the annual renewal fee and the fee set forth in subdivision 3 an assessment not to exceed \$100. The commissioner shall set the amount of assessment based on a reasonable determination of the amount that is necessary to restore a balance in the fund that is adequate to carry out the purposes of this section.

EFFECTIVE DATE. This section is effective December 1, 2007, except that subdivisions 1, 3, and 15 are effective July 1, 2007.

Sec. 30. Minnesota Statutes 2006, section 341.21, is amended by adding a subdivision to read:

Subd. 8. **Mixed martial arts.** "Mixed martial arts" means any combination of boxing, kick boxing, wrestling, grappling, or other recognized martial arts.

Sec. 31. Minnesota Statutes 2006, section 341.22, is amended to read:

341.22 BOXING COMMISSION.

There is hereby created the Minnesota Boxing Commission consisting of ~~five~~ nine members who are citizens of this state. The members must be appointed by the governor. One member of the commission must be a retired judge of the Minnesota district court, Minnesota Court of Appeals, Minnesota Supreme Court, the United States District Court for the District of Minnesota, or the Eighth Circuit Court of Appeals, and at least three members must have knowledge of the boxing industry. At least four members must have knowledge of the mixed martial arts industry. The governor shall make serious efforts to appoint qualified women to serve on the commission. Membership terms, compensation of members, removal of members, the filling of membership vacancies, and fiscal year and reporting requirements must be as provided in sections 214.07 to 214.09. The provision of staff, administrative services, and office space; the review and processing of complaints; the setting of fees; and other provisions relating to commission operations must be as provided in chapter 214. The purpose of the commission is to protect health, promote safety, and ensure fair events.

Sec. 32. Minnesota Statutes 2006, section 341.25, is amended to read:

341.25 RULES.

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

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

(c) The commission must adopt unified rules for mixed martial arts.

Sec. 33. Minnesota Statutes 2006, section 341.27, is amended to read:

341.27 COMMISSION DUTIES.

The commission shall:

- (1) issue, deny, renew, suspend, or revoke licenses;
- (2) make and maintain records of its acts and proceedings including the issuance, denial, renewal, suspension, or revocation of licenses;
- (3) keep public records of the commission open to inspection at all reasonable times;
- (4) assist the director in the development of rules to be implemented under this chapter; ~~and~~
- (5) conform to the rules adopted under this chapter; and
- (6) develop policies and procedures for regulating mixed martial arts.

Sec. 34. Minnesota Statutes 2006, section 341.28, subdivision 2, is amended to read:

Subd. 2. **Regulatory authority; tough person contests.** All tough person contests, including amateur tough person contests, are subject to this chapter. All tough person contests are subject to American Boxing Commission (ABC) rules. Every contestant in a tough person contest shall have a physical examination prior to their bouts. Every contestant in a tough person contest shall wear padded gloves that weigh at least 12 ounces. All tough person bouts are limited to two-minute rounds and a maximum of four total rounds. Officials at tough person bouts shall be licensed under this chapter.

Sec. 35. Minnesota Statutes 2006, section 341.28, is amended by adding a subdivision to read:

Subd. 3. **Regulatory authority; similar sporting events.** All mixed martial arts, ultimate fight contests, and similar sporting events are subject to this chapter.

Sec. 36. Minnesota Statutes 2006, section 341.32, subdivision 2, is amended to read:

Subd. 2. **Expiration and renewal.** A license ~~expires December 31 at midnight in the year of its issuance~~ issued after the effective date of this act is valid for one year from the date it is issued and may be renewed by filing an application for renewal with the commission and payment of the license fee. An application for a license and renewal of a license must be on a form provided by the commission. There is a 30-day grace period during which a

license may be renewed if a late filing penalty fee equal to the license fee is submitted with the regular license fee. A licensee that files late shall not conduct any activity regulated by this chapter until the commission has renewed the license. If the licensee fails to apply to the commission within the 30-day grace period, the licensee must apply for a new license under subdivision 1.

Sec. 37. Minnesota Statutes 2006, section 341.321, is amended to read:

341.321 FEE SCHEDULE.

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

- (1) referees, ~~\$35~~ \$45 for each initial license and each renewal;
- (2) promoters, \$400 for each initial license and each renewal;
- (3) judges and knockdown judges, ~~\$25~~ \$45 for each initial license and each renewal;
- (4) trainers, ~~\$35~~ \$45 for each initial license and each renewal;
- (5) ring announcers, ~~\$25~~ \$45 for each initial license and each renewal;
- (6) boxers' seconds, ~~\$25~~ \$45 for each initial license and each renewal;
- (7) timekeepers, ~~\$25~~ \$45 for each initial license and each renewal; ~~and~~
- (8) boxers, ~~\$35~~ \$45 for each initial license and each renewal;
- (9) managers, \$45 for each initial license and each renewal; and
- (10) ringside physicians, \$45 for each initial license and each renewal.

(b) The commission shall establish and assess an event fee for each sporting event. The event fee is set at a minimum of \$1,500 per event or a percentage of the ticket sales as determined by the commission when the sporting event is scheduled.

(c) All fees collected by the Minnesota Boxing Commission must be deposited in the Boxing Commission account in the special revenue fund.

Sec. 38. Minnesota Statutes 2006, section 471.471, subdivision 4, is amended to read:

Subd. 4. **Application process.** A person seeking a waiver shall apply to the ~~Building Code and Standards Division of the Department of Administration~~ Labor and Industry on a form prescribed by the board and pay a \$70 fee ~~to the construction code fund~~. The division shall review the application to determine whether it appears to be meritorious, using the standards set out in subdivision 3. The division shall forward applications it considers meritorious to the board, along with a list and summary of applications considered not to be meritorious. The board may require the division to forward to it an application the division has considered not to be meritorious. The board shall issue a decision on an application within 90 days of its receipt. A board decision to approve an application must be unanimous. An application that contains false or misleading information must be rejected.

Sec. 39. **WHISTLE-BLOWER PROTECTION ADMINISTRATIVE PROCEDURES.**

By January 15, 2008, the commissioner of labor and industry shall report to the legislature its recommendations for implementing an administrative review procedure to address whistle-blower protection complaints under section 181.932.

Sec. 40. **TRANSFER OF AUTHORITY; PLUMBING BOARD.**

The commissioner of administration may not use the authority under Minnesota Statutes, section 16B.37, to modify the transfers of authority in this act.

Sec. 41. **FIRST MEETING; APPOINTMENTS FOR PLUMBING BOARD.**

The governor must complete the appointments required by Minnesota Statutes, section 326.372, no later than July 1, 2007. The commissioner of labor and industry shall convene the first meeting of the Plumbing Board no later than September 1, 2007.

Sec. 42. **REPEALER.**

Minnesota Statutes 2006, sections 176.042; 268.035, subdivision 9; and 326.45, are repealed.

EFFECTIVE DATE. Sections 176.042 and 286.035, subdivision 9, are repealed effective January 1, 2009.

ARTICLE 4

HIGH PRESSURE PIPING

Section 1. Minnesota Statutes 2006, section 326.46, is amended to read:

326.46 SUPERVISION OF DEPARTMENT TO SUPERVISE HIGH PRESSURE PIPING.

~~The department of Labor and Industry shall supervise all high pressure piping used on all projects in this state, and may prescribe minimum standards which shall be uniform.~~

The department shall employ inspectors and other assistants to carry out the provisions of sections 326.46 to 326.52.

Sec. 2. Minnesota Statutes 2006, section 326.47, subdivision 2, is amended to read:

Subd. 2. **Permissive municipal regulation.** A municipality may, by ordinance, provide for the inspection of high pressure piping system materials and construction, and provide that it shall not be constructed or installed except in accordance with minimum state standards. The authority designated by the ordinance for issuing high pressure piping permits and assuring compliance with state standards must report to the Department of Labor and Industry all violations of state high pressure piping standards.

A municipality may not adopt an ordinance with high pressure piping standards that does not conform to the uniform standards prescribed by the ~~Department of Labor and Industry board~~. The ~~Department of Labor and Industry board~~ shall specify by rule the minimum qualifications for municipal inspectors.

Sec. 3. **[326.471] BOARD OF HIGH PRESSURE PIPING SYSTEMS.**

Subdivision 1. **Composition.** (a) The Board of High Pressure Piping Systems shall consist of 12 members. Eleven members shall be appointed by the governor with the advice and consent of the senate and shall be voting members. Appointments of members by the governor shall be made in accordance with section 15.066. If the senate votes to refuse to consent to an appointment of a member made by the governor, the governor shall appoint a new member with the advice and consent of the senate. One member shall be the commissioner of labor and industry or the designee, who shall be a voting member. Of the 11 appointed members, the composition shall be as follows:

(1) one member shall be a high pressure piping inspector;

(2) one member shall be a licensed professional mechanical engineer;

(3) one member shall be a representative of the high pressure piping industry;

(4) four members shall be high pressure piping contractors engaged in the scope of high pressure piping, two from the metropolitan area and two from greater Minnesota;

(5) two members shall be high pressure piping journeymen engaged in the scope of high pressure piping systems installation, one from the metropolitan area and one from greater Minnesota; and

(6) two members shall be representatives of industrial companies which use high pressure piping systems in their industrial processes.

(b) The high pressure piping inspector shall be appointed for a term to end December 31, 2011. The professional mechanical engineer shall be appointed for a term to end December 31, 2010. The representative of the high pressure piping industry shall be appointed for a term to end December 31, 2011. Two of the high pressure piping contractors shall be appointed for a term to end December 31, 2011, and two high pressure piping contractors shall be appointed for a term to end December 31, 2010. One of the high pressure piping journeymen shall be appointed for a term to end December 31, 2011, and one high pressure piping journeyman shall be appointed for a term to end December 31, 2010. The two representatives of industrial companies that use high pressure piping systems in their industrial process shall be appointed for a term to end December 31, 2010.

(c) The licensed professional mechanical engineer must possess a current Minnesota professional engineering license and maintain the license for the duration of the term served on the board. All other appointed members, except for the representative of the piping industry and the representatives of industrial companies that use high pressure piping systems in their industrial processes must possess a current high pressure piping license issued by the Department of Labor and Industry and maintain that license for the duration of their terms. All appointed members must be residents of Minnesota at the time of and throughout their terms. The term of any appointed member who does not maintain membership qualification status shall end on the date of status change and the governor shall appoint a replacement member. It is the responsibility of the member to notify the board of a change in the member's status.

(d) For appointed members, except for the initial terms designated in paragraph (a), each term shall be three years with the terms ending on the first Monday in January. Members appointed by the governor shall be limited to three consecutive terms. The governor shall, all or in part, reappoint the current members or appoint replacement members with the advice and consent of the senate. Midterm vacancies shall be filled for the remaining portion of the term. Vacancies occurring with less than six months time remaining in the term shall be filled for the existing term and the following three-year term. Members may serve until their successors are appointed but in no case later than July 1 in a year in which the term expires unless reappointed.

Subd. 2. Powers; duties; administrative support. (a) The board shall have the power to:

- (1) elect its chair, vice-chair, and secretary;
- (2) adopt bylaws that specify the duties of its officers, the meeting dates of the board, and contain such other provisions as may be useful and necessary for the efficient conduct of the business of the board;
- (3) adopt the High Pressure Piping Code that must be followed in this state and any High Pressure Piping Code amendments thereto pursuant to chapter 14 and as provided in subdivision 6, paragraphs (b), (c), and (d);
- (4) review requests for final interpretations and issue final interpretations as provided in section 16B.63, subdivision 5;
- (5) adopt rules that regulate the licensure or registration of high pressure piping contractors, journeymen, and other persons engaged in the design, installation, and alteration of high pressure piping systems, except for those individuals licensed under section 326.02, subdivisions 2 and 3. The board shall adopt these rules pursuant to chapter 14 and as provided in subdivision 6, paragraph (e);
- (6) adopt rules that regulate continuing education for individuals licensed or registered as high pressure piping contractors, journeymen, or other persons engaged in the design, installation, and alteration of high pressure piping systems. The board shall adopt these rules pursuant to chapter 14 and as provided in subdivision 6, paragraph (e);
- (7) advise the commissioner regarding educational requirements for high pressure piping inspectors;
- (8) refer complaints or other communications, whether orally or in writing, that allege or imply a violation of a statute, rule, or order that the commissioner has the authority to enforce pertaining to code compliance, licensure, or an offering to perform or performance of unlicensed high pressure piping services to the commissioner under subdivision 8;
- (9) approve per diem and expenses deemed necessary for its members as provided in subdivision 3;
- (10) select from its members individuals to serve on any other state advisory council, board, or committee; and
- (11) recommend the fees for licenses and certifications.

Except for the powers granted to the Board of High Pressure Piping Systems, the commissioner of labor and industry shall administer and enforce the provisions of sections 326.46 to 326.521 and any rules promulgated pursuant thereto.

(b) The board shall comply with section 15.0597, subdivisions 2 and 4.

(c) The commissioner shall coordinate the board's rulemaking and recommendations with the recommendations and rulemaking conducted by the other boards. The commissioner shall provide staff support to the board. The support includes professional, legal, technical, and clerical staff necessary to perform rulemaking and other duties assigned to the board. The commissioner of labor and industry shall supply necessary office space and supplies to assist the board in its duties.

Subd. 3. Compensation. (a) Members of the board may be compensated at the rate of \$55 per day spent on board activities, when authorized by the board, plus expenses in the same manner and amount as authorized by the commissioner's plan adopted under section 43A.18, subdivision 2. Members who, as a result of time spent attending board meetings, incur child care expenses that would not otherwise have been incurred, may be reimbursed for those expenses upon board authorization.

(b) Members who are state employees or employees of political subdivisions of the state must not receive the daily payment for activities that occur during working hours for which they are compensated by the state or political subdivision. However, a state or political subdivision employee may receive the daily payment if the employee uses vacation time or compensatory time accumulated in accordance with a collective bargaining agreement or compensation plan for board activities. Members who are state employees or employees of the political subdivisions of the state may receive the expenses provided for in this subdivision unless the expenses are reimbursed by another source. Members who are state employees or employees of political subdivisions of the state may be reimbursed for child care expenses only for time spent on board activities that are outside their working hours.

(c) The board shall adopt internal standards prescribing what constitutes a day spent on board activities for purposes of making daily payments under this subdivision.

Subd. 4. **Removal; vacancies.** (a) An appointed member of the board may be removed by the governor at any time (1) for cause, after notice and hearing, or (2) after missing three consecutive meetings. The chair of the board shall inform the governor of an appointed member missing three consecutive meetings. After the second consecutive missed meeting and before the next meeting, the secretary of the board shall notify the appointed member in writing that the member may be removed for missing the next meeting. In the case of a vacancy on the board, the governor shall, with the advice and consent of the senate, appoint a person to fill the vacancy for the remainder of the unexpired term.

(b) Vacancies shall be filled pursuant to section 15.0597, subdivisions 5 and 6.

Subd. 5. **Membership vacancies within three months of appointment.** Notwithstanding any law to the contrary, when a seat on the board becomes vacant within three months after being filled through the appointment process, the governor may, upon notification to the Office of the Secretary of State, choose a new member from the applications on hand and need not repeat the process.

Subd. 6. **Officers, quorum, voting.** (a) The board shall elect annually from its members a chair, vice-chair, and secretary. A quorum of the board shall consist of a majority of members of the board qualified to vote on the matter in question. All questions concerning the manner in which a meeting is conducted or called that are not covered by statute shall be determined by Robert's Rules of Order (revised) unless otherwise specified by the bylaws.

(b) Except as provided in paragraph (c), each High Pressure Piping Code amendment considered by the board that receives an affirmative two-thirds or more majority vote of all of the voting members of the board shall be included in the next High Pressure Piping Code rulemaking proceeding initiated by the board. If a High Pressure Piping Code amendment considered, or reconsidered, by the board receives less than a two-thirds majority vote of all of the voting members of the board, the High Pressure Piping Code amendment shall not be included in the next High Pressure Piping Code rulemaking proceeding initiated by the board.

(c) If the High Pressure Piping Code amendment considered by the board is to replace the Minnesota High Pressure Piping Code with a model High Pressure Piping Code, then the amendment may only be included in the next High Pressure Piping Code rulemaking proceeding if it receives an affirmative two-thirds or more majority vote of all of the voting members of the board.

(d) The board may reconsider High Pressure Piping Code amendments during an active High Pressure Piping Code rulemaking proceeding in which the amendment previously failed to receive a two-thirds or more majority vote of all of the voting members of the board only if new or updated information that affects the High Pressure Piping Code amendment is presented to the board. The board may also reconsider failed High Pressure Piping Code amendments in subsequent High Pressure Piping Code rulemaking proceedings.

(e) Except as provided in paragraph (f), each proposed rule and rule amendment considered by the board pursuant to the rulemaking authority specified in subdivision 2, paragraph (a), clauses (5) and (6), that receives an affirmative majority vote of all of the voting members of the board shall be included in the next rulemaking proceeding initiated by the board. If a proposed rule or rule amendment considered, or reconsidered, by the board receives less than an affirmative majority vote of all of the voting members of the board, the proposed rule or rule amendment shall not be included in the next rulemaking proceeding initiated by the board.

(f) The board may reconsider a proposed rule or rule amendment during an active rulemaking proceeding in which the amendment previously failed to receive an affirmative majority vote of all of the voting members of the board only if new or updated information that affects the proposed rule or rule amendment is presented to the board. The board may also reconsider a failed proposed rule or rule amendment in subsequent rulemaking proceedings.

Subd. 7. **Board meetings.** (a) The board shall hold meetings at such times as the board shall specify. Notice and conduct of all meetings shall be pursuant to chapter 13D and in such a manner as the bylaws may provide.

(b) If compliance with section 13D.02 is impractical, the board may conduct a meeting of its members by telephone or other electronic means so long as the following conditions are met:

(1) all members of the board participating in the meeting, wherever their physical location, can hear one another and can hear all discussion and testimony;

(2) members of the public present at the regular meeting location of the board can hear clearly all discussion and testimony and all votes of members of the board and, if needed, receive those services required by sections 15.44 and 15.441;

(3) at least one member of the board is physically present at the regular meeting location; and

(4) all votes are conducted by roll call, so each member's vote on each issue can be identified and recorded.

(c) Each member of the board participating in a meeting by telephone or other electronic means is considered present at the meeting for purposes of determining a quorum and participating in all proceedings.

(d) If telephone or other electronic means is used to conduct a regular, special, or emergency meeting, the board, to the extent practical, shall allow a person to monitor the meeting electronically from a remote location. The board may require the person making such a connection to pay for documented costs that the board incurs as a result of the additional connection.

(e) If telephone or other electronic means is used to conduct a regular, special, or emergency meeting, the board shall provide notice of the regular meeting location, of the fact that some members may participate by telephone or other electronic means, and that a person may monitor the meeting electronically from a remote location. The timing and method of providing notice is governed by section 13D.04.

Subd. 8. **Complaints.** (a) The board shall promptly forward to the commissioner the substance of any complaint or communication it receives, whether in writing or orally, that alleges or implies a violation of a statute, rule, or order that the commissioner has the authority to enforce pertaining to the license or registration of any person authorized by the department to provide high pressure piping services, the performance or offering to perform high pressure piping services requiring licensure by an unlicensed person, or high pressure code compliance. Each complaint or communication that is forwarded to the commissioner shall be submitted on a form provided by the commissioner.

(b) The commissioner shall advise the board of the status of a complaint within 90 days after the board's written submission is received, or within 90 days after the board is provided with a written request for additional information or documentation from the commissioner or the commissioner's designee, whichever is later. The commissioner shall advise the board of the disposition of a complaint referred by the board within 180 days after the board's written submission is received. The commissioner shall annually report to the board a summary of the actions taken in response to complaints referred by the board.

Subd. 9. **Data Practices Act.** The board is subject to chapter 13, the Minnesota Government Data Practices Act, and shall protect from unlawful disclosure data classified as not public.

Subd. 10. **Official records.** The board shall make and preserve all records necessary to a full and accurate knowledge of its official activities in accordance with section 15.17.

Sec. 4. Minnesota Statutes 2006, section 326.48, subdivision 1, is amended to read:

Subdivision 1. **License required; rules; time credit.** No person shall engage in or work at the business of a contracting pipefitter unless issued an individual contracting pipefitter license to do so by the Department of Labor and Industry under rules prescribed by the board. No license shall be required for repairs on existing installations. No person shall engage in or work at the business of journeyman pipefitter unless issued an individual journeyman pipefitter competency license to do so by the Department of Labor and Industry under rules prescribed by the board. A person possessing an individual contracting pipefitter competency license may also work as a journeyman pipefitter.

No person, partnership, firm, or corporation shall install high pressure piping, nor install high pressure piping in connection with the dealing in and selling of high pressure pipe material and supplies, unless, at all times, a person possessing a contracting pipefitter individual competency license or a journeyman pipefitter individual competency license is responsible for the high pressure pipefitting work conducted by the person, partnership, firm, or corporation being in conformity with Minnesota Statutes and Minnesota Rules.

~~The Department of Labor and Industry board~~ shall prescribe rules, not inconsistent herewith, for the examination and individual competency licensing of contracting pipefitters and journeyman pipefitters and for issuance of permits by the department and municipalities for the installation of high pressure piping.

An employee performing the duties of inspector for the Department of Labor and Industry in regulating pipefitting shall not receive time credit for the inspection duties when making an application for a license required by this section.

Sec. 5. Minnesota Statutes 2006, section 326.48, subdivision 2, is amended to read:

Subd. 2. **High pressure pipefitting business license.** Before obtaining a permit for high pressure piping work, a person, partnership, firm, or corporation must obtain or utilize a business with a high pressure piping business license.

A person, partnership, firm, or corporation must have at all times as a full-time employee at least one individual holding an individual contracting pipefitter competency license. Only full-time employees who hold individual contracting pipefitter licenses are authorized to obtain high pressure piping permits in the name of the business. The individual contracting pipefitter competency license holder can be the employee of only one high pressure piping business at a time.

To retain its business license without reapplication, a person, partnership, firm, or corporation holding a high pressure piping business license that ceases to employ a person holding an individual contracting pipefitter competency license shall have 60 days from the last day of employment of its previous individual contracting pipefitter competency license holder to employ another license holder. The Department of Labor and Industry must be notified no later than five days after the last day of employment of the previous license holder.

No high pressure pipefitting work may be performed during any period when the high pressure pipefitting business does not have an individual contracting pipefitter competency license holder on staff. If a license holder is not employed within 60 days, the pipefitting business license shall lapse.

The ~~Department of Labor and Industry~~ board shall prescribe by rule procedures for application for and issuance of business licenses and fees.

Sec. 6. Minnesota Statutes 2006, section 326.48, is amended by adding a subdivision to read:

Subd. 6. **Reciprocity with other states.** The commissioner may issue a temporary license without examination, upon payment of the required fee, nonresident applicants who are licensed under the laws of a state having standards for licensing which the commissioner determines are substantially equivalent to the standards of this state if the other state grants similar privileges to Minnesota residents duly licensed in this state. Applicants who receive a temporary license under this section may acquire an aggregate of 24 months of experience before they have to apply and pass the licensing examination. Applicants must register with the commissioner of labor and industry and the commissioner shall set a fee for a temporary license. Applicants have five years in which to comply with this section.

Sec. 7. Minnesota Statutes 2006, section 326.50, is amended to read:

326.50 APPLICATION; FEES.

Application for an individual contracting pipefitter competency or an individual journeyman pipefitter competency license shall be made to the Department of Labor and Industry, with fees. The applicant shall be licensed only after passing an examination administered by the Department of Labor and Industry in accordance with rules adopted by the board.

Sec. 8. Minnesota Statutes 2006, section 326.975, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) In addition to any other fees, each applicant for a license under sections 326.83 to 326.98 shall pay a fee to the contractor's recovery fund. The contractor's recovery fund is created in the state treasury and must be administered by the commissioner in the manner and subject to all the requirements and limitations provided by section 82.43 ~~with the following exceptions:~~

~~(1) each licensee who renews a license shall pay in addition to the appropriate renewal fee an additional fee which shall be credited to the contractor's recovery fund. The amount of the fee shall be based on the licensee's gross annual receipts for the licensee's most recent fiscal year preceding the renewal, on the following scale:~~

Fee	Gross Receipts
\$100	under \$1,000,000
\$150	\$1,000,000 to \$5,000,000
\$200	over \$5,000,000

~~Any person who receives a new license shall pay a fee based on the same scale;~~

~~(2)~~ (b) The purpose of this fund is:

(i) (1) to compensate any aggrieved owner or lessee of residential property located within this state who obtains a final judgment in any court of competent jurisdiction against a licensee licensed under section 326.84, on grounds of fraudulent, deceptive, or dishonest practices, conversion of funds, or failure of performance arising directly out of any transaction when the judgment debtor was licensed and performed any of the activities enumerated under section 326.83, subdivision 19, on the owner's residential property or on residential property rented by the lessee, or on new residential construction which was never occupied prior to purchase by the owner, or which was occupied by the licensee for less than one year prior to purchase by the owner, and which cause of action arose on or after April 1, 1994; and

(ii) (2) to reimburse the Department of ~~Commerce~~ Labor and Industry for all legal and administrative expenses, including staffing costs, incurred in administering the fund;

~~(3)~~ Nothing may obligate the fund for more than \$50,000 per claimant, nor more than \$75,000 per licensee; ~~and~~.

~~(4)~~ Nothing may obligate the fund for claims based on a cause of action that arose before the licensee paid the recovery fund fee set in clause (1), or as provided in section 326.945, subdivision 3.

~~(b)~~ (c) Should the commissioner pay from the contractor's recovery fund any amount in settlement of a claim or toward satisfaction of a judgment against a licensee, the license shall be automatically suspended upon the effective date of an order by the court authorizing payment from the fund. No licensee shall be granted reinstatement until the licensee has repaid in full, plus interest at the rate of 12 percent a year, twice the amount paid from the fund on the licensee's account, and has obtained a surety bond issued by an insurer authorized to transact business in this state in the amount of at least \$40,000.

Sec. 9. Minnesota Statutes 2006, section 326.992, is amended to read:

326.992 BOND REQUIRED FOR CERTAIN CONTRACTORS.

(a) A person contracting to do gas, heating, ventilation, cooling, air conditioning, fuel burning, or refrigeration work must give bond to the state in the amount of \$25,000 for all work entered into within the state. The bond must be for the benefit of persons suffering financial loss by reason of the contractor's failure to comply with the requirements of the State Mechanical Code. A bond given to the state must be filed with the commissioner of ~~administration~~ labor and industry and is in lieu of all other bonds to any political subdivision required for work covered by this section. The bond must be written by a corporate surety licensed to do business in the state.

(b) The commissioner of ~~administration~~ labor and industry may charge each person giving bond under this section an annual bond filing fee of \$15. ~~The money must be deposited in a special revenue fund and is appropriated to the commissioner to cover the cost of administering the bond program.~~

Sec. 10. **TRANSFER OF AUTHORITY; BOARD OF HIGH PRESSURE PIPING SYSTEMS.**

The commissioner of administration may not use the authority under Minnesota Statutes, section 16B.37, to modify transfers of authority in this act.

Sec. 11. **FIRST MEETING; APPOINTMENTS FOR BOARD OF HIGH PRESSURE PIPING SYSTEMS.**

The governor must complete the appointments required by Minnesota Statutes, section 326.471, no later than July 1, 2007. The commissioner of labor and industry shall convene the first meeting of the Board of High Pressure Piping Systems no later than September 1, 2007.

ARTICLE 5

IRON RANGE RESOURCES AND REHABILITATION BOARD

Section 1. Minnesota Statutes 2006, section 298.22, subdivision 2, is amended to read:

Subd. 2. **Iron Range Resources and Rehabilitation Board.** There is hereby created the Iron Range Resources and Rehabilitation Board, consisting of ~~43~~ ten members, five of whom are state senators appointed by the Subcommittee on Committees of the Rules Committee of the senate, and five of whom are representatives, appointed by the speaker of the house of representatives. ~~The remaining members shall be appointed one each by the senate majority leader, the speaker of the house of representatives, and the governor and must be nonlegislators who reside in a taconite assistance area as defined in section 273.1341.~~ The members shall be appointed in January of every odd-numbered year, ~~except that the initial nonlegislator members shall be appointed by July 1, 1999,~~ and shall serve until January of the next odd-numbered year. Vacancies on the board shall be filled in the same manner as the original members were chosen. At least a majority of the legislative members of the board shall be elected from state senatorial or legislative districts in which over 50 percent of the residents reside within a taconite assistance area as defined in section 273.1341. All expenditures and projects made by the commissioner of Iron Range resources and rehabilitation shall be consistent with the priorities established in subdivision 8 and shall first be submitted to the Iron Range Resources and Rehabilitation Board for approval by a majority of the board of expenditures and projects for rehabilitation purposes as provided by this section, and the method, manner, and time of payment of all funds proposed to be disbursed shall be first approved or disapproved by the board. The board shall biennially make its report to the governor and the legislature on or before November 15 of each even-numbered year. The expenses of the board shall be paid by the state from the funds raised pursuant to this section.

Sec. 2. Minnesota Statutes 2006, section 298.227, is amended to read:

298.227 TACONITE ECONOMIC DEVELOPMENT FUND.

An amount equal to that distributed pursuant to each taconite producer's taxable production and qualifying sales under section 298.28, subdivision 9a, shall be held by the Iron Range Resources and Rehabilitation Board in a separate taconite economic development fund for each taconite and direct reduced ore producer. Money from the fund for each producer shall be released by the commissioner after review by a joint committee consisting of an equal number of representatives of the salaried employees and the nonsalaried production and maintenance employees of that producer. The District 11 director of the United States Steelworkers of America, on advice of each local employee president, shall select the employee members. In nonorganized operations, the employee committee shall be elected by the nonsalaried production and maintenance employees. The review must be completed no later than six months after the producer presents a proposal for expenditure of the funds to the committee. The funds held pursuant to this section may be released only for acquisition of plant and stationary mining equipment and facilities for the producer or for research and development in Minnesota on new mining, or taconite, iron, or steel production technology, but only if the producer provides a matching expenditure to be used for the same purpose of at least 50 percent of the distribution based on 14.7 cents per ton beginning with distributions in 2002. Effective for proposals for expenditures of money from the fund approved beginning the day following final enactment, the commissioner may release the funds only if the proposed expenditure is approved by a majority of the members of the Iron Range Resources and Rehabilitation Board. If a producer uses money which has been released from the fund prior to the day following final enactment to procure haulage trucks, mobile

equipment, or mining shovels, and the producer removes the piece of equipment from the taconite tax relief area defined in section 273.134 within ten years from the date of receipt of the money from the fund, a portion of the money granted from the fund must be repaid to the taconite economic development fund. The portion of the money to be repaid is 100 percent of the grant if the equipment is removed from the taconite tax relief area within 12 months after receipt of the money from the fund, declining by ten percent for each of the subsequent nine years during which the equipment remains within the taconite tax relief area. If a taconite production facility is sold after operations at the facility had ceased, any money remaining in the fund for the former producer may be released to the purchaser of the facility on the terms otherwise applicable to the former producer under this section. If a producer fails to provide matching funds for a proposed expenditure within six months after the commissioner approves release of the funds, the funds are available for release to another producer in proportion to the distribution provided and under the conditions of this section. Any portion of the fund which is not released by the commissioner within two years of its deposit in the fund shall be divided between the taconite environmental protection fund created in section 298.223 and the Douglas J. Johnson economic protection trust fund created in section 298.292 for placement in their respective special accounts. Two-thirds of the unreleased funds shall be distributed to the taconite environmental protection fund and one-third to the Douglas J. Johnson economic protection trust fund.

EFFECTIVE DATE. This section is effective for proposals for expenditures of money from the fund the day following final enactment.

Sec. 3. **APPROPRIATION; IRON RANGE RESOURCES AND REHABILITATION BOARD.**

(a) \$575,000 is appropriated from the Iron Range Resources and Rehabilitation Board fund for fiscal year 2008 for allocation in this section:

(1) \$225,000 is for Aitkin County Growth, Inc. to extend electric service and other infrastructure to a peat project in Spencer Township in Aitkin County;

(2) \$75,000 is for a nonprofit organization for the preservation of the B'nai Abraham Synagogue in Virginia, of which \$50,000 is for renovation and \$25,000 is for a permanent endowment for the preservation;

(3) \$150,000 is for a grant to the Iron Range youth in action program to assist the organization to employ youth for the construction of community centers;

(4) \$50,000 is for a grant to the Iron Range retriever club for pond and field construction; and

(5) \$75,000 is for a grant to the city of Chisholm to improve infrastructure at the city-owned baseball field.

These are onetime appropriations.

Sec. 4. **IRRRB BUILDING.**

The Iron Range Resources and Rehabilitation Board office building in Eveleth, Minnesota is designated and named the Joe Begich Building and shall be signed as such at every entrance.

ARTICLE 6

ELECTRICAL

Section 1. Minnesota Statutes 2006, section 326.01, subdivision 6g, is amended to read:

Subd. 6g. **Personal direct supervision.** ~~The term "personal~~ "Direct supervision" means ~~that a person licensed to perform electrical work oversees and directs the electrical work performed by an unlicensed person such that:~~

(1) the licensed person actually reviews the electrical work performed by the unlicensed person an unlicensed individual is being supervised by an individual licensed to perform the electrical work being supervised;

(2) during the entire working day of the unlicensed individual, the licensed individual is physically present at the location where the unlicensed individual is performing electrical work and immediately available to the unlicensed individual;

(3) the licensed person individual is physically present and immediately available to the unlicensed person individual at all times for assistance and direction; and

(4) electronic supervision does not meet the requirement of physically present and immediately available;

(5) the licensed individual shall review the electrical work performed by the unlicensed individual before the electrical work is operated; and

(3) (6) the licensed person individual is able to and does determine that all electrical work performed by the unlicensed person individual is performed in compliance with section 326.243.

The licensed ~~person~~ individual is responsible for the compliance with section 326.243 of all electrical work performed by the unlicensed ~~person~~ individual.

Sec. 2. **[326.2411] BOARD OF ELECTRICITY.**

Subdivision 1. **Composition.** (a) The Board of Electricity shall consist of 12 members. Eleven members shall be appointed by the governor with the advice and consent of the senate and shall be voting members. Appointments of members by the governor shall be made in accordance with section 15.066. If the senate votes to refuse to consent to an appointment of a member made by the governor, the governor shall appoint a new member with the advice and consent of the senate. One member shall be the commissioner of labor and industry or the designee, who shall be a voting member. Of the 11 appointed members, the composition shall be as follows:

(1) one member shall be an electrical inspector;

(2) two members shall be representatives of the electrical suppliers in rural areas;

(3) two members shall be master electricians, who shall be contractors;

(4) two members shall be journeyman electricians;

(5) one member shall be a registered consulting electrical engineer;

(6) two members shall be power limited technicians, who shall be technology system contractors primarily engaged in the business of installing technology circuits or systems; and

(7) one member shall be a public member as defined by section 214.02.

(b) The electrical inspector shall be appointed to a term to end December 31, 2011. One of the rural electrical suppliers shall be appointed for a term to end December 31, 2011, and one rural electrical supplier shall serve for a term to end December 31, 2010. The consulting electrical engineer shall be appointed for a term to end December 31, 2011. One of the master electrician contractors shall be appointed for a term to end December 31, 2011, and one master electrician contractor shall be appointed for a term to end December 31, 2010. One of the journeyman

electricians shall be appointed for a term to end December 31, 2011, and one journeyman electrician shall be appointed for a term to end December 31, 2010. One of the power limited technicians shall be appointed for a term to end December 31, 2011, and one power limited technician shall be appointed for a term to end December 31, 2010. The public member shall be appointed for a term to end December 31, 2010.

(c) The consulting electrical engineer must possess a current Minnesota professional engineering license and maintain the license for the duration of the term served on the board. All other appointed members, except the public member and the representatives of electrical suppliers in rural areas, must possess a current electrical license issued by the Department of Labor and Industry and maintain that license for the duration of their terms. All appointed members must be residents of Minnesota at the time of and throughout their terms. The term of any appointed member who does not maintain membership qualification status shall end on the date of status change and the governor shall appoint a replacement member. It is the responsibility of the member to notify the board of a change in the member's status.

(d) For appointed members, except the initial terms designated in paragraph (a), each term shall be three years with the terms ending on the first Monday in January. Members appointed by the governor shall be limited to three consecutive terms. The governor shall, all or in part, reappoint the current members or appoint replacement members with the advice and consent of the senate. Midterm vacancies shall be filled for the remaining portion of the term. Vacancies occurring with less than six months time remaining in the term shall be filled for the existing term and the following three-year term. Members may serve until their successors are appointed but in no case later than July 1 in a year in which the term expires unless reappointed.

Subd. 2. **Powers; duties; administrative support.** (a) The board shall have the power to:

(1) elect its chair, vice-chair, and secretary;

(2) adopt bylaws that specify the duties of its officers, the meeting dates of the board, and contain such other provisions as may be useful and necessary for the efficient conduct of the business of the board;

(3) the Minnesota Electrical Code shall be the most current edition of the National Electrical Code upon its adoption by the board and any amendments thereto as adopted by the board. The board shall adopt the most current edition of the National Electrical Code and any amendments thereto pursuant to chapter 14 and as provided in subdivision 6, paragraphs (b) and (c);

(4) review requests for final interpretations and issue final interpretations as provided in section 16B.63, subdivision 5;

(5) adopt rules that regulate the licensure or registration of electrical businesses, electrical contractors, master electricians, journeyman electricians, class A installer, class B installer, power limited technicians, and other persons who perform electrical work. The board shall adopt these rules pursuant to chapter 14 and as provided in subdivision 6, paragraphs (d) and (e);

(6) adopt rules that regulate continuing education for individuals licensed or registered as electrical businesses, electrical contractors, master electricians, journeyman electricians, class A installer, class B installer, power limited technicians, and other persons who perform electrical work. The board shall adopt these rules pursuant to chapter 14 and as provided in subdivision 6, paragraph (e);

(7) advise the commissioner regarding educational requirements for electrical inspectors;

(8) refer complaints or other communications, whether orally or in writing, that allege or imply a violation of a statute, rule, or order that the commissioner has the authority to enforce pertaining to code compliance, licensure, or an offering to perform or performance of unlicensed electrical services to the commissioner under subdivision 8;

(9) approve per diem and expenses deemed necessary for its members as provided in subdivision 3;

(10) approve license reciprocity agreements;

(11) select from its members individuals to serve on any other state advisory council, board, or committee; and

(12) recommend the fees for licenses and certifications.

Except for the powers granted to the Board of Electricity, the commissioner of labor and industry shall administer and enforce the provisions of sections 326.241 to 326.248 and any rules promulgated pursuant thereto.

(b) The board shall comply with section 15.0597, subdivisions 2 and 4.

(c) The commissioner shall coordinate the board's rulemaking and recommendations with the recommendations and rulemaking conducted by the other boards. The commissioner shall provide staff support to the board. The support includes professional, legal, technical, and clerical staff necessary to perform rulemaking and other duties assigned to the board. The commissioner of labor and industry shall supply necessary office space and supplies to assist the board in its duties.

Subd. 3. **Compensation.** (a) Members of the board may be compensated at the rate of \$55 per day spent on board activities, when authorized by the board, plus expenses, in the same manner and amount as authorized by the commissioner's plan adopted under section 43A.18, subdivision 2. Members who, as a result of time spent attending board meetings, incur child care expenses that would not otherwise have been incurred, may be reimbursed for those expenses upon board authorization.

(b) Members who are state employees or employees of political subdivisions of the state must not receive the daily payment for activities that occur during working hours for which they are compensated by the state or political subdivision. However, a state or political subdivision employee may receive the daily payment if the employee uses vacation time or compensatory time accumulated in accordance with a collective bargaining agreement or compensation plan for board activities. Members who are state employees or employees of the political subdivisions of the state may receive the expenses provided for in this subdivision unless the expenses are reimbursed by another source. Members who are state employees or employees of political subdivisions of the state may be reimbursed for child care expenses only for time spent on board activities that are outside their working hours.

(c) The board shall adopt internal standards prescribing what constitutes a day spent on board activities for purposes of making daily payments under this subdivision.

Subd. 4. **Removal; vacancies.** (a) An appointed member of the board may be removed by the governor at any time (1) for cause, after notice and hearing, or (2) after missing three consecutive meetings. The chair of the board shall inform the governor of an appointed member missing three consecutive meetings. After the second consecutive missed meeting and before the next meeting, the secretary of the board shall notify the appointed member in writing that the member may be removed for missing the next meeting. In the case of a vacancy on the board, the governor shall, with the advice and consent of the senate, appoint a person to fill the vacancy for the remainder of the unexpired term.

(b) Vacancies shall be filled pursuant to section 15.0597, subdivisions 5 and 6.

Subd. 5. **Membership vacancies within three months of appointment.** Notwithstanding any law to the contrary, when a seat on the board becomes vacant within three months after being filled through the appointment process, the governor may, upon notification to the Office of the Secretary of State, choose a new member from the applications on hand and need not repeat the process.

Subd. 6. **Officers, quorum, voting.** (a) The board shall elect annually from its members a chair, vice-chair, and secretary. A quorum of the board shall consist of a majority of members of the board qualified to vote on the matter in question. All questions concerning the manner in which a meeting is conducted or called that are not covered by statute shall be determined by Robert's Rules of Order (revised) unless otherwise specified by the bylaws.

(b) Except as provided in paragraph (c), each Electrical Code amendment considered by the board that receives an affirmative two-thirds or more majority vote of all of the voting members of the board shall be included in the next Electrical Code rulemaking proceeding initiated by the board. If an Electrical Code amendment considered, or reconsidered, by the board receives less than a two-thirds majority vote of all of the voting members of the board, the Electrical Code amendment shall not be included in the next Electrical Code rulemaking proceeding initiated by the board.

(c) The board may reconsider Electrical Code amendments during an active Electrical Code rulemaking proceeding in which the amendment previously failed to receive a two-thirds or more majority vote of all of the voting members of the board only if new or updated information that affects the Electrical Code amendment is presented to the board. The board may also reconsider failed Electrical Code amendments in subsequent Electrical Code rulemaking proceedings.

(d) Except as provided in paragraph (e), each proposed rule and rule amendment considered by the board pursuant to the rulemaking authority specified in subdivision 2, paragraph (a), clauses (5) and (6), that receives an affirmative majority vote of the all the voting members of the board shall be included in the next rulemaking proceeding initiated by the board. If a proposed rule or rule amendment considered, or reconsidered, by the board receives less than an affirmative majority vote of all of the voting members of the board, the proposed rule or rule amendment shall not be included in the next rulemaking proceeding initiated by the board.

(e) The board may reconsider a proposed rule or rule amendment during an active rulemaking proceeding in which the amendment previously failed to receive an affirmative majority vote of all of the voting members of the board only if new or updated information that affects the proposed rule or rule amendment is presented to the board. The board may also reconsider a failed proposed rule or rule amendment in subsequent rulemaking proceedings.

Subd. 7. **Board meetings.** (a) The board shall hold meetings at such times as the board shall specify. Notice and conduct of all meetings shall be pursuant to chapter 13D and in such a manner as the bylaws may provide.

(b) If compliance with section 13D.02 is impractical, the board may conduct a meeting of its members by telephone or other electronic means so long as the following conditions are met:

(1) all members of the board participating in the meeting, wherever their physical location, can hear one another and can hear all discussion and testimony;

(2) members of the public present at the regular meeting location of the board can hear clearly all discussion and testimony and all votes of members of the board and, if needed, receive those services required by sections 15.44 and 15.441;

(3) at least one member of the board is physically present at the regular meeting location; and

(4) all votes are conducted by roll call, so each member's vote on each issue can be identified and recorded.

(c) Each member of the board participating in a meeting by telephone or other electronic means is considered present at the meeting for purposes of determining a quorum and participating in all proceedings.

(d) If telephone or other electronic means is used to conduct a regular, special, or emergency meeting, the board, to the extent practical, shall allow a person to monitor the meeting electronically from a remote location. The board may require the person making such a connection to pay for documented costs that the board incurs as a result of the additional connection.

(e) If telephone or other electronic means is used to conduct a regular, special, or emergency meeting, the board shall provide notice of the regular meeting location, of the fact that some members may participate by telephone or other electronic means, and that a person may monitor the meeting electronically from a remote location. The timing and method of providing notice is governed by section 13D.04.

Subd. 8. **Complaints.** (a) The board shall promptly forward to the commissioner the substance of any complaint or communication it receives, whether in writing or orally, that alleges or implies a violation of a statute, rule, or order that the commissioner has the authority to enforce pertaining to the license or registration of any person authorized by the department to provide electrical services, the performance or offering to perform electrical services requiring licensure by an unlicensed person, or Electrical Code compliance. Each complaint or communication that is forwarded to the commissioner shall be submitted on a form provided by the commissioner.

(b) The commissioner shall advise the board of the status of a complaint within 90 days after the board's written submission is received, or within 90 days after the board is provided with a written request for additional information or documentation from the commissioner or the commissioner's designee, whichever is later. The commissioner shall advise the board of the disposition of a complaint referred by the board within 180 days after the board's written submission is received. The commissioner shall annually report to the board a summary of the actions taken in response to complaints referred by the board.

Subd. 9. **Data Practices Act.** The board is subject to chapter 13, the Minnesota Government Data Practices Act, and shall protect from unlawful disclosure data classified as not public.

Subd. 10. **Official records.** The board shall make and preserve all records necessary to a full and accurate knowledge of its official activities in accordance with section 15.17.

Sec. 3. Minnesota Statutes 2006, section 326.242, subdivision 3d, is amended to read:

Subd. 3d. **Power limited technician.** (a) Except as otherwise provided by law, no person shall install, alter, repair, plan, lay out, or supervise the installing, altering, or repairing of electrical wiring, apparatus, or equipment for technology circuits or systems unless:

(1) the person is licensed by the ~~board~~ department as a power limited technician; and

(2) the electrical work is:

(i) for a licensed contractor and the person is an employee, partner, or officer of, or is the licensed contractor; or

(ii) performed under the supervision of a master electrician or power limited technician also employed by the person's employer on technology circuits, systems, apparatus, equipment, or facilities owned or leased by the employer that are located within the limits of property owned or leased, operated, and maintained by the employer.

(b) An applicant for a power limited technician's license shall (1) be a graduate of a four-year electrical course in an accredited college or university; or (2) have had at least 36 months' experience, acceptable to the board, in planning for, laying out, supervising, and installing wiring, apparatus, or equipment for power limited systems, provided however, that the board may by rule provide for the allowance of up to 12 months (2,000 hours) of experience credit for successful completion of a two-year post high school electrical course or other technical training approved by the board.

(c) The board may initially set experience requirements without rulemaking, but must adopt rules before July 1, 2004.

(d) Licensees must attain eight hours of continuing education acceptable to the board every renewal period.

(e) A person who has submitted an application by June 30, 2003, to take the alarm and communications examination administered by the ~~board~~ department, and who has achieved a minimal score of 70 percent on the examination by September 30, 2003, may obtain a power limited technician license without further examination by submitting an application and a license fee of \$30.

(f) A company holding an alarm and communication license as of June 30, 2003, may designate one person who may obtain a power limited technician license without passing an examination administered by the ~~board~~ department by submitting an application and license fee of \$30.

(g) A person who has submitted an application by ~~September 30, 2005~~ December 31, 2007, to take the power limited technician examination administered by the ~~board~~ department is not required to meet the qualifications set forth in paragraph (b).

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

Sec. 4. Minnesota Statutes 2006, section 326.242, subdivision 5, is amended to read:

Subd. 5. **Unlicensed persons individuals.** (a) An unlicensed ~~person~~ individual means an individual who has not been licensed by the department as a Class A master electrician or as a Class A journeyman electrician. An unlicensed individual shall not perform electrical work required to be performed by a licensed individual unless the individual has first registered with the department as an unlicensed individual. Thereafter, an unlicensed individual shall not perform electrical work required to be performed by a licensed individual unless the work is performed under the personal direct supervision of a person, an individual actually licensed to perform such work and. The licensed electrician individual and unlicensed persons are individual must be employed by the same employer. Licensed persons individuals shall not permit unlicensed persons individuals to perform electrical work except under the personal direct supervision of a person, an individual actually licensed to perform such work. Unlicensed persons individuals shall not supervise the performance of electrical work or make assignments of electrical work to unlicensed persons individuals. Except for technology circuit or system work, licensed persons individuals shall supervise no more than two unlicensed persons individuals. For technology circuit or system work, licensed persons individuals shall supervise no more than three unlicensed persons individuals.

(b) Notwithstanding any other provision of this section, no ~~person individual~~ other than a master electrician or power limited technician shall plan or lay out electrical wiring, apparatus, or equipment for light, heat, power, or other purposes, except circuits or systems exempted from personal licensing by subdivision 12, paragraph (b).

(c) Contractors employing unlicensed ~~persons performing individuals to perform~~ electrical work shall maintain records establishing compliance with this subdivision, ~~which that~~ shall ~~designate identify~~ all unlicensed ~~persons individuals~~ performing electrical work, except for persons working on circuits or systems exempted from personal licensing by subdivision 12, paragraph (b), and shall permit the ~~board~~ department to examine and copy all such records as provided for in section 326.244, subdivision 6.

(d) When a licensed individual supervises the electrical work of an unlicensed individual, the licensed individual is responsible for ensuring that the electrical work complies with sections 326.241 to 326.248 and rules adopted.

Sec. 5. Minnesota Statutes 2006, section 326.242, is amended by adding a subdivision to read:

Subd. 5a. **Registration of unlicensed individuals.** Unlicensed individuals performing electrical work for a contractor or employer shall register with the department in the manner prescribed by the commissioner. Experience credit for electrical work performed in Minnesota after January 1, 2008, by an applicant for a license identified in this section shall not be granted where the applicant has not registered with or is not licensed by the department.

Sec. 6. Minnesota Statutes 2006, section 326.242, subdivision 8, is amended to read:

Subd. 8. **License, registration, and renewal fees; expiration.** ~~All licenses issued hereunder shall expire in a manner as provided by the board.~~ (a) Unless revoked or suspended under this chapter, all licenses issued or renewed under this section expire on the date specified in this subdivision. Master licenses expire March 1 of each odd-numbered year after issuance or renewal. Electrical contractor licenses expire March 1 of each even-numbered year after issuance or renewal. Technology system contractor licenses expire August 1 of each even-numbered year after issuance or renewal. Journeyman, installer, power limited technician, and special electrician licenses expire two years from the date of original issuance and every two years thereafter. Registrations of unlicensed individuals expire one year from the date of original issuance and every year thereafter.

(b) Fees, ~~as set by the board,~~ shall be payable for application and examination, and for the original issuance and each subsequent renewal of the following, are:

(1) For each personal license application and examination: \$35;

Class A Master:

Class B Master:

Class A Journeyman, Class B Journeyman, Installer, Power Limited Technician, or Special Electrician:

(2) For original issuance ~~of original license~~ and each subsequent renewal of:

Class A Master; or master special electrician, including master elevator constructor: \$40 per year;

Class B Master: \$25 per year;

Power Limited Technician: \$15 per year;

Class A Journeyman, Class B Journeyman, Installer, or Special Electrician; ~~other than master special electrician:~~ \$15 per year;

Electrical contractor: \$100 per year.

Technology Systems Contractor Unlicensed individual registration: \$15 per year.

(c) If any new license is issued in accordance with this subdivision for less than two years, the fee for the license shall be prorated on an annual basis.

(d) A license fee may not be refunded after a license is issued or renewed. However, if the fee paid for a license was not prorated in accordance with this subdivision, the amount of the overpayment shall be refunded.

(e) Any contractor who seeks reissuance of a license after it has been revoked or suspended under this chapter shall submit a reissuance fee of \$100 before the license is reinstated.

(f) The fee for the issuance of each duplicate license is \$15.

~~(3)~~ (g) An individual or contractor who fails to renew a license before 30 days after the expiration or registration of the license must submit a late fee equal to one year's license fee in addition to the full renewal fee. Fees for renewed licenses or registrations are not prorated. An individual or contractor that fails to renew a license or registration by the expiration date is unlicensed until the license or registration is renewed.

Sec. 7. Minnesota Statutes 2006, section 326.242, subdivision 11, is amended to read:

Subd. 11. **Reciprocity.** ~~To the extent that any other state which provides for the licensing of electricians provides for similar action the board may grant licenses, without examination, of the same grade and class to an electrician who has been licensed by such other state for at least one year, upon payment by the applicant of the required fee and upon the board being furnished with proof that the required fee and upon the board being furnished with proof that the qualifications of the applicant are equal to the qualifications of holders of similar licenses in Minnesota. The commissioner may enter into reciprocity agreements for personal licenses with another state if approved by the board. Once approved by the board, the commissioner may issue a personal license without requiring the applicant to pass an examination provided the applicant:~~

(a) submits an application under section 326.242;

(b) pays the fee required under section 326.242; and

(c) holds a valid comparable license in the state participating in the agreement.

Agreements are subject to the following:

(1) The parties to the agreement must administer a statewide licensing program that includes examination and qualifying experience or training comparable to Minnesota's.

(2) The experience and training requirements under which an individual applicant qualified for examination in the qualifying state must be deemed equal to or greater than required for an applicant making application in Minnesota at the time the applicant acquired the license in the qualifying state.

(3) The applicant must have acquired the license in the qualifying state through an examination deemed equivalent to the same class of license examination in Minnesota. A lesser class of license may be granted where the applicant has acquired a greater class of license in the qualifying state and the applicant otherwise meets the conditions of this subdivision.

(4) At the time of application, the applicant must hold a valid license in the qualifying state and have held the license continuously for at least one year before making application in Minnesota.

(5) An applicant is not eligible for a license under this subdivision if the applicant has failed the same or greater class of license examination in Minnesota, or if the applicant's license of the same or greater class has been revoked or suspended.

(6) An applicant who has failed to renew a personal license for two years or more after its expiration is not eligible for a license under this subdivision.

Sec. 8. Minnesota Statutes 2006, section 326.2441, is amended to read:

326.2441 INSPECTION FEE SCHEDULE.

Subdivision 1. **Schedule.** State electrical inspection fees shall be ~~paid according to~~ calculated in accordance with subdivisions 2 to 15.

Subd. 2. **Fee for each separate inspection.** The minimum fee for each separate inspection of an installation, replacement, alteration, or repair is ~~\$20.~~ \$35. ~~Except as otherwise provided in this section, the maximum number of separate inspections allowed without payment of an additional fee is the whole number resulting from dividing by 35 the total fee calculated in accordance with this section. Where additional separate inspections are necessary, additional fees are required to result in a value equal to the total number of separate inspections multiplied by 35. The fee for any inspections needed after a "final inspection" is performed shall be calculated without consideration of any fee paid before the final inspection.~~

Subd. 3. **Fee for services, generators, other power supply sources, or feeders to separate structures.** The inspection fee for the installation, addition, alteration, or repair of each service, change of service, temporary service, generator, other power supply source, or feeder to a separate structure is:

- (1) 0 ampere to and including 400 ampere capacity, ~~\$25~~ \$35;
- (2) 401 ampere to and including 800 ampere capacity, ~~\$50~~ \$60; and
- (3) ampere capacity above 800, ~~\$75~~ \$100.

Where multiple disconnects are grouped at a single location and are supplied by a single set of supply conductors the cumulative rating of the overcurrent devices shall be used to determine the supply ampere capacity.

Subd. 4. **Fee for circuits, feeders, feeder taps, or sets of transformer secondary conductors.** The inspection fee for the installation, addition, alteration, or repair of each circuit, feeder, feeder tap, or set of transformer secondary conductors, including the equipment served, is:

- (1) 0 ampere to and including 200 ampere capacity, ~~\$5~~ \$6; and
- (2) ampere capacity above 200, ~~\$10~~ \$15.

Where existing feeders and circuits are reconnected to overcurrent devices installed as part of the replacement of an existing disconnect, switchboard, motor control center, or panelboard, the inspection fee for each circuit or feeder is \$2.

Subd. 5. ~~Limitations to fees of subdivisions 3 and 4~~ **Inspection fee for dwellings.** (a) ~~The inspection fee for a one-family dwelling and each dwelling unit of a two-family dwelling with a supply of up to 500 amperes where a combination of ten or more sources of supply, feeders, or circuits are installed, added, altered, repaired, or extended is \$80, is the following:~~

- (1) the fee for each service or other source of power as provided in subdivision 3;
- (2) \$100 for up to 30 feeders and circuits; and
- (3) for each additional feeder or circuit, the fee as provided in subdivision 4.

This fee applies to each separate installation for new dwellings and ~~additions, alterations, or repairs to existing dwellings and includes not more than two inspections, where 15 or more feeders or circuits are installed or extended in connection with any addition, alteration, or repair to existing dwellings.~~ Where existing feeders and circuits are reconnected to overcurrent devices installed as part of the replacement of an existing panelboard, the fee for each reconnected feeder or circuit is \$2. The maximum number of separate inspections shall be determined in accordance with subdivision 2. The fee for additional inspections or other installations is that specified in subdivisions 2 ~~to~~ 4, 6, and 8. The installer may submit fees for additional inspections when filing the request for electrical inspection. The fee for each detached accessory structure directly associated with a dwelling unit shall be calculated in accordance with subdivisions 3 and 4. When included on the same request for electrical inspection form, inspection fees for detached accessory structures directly associated with the dwelling unit may be combined with the dwelling unit fees to determine the maximum number of separate inspections in accordance with subdivision 2.

(b) ~~The inspection fee for each dwelling unit of a multifamily dwelling with three to 12 or more dwelling units is \$50 and the fee for each additional dwelling unit is \$25.~~ \$70 for a combination of up to 20 feeders and circuits and \$6 for each additional feeder or circuit. This fee applies to each separate installation for each new dwelling unit and where ten or more feeders or circuits are installed or extended in connection with any addition, alteration, or repair to existing dwelling units. Where existing feeders or circuits are reconnected to overcurrent devices installed as part of the replacement of an existing panelboard, the fee for each reconnected feeder or circuit is \$2. The maximum number of separate inspections for each dwelling unit shall be determined in accordance with subdivision 2. The fee for additional inspections or for inspection of other installations is that specified in subdivisions 2, 4, 6, and 8. These fees include only inspection of the wiring within individual dwelling units and the final feeder to that unit. ~~This limitation is subject to the following conditions:~~

~~(1) where the multifamily dwelling is provided with common service equipment and each dwelling unit is supplied by a separate feeder or feeders extended from common service or distribution equipment. The fee for multifamily dwelling services or other power source supplies and all other circuits is that specified in subdivisions 2 to 4; and~~

~~(2) this limitation applies only to new installations for multifamily dwellings where the majority of the individual dwelling units are available for inspection during each inspection trip.~~

(c) A separate request for electrical inspection form must be filed for each dwelling unit that is supplied with an individual set of service entrance conductors. These fees are the one-family dwelling rate specified in paragraph (a).

Subd. 6. **Additions to fees of subdivisions 3 to 5.** (a) The fee for the electrical supply for each manufactured home park lot is ~~\$25~~ \$35. This fee includes the service or feeder conductors up to and including the service equipment or disconnecting means. The fee for feeders and circuits that extend from the service or disconnecting means is that specified in subdivision 4.

(b) The fee for each recreational vehicle site electrical supply equipment is ~~\$5~~ \$6 for each circuit originating within the equipment. The fee for recreational vehicle park services, feeders, and circuits is that specified in subdivisions 3 and 4.

(c) The fee for each street, parking lot, or outdoor area lighting standard is ~~\$1~~, and ~~the fee for each traffic signal standard is \$5.~~ Circuits originating within the standard or traffic signal controller shall not be used when computing the fee for each standard.

(d) The fee for transformers for light, heat, and power is ~~\$40~~ \$15 for transformers rated up to ten kilovolt-amperes and ~~\$20~~ \$30 for transformers rated in excess of ten kilovolt-amperes. The previous sentence does not apply to Class 1 transformers or power supplies for Class 1 power-limited circuits or to Class 2 or Class 3 transformers or power supplies.

- (e) The fee for transformers and electronic power supplies for electric signs and outline lighting is \$5 per unit.
- (f) The fee for ~~alarm, communication, remote control, and signaling~~ technology circuits or systems, and circuits of less than 50 volts, is ~~50~~ 75 cents for each system device or apparatus.
- (g) The fee for each separate inspection of the bonding for a swimming pool, spa, fountain, an equipotential plane for an agricultural confinement area, or similar installation ~~shall be \$20~~ is \$35. Bonding conductors and connections require an inspection before being concealed.
- (h) The fee for all wiring installed on center pivot irrigation booms is ~~\$40~~ \$35 plus \$5 for each electrical drive unit.
- (i) The fee for retrofit modifications to existing lighting fixtures is 25 cents per ~~lighting fixture~~ luminaire.
- (j) When a separate inspection of a concrete-encased grounding electrode is performed, the fee is \$35.
- (k) The fees required by subdivisions 3 and 4 are doubled for installations over 600 volts.

Subd. 7. **Investigation fees: work without a request for electrical inspection.** (a) Whenever any work for which a request for electrical inspection is required ~~by the board~~ has begun without the request for electrical inspection form being filed with the ~~board~~ commissioner, a special investigation shall be made before a request for electrical inspection form is accepted ~~by the board~~.

(b) An investigation fee, in addition to the full fee required by subdivisions 1 to 6, shall be paid before an inspection is made. The investigation fee is two times the ~~hourly rate~~ minimum fee specified in subdivision ~~40~~ 2 or the inspection fee required by subdivisions 1 to 6, whichever is greater, not to exceed \$1,000. The payment of the investigation fee does not exempt any person from compliance with all other provisions of the ~~board~~ department rules or statutes nor from any penalty prescribed by law.

Subd. 8. **Reinspection fee.** Notwithstanding the provisions of subdivisions 2 and 5, when reinspection is necessary to determine whether unsafe conditions identified during a final inspection have been corrected and the conditions are not the subject of an appeal pending before the board commissioner or any court, a reinspection fee of \$20 may \$35 shall be assessed in writing by the inspector.

Subd. 9. **Supplemental fee.** When inspections scheduled by the installer are preempted, obstructed, prevented, or otherwise not able to be completed as scheduled due to circumstances beyond the control of the inspector, a supplemental inspection fee of ~~\$20 may \$35 shall~~ be assessed in writing by the inspector.

Subd. 10. **Special inspection.** For inspections not covered in this section, or for requested special inspections or services, the fee ~~shall be \$30~~ is \$80 per hour, including travel time, plus ~~34 cents~~ the standard mileage rate per mile traveled, plus the reasonable cost of equipment or material consumed. This provision is applicable to inspection of empty conduits and other jobs as may be determined by the ~~board~~ commissioner. This fee may also be assessed when installations are not accessible by roadway and require alternate forms of transportation, ~~or are located in the Northwest Angle, or when inspections are performed outside of Minnesota.~~ For purposes of this subdivision, the standard mileage rate is the standard mileage rate effective at the time of travel, as established by the Internal Revenue Service for computing the deductible costs of operating an automobile for business expense purposes.

Subd. 11. **Inspection of transitory projects.** (a) For inspection of transitory projects including, but not limited to, festivals, fairs, carnivals, circuses, shows, production sites, and portable road construction plants, the inspection procedures and fees are as specified in paragraphs (b) to (i).

(b) The fee for inspection of each generator or other source of supply is that specified in subdivision 3. A like fee is required at each engagement or setup.

(c) In addition to the fee for generators or other sources of supply, there must be an inspection of all installed feeders, circuits, and equipment at each engagement or setup at the hourly rate specified in subdivision 10, with a ~~two-hour~~ one-hour minimum.

(d) An owner, operator, or appointed representative of a transitory enterprise including, but not limited to, festivals, fairs, carnivals, circuses, production companies, shows, portable road construction plants, and similar enterprises shall notify the ~~board~~ commissioner of its itinerary or schedule and make application for initial inspection a minimum of 14 days before its first engagement or setup. An owner, operator, or appointed representative of a transitory enterprise who fails to notify the ~~board~~ commissioner 14 days before its first engagement or setup may be subject to the investigation fees specified in subdivision 7. The owner, operator, or appointed representative shall request inspection and pay the inspection fee for each subsequent engagement or setup at the time of the initial inspection. For subsequent engagements or setups not listed on the itinerary or schedule submitted to the ~~board~~ commissioner and where the ~~board~~ commissioner is not notified at least 48 hours in advance, a charge of \$100 may be made in addition to all required fees.

(e) Amusement rides, devices, concessions, attractions, or other units must be inspected at their first appearance of the year. The inspection fee is ~~\$20~~ \$35 per unit with a supply of up to 60 amperes and ~~\$30~~ \$40 per unit with a supply above 60 amperes.

(f) An additional fee at the hourly rate specified in subdivision 10 must be charged for additional time spent by each inspector if equipment is not ready or available for inspection at the time and date specified on the application for initial inspection or the request for electrical inspection form.

(g) In addition to the fees specified in paragraphs (a) and (b), a fee of ~~two hours~~ one hour at the hourly rate specified in subdivision 10 must be charged for inspections required to be performed on Saturdays, Sundays, holidays, or after regular business hours.

(h) The fee for reinspection of corrections or supplemental inspections where an additional trip is necessary may be assessed as specified in subdivision 8.

(i) The ~~board may~~ commissioner shall retain the inspection fee when an owner, operator, or appointed representative of a transitory enterprise fails to notify the ~~board~~ commissioner at least 48 hours in advance of a scheduled inspection that is canceled.

Subd. 12. **Handling fee.** The handling fee to pay the cost of printing and handling of the paper form requesting an electrical inspection is up to \$1.

Subd. 13. **National Electrical Code used for interpretation of provisions.** For purposes of interpretation of this section and Minnesota Rules, chapter 3800, the most recently adopted edition of the National Electrical Code shall be prima facie evidence of the definitions, interpretations, and scope of words and terms used.

ARTICLE 7

APPRENTICESHIP BOARD

Section 1. Minnesota Statutes 2006, section 178.01, is amended to read:

178.01 PURPOSES.

The purposes of this chapter are: to open to young people regardless of race, sex, creed, color or national origin, the opportunity to obtain training that will equip them for profitable employment and citizenship; to establish as a means to this end, a program of voluntary apprenticeship under approved apprentice agreements providing facilities

for their training and guidance in the arts, skills, and crafts of industry and trade, with concurrent, supplementary instruction in related subjects; to promote employment opportunities under conditions providing adequate training and reasonable earnings; to relate the supply of skilled workers to employment demands; to establish standards for apprentice training; to establish an Apprenticeship ~~Advisory Council Board~~ and apprenticeship committees to assist in effectuating the purposes of this chapter; to provide for a Division of Labor Standards and Apprenticeship within the Department of Labor and Industry; to provide for reports to the legislature regarding the status of apprentice training in the state; to establish a procedure for the determination of apprentice agreement controversies; and to accomplish related ends.

Sec. 2. Minnesota Statutes 2006, section 178.02, is amended to read:

178.02 APPRENTICESHIP ~~ADVISORY COUNCIL~~ BOARD.

Subdivision 1. **Members.** The commissioner of labor and industry, hereinafter called the commissioner, shall appoint an Apprenticeship ~~Advisory Council Board~~, hereinafter referred to as the ~~council board~~, composed of three representatives each from employer and employee organizations, and two representatives of the general public. The director of education responsible for career and technical education or designee shall be an ex officio member of the ~~council board~~ and shall serve in an advisory capacity only.

Subd. 2. **Terms.** The ~~council board~~ shall expire and the terms, compensation, and removal of appointed members shall be as provided in section 15.059; ~~except that the council shall not expire before June 30, 2003.~~

Subd. 4. **Duties.** The ~~council board~~ shall meet at the call of the commissioner. It shall propose occupational classifications for apprenticeship programs; propose minimum standards for apprenticeship programs and agreements; and advise on the establishment of such policies, procedures, and rules as the ~~commissioner board~~ deems necessary in implementing the intent of this chapter.

Sec. 3. Minnesota Statutes 2006, section 178.03, subdivision 3, is amended to read:

Subd. 3. **Duties and functions.** The director, under the supervision of the commissioner, and with the advice ~~and consultation~~ of the Apprenticeship ~~Advisory Council Board~~, is authorized: to administer the provisions of this chapter; to promote apprenticeship and other forms of on the job training; to establish, in cooperation ~~and consultation~~ with the Apprenticeship ~~Advisory Council Board~~ and with the apprenticeship committees, conditions and training standards for the approval of apprenticeship programs and agreements, which conditions and standards shall in no case be lower than those prescribed by this chapter; to promote equal employment opportunity in apprenticeship and other on the job training and to establish a Minnesota plan for equal employment opportunity in apprenticeship which shall be consistent with standards established under Code of Federal Regulations, title 29, part 30, as amended; to issue certificates of registration to sponsors of approved apprenticeship programs; to act as secretary of the Apprenticeship ~~Advisory Council Board~~; to approve, if of the opinion that approval is for the best interest of the apprentice, any apprenticeship agreement which meets the standards established hereunder; to terminate any apprenticeship agreement in accordance with the provisions of such agreement; to keep a record of apprenticeship agreements and their disposition; to issue certificates of completion of apprenticeship; and to perform such other duties as the commissioner deems necessary to carry out the intent of this chapter; provided, that the administration and supervision of supplementary instruction in related subjects for apprentices; coordination of instruction on a concurrent basis with job experiences, and the selection and training of teachers and coordinators for such instruction shall be the function of state and local boards responsible for vocational education. The director shall have the authority to make wage determinations applicable to the graduated schedule of wages and journeyman wage rate for apprenticeship agreements, giving consideration to the existing wage rates prevailing throughout the

state, except that no wage determination by the director shall alter an existing wage provision for apprentices or journeymen that is contained in a bargaining agreement in effect between an employer and an organization of employees, nor shall the director make any determination for the beginning rate for an apprentice that is below the wage minimum established by federal or state law.

Sec. 4. Minnesota Statutes 2006, section 178.041, subdivision 1, is amended to read:

Subdivision 1. **Rules.** The commissioner may, upon receipt of the ~~council's board's~~ proposals, accept, adopt, and issue them by rule with any modifications or amendments the commissioner finds appropriate. The commissioner may refer them back to the ~~council board~~ with recommendations for further study, consideration and revision. If the commissioner refuses to accept, adopt, and issue by rule or other appropriate action a board proposal, the commissioner must provide a written explanation of the reason for the refusal to the board within 30 days after the board submitted the proposal to the commissioner. Additional rules may be issued as the commissioner may deem necessary.

ARTICLE 8

MISCELLANEOUS

Section 1. Minnesota Statutes 2006, section 190.096, is amended to read:

190.096 BATTLE FLAGS; REPAIR.

Subdivision 1. **Authority to repair.** Notwithstanding the provisions of Minnesota Statutes 1961, chapters 16 and 43, the adjutant general or the Minnesota Historical Society may contract for the repair, restoration, and preservation of regimental battle flags, standards, and guidons with persons or corporations skilled in such repair, restoration, and preservation, upon terms or conditions the adjutant general or the Minnesota Historical Society deems proper, ~~subject to the approval of the commissioner of administration.~~

Subd. 2. **Surrender.** Notwithstanding the provisions of this section or section 190.09, the adjutant general or the Minnesota Historical Society may, for the purposes of this section, surrender the immediate custody and control of regimental battle flags, standards, and guidons under conditions and safeguards the adjutant general or the Minnesota Historical Society deems necessary and proper, for such time as is reasonably necessary for their restoration, after which they shall at once be again properly stored or displayed. The adjutant general or the Minnesota Historical Society shall provide adequate storage and display space for flags, standards, and guidons which have been repaired and restored.

Subd. 3. **Battle flags; care and control.** (a) The flags and colors carried by Minnesota troops in the Civil War, Indian Wars, and the Spanish-American War shall be preserved under the care and control of the Minnesota Historical Society. They shall be suitably encased and marked, and, so far as the historical society may deem it consistent with the safety of the flags and colors, they shall be publicly displayed in the capitol.

(b) The flags and colors carried by Minnesota troops in subsequent wars shall be preserved under the care and control of the adjutant general. They shall be suitably encased and marked, and, so far as the adjutant general may deem it consistent with the safety of the flags and colors, shall be publicly displayed.

Sec. 2. Minnesota Statutes 2006, section 327.33, subdivision 2, is amended to read:

Subd. 2. **Fees.** The commissioner shall by rule establish reasonable fees for seals, installation seals and inspections which are sufficient to cover all costs incurred in the administration of sections 327.31 to 327.35. The commissioner shall also establish by rule a monitoring inspection fee in an amount that will comply with the

secretary's fee distribution program. This monitoring inspection fee shall be an amount paid by the manufacturer for each manufactured home produced in Minnesota. The monitoring inspection fee shall be paid by the manufacturer to the secretary. The rules of the fee distribution program require the secretary to distribute the fees collected from all manufactured home manufacturers among states approved and conditionally approved based on the number of new manufactured homes whose first location after leaving the manufacturer is on the premises of a distributor, dealer or purchaser in that state. ~~All money collected by the commissioner through fees prescribed by sections 327.31 to 327.36 shall be deposited in the state government special revenue fund and is appropriated to the commissioner for the purpose of administering and enforcing the Manufactured Home Building Code under sections 327.31 to 327.36.~~

Sec. 3. Minnesota Statutes 2006, section 327.33, subdivision 6, is amended to read:

Subd. 6. **Authorization as agency.** The commissioner shall apply to the secretary for approval of the commissioner as the administrative agency for the regulation of manufactured homes under the rules of the secretary. The commissioner may make rules for the administration and enforcement of department responsibilities as a state administrative agency including, but not limited to, rules for the handling of citizen's complaints. All money received for services provided by the commissioner or the department's authorized agents as a state administrative agency shall be deposited in the general construction code fund. The commissioner is charged with the adoption, administration, and enforcement of the Manufactured Home Construction and Safety Standards, consistent with rules and regulations promulgated by the United States Department of Housing and Urban Development. The commissioner may adopt the rules, codes, and standards necessary to enforce the standards promulgated under this section. The commissioner is authorized to conduct hearings and presentations of views consistent with regulations adopted by the United States Department of Housing and Urban Development and to adopt rules in order to carry out this function.

Sec. 4. Minnesota Statutes 2006, section 327B.04, subdivision 7, is amended to read:

Subd. 7. **Fees; licenses; when granted.** Each application for a license or license renewal must be accompanied by a fee in an amount established by the commissioner by rule pursuant to section 327B.10. The fees shall be set in an amount which over the fiscal biennium will produce revenues approximately equal to the expenses which the commissioner expects to incur during that fiscal biennium while administering and enforcing sections 327B.01 to 327B.12. ~~All money collected by the commissioner through fees prescribed in sections 327B.01 to 327B.12 shall be deposited in the state government special revenue fund and is appropriated to the commissioner for purposes of administering and enforcing the provisions of this chapter.~~ The commissioner shall grant or deny a license application or a renewal application within 60 days of its filing. If the license is granted, the commissioner shall license the applicant as a dealer or manufacturer for the remainder of the calendar year. Upon application by the licensee, the commissioner shall renew the license for a two year period, if:

- (a) the renewal application satisfies the requirements of subdivisions 3 and 4;
- (b) the renewal applicant has made all listings, registrations, notices and reports required by the commissioner during the preceding year; and
- (c) the renewal applicant has paid all fees owed pursuant to sections 327B.01 to 327B.12 and all taxes, arrearages, and penalties owed to the state.

Sec. 5. Minnesota Statutes 2006, section 462A.21, subdivision 8b, is amended to read:

Subd. 8b. **Family rental housing.** It may establish a family rental housing assistance program to provide loans or direct rental subsidies for housing for families with incomes of up to 80 percent of state median income, or to provide grants for the operating cost of public housing. Priority must be given to those developments with resident

families with the lowest income. The development may be financed by the agency or other public or private lenders. Direct rental subsidies must be administered by the agency for the benefit of eligible families. Financial assistance provided under this subdivision to recipients of aid to families with dependent children must be in the form of vendor payments whenever possible. Loans, grants, and direct rental subsidies under this subdivision may be made only with specific appropriations by the legislature. The limitations on eligible mortgagors contained in section 462A.03, subdivision 13, do not apply to loans for the rehabilitation of existing housing under this subdivision.

Sec. 6. Minnesota Statutes 2006, section 462A.33, subdivision 3, is amended to read:

Subd. 3. **Contribution requirement.** Fifty percent of the funds appropriated for this section must be used for challenge grants or loans ~~which meet the requirements of this subdivision for housing proposals with financial or in-kind contributions from nonstate resources that reduce the need for deferred loan or grant funds from state resources.~~ These Challenge grants or loans must be used for economically viable homeownership or rental housing proposals that:

~~(1) include a financial or in-kind contribution from an area employer and either a unit of local government or a private philanthropic, religious, or charitable organization; and~~

~~(2) address the housing needs of the local work force.~~

Among comparable proposals, preference must be given to proposals that include contributions from nonstate resources for the greatest portion of the total development cost. Comparable proposals with contributions from local units of government or private philanthropic, religious, or charitable organizations must be given preference in awarding grants or loans.

For the purpose of this subdivision, ~~an employer~~ a contribution may consist partially or wholly of the premium paid for federal housing tax credits.

~~Preference for grants and loans shall also be given to comparable proposals that include a financial or in-kind contribution from a unit of local government, an area employer, and a private philanthropic, religious, or charitable organization.~~

Sec. 7. Minnesota Statutes 2006, section 469.021, is amended to read:

469.021 PREFERENCES.

As between applicants equally in need and eligible for occupancy of a dwelling and at the rent involved, preference shall be given to disabled veterans, persons with disabilities, and families of service persons who died in service and to families of veterans. In admitting families of low income to dwelling accommodations in any housing project an authority shall, as far as is reasonably practicable, give consideration to applications from families ~~to which aid for dependent children is payable~~ receiving assistance under chapter 256J, and to resident families to whom public assistance or supplemental security income for the aged, blind, and disabled is payable, when those families are otherwise eligible.

Sec. 8. **NANOTECHNOLOGY DEVELOPMENT FUND PROGRAM.**

Subdivision 1. **Program established; purpose.** The nanotechnology development fund program (NDF) is established to develop a collaborative economic development initiative between the state of Minnesota, the private sector, and multiple academic institutions to promote by small businesses an increased use of advanced nanoinstrumentation for characterization, fabrication, and other related processes; provide research consulting by knowledgeable specialists; and provide student internship opportunities to increase nanotechnology experience by working with small, medium, or large Minnesota companies. The NDF program shall be administered by the Department of Employment and Economic Development and is not a state agency.

Subd. 2. **Definition; qualifying Minnesota small business.** "Qualifying Minnesota small business" means:

(1) a Minnesota small business corporation, sole proprietorship, or partnership that has fewer than 50 employees;
or

(2) a Minnesota business corporation, sole proprietorship, or partnership that:

(i) has 51 to 100 employees; and

(ii) demonstrates current financial adversity or risk or a major prospect of aiding the business's long-term outlook by significant use of nanotechnology in the business's offerings.

Subd. 3. **Grants.** The commissioner shall extend onetime matching grants from the NDF to qualifying Minnesota small businesses located throughout the state to:

(1) add nanotechnology applications to products that are being developed by Minnesota small businesses to enhance distinctiveness;

(2) promote the depth, breadth, and value of technologies being developed by Minnesota businesses with the aid of nanotechnology;

(3) encourage more frequent use of nanoinstrumentation to speed businesses' product time-to-market, with higher incidence of distinct product characteristics;

(4) provide Minnesota small businesses with broader access to experienced research consultants; and

(5) increase the number of researchers experienced in working with nanoinstrumentation.

Subd. 4. **Grant application and award procedure.** (a) The commissioner may give priority to applicants:

(1) whose intellectual property would benefit from utilization of nanoinstrumentation not possessed in-house;

(2) who are currently utilizing nanoinstrumentation either at the University of Minnesota or a private sector location on a leased, hourly basis; and

(3) who wish to increase their access to experienced research consultants.

(b) The commissioner shall decide whether to award a grant to an eligible applicant based on:

(1) the applicant's planned frequency of usage of nanoinstrumentation for characterization, fabrication, and other related processes; and

(2) the applicant's demonstration of rental of nanoinstrumentation, in the form of a signed affidavit from a certified facility to confirm the one-to-one private sector investment has been met.

(c) A grant made under this section must:

(1) include verification of matching rental fees or internship stipends paid by the grantee; and

(2) be for a total amount paid to each grantee of not less than \$500 nor more than \$20,000 within the biennium.

Subd. 5. **Administration.** The commissioner of employment and economic development must develop and maintain a record-keeping system that specifies how funds from the NDF are applied for and distributed. Businesses receiving grants from the NDF must provide contact information, the date and time of the use of the nanoinstrumentation, proof of their matching contribution to meet the rental costs or provide an internship's stipend, and a general statement of the expected outcome from the use of the nanoinstrumentation, to the extent documentation can be made without divulging proprietary information.

Subd. 6. **Gifts and donations.** Gifts and donations, including land or interests in land, may be made to NDF. Noncash gifts and donations must be disposed of for cash as soon as the commissioner of employment and economic development can prudently maximize the value of the gift or donation.

Subd. 7. **Report to legislature.** By June 30 of each odd-numbered year, the commissioner of employment and economic development must submit a report to the legislature with statistics about the use of the NDF.

Sec. 9. **WORK GROUP.**

The commissioner of employment and economic development shall convene a work group to evaluate the impact of the money appropriated for wage incentives and how the wage incentive program works. The work group is to make recommendations to the legislature by January 15, 2008.

Sec. 10. **EFFECTIVE DATE.**

Unless another effective date is expressly provided, this act is effective July 1, 2007."

Delete the title and insert:

"A bill for an act relating to state government; appropriating money for jobs, economic development, and housing; establishing and modifying certain programs; providing for regulation of certain activities and practices; providing for accounts, assessments, and fees; providing penalties; amending Minnesota Statutes 2006, sections 13.7931, by adding a subdivision; 16B.61, subdivision 1a; 16B.63, subdivision 5; 16B.65, subdivisions 1, 5a; 16B.70, subdivision 2; 116J.551, subdivision 1; 116J.554, subdivision 2; 116J.555, subdivision 1; 116J.575, subdivisions 1, 1a; 116J.966, subdivision 1; 116L.01, by adding a subdivision; 116L.04, subdivision 1a; 116L.17, subdivision 1; 116L.20, subdivision 1; 116L.666, subdivision 1; 116M.18, subdivision 6a; 154.003; 177.27, subdivisions 1, 4, 8, 9, 10; 177.28, subdivision 1; 177.30; 177.43, subdivisions 3, 4, 6, by adding a subdivision; 178.01; 178.02; 178.03, subdivision 3; 178.041, subdivision 1; 179A.04, subdivision 3; 181.932, subdivision 1; 181.935; 182.65, subdivision 2; 190.096; 268.085, subdivision 3; 268.196, by adding a subdivision; 268A.01, subdivision 13, by adding a subdivision; 268A.085, subdivision 1; 268A.15, by adding a subdivision; 298.22, subdivision 2; 298.227; 325E.37, subdivision 6; 326.01, subdivision 6g; 326.242, subdivisions 3d, 5, 8, 11, by adding a subdivision; 326.2441; 326.37, subdivision 1, by adding a subdivision; 326.38; 326.40, subdivision 1; 326.401, subdivision 2; 326.405; 326.42, subdivision 1; 326.46; 326.47, subdivision 2; 326.48, subdivisions 1, 2, by adding a subdivision; 326.50; 326.975, subdivision 1; 326.992; 327.33, subdivisions 2, 6; 327B.04, subdivision 7; 341.21, by adding a subdivision; 341.22; 341.25; 341.27; 341.28, subdivision 2, by adding a subdivision; 341.32, subdivision 2; 341.321; 462.39, by adding a subdivision; 462A.21, subdivision 8b; 462A.33, subdivision 3; 469.021; 469.334; 471.471, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 116O; 154; 179; 181; 181A; 182; 325E; 326; proposing coding for new law as Minnesota Statutes, chapter 326B; repealing Minnesota Statutes 2006, sections 16B.747, subdivision 4; 16C.18, subdivision 2; 176.042; 183.375, subdivision 5; 183.545, subdivision 9; 268.035, subdivision 9; 326.241; 326.44; 326.45; 326.52; 326.64; 326.975."

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

Senate Conferees: DAVID J. TOMASSONI, JAMES P. METZEN, DAN SPARKS AND LINDA SCHEID.

House Conferees: MARY MURPHY, TOM RUKAVINA, KAREN CLARK AND TIM MAHONEY.

Murphy, M., moved that the report of the Conference Committee on S. F. No. 2089 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

CALL OF THE HOUSE

On the motion of Seifert and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

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

Sertich moved that further proceedings of the roll call be suspended and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

The Speaker called Juhnke to the Chair.

Slawik was excused between the hours of 5:05 p.m. and 7:00 p.m.

Erhardt was excused for the remainder of today's session.

S. F. No. 2089, A bill for an act relating to state government; appropriating money for jobs and economic development purposes; establishing and modifying certain programs; regulating certain activities and practices; providing for accounts, assessments, and fees; modifying provisions governing contractors; requiring studies; amending Minnesota Statutes 2006, sections 13.712, by adding a subdivision; 13.7905, by adding a subdivision; 16B.61, subdivision 1a; 16B.65, subdivisions 1, 5a; 16B.70, subdivision 2; 80A.28, subdivision 1; 116J.551, subdivision 1; 116J.554, subdivision 2; 116J.555, subdivision 1; 116J.575, subdivisions 1, 1a; 116J.966, subdivision 1; 116L.17, subdivision 1; 116L.20, subdivision 1; 116M.18, subdivision 6a; 177.27, subdivisions 1, 4; 268A.01, subdivision 13, by adding a subdivision; 268A.085, subdivision 1; 268A.15, by adding a subdivision; 298.22, subdivision 2; 298.227; 326.242, subdivision 8, by adding a subdivision; 326.2441; 326.37, subdivision 1; 326.38; 326.40, subdivision 1; 326.401, subdivision 2; 326.42, subdivision 1; 326.46; 326.461, by adding a subdivision;

326.47, subdivisions 2, 6; 326.48, subdivisions 1, 2; 326.50; 326.51; 326.52; 326.975, subdivision 1; 326.992; 327.33, subdivisions 2, 6; 327B.04, subdivision 7; 462A.21, subdivision 8b; 462A.33, subdivision 3; 471.471, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 177; 181; 182; 326; proposing coding for new law as Minnesota Statutes, chapters 59C; 326B; repealing Minnesota Statutes 2006, sections 16B.747, subdivision 4; 16C.18, subdivision 2; 181.722; 183.375, subdivision 5; 183.545, subdivision 9; 326.241; 326.44; 326.52; 326.64; 326.975.

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 84 yeas and 44 nays as follows:

Those who voted in the affirmative were:

Anzelc	Doty	Howes	Lieder	Nelson	Slocum
Atkins	Eken	Huntley	Lillie	Norton	Solberg
Benson	Faust	Jaros	Loeffler	Olin	Swails
Bigham	Fritz	Johnson	Madore	Otremba	Thao
Bly	Gardner	Juhnke	Mahoney	Paymar	Thissen
Brown	Greiling	Kahn	Mariani	Peterson, A.	Tillberry
Brynaert	Hansen	Kalin	Marquart	Peterson, S.	Tschumper
Bunn	Hausman	Knuth	Masin	Poppe	Urdahl
Carlson	Haws	Koenen	Moe	Rukavina	Wagenius
Clark	Hilstrom	Kranz	Morgan	Ruud	Walker
Davnie	Hilty	Laine	Morrow	Sailer	Ward
Dill	Hornstein	Lenczewski	Mullery	Scalze	Walti
Dittrich	Hortman	Lesch	Murphy, E.	Sertich	Winkler
Dominguez	Hosch	Liebling	Murphy, M.	Simon	Spk. Kelliher

Those who voted in the negative were:

Abeler	DeLaForest	Gunther	McFarlane	Ruth	Wardlow
Anderson, S.	Dettmer	Hackbarth	McNamara	Seifert	Westrom
Beard	Eastlund	Hamilton	Nornes	Severson	Wollschlager
Berns	Emmer	Heidgerken	Olson	Shimanski	Zellers
Brod	Erickson	Hoppe	Ozment	Simpson	
Buesgens	Finstad	Kohls	Paulsen	Smith	
Cornish	Garofalo	Lanning	Peppin	Sviggum	
Dean	Gottwalt	Magnus	Peterson, N.	Tingelstad	

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

CALL OF THE HOUSE LIFTED

Sertich moved that the call of the House be lifted. The motion prevailed and it was so ordered.

Madam Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 1997.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICE DWORAK, First Assistant Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. No. 1997

A bill for an act relating to government operations; appropriating money for the general legislative and administrative expenses of state government; raising fees; regulating state and local government operations; modifying provisions related to public employment; providing for automatic voter registration; abolishing the Department of Employee Relations; amending Minnesota Statutes 2006, sections 4.035, subdivision 3; 5.12, subdivision 1; 15.06, subdivisions 2, 8; 15B.17, subdivision 1; 16A.1286, subdivision 2; 16B.03; 16C.08, subdivision 2; 43A.02, by adding a subdivision; 43A.03, subdivision 3; 43A.08, subdivisions 1, 2a; 43A.24, subdivision 1; 43A.346, subdivision 1; 45.013; 84.01, subdivision 3; 116.03, subdivision 1; 116J.01, subdivision 5; 116J.035, subdivision 4; 174.02, subdivision 2; 201.12; 201.13, subdivision 3; 201.161; 241.01, subdivision 2; 270B.14, by adding a subdivision; 302A.821, subdivision 4; 321.0206; 336.1-110; 336.9-525; 471.61, subdivision 1a; 517.08, subdivisions 1b, 1c; Laws 2005, First Special Session chapter 1, article 4, section 121; proposing coding for new law in Minnesota Statutes, chapters 5; 13; 16B; 16C; repealing Minnesota Statutes 2006, sections 43A.03, subdivision 4; 43A.08, subdivision 1b; Laws 2006, chapter 253, section 22.

May 3, 2007

The Honorable James P. Metzen
President of the Senate

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 1997 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 1997 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

STATE GOVERNMENT APPROPRIATIONS

Section 1. SUMMARY OF APPROPRIATIONS.

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

	<u>2008</u>	<u>2009</u>	<u>Total</u>
<u>General</u>	<u>\$357,713,000</u>	<u>\$319,107,000</u>	<u>\$676,820,000</u>
<u>Health Care Access</u>	<u>1,821,000</u>	<u>1,862,000</u>	<u>3,683,000</u>
<u>State Government Special Revenue</u>	<u>2,119,000</u>	<u>2,124,000</u>	<u>4,243,000</u>

<u>Environmental</u>	<u>442,000</u>	<u>448,000</u>	<u>890,000</u>
<u>Remediation</u>	<u>250,000</u>	<u>250,000</u>	<u>500,000</u>
<u>Special Revenue</u>	<u>6,843,000</u>	<u>3,839,000</u>	<u>10,682,000</u>
<u>Highway User Tax Distribution</u>	<u>2,139,000</u>	<u>2,183,000</u>	<u>4,322,000</u>
<u>Workers' Compensation</u>	<u>7,640,000</u>	<u>7,350,000</u>	<u>14,990,000</u>
<u>Total</u>	<u>\$378,967,000</u>	<u>\$337,163,000</u>	<u>\$716,130,000</u>

Sec. 2. **STATE GOVERNMENT APPROPRIATIONS.**

The sums shown in the columns marked "appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the 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 article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2008, or June 30, 2009, respectively. "The first year" is fiscal year 2008. "The second year" is fiscal year 2009. "The biennium" is fiscal years 2008 and 2009.

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

Sec. 3. **LEGISLATURE**

Subdivision 1. <u>Total Appropriation</u>	<u>\$76,444,000</u>	<u>\$71,494,000</u>
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Appropriations by Fund

	<u>2008</u>	<u>2009</u>
<u>General</u>	<u>76,316,000</u>	<u>71,366,000</u>
<u>Health Care Access</u>	<u>128,000</u>	<u>128,000</u>

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

Subd. 2. <u>Senate</u>	<u>26,320,000</u>	<u>23,677,000</u>
Subd. 3. <u>House of Representatives</u>	<u>33,168,000</u>	<u>31,746,000</u>

During the biennium ending June 30, 2009, any revenues received by the house of representatives from sponsorship notices in broadcast or print media are appropriated to the house of representatives.

<u>APPROPRIATIONS</u> <u>Available for the Year</u> <u>Ending June 30</u>		
	<u>2008</u>	<u>2009</u>
<u>Subd. 4. Legislative Coordinating Commission</u>	<u>16,938,000</u>	<u>16,071,000</u>
<u>Appropriations by Fund</u>		
<u>General</u>	<u>16,810,000</u>	<u>15,943,000</u>
<u>Health Care Access</u>	<u>128,000</u>	<u>128,000</u>
(a) <u>\$5,624,000 the first year and \$5,469,000 the second year are for the Office of the Revisor of Statutes.</u>		
(b) <u>\$1,257,000 the first year and \$1,254,000 the second year are for the Legislative Reference Library.</u>		
(c) <u>\$5,719,000 the first year and \$5,720,000 the second year are for the Office of the Legislative Auditor.</u>		
(d) <u>\$750,000 the first year is to the Legislative Coordinating Commission for a facilitated planning process relating to the Capitol building and the Capitol campus. The process must be conducted in cooperation with the Capitol Area Architectural and Planning Board and the commissioner of administration, and must include consideration of issues relating to renovation and possible expansion of the Capitol building, phasing strategies relating to renovation of the Capitol, and related campus planning issues. The process must include consideration of as many options as feasible relating to renovation of the Capitol and related campus buildings. The process must be completed by September 30, 2007.</u>		
(e) <u>All legislative offices should, whenever possible, implement information technology systems that are compatible and work seamlessly across the legislature. Wherever possible, single systems should be implemented to avoid unnecessary duplication and inefficiency. The directors of information technology for the senate, house of representatives, and the Legislative Coordinating Commission must submit a written report describing their efforts to collaborate on implementing shared information technology systems. The report must be submitted to the chairs of the house of representatives and senate committees with jurisdiction over rules and to the Legislative Coordinating Commission on January 15, 2008, and January 15, 2009.</u>		
<u>Sec. 4. GOVERNOR AND LIEUTENANT GOVERNOR</u>	<u>\$3,679,000</u>	<u>\$3,777,000</u>
(a) <u>This appropriation is to fund the Office of the Governor and Lieutenant Governor.</u>		

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

\$19,000 the first year and \$19,000 the second year are for necessary expenses in the normal performance of the governor's and lieutenant governor's duties for which no other reimbursement is provided.

(b) By September 1 of each year, the commissioner of finance shall report to the chairs of the senate Governmental Operations Budget Division and the house State Government Finance Division any personnel costs incurred by the Office of the Governor and Lieutenant Governor that were supported by appropriations to other agencies during the previous fiscal year. The Office of the Governor shall inform the chairs of the divisions before initiating any interagency agreements.

Sec. 5. **STATE AUDITOR**

\$9,234,000

\$9,220,000

Sec. 6. **ATTORNEY GENERAL**

\$26,182,000

\$27,113,000

Appropriations by Fund

	<u>2008</u>	<u>2009</u>
<u>General</u>	<u>24,068,000</u>	<u>24,994,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>1,719,000</u>	<u>1,724,000</u>
<u>Environmental</u>	<u>145,000</u>	<u>145,000</u>
<u>Remediation</u>	<u>250,000</u>	<u>250,000</u>

Sec. 7. **SECRETARY OF STATE**

\$9,129,000

\$6,517,000

Appropriations by Fund

	<u>2008</u>	<u>2009</u>
<u>General</u>	<u>6,285,000</u>	<u>6,517,000</u>
<u>Special Revenue</u>	<u>2,844,000</u>	

(a) \$310,000 of this appropriation must be transferred to the Help America Vote Act account and is designated as a portion of the match required by section 253(b)(5) of the Help America Vote Act.

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

(5) improvements to county budgetary systems;

(6) storage or linkage of electronic documents;

(7) improved executive level reporting and extraction of data; and

(8) improved information and reporting for audits.

The grant funds shall be distributed on a pro rata basis to each of the counties participating in the development of the integrated financial system. The Minnesota Counties Computer Cooperative, acting as a fiscal agent for the participating counties, shall receive the grant money for the counties. The grants will only be distributed after \$600,000 is expended or provided from other sources. The chief information officer may require a report or such other information as the chief information officer deems appropriate to verify that the requirements of this section have been met. This appropriation is available until June 30, 2011, and cancels on that date.

The chief information officer shall report to the legislative committees and divisions with jurisdiction over state government policy and finance and economic development programs.

Sec. 11. **ADMINISTRATIVE HEARINGS**

\$7,823,000

\$7,540,000

Appropriations by Fund

	<u>2008</u>	<u>2009</u>
<u>General</u>	<u>283,000</u>	<u>290,000</u>
<u>Workers'</u>		
<u>Compensation</u>	<u>7,540,000</u>	<u>7,250,000</u>

Sec. 12. **ADMINISTRATION**

Subdivision 1. **Total Appropriation**

\$42,320,000

\$22,128,000

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

<u>APPROPRIATIONS</u>		
<u>Available for the Year</u>		
<u>Ending June 30</u>		
	<u>2008</u>	<u>2009</u>
<u>Subd. 2. State Facilities Services</u>	<u>14,496,000</u>	<u>11,208,000</u>
(a) <u>\$7,888,000 the first year and \$7,888,000 the second year are for office space costs of the legislature and veterans organizations, for ceremonial space, and for statutorily free space.</u>		
(b) <u>\$2,500,000 the first year is to purchase and implement a Web-enabled, shared computer system to facilitate the state's real property portfolio management.</u>		
(c) <u>\$885,000 the first year is for onetime funding of agency relocation expenses for the Department of Public Safety.</u>		
<u>Subd. 3. State and Community Services</u>	<u>3,456,000</u>	<u>3,547,000</u>
(a) <u>\$60,000 the first year and \$240,000 the second year are to fund activities to prepare for and promote the 2010 census. Base funding for this activity is \$260,000 in fiscal year 2010 and \$180,000 in fiscal year 2011.</u>		
(b) <u>\$1,100,000 the first year and \$1,100,000 the second year are for the Land Management Information Center.</u>		
(c) <u>\$196,000 the first year and \$196,000 the second year are for the Office of the State Archaeologist.</u>		
(d) <u>\$89,000 the first year is for the genetic information work group and report. This appropriation is available until June 30, 2009.</u>		
<u>Subd. 4. Administrative Management Services</u>	<u>6,197,000</u>	<u>5,418,000</u>
(a) <u>\$125,000 the first year is to create an Office of Grants Management to standardize state grants management policies and procedures.</u>		
(b) <u>\$250,000 the first year and \$250,000 the second year are to establish a small agency resource team to consolidate and streamline the human resources and financial management activities for small state agencies, boards, and councils.</u>		
(c) <u>\$700,000 the first year is a onetime appropriation for a targeted group business disparity study. The commissioner must cooperate with units of local government conducting similar studies. The commissioner shall ensure that the results of the study are kept current and that any new or upgraded accounting or procurement systems properly record purchases from minority and female-owned businesses through the use of state contracts, and the availability of bids from those businesses.</u>		

APPROPRIATIONS
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Ending June 30
2008 **2009**

(d) \$74,000 the first year and \$74,000 the second year are for the Council on Developmental Disabilities.

(e) \$250,000 in fiscal year 2008 and \$250,000 in fiscal year 2009 are for a grant to the Council on Developmental Disabilities for the purpose of establishing a statewide self-advocacy network for persons with intellectual and developmental disabilities (ID/DD). The self-advocacy network shall:

(1) ensure that persons with ID/DD are informed of their rights in employment, housing, transportation, voting, government policy, and other issues pertinent to the ID/DD community;

(2) provide public education and awareness of the civil and human rights issues persons with ID/DD face;

(3) provide funds, technical assistance, and other resources for self-advocacy groups across the state; and

(4) organize systems of communications to facilitate an exchange of information between self-advocacy groups.

This appropriation is in addition to any other appropriations and must be added to the base appropriation beginning in fiscal year 2010.

(f) \$75,000 is for purposes of promotion of document imaging work in government agencies to be done by persons with developmental disabilities.

Subd. 5. Fiscal Agent

1,100,000

(a) \$100,000 the first year is for the sustainable growth working group.

(b) \$1,000,000 is for a grant to Washington County for capital improvements detailed in the approved planned unit development for the Disabled Veteran's Rest Camp to provide increased capacity, amenities, access, and safety for Minnesota veterans. This appropriation is available until spent.

Subd. 6. Public Broadcasting

\$17,071,000

\$1,955,000

(a) \$9,750,000 is for grants to noncommercial television stations to assist with the continued conversion to a digital broadcast signal as mandated by the federal government. This appropriation must be

APPROPRIATIONS
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Ending June 30
2008 **2009**

used to assist each station to complete its digital production facilities and interconnect with other Minnesota public television stations. In order to qualify for these grants, a station must meet the criteria established for grants in Minnesota Statutes, section 129D.12, subdivision 2.

(b) \$3,000,000 is for grants to Minnesota Public Radio to assist with conversion to a digital broadcast signal.

(c) \$2,461,000 the first year and \$1,161,000 the second year are for matching grants for public television.

(d) \$200,000 the first year and \$200,000 the second year are for public television equipment grants. Equipment or matching grant allocations shall be made after considering the recommendations of the Minnesota Public Television Association.

(e) \$17,000 the first year and \$17,000 the second year are for grants to the Twin Cities regional cable channel.

(f) \$413,000 in fiscal year 2008 and \$287,000 in fiscal year 2009 are for community service grants to public educational radio stations.

(g) \$400,000 in fiscal year 2008 and \$100,000 in fiscal year 2009 are for equipment grants to public educational radio stations.

(h) The grants in paragraphs (f) and (g) must be allocated after considering the recommendations of the Association of Minnesota Public Educational Radio Stations under Minnesota Statutes, section 129D.14.

(i) \$830,000 the first year and \$190,000 the second year are for equipment grants to Minnesota Public Radio, Inc.

(j) Any unencumbered balance remaining the first year for grants to public television or radio stations does not cancel and is available for the second year.

Sec. 13. CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD

\$427,000

\$373,000

\$65,000 in fiscal year 2008 is for the decennial expenses related to the board's duties under Minnesota Statutes, section 473.864, subdivisions 1 and 2. Money appropriated in fiscal year 2008 is available until June 30, 2009. This is a onetime appropriation.

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

Sec. 14. **FINANCE**

Subdivision 1. **Total Appropriation**

\$21,765,000 **\$15,596,000**

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

Subd. 2. **State Financial Management**

8,923,000 8,905,000

\$250,000 the first year is for the state's share of the cost of bankruptcy counsel representing joint interests of the state and the city of Duluth in the Northwest Airlines bankruptcy. This is a onetime appropriation.

Subd. 3. **Information and Management Services**

12,842,000 6,691,000

\$6,319,000 the first year is for costs related to the Minnesota Accounting and Procurement System (MAPS).

Sec. 15. **EMPLOYEE RELATIONS**

\$6,245,000 **\$5,839,000**

(a) \$250,000 each year is for the Center for Health Care Purchasing Improvement. This is a onetime appropriation.

(b) \$350,000 the first year is to support the use of an electronic portfolio system to provide personal health records for MnSCU employees and other participants in the state employee group insurance program. Of this amount, \$50,000 is for transfer to the University of Minnesota Health Informatics Division to evaluate the use and impact of personal health records on these employees. This appropriation is available until June 30, 2009.

Sec. 16. **REVENUE**

Subdivision 1. **Total Appropriation**

\$127,420,000 **\$123,224,000**

Appropriations by Fund

	<u>2008</u>	<u>2009</u>
<u>General</u>	<u>123,291,000</u>	<u>119,004,000</u>
<u>Health Care Access</u>	<u>1,693,000</u>	<u>1,734,000</u>

APPROPRIATIONS
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Ending June 30
2008 **2009**

<u>Highway User</u>		
<u>Tax Distribution</u>	<u>2,139,000</u>	<u>2,183,000</u>
<u>Environmental</u>	<u>297,000</u>	<u>303,000</u>

The amounts that may be spent for each purpose are specified in subdivisions 2 and 3.

<u>Subd. 2. Tax System Management</u>	<u>107,098,000</u>	<u>101,045,000</u>
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Appropriations by Fund

<u>General</u>	<u>102,969,000</u>	<u>96,825,000</u>
<u>Health Care Access</u>	<u>1,693,000</u>	<u>1,734,000</u>
<u>Highway User</u>		
<u>Tax Distribution</u>	<u>2,139,000</u>	<u>2,183,000</u>
<u>Environmental</u>	<u>297,000</u>	<u>303,000</u>

(a) \$6,910,000 the first year and \$8,704,000 the second year are for additional activities to identify and collect tax liabilities from individuals and businesses that currently do not pay all taxes owed. This initiative is expected to result in new general fund revenues of \$42,400,000 for the biennium ending June 30, 2009.

(b) The department must report to the chairs of the house of representatives Ways and Means and senate Finance Committees by March 1, 2008, and January 15, 2009, on the following performance indicators:

(1) the number of corporations noncompliant with the corporate tax system each year and the percentage and dollar amounts of valid tax liabilities collected;

(2) the number of businesses noncompliant with the sales and use tax system and the percentage and dollar amount of the valid tax liabilities collected; and

(3) the number of individual noncompliant cases resolved and the percentage and dollar amounts of valid tax liabilities collected.

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

(c) The reports must also identify base-level expenditures and staff positions related to compliance and audit activities, including baseline information as of January 1, 2006. The information must be provided at the budget activity level.

(d) \$10,000,000 the first year is for the purchase and development of an integrated tax software package.

(e) \$75,000 the first year and \$75,000 the second year are for grants to one or more nonprofit organizations, qualifying under section 501(c)(3) of the Internal Revenue Code of 1986, to coordinate, facilitate, encourage, and aid in the provision of taxpayer assistance services. For purposes of this paragraph, "taxpayer assistance services" means accounting and tax preparation services provided by volunteers to low-income and disadvantaged Minnesota residents to help them file federal and state income tax returns and Minnesota property tax refund claims and may include providing personal representation before the Department of Revenue and Internal Revenue Service.

Subd. 3. **Accounts Receivable Management**

20,322,000

22,179,000

\$1,750,000 the first year and \$3,110,000 the second year are for additional activities to identify and collect tax liabilities from individuals and businesses that currently do not pay all taxes owed. This initiative is expected to result in new general fund revenues of \$60,000,000 for the biennium ending June 30, 2009.

Sec. 17. **GAMBLING CONTROL**

\$2,869,000

\$2,940,000

These appropriations are from the lawful gambling regulation account in the special revenue fund.

Sec. 18. **RACING COMMISSION**

\$1,130,000

\$899,000

(a) These appropriations are from racing and card playing regulation accounts in the special revenue fund.

(b) \$295,000 the first year and \$64,000 the second year and thereafter are for information technology improvements implemented in consultation with the Office of Enterprise Technology as part of the small agency technology initiative.

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

Sec. 19. **STATE LOTTERY**

Notwithstanding Minnesota Statutes, section 349A.10, subdivision 3, the operating budget must not exceed \$27,378,000 in fiscal year 2008 and \$28,141,000 in fiscal year 2009.

Sec. 20. **TORT CLAIMS**

\$161,000

\$161,000

To be spent by the commissioner of finance. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 21. **MINNESOTA STATE RETIREMENT SYSTEM**

Subdivision 1. **Total Appropriation**

\$1,608,000

\$1,649,000

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

Subd. 2. **Legislators**

1,170,000

1,200,000

Under Minnesota Statutes, sections 3A.03, subdivision 2; 3A.04, subdivisions 3 and 4; and 3A.115.

Subd. 3. **Constitutional Officers**

438,000

449,000

Under Minnesota Statutes, section 352C.001.

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

Sec. 22. **MINNEAPOLIS EMPLOYEES RETIREMENT FUND**

\$9,000,000

\$9,000,000

These amounts are estimated to be needed under Minnesota Statutes, section 422A.101, subdivision 3.

Sec. 23. **TEACHERS RETIREMENT ASSOCIATION**

\$15,800,000

\$15,800,000

The amounts estimated to be needed are as follows:

(a) Special direct state aid authorized under Minnesota Statutes, section 354A.12, subdivisions 3a and 3c.

13,300,000

13,300,000

(b) Special direct state matching aid authorized under Minnesota Statutes, section 354A.12, subdivision 3b.

2,500,000

2,500,000

<u>APPROPRIATIONS</u>		
<u>Available for the Year</u>		
<u>Ending June 30</u>		
	<u>2008</u>	<u>2009</u>
Sec. 24. <u>ST. PAUL TEACHERS RETIREMENT FUND</u>	<u>\$2,967,000</u>	<u>\$2,967,000</u>
<u>The amounts estimated to be needed for special direct state aid to first class city teachers retirement funds authorized under Minnesota Statutes, section 354A.12, subdivisions 3a and 3c.</u>		
Sec. 25. <u>AMATEUR SPORTS COMMISSION</u>	<u>\$370,000</u>	<u>\$372,000</u>
<u>(a) Of this amount, \$67,000 each year is to be used for an additional event development position. This is a onetime appropriation. The base budget for the Amateur Sports Commission shall be \$220,000 in fiscal year 2010 and \$220,000 in fiscal year 2011.</u>		
<u>(b) The amount available for appropriation to the commission under Laws 2005, chapter 156, article 2, section 43, is reduced in the first year and the second year by the amounts appropriated in this section.</u>		
Sec. 26. <u>COUNCIL ON BLACK MINNESOTANS</u>	<u>\$325,000</u>	<u>\$333,000</u>
Sec. 27. <u>COUNCIL ON CHICANO/LATINO AFFAIRS</u>	<u>\$308,000</u>	<u>\$314,000</u>
Sec. 28. <u>COUNCIL ON ASIAN-PACIFIC MINNESOTANS</u>	<u>\$289,000</u>	<u>\$289,000</u>
Sec. 29. <u>INDIAN AFFAIRS COUNCIL</u>	<u>\$664,000</u>	<u>\$493,000</u>
<u>(a) \$80,000 in the first year is for the acquisition of an Indian burial site in Becker County. The Indian Affairs Council shall solicit donations from federal, state, nonprofit, private, and tribal sources for this purpose. This is a onetime appropriation and is available for expenditure until June 30, 2009.</u>		
<u>(b) \$100,000 in the first year is for transfer to the director of the Minnesota Office of Higher Education for a grant for the Dakota/Ojibwe Language Revitalization Project to expand an existing pilot project to promote activities and programs that are specific to promoting revitalization of indigenous language for American Indian children who do not live on an Indian reservation. The pilot project shall focus on developing programs that meet the language needs of children in prekindergarten through grade 12. This is a onetime appropriation.</u>		

<u>APPROPRIATIONS</u> <u>Available for the Year</u> <u>Ending June 30</u>		
	<u>2008</u>	<u>2009</u>
Sec. 30. <u>GENERAL CONTINGENT ACCOUNTS</u>	<u>\$1,000,000</u>	<u>\$500,000</u>
<u>Appropriations by Fund</u>		
	<u>2008</u>	<u>2009</u>
<u>General</u>	<u>500,000</u>	<u>-0-</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>400,000</u>	<u>400,000</u>
<u>Workers' Compensation</u>	<u>100,000</u>	<u>100,000</u>

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

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

(c) If a contingent account appropriation is made in one fiscal year, it should be considered a biennial appropriation.

Sec. 31. **MANAGERIAL POSITION REDUCTIONS.**

The governor must reduce the number of deputy commissioners, assistant commissioners, and positions designated as unclassified under authority of Minnesota Statutes, section 43A.08, subdivision 1a, by an amount that will generate savings to the general fund of \$7,292,000 in the biennium ending June 30, 2009, and \$7,292,000 in the biennium ending June 30, 2011.

Sec. 32. **BALANCE CARRIED FORWARD.**

Notwithstanding Minnesota Statutes, section 16A.1522, subdivision 4, any positive unrestricted general fund budgetary balance as of June 30, 2007, is carried forward to the fiscal year ending June 30, 2008.

ARTICLE 2

STATE GOVERNMENT OPERATIONS

Section 1. **[3.9228] MINNESOTA COMMISSION ON ETHNIC HERITAGE AND NEW AMERICANS.**

Subdivision 1. **Office established.** The Minnesota Commission on Ethnic Heritage and New Americans is established to: (1) recognize the state's rich ethnic diversity and the contributions that immigrants have made to the state's social, economic, and cultural history; and (2) capitalize on and develop the strengths of the immigrant community in Minnesota. The commission shall assist state government to foster an understanding and appreciation of ethnic and cultural diversity in Minnesota, to more effectively identify the underutilized resources within the immigrant community and to facilitate the full participation of immigrants in social, cultural, and political life in this state.

Subd. 2. **Membership.** (a) The commission consists of ten members. The governor shall appoint two public members; the Subcommittee on Committees of the Committee on Rules and Administration of the senate shall appoint two public members and two senators, one from the majority party and one from the minority party; and the speaker of the house of representatives shall appoint two public members and two members of the house of representatives, one from the majority party and one from the minority party.

(b) Public members must have experience in working with the immigrant community, including training, special skills, and experience that would benefit the commission, such as training and experience in business, management, economics, public policy, legal affairs, and social work. The appointing authorities are encouraged to consult with business and business trade organizations in the state and appoint public members who include:

(1) a business executive or employer with policy making or hiring authority, including the owner, chief executive, or operating officer of a business in this state; or

(2) a representative of a private business with employment opportunities that reflect the employment opportunities available within the state.

The appointing authorities shall seek to collaborate with each other and with the councils established in Minnesota Statutes, sections 3.9223, 3.9225, and 3.9226, to ensure that the public membership of the commission is ethnically and geographically diverse and is reasonably balanced by gender.

(c) Compensation and expenses for public members are as provided in Minnesota Statutes, section 15.0575.

(d) The appointments required under this subdivision must be completed no later than September 1, 2007.

Subd. 3. **Organization.** As soon as possible after the appointments under subdivision 2 have been completed, the executive director of the Legislative Coordinating Commission shall convene the first meeting of the commission. The members of the commission shall select their chairperson at the first meeting.

Subd. 4. **Assistance.** The Legislative Coordinating Commission shall provide the administrative and clerical support services necessary for the operation of the commission.

Subd. 5. **Duties.** The commission shall:

(1) work with community leaders, the legislature, and the executive branch to develop programs and proposals that will encourage ethnic identity, preserve ethnic heritage, and promote education of the public about the state's heritage and cultural history;

(2) make recommendations to the legislature and the governor intended to foster the understanding and appreciation of cultural diversity in the state;

(3) maintain association with ethnic, cultural, and minority groups to determine community needs;

(4) study and consider opportunities and issues for the immigrant community in this state, including:

(i) steps to eliminate underutilization of immigrants in the state's work force;

(ii) improving the efficient use of existing state programs and services; and

(iii) other appropriate steps to improve the economic and social condition of immigrants in this state.

By December 1, 2008, the commission shall report to the chairs of the legislative committees and divisions with jurisdiction over issues affecting ethnic heritage and immigrants. The report must include a discussion of the items listed in this subdivision together with recommendations for state agencies and the legislature, including any proposed legislation necessary to accomplish the recommendations. The executive director of the Legislative Coordinating Commission shall ensure that copies of the report are available on the Legislative Coordinating Commission's Web site.

Subd. 6. **Expiration.** This section expires on June 30, 2009.

Sec. 2. Minnesota Statutes 2006, section 4.035, subdivision 3, is amended to read:

Subd. 3. **Expiration date.** Unless an earlier date is specified by statute or by executive order, an executive order shall expire 90 days after the date that the governor who issued the order ~~vacates~~ leaves office.

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

Sec. 3. **[4.60] POET LAUREATE.**

(a) The position of poet laureate of the state of Minnesota is established. The Minnesota Humanities Commission must solicit nominations for the poet laureate appointment and must make recommendations to the governor. After receiving recommendations from the Minnesota Humanities Commission, the governor shall appoint a state poet laureate and conduct appropriate ceremonies to honor the person appointed. The person appointed as poet laureate continues to serve in this position until the governor appoints another person.

(b) State agencies and officers are encouraged to use the services of the poet laureate for appropriate ceremonies and celebrations.

Sec. 4. Minnesota Statutes 2006, section 5.12, subdivision 1, is amended to read:

Subdivision 1. **Fees.** The secretary of state shall charge a fee of \$5 for each certificate or certification of a copy of any document filed in the Office of the Secretary of State. The secretary of state shall charge a fee of \$3 for a copy of an original filing of a corporation, limited partnership, assumed name, or trade or service mark, ~~or for the complete record of a certificate of assumed name.~~ The secretary of state shall charge a fee of \$3 for a copy of any or all subsequent filings of a corporation, limited partnership, assumed name, or trade or service mark. The secretary of state shall charge a fee of \$1 per page for copies of other nonuniform commercial code documents filed with the secretary of state. At the time of filing, the secretary of state may provide at the public counter, without charge, a copy of a filing, ten or fewer pages in length, to the person making the filing.

Sec. 5. **[5.32] TEMPORARY TECHNOLOGY SURCHARGE.**

Subdivision 1. **Surcharge.** For fiscal years 2008 and 2009, the following technology surcharges are imposed on the filing fees required under the following statutes:

(1) \$25 for articles of incorporation filed under section 302A.151;

(2) \$25 for articles of organization filed under section 322B.17;

(3) \$25 for applications for certificates of authority to transact business in Minnesota filed under section 303.06;

(4) \$20 for annual reports filed by non-Minnesota corporations under section 303.14; and

(5) \$50 for reinstatements to authority to transact business in Minnesota filed under section 303.19.

Subd. 2. **Deposit.** The surcharges listed in subdivision 1 shall be deposited into the uniform commercial code account.

Subd. 3. **Expiration.** This section expires June 30, 2009.

Sec. 6. [8.37] ASSISTANCE TO VETERANS.

The attorney general may advise and assist veterans and their families as to services available from public and private agencies. For purposes of this section, "veteran" means any veteran or active member of the United States armed services, including the National Guard and Reserves.

Sec. 7. [11A.27] REPORT ON INVESTMENT CONSULTANT ACTIVITIES AND DELIVERABLES.

(a) Annually, on or before November 1, the State Board of Investment shall file a report with the Legislative Reference Library on the activities and work product during that year of any investment consultants retained by the board.

(b) The report must include the following items:

(1) the total contract fee paid to each investment consultant;

(2) a listing of the projects in which the investment consultant was involved; and

(3) examples of the written work product provided by the investment consultant on those projects during the report coverage period.

EFFECTIVE DATE. This section is effective June 30, 2007.

Sec. 8. [12.62] MINNESOTA COMMISSION ON TERRORISM AND DISASTER PREPAREDNESS.

Subdivision 1. **Creation; duties.** The Commission on Terrorism and Disaster Preparedness is established in the legislative branch to:

(1) advise the legislature on issues related to homeland security, emergency management, man-made and natural disasters, terrorism, bioterrorism, public health emergencies, and vulnerabilities in the public and private infrastructures;

(2) oversee the disaster preparation activities of the Department of Health, Department of Public Safety, and any other state agency, office, commission, or board that is within the commission's purview, and make recommendations to these organizations of changes or additions to the organizations' disaster preparedness and risk reduction work plans that the commission deems advisable; and

(3) make policy and finance recommendations to improve the state's public and private capacity to prevent, respond to, and recover from man-made and natural threats to the state.

Subd. 2. **Membership.** (a) The commission consists of:

(1) three members of the house of representatives, one of whom must be a member of the minority party, to be appointed by the speaker of the house of representatives;

(2) three members of the senate, one of whom must be a member of the minority party, to be appointed by the senate majority leader;

(3) the commissioner of public safety, or a designee, as a nonvoting member;

(4) the commissioner of health, or a designee, as a nonvoting member;

(5) the attorney general, or a designee, as a nonvoting member;

(6) two public members with relevant expertise, selected by the speaker of the house of representatives;

(7) two public members with relevant expertise, selected by the senate majority leader;

(8) two public members, selected by the speaker of the house of representatives; and

(9) two public members, selected by the senate majority leader.

(b) Voting members serve for a term ending December 31 of each even-numbered year, but continue to serve until their successors are appointed. Members serve at the pleasure of the appointing authority and may be reappointed. The appointing authority shall fill vacancies.

(c) One member, elected by a majority of members, shall serve as the commission chair. The commission chair should have relevant subject matter education, training, and experience. The commission is authorized to elect a vice-chair and other officers as it deems necessary. The commission shall determine the duties of each officer.

(d) The commission chair shall convene meetings of the commission on a regular basis.

Subd. 3. **Compensation.** Compensation of legislative members is as provided in section 3.101. Compensation of the remaining members is as provided in section 15.0575.

Subd. 4. **Staff.** The commission may appoint and fix the compensation of such additional legal and other personnel and consultants or contract for services to supply necessary data as may be necessary to enable the commission to carry out its functions.

Subd. 5. **Data from state agencies; availability.** The commission may request information from any state officer or agency or political subdivision of the state in order to assist the commission in carrying out its duties and the state officer, agency, or subdivision must promptly furnish any data required, subject to applicable requirements or restrictions imposed by chapter 13 and section 15.17.

Subd. 6. **Report.** By January 15 of each year, the commission must submit a report that contains the commission's policy and appropriation recommendations to the legislature, the commissioner of health, and the commissioner of public safety.

Subd. 7. **First meeting and appointments.** The first appointments required under this section must be completed by September 1, 2007. The commissioner of public safety, or a designee, shall convene the first meeting of the commission within 30 days following the completion of appointments required by this subdivision.

Subd. 8. **Repeal.** This section is repealed June 30, 2011.

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

Sec. 9. **[13.595] GRANTS.**

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

(a) "Completion of the evaluation process" means that the granting agency has completed negotiating the grant agreement with the selected grantee.

(b) "Grant agreement" has the meaning given in section 16B.97, subdivision 1.

(c) "Grantee" means a person that applies for or receives a grant.

(d) "Granting agency" means the state government entity that provides the grant.

(e) "Opened" means the act that occurs once the deadline for submitting a response to a proposal to the granting agency has been reached.

(f) "Request for proposal" means the data outlining the responsibilities the granting agency wants the grantee to assume.

(g) "Response" means the data submitted by a grantee as required by a request for proposal.

Subd. 2. **Request for applications.** Data created by a granting agency to create a request for proposal is classified as nonpublic until the request for proposal is published. To the extent that a granting agency involves persons outside the granting agency to create the request for proposal, the data remain nonpublic in the hands of all persons who may not further disseminate any data that are created or reviewed as part of the request for proposal development. At publication, the data in the request for proposal is public.

Subd. 3. **Responses to request for proposals.** (a) Responses submitted by a grantee are private or nonpublic until the responses are opened. Once the responses are opened, the name and address of the grantee and the amount requested is public. All other data in a response is private or nonpublic data until completion of the evaluation process. After a granting agency has completed the evaluation process, all remaining data in the responses is public with the exception of trade secret data as defined and classified in section 13.37. A statement by a grantee that the response is copyrighted or otherwise protected does not prevent public access to the response.

(b) If all responses are rejected prior to completion of the evaluation process, all data, other than that made public at the opening, remain private or nonpublic until a resolicitation of proposals results in completion of the evaluation process or a determination is made to abandon the grant. If the rejection occurs after the completion of the evaluation process, the data remain public. If a resolicitation of proposals does not occur within one year of the grant opening date, the remaining data become public.

Subd. 4. **Evaluation data.** (a) Data created or maintained by a granting agency as part of the evaluation process referred to in this section are protected nonpublic data until completion of the evaluation process at which time the data are public with the exception of trade secret data as defined and classified in section 13.37.

(b) If a granting agency asks individuals outside the granting agency to assist with the evaluation of the responses, the granting agency may share not public data in the responses with those individuals. The individuals participating in the evaluation may not further disseminate the not public data they review.

Sec. 10. Minnesota Statutes 2006, section 15.06, subdivision 2, is amended to read:

Subd. 2. **Term of office; successor.** The term of a commissioner shall end with the term of the office of governor. ~~If the appointing authority is the governor~~ In addition, the term shall end ~~on the date the governor who appointed the commissioner~~ if the governor vacates office. The appointing authority shall submit to the president of the senate the name of an appointee as permanent commissioner as provided by section 15.066, subdivision 2, within 45 legislative days after the end of the term of a commissioner and within 45 legislative days after the occurrence of a vacancy. The appointee shall take office as permanent commissioner when the senate notifies the appointing authority that it has consented to the appointment. A commissioner shall serve at the pleasure of the appointing authority.

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

Sec. 11. Minnesota Statutes 2006, section 15B.17, subdivision 1, is amended to read:

Subdivision 1. **Proposals.** (a) Before a state agency or other public body develops, ~~to submit to the legislature and the governor,~~ a budget proposal or plans for capital improvements within the Capitol Area to submit to the legislature and the governor, it must consult with the board.

(b) The public body must provide enough money for the board's review and planning if the board decides its review and planning services are necessary. Money received by the board under this subdivision is deposited in the special revenue fund and appropriated to the board.

Sec. 12. Minnesota Statutes 2006, section 16A.102, subdivision 4, is amended to read:

Subd. 4. **Reporting information.** ~~When updated information is available~~ At the time of a state revenue and expenditure forecast as specified in section 16A.103, subdivision 1, and after the completion of a legislative session, the Department of Finance must report on revenue relative to personal income ~~as specified in subdivision 4.~~ The information must specify (1) the share of personal income to be collected in taxes and other revenues to pay for state and local government services and (2) the division of that revenue between state and local government revenues.

Sec. 13. Minnesota Statutes 2006, section 16A.103, subdivision 1e, is amended to read:

Subd. 1e. **Economic information.** The commissioner must review economic information including economic forecasts with legislative fiscal staff no later than two weeks before the forecast is released. The commissioner must invite the chairs and lead minority members of the senate ~~State Government~~ Finance Committee and the house Ways and Means Committee, and legislative fiscal staff to attend any meetings held with outside economic advisors. The commissioner must provide legislative fiscal staff with monthly economic forecast information received from outside sources.

Sec. 14. **[16A.117] CONTINUING APPROPRIATIONS.**

If a major appropriation bill to fund a given state agency for the next biennium has not been passed in the same form by the house of representatives and senate and been presented to the governor before July 1 of an odd-numbered year, amounts sufficient to continue operation of that agency and the programs administered by that agency through July 31 of the fiscal year beginning in the same calendar year at the base level for that fiscal year, as determined according to section 16A.11, subdivision 3, and previous appropriation acts, are appropriated to the agency from the appropriate funds and accounts in the state treasury. The base level for an appropriation that was designated as onetime or was onetime in nature is zero. Determination of the amount appropriated may be made on a proration of the annual amount or another reasonable basis as determined by the commissioner of finance.

Sec. 15. Minnesota Statutes 2006, section 16A.1286, subdivision 2, is amended to read:

Subd. 2. **Billing procedures.** The commissioner may bill up to \$7,520,000 in each fiscal year for statewide systems services provided to state agencies, judicial branch agencies, the University of Minnesota, the Minnesota State Colleges and Universities, and other entities. ~~Billing must be based only on usage of services relating to statewide systems provided by the Intertechnologies Division.~~ Each agency shall transfer from agency operating appropriations to the statewide systems account the amount billed by the commissioner. Billing policies and procedures related to statewide systems services must be developed by the commissioner in consultation with the commissioners of employee relations and administration, the University of Minnesota, and the Minnesota State Colleges and Universities.

Sec. 16. Minnesota Statutes 2006, section 16A.695, subdivision 2, is amended to read:

Subd. 2. **Leases and management contracts.** (a) A public officer or agency that is authorized by law to lease or enter into a management contract with respect to state bond financed property shall comply with this subdivision. A reference to a lease or management contract in this subdivision includes any amendments, modifications, or alterations to the referenced lease or management contract and refers to the lease wherein the public officer or agency is the lessor of the state bond financed property and the other contracting party is the lessee.

(b) The lease or management contract may be entered into for the express purpose of carrying out a governmental program established or authorized by law and established by official action of the contracting public officer or agency, in accordance with orders of the commissioner intended to ensure the legality and tax-exempt status of bonds issued to finance the property, and with the approval of the commissioner. A lease or management contract, ~~including any renewals that are solely at the option of the lessee,~~ must be for a term substantially less than the useful life of the property, but may allow renewal beyond that term upon a determination by the lessor that the lessee has demonstrated that the use continues to carry out the governmental program. If the lessor and lessee do not renew the lease or management contract and if the lessee has contributed to the land and the capital improvements on the state bond financed property, the lessor may agree to reimburse the lessee for its investment in the land and capital improvements. The reimbursement may be paid, at the option of the lessor and lessee, at the time of nonrenewal without a requirement for a prior escrow of funds or at a later date and on additional terms agreed to by the lessor and the lessee. A lease or management contract must be terminable by the contracting public officer or agency if the other contracting party defaults under the contract or if the governmental program is terminated or changed, and must provide for program oversight by the contracting public officer or agency. The expiration or termination of a lease or management agreement does not require that the state bond proceeds be repaid or that the property be sold, so long as the property continues to be operated by, or on behalf of, the public officer or agency for the intended government program. Money received by the public officer or agency under the lease or management contract that is not needed to pay and not authorized to be used to pay operating costs of the property, or to pay the principal, interest, redemption premiums, and other expenses when due on debt related to the property other than state bonds, must be:

(1) paid to the commissioner in the same proportion as the state bond financing is to the total public debt financing for the property, excluding debt issued by a unit of government for which it has no financial liability;

(2) deposited in the state bond fund; and

(3) used to pay or redeem or defease bonds issued to finance the property in accordance with the commissioner's order authorizing their issuance.

The money paid to the commissioner is appropriated for this purpose.

(c) With the approval of the commissioner, a lease or management contract between a city and a nonprofit corporation under section 471.191, subdivision 1, need not require the lessee to pay rentals sufficient to pay the principal, interest, redemption premiums, and other expenses when due with respect to state bonds issued to acquire and better the facilities.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2006, and applies to leases, grant agreements, or management agreements entered into on or after that date.

Sec. 17. Minnesota Statutes 2006, section 16A.695, subdivision 3, is amended to read:

Subd. 3. **Sale of property.** A public officer or agency shall not sell any state bond financed property unless the public officer or agency determines by official action that the property is no longer usable or needed by the public officer or agency to carry out the governmental program for which it was acquired or constructed, the sale is made as authorized by law, the sale is made for fair market value, and the sale is approved by the commissioner. If any state bonds issued to purchase or better the state bond financed property that is sold remain outstanding on the date of sale, the net proceeds of sale must be applied as follows:

(1) if the state bond financed property was acquired and bettered solely with state bond proceeds, the net proceeds of sale must be paid to the commissioner; ~~and deposited in the state bond fund, and used to pay or redeem or defease the outstanding state bonds in accordance with the commissioner's order authorizing their issuance, and the proceeds are appropriated for this purpose~~ treasury; or

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

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

EFFECTIVE DATE. This section is effective retroactively from January 1, 2006, and applies to leases, grant agreements, or management agreements entered into on or after that date.

Sec. 18. Minnesota Statutes 2006, section 16A.695, is amended by adding a subdivision to read:

Subd. 6. **Match requirements.** Recipients of grants from money appropriated from the bond proceeds fund may be required to demonstrate a commitment of money from nonstate sources. This matching money may be pledged payments that have been deposited into a segregated account or multiyear pledges that are converted into cash or cash equivalent through a loan or irrevocable letter of credit from a financial institution. The loan or irrevocable letter of credit may be secured by a lien on the state bond financed property.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2006, and applies to leases, grant agreements, or management agreements entered into on or after that date.

Sec. 19. Minnesota Statutes 2006, section 16A.695, is amended by adding a subdivision to read:

Subd. 7. **Ground lease for state bond financed property.** A public officer or agency, as lessee, may lease real property and improvements that are to be acquired or improved with state bond proceeds. The lease must be for a term equal to or longer than 125 percent of the useful life of the property. The expiration of the lease upon the end of its term does not require that the state be repaid or that the property be sold and upon the expiration the real property and improvements are no longer state bond financed property.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2006, and applies to leases, grant agreements, or management agreements entered into on or after that date.

Sec. 20. Minnesota Statutes 2006, section 16A.695, is amended by adding a subdivision to read:

Subd. 8. **General applicability.** (a) This section establishes requirements for the receipt and use of general obligation grants and the ownership and operation of state bond-financed property. General obligation grants may only be issued and used to finance the acquisition and betterment of public lands and buildings and other public improvements of a capital nature that are used to operate a governmental program, and for predesign and design activities for specifically identified projects that involve the operation of a governmental program or activity. A general obligation grant may not be used for general operating expenses, staffing, or general master planning. A public officer or agency that is the recipient of a general obligation grant must comply with this section in its use of the general obligation grant and operation, management, lease, and sale of state bond-financed property. A public officer or agency that uses the proceeds of a general obligation grant for any unauthorized purpose or in violation of this section must immediately repay the outstanding balance of the grant to the commissioner, and a failure to comply authorizes the commissioner to recover the outstanding balance as a setoff against any state aid provided to the public officer or agency.

(b) This section does not create any new authority regarding the ownership, construction, rehabilitation, use, operation, lease management, or sale of state bond-financed property, or the operation of the governmental program that will be operated on the property. Any authority that is needed to enter into a management contract or lease of property, to sell property, or to operate a governmental program or carry out any activity contained in the law that appropriates money for a general obligation grant must be provided by as contained in some other law.

EFFECTIVE DATE. This section is effective on and after July 1, 2007.

Sec. 21. Minnesota Statutes 2006, section 16A.695, is amended by adding a subdivision to read:

Subd. 9. **Grant agreement.** All general obligation grants must be evidenced by a grant agreement that specifies:

(1) how the general obligation grant will be used;

(2) the governmental program that will be operated on the state bond-financed property; and

(3) that the state bond-financed property must be operated in compliance with this section, all state and federal laws, and in a manner that will not cause the interest on the state general obligation bonds to be or become subject to federal income taxation for any reason. A grant agreement must comply with this section, the Minnesota Constitution, and all commissioner's orders, and also contain other provisions the commissioner of the agency making the grant deems appropriate. The commissioner shall draft and make available forms for grant agreements that satisfy the requirements of this subdivision.

EFFECTIVE DATE. This section is effective on and after July 1, 2007.

Sec. 22. Minnesota Statutes 2006, section 16B.055, subdivision 1, is amended to read:

Subdivision 1. ~~**Governor's Advisory Council on Technology for People with Disabilities**~~ **Federal Assistive Technology Act.** (a) The Department of Administration shall serve as the lead agency to assist the Minnesota Governor's Advisory Council on Technology for People with Disabilities in carrying out all responsibilities pursuant to United States Code, title 29, section 2211 et seq., and any other responsibilities related to that program is designated as the lead agency to carry out all the responsibilities under the Assistive Technology Act of 1998, as provided by Public Law 108-364, as amended. The Minnesota Assistive Technology Advisory Council is established to fulfill the responsibilities required by the Assistive Technology Act, as provided by Public Law 108-364, as amended. Because the existence of this council is required by federal law, this council does not expire and the expiration date provided in section 15.059, subdivision 5, does not apply.

(b) The governor shall appoint the membership of the council as required by the Assistive Technology Act of 1998, as provided by Public Law 108-364, as amended. After the governor has completed the appointments required by this subdivision, the commissioner of administration, or the commissioner's designee, shall convene the first meeting of the council following the appointments. Members shall serve two-year terms commencing July 1 of each odd-numbered year, and receive the compensation specified by the Assistive Technology Act of 1998, as provided by Public Law 108-364, as amended. The members of the council shall select their chair at the first meeting following their appointment.

Sec. 23. Minnesota Statutes 2006, section 16B.24, subdivision 5, is amended to read:

Subd. 5. **Renting out state property.** (a) **Authority.** The commissioner may rent out state property, real or personal, that is not needed for public use, if the rental is not otherwise provided for or prohibited by law. The property may not be rented out for more than five years at a time without the approval of the State Executive Council and may never be rented out for more than 25 years. A rental agreement may provide that the state will reimburse a tenant for a portion of capital improvements that the tenant makes to state real property if the state does not permit the tenant to renew the lease at the end of the rental agreement.

(b) **Restrictions.** Paragraph (a) does not apply to state trust fund lands, other state lands under the jurisdiction of the Department of Natural Resources, lands forfeited for delinquent taxes, lands acquired under section 298.22, or lands acquired under section 41.56 which are under the jurisdiction of the Department of Agriculture.

(c) **Rental of living accommodations.** The commissioner shall establish rental rates for all living accommodations provided by the state for its employees. Money collected as rent by state agencies pursuant to this paragraph must be deposited in the state treasury and credited to the general fund.

(d) **Lease of space in certain state buildings to state agencies.** The commissioner may lease portions of the state-owned buildings ~~in the Capitol complex, the Capitol Square Building, the Health Building, and the building at 1246 University Avenue, St. Paul, Minnesota,~~ under the custodial control of the commissioner to state agencies and the court administrator on behalf of the judicial branch of state government and charge rent on the basis of space occupied. Notwithstanding any law to the contrary, all money collected as rent pursuant to the terms of this section shall be deposited in the state treasury. Money collected as rent to recover the bond interest costs of a building funded from the state bond proceeds fund shall be credited to the general fund. Money collected as rent to recover the depreciation costs of a building funded from the state bond proceeds fund and money collected as rent to recover capital expenditures from capital asset preservation and replacement appropriations and statewide building access appropriations shall be credited to a segregated asset preservation and replacement account in a special revenue fund. Fifty percent of the money credited to the account each fiscal year must be transferred to the general fund. The remaining money in the account is appropriated to the commissioner to be expended for asset preservation projects as determined by the commissioner. Money collected as rent to recover the depreciation and interest costs of a building built with other state dedicated funds shall be credited to the dedicated fund which funded the original acquisition or construction. All other money received shall be credited to the general services revolving fund.

(e) **Lease of space in Andersen and Freeman buildings.** The commissioner may lease space in the Elmer L. Andersen and Orville L. Freeman buildings to state agencies and charge rent on the basis of space occupied. Money collected as rent under this paragraph to fund future building repairs must be credited to a segregated account for each building in the special revenue fund and is appropriated to the commissioner to make the repairs. When the state acquires title to each building, the account for that building must be abolished and any balance remaining in the account must be transferred to the appropriate asset preservation and replacement account created under paragraph (d).

Sec. 24. Minnesota Statutes 2006, section 16B.35, subdivision 1, is amended to read:

Subdivision 1. **Percent of appropriations for art.** An appropriation for the construction or alteration of any state building may contain an amount not to exceed ~~the lesser of \$100,000 or~~ one percent of the total appropriation for the building for the acquisition of works of art, excluding landscaping, which may be an integral part of the building or its grounds, attached to the building or grounds or capable of being displayed in other state buildings. ~~If the appropriation for works of art is limited by the \$100,000 cap in this section, the appropriation for the construction or alteration of the building must be reduced to reflect the reduced amount that will be spent on works of art.~~ Money used for this purpose is available only for the acquisition of works of art to be exhibited in areas of a building or its grounds accessible, on a regular basis, to members of the public. No more than ten percent of the total amount available each fiscal year under this subdivision may be used for administrative expenses, either by the commissioner of administration or by any other entity to whom the commissioner delegates administrative authority. For the purposes of this section "state building" means a building the construction or alteration of which is paid for wholly or in part by the state.

EFFECTIVE DATE. This section is effective July 1, 2007. The repeal of the \$100,000 limit in this section applies to appropriations made before, on, or after that date.

Sec. 25. **[16B.97] GRANTS MANAGEMENT.**

Subdivision 1. **Grant agreement.** (a) A grant agreement is a written instrument or electronic document defining a legal relationship between a granting agency and a grantee when the principal purpose of the relationship is to transfer cash or something of value to the recipient to support a public purpose authorized by law instead of acquiring by professional or technical contract, purchase, lease, or barter property or services for the direct benefit or use of the granting agency.

(b) This section does not apply to capital project grants to political subdivisions as defined by section 16A.86.

Subd. 2. **Grants governance.** The commissioner shall provide leadership and direction for policy related to grants management in Minnesota in order to foster more consistent, streamlined interaction between executive agencies, funders, and grantees that will enhance access to grant opportunities and information and lead to greater program accountability and transparency. The commissioner has the duties and powers stated in this section. An executive agency must do what the commissioner requires under this section.

Subd. 3. **Discretionary powers.** The commissioner has the authority to:

(1) review grants management practices and propose policy and procedure improvements to the governor, legislature, executive agencies, and the federal government;

(2) sponsor, support, and facilitate innovative and collaborative grants management projects with public and private organizations;

(3) review, recommend, and implement alternative strategies for grants management;

(4) collect and disseminate information, issue reports relating to grants management, and sponsor and conduct conferences and studies; and

(5) participate in conferences and other appropriate activities related to grants management issues.

Subd. 4. **Duties.** (a) The commissioner shall:

(1) create general grants management policies and procedures that are applicable to all executive agencies. The commissioner may approve exceptions to these policies and procedures for particular grant programs. Exceptions shall expire or be renewed after five years. Executive agencies shall retain management of individual grants programs;

(2) provide a central point of contact concerning statewide grants management policies and procedures;

(3) serve as a resource to executive agencies in such areas as training, evaluation, collaboration, and best practices in grants management;

(4) ensure grants management needs are considered in the development, upgrade, and use of statewide administrative systems and leverage existing technology wherever possible;

(5) oversee and approve future professional and technical service contracts and other information technology spending related to executive agency grants management activities;

(6) provide a central point of contact for comments about executive agencies violating statewide grants governance policies and about fraud and waste in grants processes;

(7) forward received comments to the appropriate agency for further action, and may follow up as necessary;

(8) provide a single listing of all available executive agency competitive grant opportunities and resulting grant recipients;

(9) selectively review development and implementation of executive agency grants, policies, and practices; and

(10) selectively review executive agency compliance with best practices.

(b) The commissioner may determine that it is cost-effective for agencies to develop and use shared grants management technology systems. This system would be governed under section 16E.01, subdivision 3, paragraph (b).

Sec. 26. **[16B.98] GRANTS MANAGEMENT PROCESS.**

Subdivision 1. **Limitation.** As a condition of receiving a grant from an appropriation of state funds, the recipient of the grant must agree to minimize administrative costs. The granting agency is responsible for negotiating appropriate limits to these costs so that the state derives the optimum benefit for grant funding.

Subd. 2. **Ethical practices and conflict of interest.** An employee of the executive branch involved directly or indirectly in grants processes, at any level, is subject to the code of ethics in section 43A.38.

Subd. 3. **Conflict of interest.** (a) The commissioner must develop policies regarding code of ethics and conflict of interest designed to prevent conflicts of interest for employees, committee members, or others involved in the recommendation, awarding, and administration of grants. The policies must apply to employees who are directly or indirectly in the grants process, which may include the following:

(1) developing request for proposals or evaluation criteria;

(2) drafting, recommending, awarding, amending, revising, or entering into grant agreements;

(3) evaluating or monitoring performance; or

(4) authorizing payments.

(b) The policies must include:

(1) a process to make all parties to the grant aware of policies and laws relating to conflict of interest, and training on how to avoid and address potential conflicts; and

(2) a process under which those who have a conflict of interest or a potential conflict of interest must disclose the matter.

(c) If the employee, appointing authority, or commissioner determines that a conflict of interest exists, the matter shall be assigned to another employee who does not have a conflict of interest. If it is not possible to assign the matter to an employee who does not have a conflict of interest, interested personnel shall be notified of the conflict and the employee may proceed with the assignment.

Subd. 4. **Reporting of violations.** A state employee who discovers evidence of violation of laws or rules governing grants is encouraged to report the violation or suspected violation to the employee's supervisor, the commissioner or the commissioner's designee, or the legislative auditor. The legislative auditor shall report to the Legislative Audit Commission if there are multiple complaints about the same agency. The auditor's report to the Legislative Audit Commission under this section must disclose only the number and type of violations alleged. An employee making a good faith report under this section has the protections provided for under section 181.932, prohibiting the employer from discriminating against the employee.

Subd. 5. **Creation and validity of grant agreements.** (a) A grant agreement is not valid and the state is not bound by the grant unless:

(1) the grant has been executed by the head of the agency or a delegate who is party to the grant; and

(2) the accounting system shows an encumbrance for the amount of the grant in accordance with policy approved by the commissioner.

(b) The combined grant agreement and amendments must not exceed five years without specific, written approval by the commissioner according to established policy, procedures, and standards, or unless the commissioner determines that a longer duration is in the best interest of the state.

(c) A fully executed copy of the grant agreement with all amendments and other required records relating to the grant must be kept on file at the granting agency for a time equal to that required of grantees in subdivision 8.

(d) Grant agreements must comply with policies established by the commissioner for minimum grant agreement standards and practices.

(e) The attorney general may periodically review and evaluate a sample of state agency grants to ensure compliance with applicable laws.

Subd. 6. **Grant administration.** A granting agency shall diligently administer and monitor any grant it has entered into.

Subd. 7. **Grant payments.** Payments to the grantee may not be issued until the grant agreement is fully executed.

Subd. 8. **Audit.** (a) A grant agreement made by an executive agency must include an audit clause that provides that the books, records, documents, and accounting procedures and practices of the grantee or other party that are relevant to the grant or transaction are subject to examination by the granting agency and either the legislative auditor or the state auditor, as appropriate, for a minimum of six years from the grant agreement end date, receipt and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later. If a grant agreement does not include an express audit clause, the audit authority under this subdivision is implied.

(b) If the granting agency is a local unit of government, and the governing body of the local unit of government requests that the state auditor examine the books, records, documents, and accounting procedures and practices of the grantee or other party according to this subdivision, the granting agency shall be liable for the cost of the examination. If the granting agency is a local unit of government, and the grantee or other party requests that the state auditor examine all books, records, documents, and accounting procedures and practices related to the grant, the grantee or other party that requested the examination shall be liable for the cost of the examination.

Subd. 9. **Authority of attorney general.** The attorney general may pursue remedies available by law to avoid the obligation of an agency to pay under a grant or to recover payments made if activities under the grant are so unsatisfactory, incomplete, or inconsistent that payment would involve unjust enrichment. The contrary opinion of the granting agency does not affect the power of the attorney general under this subdivision.

Subd. 10. **Grants with Indian tribes and bands.** Notwithstanding any other law, an agency may not require an Indian tribe or band to deny its sovereignty as a requirement or condition of a grant with an agency.

Sec. 27. Minnesota Statutes 2006, section 16C.02, is amended by adding a subdivision to read:

Subd. 3a. **Best and final offer.** "Best and final offer" means an optional step in the solicitation process in which responders are requested to improve their response by methods including, but not limited to, the reduction of cost, clarification or modification of the response, or the provision of additional information.

Sec. 28. Minnesota Statutes 2006, section 16C.02, subdivision 4, is amended to read:

Subd. 4. **Best value.** "Best value" describes a result intended in the acquisition of all goods and services. Price must be one of the evaluation criteria when acquiring goods and services. Other evaluation criteria may include, but are not limited to, environmental considerations, quality, and vendor performance. In achieving "best value" strategic sourcing tools, including but not limited to best and final offers, negotiations, contract consolidation, product standardization, and mandatory-use enterprise contracts shall be used at the commissioner's discretion.

Sec. 29. Minnesota Statutes 2006, section 16C.02, is amended by adding a subdivision to read:

Subd. 6a. **Enterprise procurement.** "Enterprise procurement" means the process undertaken by the commissioner to leverage economies of scale of multiple end users to achieve cost savings and other favorable terms in contracts for goods and services.

Sec. 30. Minnesota Statutes 2006, section 16C.02, subdivision 12, is amended to read:

Subd. 12. **Request for proposal or RFP.** "Request for proposal" or "RFP" means a solicitation in which it is not advantageous to set forth all the actual, detailed requirements at the time of solicitation and responses are ~~subject to negotiation~~ negotiated to achieve best value for the state.

Sec. 31. Minnesota Statutes 2006, section 16C.02, subdivision 14, is amended to read:

Subd. 14. **Response.** "Response" means the offer received from a vendor in response to a solicitation. A response includes submissions commonly referred to as "offers," "bids," "quotes," ~~or~~ "proposals," "best and final offers," or "negotiated offers."

Sec. 32. Minnesota Statutes 2006, section 16C.02, is amended by adding a subdivision to read:

Subd. 20. **Strategic sourcing.** "Strategic sourcing" means methods used to analyze and reduce spending on goods and services, including but not limited to spend analysis, product standardization, contract consolidation, negotiations, multiple jurisdiction purchasing alliances, reverse and forward auctions, life-cycle costing, and other techniques.

Sec. 33. Minnesota Statutes 2006, section 16C.03, subdivision 2, is amended to read:

Subd. 2. **Rulemaking authority.** Subject to chapter 14, the commissioner may adopt rules, consistent with this chapter and chapter 16B, relating to the following topics:

(1) procurement process including solicitations and responses to solicitations, bid security, vendor errors, opening of responses, award of contracts, tied bids, and award protest process;

(2) contract performance and failure to perform;

(3) authority to debar or suspend vendors, and reinstatement of vendors;

(4) contract cancellation;

(5) procurement from rehabilitation facilities; and

(6) organizational conflicts of interest.

Sec. 34. Minnesota Statutes 2006, section 16C.03, subdivision 4, is amended to read:

Subd. 4. **Contracting authority.** The commissioner shall conduct all contracting by, for, and between agencies and perform all contract management and review functions for contracts, except those functions specifically delegated to be performed by the contracting agency, the attorney general, or otherwise provided for by law. The commissioner may require that agency staff participate in the development of enterprise procurements including the development of product standards, specifications and other requirements.

Sec. 35. Minnesota Statutes 2006, section 16C.03, subdivision 8, is amended to read:

Subd. 8. **Policy and procedures.** The commissioner is authorized to issue policies, procedures, and standards applicable to all acquisition activities by and for agencies. Consistent with the authority specified in this chapter, the commissioner shall develop and implement policies, procedures, and standards ensuring the optimal use of strategic sourcing techniques.

Sec. 36. Minnesota Statutes 2006, section 16C.03, subdivision 16, is amended to read:

Subd. 16. **Delegation of duties.** The commissioner may delegate duties imposed by this chapter to the head of an agency and to any subordinate of the agency head. Delegated duties shall be exercised in the name of the commissioner and under the commissioner's direct supervision and control. A delegation of duties may include, but is not limited to, allowing individuals within agencies to acquire goods, services, and utilities within dollar limitations and for designated types of acquisitions. Delegation of contract management and review functions must be filed with the secretary of state and may not, except with respect to delegations within the Department of Administration, exceed two years in duration. The commissioner may withdraw any delegation at the commissioner's sole discretion. The commissioner may require an agency head or subordinate to accept delegated responsibility to procure goods or services intended for the exclusive use of the agency receiving the delegation.

Sec. 37. **[16C.046] WEB SITE WITH SEARCHABLE DATABASE ON STATE CONTRACTS AND GRANTS.**

(a) The commissioner of administration must maintain a Web site with a searchable database providing the public with information on state contracts, including grant contracts. The database must include the following information for each state contract valued in excess of \$25,000:

(1) the name and address of the entity receiving the contract;

(2) the name of the agency entering into the contract;

(3) whether the contract is:

(i) for goods;

(ii) for professional or technical services;

(iii) for services other than professional and technical services; or

(iv) a grant;

(4) a brief statement of the purpose of the contract or grant;

(5) the amount of the contract or grant and the fund from which this amount will be paid; and

(6) the dollar value of state contracts, other than grants, the entity has received in each fiscal year and the dollar value of state grants the entity has received in each fiscal year.

(b) Required information on a new contract or grant must be entered into the database within 30 days of the time the contract is entered into.

(c) For purposes of this section, a "grant" is a contract between a state agency and a recipient, the primary purpose of which is to transfer cash or a thing of value to the recipient to support a public purpose. Grant does not include payments to units of local government, payments to state employees, or payments made under laws providing for assistance to individuals.

(d) The database must include information on grants and contracts entered into beginning with fiscal year 2008 funds, and must retain that data for ten years.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 38. Minnesota Statutes 2006, section 16C.05, subdivision 1, is amended to read:

Subdivision 1. **Agency cooperation.** Agencies shall fully cooperate with the commissioner in the management and review of state contracts and in the development and implementation of strategic sourcing techniques.

Sec. 39. Minnesota Statutes 2006, section 16C.05, subdivision 2, is amended to read:

Subd. 2. **Creation and validity of contracts.** (a) A contract is not valid and the state is not bound by it and no agency, without the prior written approval of the commissioner granted pursuant to subdivision 2a, may authorize work to begin on it unless:

(1) it has first been executed by the head of the agency or a delegate who is a party to the contract;

(2) it has been approved by the commissioner; and

(3) the accounting system shows an encumbrance for the amount of the contract liability, except as allowed by policy approved by the commissioner and commissioner of finance for routine, low-dollar procurements.

(b) The combined contract and amendments must not exceed five years without specific, written approval by the commissioner according to established policy, procedures, and standards, or unless otherwise provided for by law. The term of the original contract must not exceed two years unless the commissioner determines that a longer duration is in the best interest of the state.

(c) Grants, interagency agreements, purchase orders, work orders, and annual plans need not, in the discretion of the commissioner and attorney general, require the signature of the commissioner and/or the attorney general. A signature is not required for work orders and amendments to work orders related to Department of Transportation contracts. Bond purchase agreements by the Minnesota Public Facilities Authority do not require the approval of the commissioner.

(d) Amendments to contracts must entail tasks that are substantially similar to those in the original contract or involve tasks that are so closely related to the original contract that it would be impracticable for a different contractor to perform the work. The commissioner or an agency official to whom the commissioner has delegated contracting authority under section 16C.03, subdivision 16, must determine that an amendment would serve the interest of the state better than a new contract and would cost no more.

(e) A fully executed copy of every contract, amendments to the contract, and performance evaluations relating to the contract must be kept on file at the contracting agency for a time equal to that specified for contract vendors and other parties in subdivision 5.

(f) The attorney general must periodically review and evaluate a sample of state agency contracts to ensure compliance with laws.

Sec. 40. Minnesota Statutes 2006, section 16C.08, is amended by adding a subdivision to read:

Subd. 1a. **Enterprise procurement.** Notwithstanding section 15.061 or any other law, the commissioner shall, to the fullest extent practicable, conduct enterprise procurements that result in the establishment of professional or technical contracts for use by multiple state agencies. The commissioner is authorized to mandate use of any contract entered into as a result of an enterprise procurement process. Agencies shall fully cooperate in the development and use of contracts entered into under this section.

Sec. 41. Minnesota Statutes 2006, section 16C.08, subdivision 2, is amended to read:

Subd. 2. **Duties of contracting agency.** (a) Before an agency may seek approval of a professional or technical services contract valued in excess of \$5,000, it must provide the following:

(1) a description of how the proposed contract or amendment is necessary and reasonable to advance the statutory mission of the agency;

(2) a description of the agency's plan to notify firms or individuals who may be available to perform the services called for in the solicitation; ~~and~~

(3) a description of the performance measures or other tools that will be used to monitor and evaluate contract performance; and

(4) an explanation detailing, if applicable, why this procurement is being pursued unilaterally by the agency and not as an enterprise procurement.

(b) In addition to paragraph (a), the agency must certify that:

(1) no current state employee is able and available to perform the services called for by the contract;

(2) the normal competitive bidding mechanisms will not provide for adequate performance of the services;

(3) reasonable efforts will be made to publicize the availability of the contract to the public;

(4) the agency will develop and implement a written plan providing for the assignment of specific agency personnel to manage the contract, including a monitoring and liaison function, the periodic review of interim reports or other indications of past performance, and the ultimate utilization of the final product of the services;

(5) the agency will not allow the contractor to begin work before the contract is fully executed unless an exception under section 16C.05, subdivision 2a, has been granted by the commissioner and funds are fully encumbered;

(6) the contract will not establish an employment relationship between the state or the agency and any persons performing under the contract; ~~and~~

(7) in the event the results of the contract work will be carried out or continued by state employees upon completion of the contract, the contractor is required to include state employees in development and training, to the extent necessary to ensure that after completion of the contract, state employees can perform any ongoing work related to the same function; and

(8) the agency will not contract out its previously eliminated jobs for four years without first considering the same former employees who are on the seniority unit layoff list who meet the minimum qualifications determined by the agency.

(c) A contract establishes an employment relationship for purposes of paragraph (b), clause (6), if, under federal laws governing the distinction between an employee and an independent contractor, a person would be considered an employee.

Sec. 42. Minnesota Statutes 2006, section 16C.08, subdivision 4, is amended to read:

Subd. 4. **Reports.** (a) The commissioner shall submit to the governor, the chairs of the house Ways and Means and senate Finance Committees, and the Legislative Reference Library a yearly listing of all contracts for professional or technical services executed. The report must identify the contractor, contract amount, duration, and services to be provided. The commissioner shall also issue yearly reports summarizing the contract review activities of the department by fiscal year.

(b) The fiscal year report must be submitted by September 1 of each year and must:

(1) be sorted by agency and by contractor;

(2) show the aggregate value of contracts issued by each agency and issued to each contractor;

(3) distinguish between contracts that are being issued for the first time and contracts that are being extended;

(4) state the termination date of each contract;

(5) identify services by commodity code, including topics such as contracts for training, contracts for research and opinions, and contracts for computer systems; and

(6) identify which contracts were awarded without following the solicitation process in this chapter because it was determined that there was only a single source for the services.

(c) Within 30 days of final completion of a contract over \$50,000 covered by this subdivision, the head of the agency entering into the contract must submit a one-page report to the commissioner who must submit a copy to the Legislative Reference Library. The report must:

(1) summarize the purpose of the contract, including why it was necessary to enter into a contract;

(2) state the amount spent on the contract;

~~(3) be accompanied by the performance evaluation prepared according to subdivision 4a; and~~

~~(4) (3) if the contract was awarded without following the solicitation process in this chapter because it was determined that there was only a single source for the services, explain why the agency determined there was only a single source for the services; and~~

(4) include a written performance evaluation of the work done under the contract. The evaluation must include an appraisal of the contractor's timeliness, quality, cost, and overall performance in meeting the terms and objectives of the contract. Contractors may request copies of evaluations prepared under this subdivision and may respond in writing. Contractor responses must be maintained with the contract file.

Sec. 43. Minnesota Statutes 2006, section 16C.08, is amended by adding a subdivision to read:

Subd. 4b. **Limitations on actions.** No action may be maintained by a contractor against an employee or agency who discloses information about a current or former contractor under subdivision 4, unless the contractor demonstrates by clear and convincing evidence that:

(1) the information was false and defamatory;

(2) the employee or agency knew or should have known the information was false and acted with malicious intent to injure the current or former contractor; and

(3) the information was acted upon in a manner that caused harm to the current or former contractor.

Sec. 44. **[16C.086] CALL-CENTER.**

An agency may not enter into a contract for operation of a call-center, or a contract whose primary purpose is to provide similar services answering or responding to telephone calls on behalf of an agency without determining if the service can be provided by state employees, and the services must be provided at offices located in the United States. For purposes of this section, "agency" includes the Minnesota State Colleges and Universities.

EFFECTIVE DATE. This section is effective the day following final enactment, and applies to a contract entered into or renewed or otherwise extended after that date.

Sec. 45. Minnesota Statutes 2006, section 16C.10, subdivision 7, is amended to read:

Subd. 7. **Reverse auction.** (a) For the purpose of this subdivision, "reverse auction" means a purchasing process in which vendors compete to provide goods or ~~computer~~ services at the lowest selling price in an open and interactive environment. Reverse auctions may not be utilized to procure engineering design services or architectural services or to establish building and construction contracts under sections 16C.26 to 16C.29.

(b) The provisions of sections 13.591, subdivision 3, and 16C.06, subdivision 2, do not apply when the commissioner determines that a reverse auction is the appropriate purchasing process.

Sec. 46. **[16C.147] DOCUMENT IMAGING; USE OF PERSONS WITH DEVELOPMENTAL DISABILITIES.**

The commissioner shall promote the use of persons with developmental disabilities to provide document imaging services for state and local government agencies.

Sec. 47. Minnesota Statutes 2006, section 16C.16, subdivision 5, is amended to read:

Subd. 5. **Designation of targeted groups.** (a) The commissioner of administration shall periodically designate businesses that are majority owned and operated by women, persons with a substantial physical disability, or specific minorities as targeted group businesses within purchasing categories as determined by the commissioner. A group may be targeted within a purchasing category if the commissioner determines there is a statistical disparity between the percentage of purchasing from businesses owned by group members and the representation of businesses owned by group members among all businesses in the state in the purchasing category.

(b) In addition to designations under paragraph (a), an individual business may be included as a targeted group business if the commissioner determines that inclusion is necessary to remedy discrimination against the owner based on race, gender, or disability in attempting to operate a business that would provide goods or services to public agencies.

(c) In addition to the designations under paragraphs (a) and (b), the commissioner of administration shall designate businesses that are majority owned and operated by veterans who have served in federal active service as defined in section 190.05, subdivision 5c, in support of Operation Enduring Freedom or Operation Iraqi Freedom as targeted group businesses within purchasing categories as determined by the commissioner. "Veteran" has the meaning given in section 197.447, and also includes both currently serving and honorably discharged members of the national guard and other military reserves.

~~(e)~~ (d) The designations of purchasing categories and businesses under paragraphs (a) ~~and~~, (b), and (c) are not rules for purposes of chapter 14, and are not subject to rulemaking procedures of that chapter.

EFFECTIVE DATE. This section is effective July 1, 2007, and applies to procurement contract bid solicitations issued on and after that date.

Sec. 48. **[16C.251] BEST AND FINAL OFFER.**

A "best and final offer" solicitation process may not be used for building and construction contracts.

Sec. 49. Minnesota Statutes 2006, section 43A.02, is amended by adding a subdivision to read:

Subd. 36a. **Significant individual.** (a) "Significant individual" means a person who has entered into a committed interdependent relationship with another adult, where neither person is married, and where the people:

(1) are responsible for each other's basic common welfare, basic living expenses, and financial obligations of the household;

(2) share a common residence and intend to do so indefinitely; and

(3) are legally competent and qualified to enter into a contract.

(b) Persons desiring to be recognized as significant individuals for purposes of this section must submit to the commissioner, in the form specified by the commissioner, a statement certifying that the persons meet the criteria necessary to qualify as significant individuals, accompanied by one of the following:

(1) a joint deed, mortgage agreement, or lease;

(2) evidence of a joint bank account;

(3) a designation as beneficiary under the other's life insurance policy or retirement benefits;

(4) a designation as an executor or primary beneficiary in the other's will; or

(5) a motor vehicle title denoting joint ownership.

(c) For purposes of this subdivision, significant individuals may share a common residence, even if:

(1) they do not each have a legal right to possess the residence; or

(2) one or both significant individuals possess additional real property.

If one significant individual temporarily leaves the common residence with the intention to return, the significant individuals continue to share a common residence for the purposes of this subdivision.

Sec. 50. Minnesota Statutes 2006, section 43A.08, subdivision 2a, is amended to read:

Subd. 2a. **Temporary unclassified positions.** The commissioner, upon request of an appointing authority, may authorize the temporary designation of a position in the unclassified service. The commissioner may make this authorization only for professional, managerial or supervisory positions which are fully anticipated to be of limited duration. An individual may not be employed by an appointing authority under this subdivision for more than 18 months.

EFFECTIVE DATE. For individuals who are employed under section 43A.08, subdivision 2a, on the effective date of this section, the 18-month time limit under this section commences the day following final enactment.

Sec. 51. Minnesota Statutes 2006, section 43A.346, subdivision 1, is amended to read:

Subdivision 1. **Definition.** For purposes of this section, "state employee" means a person currently occupying a civil service position in the executive or legislative branch of state government, the Minnesota State Retirement System, or the Office of the Legislative Auditor, or a person employed by the Metropolitan Council.

Sec. 52. Minnesota Statutes 2006, section 161.1419, subdivision 8, is amended to read:

Subd. 8. **Expiration.** The commission expires on June 30, ~~2007~~ 2012.

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

Sec. 53. Minnesota Statutes 2006, section 270B.14, is amended by adding a subdivision to read:

Subd. 19. **Disclosure to Department of Finance.** The commissioner may disclose to the commissioner of finance returns or return information necessary in order to prepare a revenue forecast under section 16A.103.

Sec. 54. Minnesota Statutes 2006, section 270C.03, subdivision 1, is amended to read:

Subdivision 1. **Powers and duties.** The commissioner shall have and exercise the following powers and duties:

- (1) administer and enforce the assessment and collection of taxes;
- (2) make determinations, corrections, and assessments with respect to taxes, including interest, additions to taxes, and assessable penalties;
- (3) use statistical or other sampling techniques consistent with generally accepted auditing standards in examining returns or records and making assessments;
- (4) investigate the tax laws of other states and countries, and formulate and submit to the legislature such legislation as the commissioner may deem expedient to prevent evasions of state revenue laws and to secure just and equal taxation and improvement in the system of state revenue laws;
- (5) consult and confer with the governor upon the subject of taxation, the administration of the laws in regard thereto, and the progress of the work of the department, and furnish the governor, from time to time, such assistance and information as the governor may require relating to tax matters;
- (6) execute and administer any agreement with the secretary of the treasury or the Bureau of Alcohol, Tobacco, Firearms, and Explosives in the Department of Justice of the United States or a representative of another state regarding the exchange of information and administration of the state revenue laws;
- (7) require town, city, county, and other public officers to report information as to the collection of taxes received from licenses and other sources, and such other information as may be needful in the work of the commissioner, in such form as the commissioner may prescribe;
- (8) authorize the use of unmarked motor vehicles to conduct seizures or criminal investigations pursuant to the commissioner's authority; ~~and~~
- (9) maintain toll-free telephone access for taxpayer assistance for calls from locations within the state; and

(10) exercise other powers and authority and perform other duties required of or imposed upon the commissioner by law.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 55. **[270C.21] TAXPAYER ASSISTANCE GRANTS.**

When the commissioner awards grants to nonprofit organizations to coordinate, facilitate, encourage, and aid in the provision of taxpayer assistance services, the commissioner must provide public notice of the grants in a timely manner so that the grant process is completed and grants are awarded by October 1, in order for recipient organizations to adequately plan expenditures for the filing season. At the time the commissioner provides public notice, the commissioner must also notify nonprofit organizations that received grants in the previous biennium.

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

Sec. 56. Minnesota Statutes 2006, section 302A.821, subdivision 4, is amended to read:

Subd. 4. **Penalty; reinstatement.** (a) A corporation that has failed to file a registration pursuant to the requirements of subdivision 2 must be dissolved by the secretary of state as described in paragraph (b).

(b) If the corporation has not filed the registration ~~for two consecutive~~ during any calendar years year, the secretary of state must issue a certificate of administrative dissolution and the certificate must be filed in the Office of the Secretary of State. ~~The secretary of state shall send notice to the corporation that the corporation has been dissolved and that the corporation may be reinstated by filing a registration and a \$25 fee. The notice must be given by United States mail unless the company has indicated to the secretary of state that they are willing to receive notice by electronic notification, in which case the secretary of state may give notice by mail or the indicated means. The secretary of state shall annually inform the attorney general and the commissioner of revenue of the methods by which the names of corporations dissolved under this section during the preceding year may be determined.~~ The secretary of state must ~~also~~ make available in an electronic format the names of the dissolved corporations. A corporation dissolved in this manner is not entitled to the benefits of section 302A.781. The liability, if any, of the shareholders of a corporation dissolved in this manner shall be determined and limited in accordance with section 302A.557, except that the shareholders shall have no liability to any director of the corporation under section 302A.559, subdivision 2.

(c) After administrative dissolution, filing a registration and the \$25 fee with the secretary of state:

(1) returns the corporation to good standing as of the date of the dissolution;

(2) validates contracts or other acts within the authority of the articles, and the corporation is liable for those contracts or acts; and

(3) restores to the corporation all assets and rights of the corporation to the extent they were held by the corporation before the dissolution occurred, except to the extent that assets or rights were affected by acts occurring after the dissolution or sold or otherwise distributed after that time.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 57. Minnesota Statutes 2006, section 308A.995, subdivision 4, is amended to read:

Subd. 4. **Penalty; dissolution.** (a) A cooperative that has failed to file a registration pursuant to the requirements of this section by December 31 of the calendar year for which the registration was required must be dissolved by the secretary of state as described in paragraph (b).

(b) If the cooperative has not filed the registration by December 31 of that calendar year, the secretary of state must issue a certificate of involuntary dissolution, and the certificate must be filed in the Office of the Secretary of State. ~~The secretary of state must annually inform the attorney general and the commissioner of revenue of the methods by which the names of cooperatives dissolved under this section during the preceding year may be determined.~~ The secretary of state must also make available in an electronic format the names of the dissolved cooperatives. A cooperative dissolved in this manner is not entitled to the benefits of section 308A.981.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 58. Minnesota Statutes 2006, section 308B.121, subdivision 4, is amended to read:

Subd. 4. **Penalty; dissolution.** (a) A cooperative that has failed to file a registration under the requirements of this section must be dissolved by the secretary of state as described in paragraph (b).

(b) If the cooperative has not filed the registration by December 31 of that calendar year, the secretary of state must issue a certificate of involuntary dissolution and the certificate must be filed in the Office of the Secretary of State. ~~The secretary of state must annually inform the attorney general and the commissioner of revenue of the methods by which the names of cooperatives dissolved under this section during the preceding year may be determined. The secretary of state must also make available in an electronic format the names of the dissolved cooperatives.~~ A cooperative dissolved in this manner is not entitled to the benefits of section 308B.971.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 59. Minnesota Statutes 2006, section 308B.215, subdivision 2, is amended to read:

Subd. 2. **Filing.** The original articles and a designation of the cooperative's registered office and agent, ~~including a registration form under section 308B.121,~~ shall be filed with the secretary of state. The fee for filing the articles with the secretary of state is \$60.

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

Sec. 60. **[308B.903] NOTICE OF INTENT TO DISSOLVE.**

Before a cooperative begins dissolution, a notice of intent to dissolve must be filed with the secretary of state. The notice must contain:

- (1) the name of the cooperative;
- (2) the date and place of the members' meeting at which the resolution was approved; and
- (3) a statement that the requisite vote of the members approved the proposed dissolution.

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

Sec. 61. Minnesota Statutes 2006, section 317A.823, subdivision 1, is amended to read:

Subdivision 1. **Annual registration.** (a) The secretary of state must send annually to each corporation at the registered office of the corporation a postcard notice announcing the need to file the annual registration and informing the corporation that the annual registration may be filed online and that paper filings may also be made, and informing the corporation that failing to file the annual registration will result in an administrative dissolution of the corporation.

(b) ~~Except for corporations to which paragraph (d) applies,~~ Each calendar year beginning in the calendar year following the calendar year in which a corporation incorporates, a corporation must file with the secretary of state by December 31 of each calendar year a registration containing the information listed in paragraph (c).

(c) The registration must include:

(1) the name of the corporation;

(2) the address of its registered office;

(3) the name of its registered agent, if any; and

(4) the name and business address of the officer or other person exercising the principal functions of president of the corporation.

~~(d) The timely filing of an annual financial report and audit or an annual financial statement under section 69.051, subdivision 1 or 1a, by a volunteer firefighter relief association, as reflected in the notification by the state auditor under section 69.051, subdivision 1c, constitutes presentation of the corporate registration. The secretary of state may reject the registration by the volunteer firefighter relief association. Rejection must occur if the information provided to the state auditor does not match the information in the records of the secretary of state. The volunteer firefighter relief association may amend the articles of incorporation as provided in sections 317A.131 to 317A.151 so that the information from the state auditor may be accepted for filing. The timely filing of an annual financial report and audit or an annual financial statement under section 69.051, subdivision 1 or 1a, does not relieve the volunteer firefighter relief association of the requirement to file amendments to the articles of incorporation directly with the secretary of state.~~

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

Sec. 62. Minnesota Statutes 2006, section 321.0206, is amended to read:

321.0206 DELIVERY TO AND FILING OF RECORDS BY SECRETARY OF STATE; EFFECTIVE TIME AND DATE.

(a) A record authorized or required to be delivered to the secretary of state for filing under this chapter must be captioned to describe the record's purpose, be in a medium permitted by the secretary of state, and be delivered to the secretary of state. Unless the secretary of state determines that a record does not comply with the filing requirements of this chapter, and if the appropriate filing fees have been paid, the secretary of state shall file the record and:

(1) for a statement of dissociation, send:

(A) a copy of the filed statement to the person which the statement indicates has dissociated as a general partner; and

(B) a copy of the filed statement to the limited partnership;

(2) for a statement of withdrawal, send:

(A) a copy of the filed statement to the person on whose behalf the record was filed; and

(B) if the statement refers to an existing limited partnership, a copy of the filed statement to the limited partnership; and

(3) for all other records, send a copy of the filed record to the person on whose behalf the record was filed.

(b) Upon request and payment of a fee, the secretary of state shall send to the requester a certified copy of the requested record.

(c) Except as otherwise provided in sections 321.0116 and 321.0207, a record delivered to the secretary of state for filing under this chapter may specify an effective time and a delayed effective date. Except as otherwise provided in this chapter, a record filed by the secretary of state is effective:

(1) if the record does not specify an effective time and does not specify a delayed effective date, on the date and at the time the record is filed as evidenced by the secretary of state's endorsement of the date and time on the record;

(2) if the record specifies an effective time but not a delayed effective date, on the date the record is filed at the time specified in the record;

(3) if the record specifies a delayed effective date but not an effective time, at 12:01 a.m. on the earlier of:

(A) the specified date; or

(B) the 30th day after the record is filed; or

(4) if the record specifies an effective time and a delayed effective date, at the specified time on the earlier of:

(A) the specified date; or

(B) the 30th day after the record is filed.

(d) The appropriate fees for filings under this chapter are:

(1) for filing a certificate of limited partnership, \$100;

(2) for filing an amended certificate of limited partnership, \$50;

(3) for filing any other record, other than the annual report required by section 321.0210, for which no fee must be charged, required or permitted to be delivered for filing, \$35;

(4) for filing a certificate requesting authority to transact business in Minnesota as a foreign limited partnership, \$85;

(5) for filing an application of reinstatement, \$25; ~~and~~

(6) for filing a name reservation for a foreign limited partnership name, \$35; and

(7) for filing any other record, other than the annual report required by section 321.0210, for which no fee must be charged, required or permitted to be delivered for filing on a foreign limited partnership authorized to transact business in Minnesota, \$50.

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

Sec. 63. **[321.0909] NAME CHANGES FILED IN HOME STATE.**

A foreign limited partnership shall notify the secretary of state of any changes to the partnership name filed with the state of formation by filing a certificate from the state of formation certifying to the change of name.

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

Sec. 64. Minnesota Statutes 2006, section 336.1-110, is amended to read:

336.1-110 UNIFORM COMMERCIAL CODE ACCOUNT.

The Uniform Commercial Code account is established as an account in the state treasury. Fees that are not expressly set by statute but are charged by the secretary of state to offset the costs of providing a service under this chapter must be deposited in the state treasury and credited to the Uniform Commercial Code account.

Fees that are not expressly set by statute but are charged by the secretary of state to offset the costs of providing information contained in the computerized records maintained by the secretary of state must be deposited in the state treasury and credited to the Uniform Commercial Code account.

Money in the Uniform Commercial Code account is continuously appropriated to the secretary of state to implement and maintain the central filing system under this chapter, to provide, improve, and expand other online or remote lien and business entity filing, retrieval, and payment method services provided by the secretary of state, and to provide electronic access to other computerized records maintained by the secretary of state.

Sec. 65. Minnesota Statutes 2006, section 336.9-516, is amended to read:

336.9-516 WHAT CONSTITUTES FILING; EFFECTIVENESS OF FILING.

(a) **What constitutes filing.** Except as otherwise provided in subsection (b), communication of a record to a filing office and tender of the filing fee or acceptance of the record by the filing office constitutes filing.

(b) **Refusal to accept record; filing does not occur.** Filing does not occur with respect to a record that a filing office refuses to accept because:

(1) the record is not communicated by a method or medium of communication authorized by the filing office, For purposes of filing office authorization, transmission of records using the Extensible Markup Language (XML) format is authorized by the filing office after the later of July 1, 2007, or the determination of the secretary of state that the central filing system is capable of receiving and processing these records;

(2) an amount equal to or greater than the applicable filing fee is not tendered;

(3) the filing office is unable to index the record because:

(A) in the case of an initial financing statement, the record does not provide a name for the debtor;

(B) in the case of an amendment or correction statement, the record:

(i) does not identify the initial financing statement as required by section 336.9-512 or 336.9-518, as applicable;
or

(ii) identifies an initial financing statement whose effectiveness has lapsed under section 336.9-515;

(C) in the case of an initial financing statement that provides the name of a debtor identified as an individual or an amendment that provides a name of a debtor identified as an individual which was not previously provided in the financing statement to which the record relates, the record does not identify the debtor's last name; or

(D) in the case of a record filed or recorded in the filing office described in section 336.9-501(a)(1), the record does not provide a sufficient description of the real property to which it relates;

(4) in the case of an initial financing statement or an amendment that adds a secured party of record, the record does not provide a name and mailing address for the secured party of record;

(5) in the case of an initial financing statement or an amendment that provides a name of a debtor which was not previously provided in the financing statement to which the amendment relates, the record does not:

(A) provide a mailing address for the debtor;

(B) indicate whether the debtor is an individual or an organization; or

(C) if the financing statement indicates that the debtor is an organization, provide:

(i) a type of organization for the debtor;

(ii) a jurisdiction of organization for the debtor; or

(iii) an organizational identification number for the debtor or indicate that the debtor has none;

(6) in the case of an assignment reflected in an initial financing statement under section 336.9-514(a) or an amendment filed under section 336.9-514(b), the record does not provide a name and mailing address for the assignee; or

(7) in the case of a continuation statement, the record is not filed within the six-month period prescribed by section 336.9-515(d).

(c) **Rules applicable to subsection (b).** For purposes of subsection (b):

(1) a record does not provide information if the filing office is unable to read or decipher the information; and

(2) a record that does not indicate that it is an amendment or identify an initial financing statement to which it relates, as required by section 336.9-512, 336.9-514, or 336.9-518, is an initial financing statement.

(d) **Refusal to accept record; record effective as filed record.** A record that is communicated to the filing office with tender of the filing fee, but which the filing office refuses to accept for a reason other than one set forth in subsection (b), is effective as a filed record except as against a purchaser of the collateral which gives value in reasonable reliance upon the absence of the record from the files.

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

Sec. 66. Minnesota Statutes 2006, section 336.9-525, is amended to read:

336.9-525 FEES.

(a) **Initial financing statement or other record: general rule.** Except as otherwise provided in subsection (d), the fee for filing and indexing a record under this part ~~delivered on paper~~ is \$20 ~~and for a record delivered by any electronic means is \$15.~~ \$5 of the fee collected for each filing made online must be deposited in the uniform commercial code account.

(b) **Number of names.** The number of names required to be indexed does not affect the amount of the fee in subsection (a).

(c) **Response to information request.** The fee for responding to a request for information from the filing office, including for issuing a certificate showing whether there is on file any financing statement naming a particular debtor, ~~delivered on paper~~ is \$20 ~~and for a record delivered by any electronic means is \$15.~~ \$5 of the fee collected for each request delivered online must be deposited in the uniform commercial code account.

(d) **Record of mortgage.** This section does not require a fee with respect to a record of a mortgage which is effective as a financing statement filed as a fixture filing or as a financing statement covering as-extracted collateral or timber to be cut under section 336.9-502(c). However, the recording and satisfaction fees that otherwise would be applicable to the record of the mortgage apply.

Sec. 67. Minnesota Statutes 2006, section 358.41, is amended to read:

358.41 DEFINITIONS.

As used in sections 358.41 to 358.49:

(1) "Notarial act" means any act that a notary public of this state is authorized to perform, and includes taking an acknowledgment, administering an oath or affirmation, taking a verification upon oath or affirmation, witnessing or attesting a signature, certifying or attesting a copy, and noting a protest of a negotiable instrument. A notary public may perform a notarial act by electronic means.

(2) "Acknowledgment" means a declaration by a person that the person has executed an instrument or electronic record for the purposes stated therein and, if the instrument or electronic record is executed in a representative capacity, that the person signed the instrument with proper authority and executed it as the act of the person or entity represented and identified therein.

(3) "Verification upon oath or affirmation" means a declaration that a statement is true made by a person upon oath or affirmation.

(4) "In a representative capacity" means:

(i) for and on behalf of a corporation, partnership, limited liability company, trust, or other entity, as an authorized officer, agent, partner, trustee, or other representative;

(ii) as a public officer, personal representative, guardian, or other representative, in the capacity recited in the instrument;

(iii) as an attorney in fact for a principal; or

(iv) in any other capacity as an authorized representative of another.

(5) "Notarial officer" means a notary public or other officer authorized to perform notarial acts.

(6) "Electronic signature" means an electronic sound, symbol, or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.

(7) "Electronic record" means a record created, generated, sent, communicated, received, or stored by electronic means.

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

Sec. 68. Minnesota Statutes 2006, section 358.42, is amended to read:

358.42 NOTARIAL ACTS.

(a) In taking an acknowledgment, the notarial officer must determine, either from personal knowledge or from satisfactory evidence, that the person appearing before the officer and making the acknowledgment is the person whose true signature is on the instrument or electronic record.

(b) In taking a verification upon oath or affirmation, the notarial officer must determine, either from personal knowledge or from satisfactory evidence, that the person appearing before the officer and making the verification is the person whose true signature is made in the presence of the officer on the statement verified.

(c) In witnessing or attesting a signature the notarial officer must determine, either from personal knowledge or from satisfactory evidence, that the signature is that of the person appearing before the officer and named therein. When witnessing or attesting a signature, the officer must be present when the signature is made.

(d) In certifying or attesting a copy of a document, electronic record, or other item, the notarial officer must determine that the proffered copy is a full, true, and accurate transcription or reproduction of that which was copied.

(e) In making or noting a protest of a negotiable instrument or electronic record the notarial officer must determine the matters set forth in section 336.3-505.

(f) A notarial officer has satisfactory evidence that a person is the person whose true signature is on a document or electronic record if that person (i) is personally known to the notarial officer, (ii) is identified upon the oath or affirmation of a credible witness personally known to the notarial officer, or (iii) is identified on the basis of identification documents.

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

Sec. 69. Minnesota Statutes 2006, section 358.50, is amended to read:

358.50 EFFECT OF ACKNOWLEDGMENT.

An acknowledgment made in a representative capacity for and on behalf of a corporation, partnership, limited liability company, trust, or other entity and certified substantially in the form prescribed in this chapter is prima facie evidence that the instrument or electronic record was executed and delivered with proper authority.

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

Sec. 70. Minnesota Statutes 2006, section 359.085, subdivision 2, is amended to read:

Subd. 2. **Verifications.** In taking a verification upon oath or affirmation, the notarial officer must determine, either from personal knowledge or from satisfactory evidence, that the person appearing before the officer and making the verification is the person whose true signature is made in the presence of the officer on the statement verified.

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

Sec. 71. Minnesota Statutes 2006, section 359.085, subdivision 3, is amended to read:

Subd. 3. **Witnessing or attesting signatures.** In witnessing or attesting a signature, the notarial officer must determine, either from personal knowledge or from satisfactory evidence, that the signature is that of the person appearing before the officer and named in the document or electronic record. When witnessing or attesting a signature, the officer must be present when the signature is made.

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

Sec. 72. Minnesota Statutes 2006, section 471.61, subdivision 1a, is amended to read:

Subd. 1a. **Dependents.** Notwithstanding the provisions of Minnesota Statutes 1969, section 471.61, as amended by Laws 1971, chapter 451, section 1, the word "dependents" as used therein shall mean spouse and minor unmarried children under the age of 18 years and dependent students under the age of 25 years actually dependent upon the employee, and others as defined by governmental units at their discretion.

Sec. 73. Minnesota Statutes 2006, section 477A.014, subdivision 4, is amended to read:

Subd. 4. **Costs.** The director of the Office of Strategic and Long-Range Planning shall annually bill the commissioner of revenue for one-half of the costs incurred by the state demographer in the preparation of materials required by section 4A.02. The state auditor shall bill the commissioner of revenue for the costs of best practices reviews and the services provided by the Government Information Division and the parts of the constitutional office that are related to the government information function, and for the services provided by the Tax Increment Financing Investment and Finance Division required by section 469.3201, not to exceed ~~\$217,000~~ \$614,000 each fiscal year. The commissioner of administration shall bill the commissioner of revenue for the costs of the local government records program and the intergovernmental information systems activity, not to exceed \$205,800 each fiscal year. The commissioner of employee relations shall bill the commissioner of revenue for the costs of administering the local government pay equity function, not to exceed \$55,000 each fiscal year.

Sec. 74. Minnesota Statutes 2006, section 491A.02, subdivision 4, is amended to read:

Subd. 4. **Representation.** (a) A corporation, partnership, limited liability company, sole proprietorship, or association may be represented in conciliation court by an officer, manager, or partner or an agent in the case of a condominium, cooperative, or townhouse association, or may appoint a natural person who is an employee or commercial property manager to appear on its behalf or settle a claim in conciliation court. The state or a political subdivision of the state may be represented in conciliation court by an employee of the pertinent governmental unit without a written authorization. The state also may be represented in conciliation court by an employee of the Division of Risk Management of the Department of Administration without a written authorization. Representation under this subdivision does not constitute the practice of law for purposes of section 481.02, subdivision 8. In the case of an officer, employee, commercial property manager, or agent of a condominium, cooperative, or townhouse association, an authorized power of attorney, corporate authorization resolution, corporate bylaw, or other evidence of authority acceptable to the court must be filed with the claim or presented at the hearing. This subdivision also applies to appearances in district court by a corporation or limited liability company with five or fewer shareholders or members and to any condominium, cooperative, or townhouse association, if the action was removed from conciliation court.

(b) "Commercial property manager" means a corporation, partnership, or limited liability company or its employees who are hired by the owner of commercial real estate to perform a broad range of administrative duties at the property including tenant relations matters, leasing, repairs, maintenance, the negotiation and resolution of tenant disputes, and related matters. In order to appear in conciliation court, a property manager's employees must possess a real estate license under section 82.20 and be authorized by the owner of the property to settle all disputes with tenants and others within the jurisdictional limits of conciliation court.

(c) A commercial property manager who is appointed to settle a claim in conciliation court may not charge or collect a separate fee for services rendered under paragraph (a).

Sec. 75. Minnesota Statutes 2006, section 507.24, subdivision 2, is amended to read:

Subd. 2. **Original signatures required.** (a) Unless otherwise provided by law, an instrument affecting real estate that is to be recorded as provided in this section or other applicable law must contain the original signatures of the parties who execute it and of the notary public or other officer taking an acknowledgment. However, a financing statement that is recorded as a filing pursuant to section 336.9-502(b) need not contain: (1) the signatures of the debtor or the secured party; or (2) an acknowledgment.

(b)(1) Any electronic instruments, including signatures and seals, affecting real estate may only be recorded as part of a pilot project for the electronic filing of real estate documents implemented by the task force created in Laws 2000, chapter 391, or by the Electronic Real Estate Recording Task Force created under section 507.094. The Electronic Real Estate Recording Task Force created under section 507.094 may amend standards set by the task force created in Laws 2000, chapter 391, and may set new or additional standards and establish pilot projects to the full extent permitted in section 507.094, subdivision 2, paragraph (b). Documents recorded in conformity with those standards and in those pilot projects are deemed to meet the requirements of this section.

(2)(i) A county that participated in the pilot project for the electronic filing of real estate documents under the task force created in Laws 2000, chapter 391, may continue to record or file documents electronically, if:

~~(1)~~ (A) the county complies with standards adopted by the task force; and

~~(2)~~ (B) the county uses software that was validated by the task force.

(ii) A county that did not participate in the pilot project may record or file a real estate document electronically, if:

~~(1)~~ (A) the document to be recorded or filed is of a type included in the pilot project for the electronic filing of real estate documents under the task force created in Laws 2000, chapter 391;

~~(2)~~ (B) the county complies with the standards adopted by the task force;

~~(3)~~ (C) the county uses software that was validated by the task force; and

~~(4)~~ (D) the task force created under section 507.094, votes to accept a written certification of compliance with paragraph (b), clause (2), of this section by the county board and county recorder of the county to implement electronic filing under this section.

(c) Notices filed pursuant to section 168A.141, subdivisions 1 and 3, need not contain an acknowledgment.

Sec. 76. Minnesota Statutes 2006, section 517.08, subdivision 1b, is amended to read:

Subd. 1b. **Term of license; fee; premarital education.** (a) The local registrar shall examine upon oath the party applying for a license relative to the legality of the contemplated marriage. If at the expiration of a five-day period, on being satisfied that there is no legal impediment to it, including the restriction contained in section 259.13, the local registrar shall issue the license, containing the full names of the parties before and after marriage, and county and state of residence, with the county seal attached, and make a record of the date of issuance. The license shall be valid for a period of six months. In case of emergency or extraordinary circumstances, a judge of the district court of the county in which the application is made, may authorize the license to be issued at any time before the expiration of the five days. Except as provided in paragraph (b), the local registrar shall collect from the applicant a fee of ~~\$400~~ \$110 for administering the oath, issuing, recording, and filing all papers required, and preparing and transmitting to the state registrar of vital statistics the reports of marriage required by this section. If the license should not be used within the period of six months due to illness or other extenuating circumstances, it may be surrendered to the local registrar for cancellation, and in that case a new license shall issue upon request of the parties of the original license without fee. A local registrar who knowingly issues or signs a marriage license in any manner other than as provided in this section shall pay to the parties aggrieved an amount not to exceed \$1,000.

(b) The marriage license fee for parties who have completed at least 12 hours of premarital education is ~~\$30~~ \$40. In order to qualify for the reduced license fee, the parties must submit at the time of applying for the marriage license a signed and dated statement from the person who provided the premarital education confirming that it was received. The premarital education must be provided by a licensed or ordained minister or the minister's designee, a person authorized to solemnize marriages under section 517.18, or a person authorized to practice marriage and family therapy under section 148B.33. The education must include the use of a premarital inventory and the teaching of communication and conflict management skills.

(c) The statement from the person who provided the premarital education under paragraph (b) must be in the following form:

"I, (name of educator), confirm that (names of both parties) received at least 12 hours of premarital education that included the use of a premarital inventory and the teaching of communication and conflict management skills. I am a licensed or ordained minister, a person authorized to solemnize marriages under Minnesota Statutes, section 517.18, or a person licensed to practice marriage and family therapy under Minnesota Statutes, section 148B.33."

The names of the parties in the educator's statement must be identical to the legal names of the parties as they appear in the marriage license application. Notwithstanding section 138.17, the educator's statement must be retained for seven years, after which time it may be destroyed.

(d) If section 259.13 applies to the request for a marriage license, the local registrar shall grant the marriage license without the requested name change. Alternatively, the local registrar may delay the granting of the marriage license until the party with the conviction:

(1) certifies under oath that 30 days have passed since service of the notice for a name change upon the prosecuting authority and, if applicable, the attorney general and no objection has been filed under section 259.13; or

(2) provides a certified copy of the court order granting it. The parties seeking the marriage license shall have the right to choose to have the license granted without the name change or to delay its granting pending further action on the name change request.

Sec. 77. Minnesota Statutes 2006, section 517.08, subdivision 1c, is amended to read:

Subd. 1c. **Disposition of license fee.** (a) Of the marriage license fee collected pursuant to subdivision 1b, paragraph (a), ~~\$15~~ \$25 must be retained by the county. The local registrar must pay \$85 to the commissioner of finance to be deposited as follows:

(1) \$50 in the general fund;

(2) \$3 in the special revenue fund to be appropriated to the commissioner of education for parenting time centers under section 119A.37;

(3) \$2 in the special revenue fund to be appropriated to the commissioner of health for developing and implementing the MN ENABL program under section 145.9255;

(4) \$25 in the special revenue fund is appropriated to the commissioner of employment and economic development for the displaced homemaker program under section 116L.96; and

(5) \$5 in the special revenue fund is appropriated to the commissioner of human services for the Minnesota Healthy Marriage and Responsible Fatherhood Initiative under section 256.742.

(b) Of the ~~\$30~~ \$40 fee under subdivision 1b, paragraph (b), ~~\$15~~ \$25 must be retained by the county. The local registrar must pay \$15 to the commissioner of finance to be deposited as follows:

(1) \$5 as provided in paragraph (a), clauses (2) and (3); and

(2) \$10 in the special revenue fund is appropriated to the commissioner of employment and economic development for the displaced homemaker program under section 116L.96.

(c) The increase in the marriage license fee under paragraph (a) provided for in Laws 2004, chapter 273, and disbursement of the increase in that fee to the special fund for the Minnesota Healthy Marriage and Responsible Fatherhood Initiative under paragraph (a), clause (5), is contingent upon the receipt of federal funding under United States Code, title 42, section 1315, for purposes of the initiative.

Sec. 78. Laws 2005, chapter 156, article 2, section 45, is amended to read:

Sec. 45. **SALE OF STATE LAND.**

Subdivision 1. **State land sales.** The commissioner of administration shall coordinate with the head of each department or agency having control of state-owned land to identify and sell at least \$6,440,000 of state-owned land. Sales should be completed according to law and as provided in this section as soon as practicable but no later than June 30, ~~2007~~ 2009. Notwithstanding Minnesota Statutes, sections 16B.281 and 16B.282, 94.09 and 94.10, or any other law to the contrary, the commissioner may offer land for public sale by only providing notice of lands or an offer of sale of lands to state departments or agencies, the University of Minnesota, cities, counties, towns, school districts, or other public entities.

Subd. 2. **Anticipated savings.** Notwithstanding Minnesota Statutes, section 94.16, subdivision 3, or other law to the contrary, the amount of the proceeds from the sale of land under this section that exceeds the actual expenses of selling the land must be deposited in the general fund, except as otherwise provided by the commissioner of finance. Notwithstanding Minnesota Statutes, section 94.11 or 16B.283, the commissioner of finance may establish the timing of payments for land purchased under this section. If the total of all money deposited into the general fund from the proceeds of the sale of land under this section is anticipated to be less than \$6,440,000, the governor must allocate the amount of the difference as reductions to general fund operating expenditures for other executive agencies for the biennium ending June 30, ~~2007~~ 2009.

Subd. 3. **Sale of state lands revolving loan fund.** \$290,000 is appropriated from the general fund in fiscal year 2006 to the commissioner of administration for purposes of paying the actual expenses of selling state-owned lands to achieve the anticipated savings required in this section. From the gross proceeds of land sales under this section, the commissioner of administration must cancel the amount of the appropriation in this subdivision to the general fund by June 30, 2007.

Sec. 79. Laws 2006, chapter 253, section 22, subdivision 1, is amended to read:

Subdivision 1. **Genetic information; work group.** (a) The commissioner must create a work group to develop principles for public policy on the use of genetic information. The work group must include representatives of state government, including the judicial branch, local government, prosecutors, public defenders, the American Civil Liberties Union - Minnesota, the Citizens Council on Health Care, the University of Minnesota Center on Bioethics, the Minnesota Medical Association, the Mayo Clinic and Foundation, the March of Dimes, and representatives of employers, researchers, epidemiologists, laboratories, and insurance companies.

(b) The commissioner of administration and the work group must conduct reviews of the topics in paragraphs (c) to (f), in light of the issues raised in the report on treatment of genetic information under state law required by Laws 2005, chapter 163, section 87. The commissioner must report the results, including any recommendations for legislative changes, to the chairs of the house Civil Law Committee and the senate Judiciary Committee and the ranking minority members of those committees by January 15, ~~2008~~ 2009.

(c) The commissioner and the work group must determine whether changes are needed in Minnesota Statutes, section 144.69, dealing with collection of information from cancer patients and their relatives.

(d) The commissioner and the work group must make recommendations whether all relatives affected by a formal three-generation pedigree created by the Department of Health should be able to access the entire data set, rather than only allowing individuals access to the data of which they are the subject.

(e) The commissioner and the work group must identify, and may make recommendations among, options for resolving questions of secondary uses of genetic information.

(f) The commissioner and the work group must make recommendations whether legislative changes are needed regarding access to DNA test results and the specimens used to create the test results held by the Bureau of Criminal Apprehension as part of a criminal investigation.

Sec. 80. Laws 2006, chapter 282, article 14, section 5, is amended to read:

Sec. 5. **OFFICE OF ADMINISTRATIVE HEARINGS**

320,000

From the workers' compensation fund for costs associated with the relocation of offices to St. Paul. The commissioner of administration shall take all steps as necessary to complete the renovation of the Stassen Building for these purposes by January 1, 2008. Minnesota Statutes, section 16B.33, subdivision 3, does not apply if the estimated cost of construction exceeds \$2,000,000. This is a onetime appropriation. This appropriation is available until spent.

Beginning in fiscal year 2009 and for all fiscal years thereafter, the appropriation base for the workers' compensation fund for the Office of Administrative Hearings is reduced by \$297,000 to reflect savings in rent costs due to the relocation of offices to St. Paul.

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

Sec. 81. **FORD BUILDING.**

The Ford Building at 117 University Avenue in St. Paul may not be demolished during the biennium ending June 30, 2009.

Sec. 82. **ELECTRONIC DOCUMENTS STUDY AND REPORT.**

Subdivision 1. **Study.** The chief information officer of the state, in consultation with the state archivist and legislative reference librarian, shall study how electronic documents and the mechanisms and processes for accessing and reading electronic data can be created, maintained, exchanged, and preserved by the state in a manner that encourages appropriate government control, access, choice, and interoperability. The study must consider, but not be limited to, the policies of other states and nations, management guidelines for state archives as they pertain to electronic documents, public access to information, expected storage life of electronic documents, costs of implementation, and potential savings. The chief information officer shall solicit comments from stakeholders, including, but not limited to, the legislative auditor, attorney general, librarians, state services for the blind, representatives of the Minnesota Historical Society, other historians, and the media. The chief information officer shall also solicit comments from members of the public.

Subd. 2. **Report and recommendations.** The chief information officer shall report the officer's findings and recommendations to the chairs of the senate State and Local Government Operations and Oversight Committee; the house of representatives Government Operations, Reform, Technology and Elections Committee; and the senate and house of representatives State Government Finance Divisions by January 15, 2008.

Sec. 83. **STATE EMPLOYEES ELECTRONIC HEALTH RECORDS PILOT PROJECT.**

Subdivision 1. **Project established.** The Minnesota State Colleges and Universities Board of Trustees (MnSCU), in collaboration with the commissioner of employee relations shall establish an enterprise-wide pilot project to provide consumer-owned electronic personal health records to MnSCU employees and all participants in the state employee group insurance program. If the Department of Employee Relations is abolished, then the Minnesota State Colleges and Universities Board of Trustees shall work in collaboration with the commissioner of the department responsible for administration of the state employee group insurance program.

Subd. 2. **Project goals.** The goal of the project is to provide consumer-owned electronic personal health records that are portable among health care providers, health plan companies, and employers in order to control costs, improve quality, and enhance safety, and to demonstrate the feasibility of a statewide health information exchange. The pilot project shall coordinate to the extent possible with other health information consumer engagement initiatives in Minnesota designed to support the goal of statewide health information exchange. The electronic personal health records may provide, but are not limited to, the following:

(1) access to electronic medical records;

(2) prescription and appointment information;

(3) information regarding health education, public health, and health cost management; and

(4) privacy, security, and compliance with HIPAA; Minnesota Statutes, chapter 13; Minnesota Statutes, section 144.335; and other state law related to data privacy.

Sec. 84. **SUSTAINABLE GROWTH WORKING GROUP.**

Subdivision 1. **Creation.** The sustainable growth working group consists of the following members:

(1) two senators, including one member of the minority caucus, appointed by the Subcommittee on Committees of the Committee on Rules and Administration;

(2) two members of the house of representatives, one appointed by the speaker and one appointed by the minority leader;

(3) commissioners of the following agencies, or their designees: Department of Natural Resources, Department of Administration, Department of Agriculture, Department of Commerce, Department of Transportation, Department of Employment and Economic Development, Minnesota Housing Finance Agency, and the Minnesota Pollution Control Agency; and the chair of the Metropolitan Council or the chair's designee;

(4) up to 12 public members who have an interest in promoting sustainable communities in Minnesota, including up to six public members appointed by the speaker of the house of representatives and up to six public members appointed by the majority leader of the senate. The appointing authorities must use their best efforts to include at least one representative from each of the following sectors: business, environmental, energy, affordable housing, transportation, local government, planning, and philanthropic.

The membership of the working group must include balanced representation from rural, urban, and suburban areas of the state.

Subd. 2. **Duties.** The working group must identify strategies, recommendations, and a process for implementing state-level coordination of state and local policies, programs, and regulations in the areas of housing, transportation, natural resource preservation, capital development, economic development, sustainability, and preservation of the environment. The working group must identify sustainable development principles that will guide decision making in Minnesota. The working group must gather information and develop strategies relative to the strategic use of state resources, to be consistent with statewide goals of sustainable development. The working group must report proposed strategies, recommendations, and a process for implementation to the legislature and the governor by February 1, 2008. In its report to the legislature and the governor, the working group must identify its source of funding.

Subd. 3. **Administrative provisions.** (a) The commissioner of administration must convene the initial meeting. Upon request of the working group, the commissioner must provide meeting space and administrative services for the group. The Office of Geographic and Demographic Analysis must provide staff support for the working group. The members of the working group must elect a chair.

(b) Members of the working group serve without compensation but may be reimbursed for expenses under Minnesota Statutes, section 15.059.

(c) The working group expires June 30, 2008.

(d) The working group may accept gifts and grants, which are accepted on behalf of the state and constitute donations to the state. Funds received are appropriated to the commissioner of administration for purposes of the working group.

Sec. 85. **TRAINING SERVICES.**

During the biennium ending June 30, 2009, state executive branch agencies must consider using services provided by government training services before contracting with other outside vendors for similar services.

Sec. 86. **DEPARTMENT OF EMPLOYEE RELATIONS ABOLISHED; DUTIES TRANSFERRED.**

(a) The Department of Employee Relations and the position of the commissioner of employee relations are abolished as of June 1, 2008. Duties of the Department of Employee Relations and the commissioner of employee relations are transferred on or before June 1, 2008, to the commissioner of finance, except as follows:

(1) duties relating to administration of the state employees workers' compensation program are transferred on or before June 1, 2008, to the commissioner of administration; and

(2) duties relating to health care purchasing improvement under Minnesota Statutes, section 43A.312, are transferred on or before June 1, 2008, to the commissioner of health.

(b) The commissioner of employee relations, in consultation with the commissioner of finance, may specify one or more dates before June 1, 2008, on which any or all of the transfers provided in paragraph (a) will occur.

(c) The governor may, in consultation with the commissioner of employee relations, the commissioner of finance, the commissioner of administration, and the director of the Office of Enterprise Technology, transfer other duties of the Department of Employee Relations to other state agencies in order to most effectively and efficiently accomplish the reorganization required by this act.

(d) Transfer of duties under this section is subject to Minnesota Statutes, section 15.039.

(e) In addition to any other protection, no employee in the classified service shall suffer job loss, have a salary reduced, or have employment benefits reduced as a result of a reorganization mandated or recommended under authority of this section. No action taken after June 1, 2009, shall be considered a result of reorganization for the purposes of this section.

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

Sec. 87. **STATE BUDGET TRENDS STUDY COMMISSION.**

(a) The State Budget Trends Study Commission is established for the purpose of completing a study of the implications of state demographic trends for future state budget conditions, including both expected revenue collections and spending for state government services and local services supported by state revenues. The commission shall consist of 15 public members, including five members appointed by the governor; five members appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration; four members appointed by the speaker of the house of representatives; and one member appointed by the minority leader of the house of representatives. The respective appointing authorities must complete their appointments under this section within 30 days of the effective date of this section. The commissioner of finance must convene the commission within 30 days of the completion of appointments under this section. The members shall select their chair at the first meeting. When making appointments under this section, the appointing authorities must consider the education and expertise of appointees in fields such as public finance, demography, and public administration.

(b) Per diem and expense payments to members, removal of members, and vacancies are governed by Minnesota Statutes, section 15.059.

(c) The commissioners of finance and revenue must provide data, analysis, and staff support required by the commission to complete the study, including, but not limited to, the effect of expected demographic changes over the next 25 years on state tax bases and on existing state programs and appropriations. In preparing the study, the commission shall consult with and use the services of the state demographer to estimate the changing profile of the Minnesota population by age and other factors relevant to the study. The commission may also contract with appropriate consultants and experts as needed to complete the study.

(d) In completing the study, the commission must consider:

(1) the effect of expected demographic changes over the next 25 years on the tax base and revenue collections for state income and sales tax, or other state taxes;

(2) estimates of tax revenue collections for the years 2012, 2017, 2022, 2027, and 2032, taking into account the sensitivity of the results for changes in estimated migration rates, labor force participation by older individuals, and other shares of capital versus labor;

(3) the effect of demographic trends on entitlement programs and other large state appropriations relative to current budget commitments;

(4) relative trends in spending for state programs including trends identified in the fast growing expenditures report completed under Minnesota Statutes, section 16A.103, subdivision 4; and

(5) the structure of the state budget with regard to budget stability and flexibility.

(e) The commission may make recommendations for state tax or budget policy changes, including recommendations for changes in tax base, mix of tax types, state and local finance relationships, entitlements, or budget structure. The commission shall present preliminary results to the chairs of the legislative committees with jurisdiction over finance and taxes by February 1, 2008, and a final written report to the same chairs by January 15, 2009, in compliance with Minnesota Statutes, sections 3.195 and 3.197.

(f) This section expires on June 30, 2009.

Sec. 88. **INSURANCE STUDY.**

The commissioner of employee relations must study and report to the legislature by January 15, 2008, on the estimated financial impact to the state employee group insurance program of allowing each unmarried state employee to designate one significant individual, as defined in Minnesota Statutes, section 43A.02, as the employee's dependent under the program.

Sec. 89. **REVISOR'S INSTRUCTION.**

In the next and subsequent editions of Minnesota Statutes and Minnesota Rules, the revisor of statutes must replace references to the Department of Employee Relations and commissioner of employee relations with references to the appropriate department and commissioner specified in section 86. The revisor of statutes, in consultation with affected commissioners of state agencies, must prepare a bill for introduction in the 2008 legislative session making other statutory changes needed to implement or conform with section 86.

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

Sec. 90. **REPEALER.**

Minnesota Statutes 2006, sections 16A.102, subdivisions 1, 2, and 3; 16B.055, subdivisions 2 and 3; 16C.055, subdivision 1; 16C.08, subdivision 4a; 69.051, subdivision 1c; 359.085, subdivision 8; and 645.44, subdivision 19, are repealed.

ARTICLE 3

BEST VALUE CONTRACTS

Section 1. Minnesota Statutes 2006, section 16C.02, is amended by adding a subdivision to read:

Subd. 4a. **Best value; construction.** For purposes of construction, building, alteration, improvement, or repair services, "best value" describes the result determined by a procurement method that considers price and performance criteria, which may include, but are not limited to:

- (1) the quality of the vendor's or contractor's performance on previous projects;
- (2) the timeliness of the vendor's or contractor's performance on previous projects;
- (3) the level of customer satisfaction with the vendor's or contractor's performance on previous projects;
- (4) the vendor's or contractor's record of performing previous projects on budget and ability to minimize cost overruns;
- (5) the vendor's or contractor's ability to minimize change orders;
- (6) the vendor's or contractor's ability to prepare appropriate project plans;
- (7) the vendor's or contractor's technical capacities;
- (8) the individual qualifications of the contractor's key personnel; or
- (9) the vendor's or contractor's ability to assess and minimize risks.

"Performance on previous projects" does not include the exercise or assertion of a person's legal rights. This definition does not apply to sections 16C.32, 16C.33, 16C.34, and 16C.35.

Sec. 2. Minnesota Statutes 2006, section 16C.02, is amended by adding a subdivision to read:

Subd. 20. **Vendor.** "Vendor" means a business, including a construction contractor or a natural person, and includes both if the natural person is engaged in a business.

Sec. 3. Minnesota Statutes 2006, section 16C.03, subdivision 3, is amended to read:

Subd. 3. Acquisition authority. The commissioner shall acquire all goods, services, and utilities needed by agencies. The commissioner shall acquire goods, services, and utilities by requests for bids, requests for proposals, reverse auctions as provided in section 16C.10, subdivision 7, or other methods provided by law, unless a section of law requires a particular method of acquisition to be used. The commissioner shall make all decisions regarding acquisition activities. The determination of the acquisition method and all decisions involved in the acquisition process, unless otherwise provided for by law, shall be based on best value which includes an evaluation of price

and may include other considerations including, but not limited to, environmental considerations, quality, and vendor performance. A best value determination must be based on the evaluation criteria detailed in the solicitation document. If criteria other than price are used, the solicitation document must state the relative importance of price and other factors. ~~Unless it is determined by the commissioner that an alternative solicitation method provided by law should be used to determine best value, a request for bid must be used to solicit formal responses for all building and construction contracts.~~ Any or all responses may be rejected. When using the request for bid process, the bid must be awarded to the lowest responsive and responsible bidder, taking into consideration conformity with the specifications, terms of delivery, the purpose for which the contract or purchase is intended, the status and capability of the vendor, and other considerations imposed in the request for bids. The commissioner may decide which is the lowest responsible bidder for all purchases and may use the principles of life-cycle costing, where appropriate, in determining the lowest overall bid. The duties set forth in this subdivision are subject to delegation pursuant to this section.

Sec. 4. Minnesota Statutes 2006, section 16C.03, is amended by adding a subdivision to read:

Subd. 3a. **Acquisition authority; construction contracts.** For all building and construction contracts, the commissioner shall award contracts pursuant to section 16C.28, and "best value" shall be defined and applied as set forth in sections 16C.02, subdivision 4a, and 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c). The duties set forth in this subdivision are subject to delegation pursuant to this section. The commissioner shall establish procedures for developing and awarding best value requests for proposals for construction projects. The criteria to be used to evaluate the proposals must be included in the solicitation document and must be evaluated in an open and competitive manner.

Sec. 5. Minnesota Statutes 2006, section 16C.03, is amended by adding a subdivision to read:

Subd. 19. **Training.** Any personnel administering procurement procedures for a user of best value procurement or any consultant retained by a local unit of government to prepare or evaluate solicitation documents must be trained, either by the department or through other training, in the request for proposals process for best value contracting for construction projects. The commissioner may establish a training program for state and local officials, and vendors and contractors, on best value procurement for construction projects, including those governed by section 16C.28. If the commissioner establishes such a training program, the state may charge a fee for providing training.

Sec. 6. Minnesota Statutes 2006, section 16C.26, is amended to read:

16C.26 COMPETITIVE BIDS OR PROPOSALS.

Subdivision 1. **Application.** Except as otherwise provided by sections 16C.10, 16C.26 and 16C.27, all contracts for building and construction or repairs must be based on competitive bids or proposals. "Competitive proposals" specifically refers to the method of procurement described in section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c).

Subd. 2. **Requirement contracts.** Standard requirement price contracts for building and construction must be established by competitive bids as provided in subdivision 1. The standard requirement price contracts may contain escalation clauses and may provide for a negotiated price increase or decrease based upon a demonstrable industrywide or regional increase or decrease in the vendor's costs or for the addition of similar products or replacement items not significant to the total value of existing contracts. The term of these contracts may not exceed five years including all extensions.

Subd. 3. **Publication of notice; expenditures over \$25,000.** If the amount of an expenditure is estimated to exceed \$25,000, bids or proposals must be solicited by public notice in a manner designated by the commissioner. To the extent practical, this must include posting on a state Web site. For expenditures over \$50,000, when a call for bids is issued, the commissioner shall solicit sealed bids by providing notices to all prospective bidders known to the commissioner by posting notice on a state Web site at least seven days before the final date of submitting bids. All bids over \$50,000 must be sealed when they are received and must be opened in public at the hour stated in the notice. All proposals responsive to a request for proposals according to section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c), shall be submitted and evaluated in the manner described in the request for proposals, regardless of the dollar amount. All original bids and proposals and all documents pertaining to the award of a contract must be retained and made a part of a permanent file or record and remain open to public inspection.

Subd. 4. **Building and construction contracts; \$50,000 or less.** An informal bid may be used for building, construction, and repair contracts that are estimated at less than \$50,000. Informal bids must be authenticated by the bidder in a manner specified by the commissioner. Alternatively, a request for proposals may be issued according to section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c), for such contracts.

Subd. 5. **Standard specifications, security.** Contracts must be based on the standard specifications prescribed and enforced by the commissioner under this chapter, unless otherwise expressly provided or as authorized under section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c). Each ~~bidder for a contract~~ vendor or contractor must furnish security approved by the commissioner to ensure the making of the contract being bid for.

Subd. 6. **Noncompetitive bids.** Agencies are encouraged to contract with small targeted group businesses designated under section 16C.16 when entering into contracts that are not subject to competitive bidding procedures.

Sec. 7. Minnesota Statutes 2006, section 16C.27, subdivision 1, is amended to read:

Subdivision 1. **Single source of supply.** Competitive bidding ~~is~~ or proposals are not required for contracts clearly and legitimately limited to a single source of supply, and the contract price may be best established by direct negotiation.

Sec. 8. Minnesota Statutes 2006, section 16C.28, is amended to read:

16C.28 CONTRACTS; AWARD.

Subdivision 1. ~~**Lowest responsible bidder**~~ **Award requirements.** (a) ~~All state building and construction contracts entered into by or under the supervision of the commissioner or an agency for which competitive bids or proposals are required must be awarded to the lowest responsible bidder, taking into consideration conformity with the specifications, terms of delivery, the purpose for which the contract is intended, the status and capability of the vendor, and other considerations imposed in the call for bids. The commissioner may decide which is the lowest responsible bidder for all contracts and may use the principles of life cycle costing, where appropriate, in determining the lowest overall bid. The head of the interested agency shall make the decision, subject to the approval of the commissioner. Any or all bids may be rejected. In a case where competitive bids are required and where all bids are rejected, new bids, if solicited, must be called for as in the first instance, unless otherwise provided by law, may be awarded to either of the following:~~

(1) the lowest responsible bidder, taking into consideration conformity with the specifications, terms of delivery, the purpose for which the contract is intended, the status and capability of the vendor or contractor, other considerations imposed in the call for bids, and, where appropriate, principles of life-cycle costing; or

(2) the vendor or contractor offering the best value, taking into account the specifications of the request for proposals, the price and performance criteria as set forth in section 16C.02, subdivision 4a, and described in the solicitation document.

(b) The vendor or contractor must secure bonding, commercial general insurance coverage, and workers' compensation insurance coverage under paragraph (a), clause (1) or (2). The commissioner shall determine whether to use the procurement process described in paragraph (a), clause (1), or the procurement process described in paragraph (a), clause (2), and paragraph (c). If the commissioner uses the method in paragraph (a), clause (2), and paragraph (c), the head of the agency shall determine which vendor or contractor offers the best value, subject to the approval of the commissioner. Any or all bids or proposals may be rejected.

(c) When using the procurement process described in subdivision 1, paragraph (a), clause (2), the solicitation document must state the relative weight of price and other selection criteria. The award must be made to the vendor or contractor offering the best value applying the weighted selection criteria. If an interview of the vendor's or contractor's personnel is one of the selection criteria, the relative weight of the interview shall be stated in the solicitation document and applied accordingly.

Subd. 1a. **Establishment and purpose.** (a) The state recognizes the importance of the inclusion of a best value contracting system for construction as an alternative to the current low-bid system of procurement. In order to accomplish that goal, state and local governmental entities shall be able to choose the best value system in different phases.

(b) "Best value" means the procurement method defined in section 16C.02, subdivision 4a.

(c) The following entities are eligible to participate in phase I:

(1) state agencies;

(2) counties;

(3) cities; and

(4) school districts with the highest 25 percent enrollment of students in the state.

Phase I begins on the effective date of this section.

(d) The following entities are eligible to participate in phase II:

(1) those entities included in phase I; and

(2) school districts with the highest 50 percent enrollment of students in the state.

Phase II begins two years from the effective date of this section.

(e) The following entities are eligible to participate in phase III:

(1) all entities included in phases I and II; and

(2) all other townships, school districts, and political subdivisions in the state.

Phase III begins three years from the effective date of this section.

(f) The commissioner or any agency for which competitive bids or proposals are required may not use best value contracting as defined in section 16C.02, subdivision 4a, for more than one project annually, or 20 percent of its projects, whichever is greater, in each of the first three fiscal years in which best value construction contracting is used.

Subd. 2. **Alterations and erasures.** A bid containing an alteration or erasure of any price contained in the bid which is used in determining the lowest responsible bid must be rejected unless the alteration or erasure is corrected in a manner that is clear and authenticated by an authorized representative of the responder. An alteration or erasure may be crossed out and the correction printed in ink or typewritten adjacent to it and initialed by an authorized representative of the responder.

Subd. 3. **Special circumstances.** The commissioner may reject the bid or proposal of any ~~bidder~~ vendor or contractor who has failed to perform a previous contract with the state. In the case of identical low bids from two or more bidders, the commissioner may use negotiated procurement methods with the tied low bidders for that particular transaction so long as the price paid does not exceed the low tied bid price. The commissioner may award contracts to more than one ~~bidder~~ vendor or contractor in accordance with subdivision 1, if doing so does not decrease the service level or diminish the effect of competition.

Subd. 4. **Record.** A record must be kept of all bids or proposals, including names of bidders, amounts of bids or proposals, and each successful bid or proposal. This record is open to public inspection, subject to section 13.591 and other applicable law.

Subd. 5. **Preferences not cumulative.** The preferences under sections 16B.121, 16C.06, subdivision 7, and 16C.16 apply, but are not cumulative. The total percentage of preference granted on a contract may not exceed the highest percentage of preference allowed for that contract under any one of those sections.

Sec. 9. Minnesota Statutes 2006, section 103D.811, subdivision 3, is amended to read:

Subd. 3. **Awarding of contract.** (a) At a time and place specified in the bid notice, the managers may accept or reject any or all bids and may award the contract to the lowest responsible bidder. The bidder to whom the contract is to be awarded must give a bond, with ample security, conditioned by satisfactory completion of the contract.

(b) Bids must not be considered which in the aggregate exceed by more than 30 percent the total estimated cost of construction or implementation.

(c) As an alternative to the procurement method described in paragraph (a), the managers may issue a request for proposals and award the contract to the vendor or contractor offering the best value as described in section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c).

(d) The contract must be in writing and be accompanied by or refer to the plans and specifications for the work to be done as prepared by the engineer for the watershed district. The plans and specifications shall become a part of the contract.

~~(d)~~ (e) The contract shall be approved by the managers and signed by the president, secretary, and contractor.

Sec. 10. Minnesota Statutes 2006, section 103E.505, subdivision 5, is amended to read:

Subd. 5. **How contract may be awarded.** The contract may be awarded in one job, in sections, or separately for labor and material and ~~must~~ may be let to the lowest responsible bidder. Alternatively, the contract may be awarded to the vendor or contractor offering the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c).

Sec. 11. Minnesota Statutes 2006, section 116A.13, subdivision 5, is amended to read:

Subd. 5. **How job may be let.** The job may be let in one job, or in sections, or separately for labor and material, and ~~shall~~ may be let to the lowest responsible bidder or bidders therefor. Alternatively, the contract may be awarded to the vendor or contractor offering the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c).

Sec. 12. Minnesota Statutes 2006, section 123B.52, subdivision 1, is amended to read:

Subdivision 1. **Contracts.** A contract for work or labor, or for the purchase of furniture, fixtures, or other property, except books registered under the copyright laws, or for the construction or repair of school houses, the estimated cost or value of which shall exceed that specified in section 471.345, subdivision 3, must not be made by the school board without first advertising for bids or proposals by two weeks' published notice in the official newspaper. This notice must state the time and place of receiving bids and contain a brief description of the subject matter.

Additional publication in the official newspaper or elsewhere may be made as the board shall deem necessary.

After taking into consideration conformity with the specifications, terms of delivery, and other conditions imposed in the call for bids, every such contract for which a call for bids has been issued must be awarded to the lowest responsible bidder, be duly executed in writing, and be otherwise conditioned as required by law. The person to whom the contract is awarded shall give a sufficient bond to the board for its faithful performance. Notwithstanding section 574.26 or any other law to the contrary, on a contract limited to the purchase of a finished tangible product, a board may require, at its discretion, a performance bond of a contractor in the amount the board considers necessary. A record must be kept of all bids, with names of bidders and amount of bids, and with the successful bid indicated thereon. A bid containing an alteration or erasure of any price contained in the bid which is used in determining the lowest responsible bid must be rejected unless the alteration or erasure is corrected as provided in this section. An alteration or erasure may be crossed out and the correction thereof printed in ink or typewritten adjacent thereto and initialed in ink by the person signing the bid. In the case of identical low bids from two or more bidders, the board may, at its discretion, utilize negotiated procurement methods with the tied low bidders for that particular transaction, so long as the price paid does not exceed the low tied bid price. In the case where only a single bid is received, the board may, at its discretion, negotiate a mutually agreeable contract with the bidder so long as the price paid does not exceed the original bid. If no satisfactory bid is received, the board may readvertise. Standard requirement price contracts established for supplies or services to be purchased by the district must be established by competitive bids. Such standard requirement price contracts may contain escalation clauses and may provide for a negotiated price increase or decrease based upon a demonstrable industrywide or regional increase or decrease in the vendor's costs. Either party to the contract may request that the other party demonstrate such increase or decrease. The term of such contracts must not exceed two years with an option on the part of the district to renew for an additional two years. Contracts for the purchase of perishable food items, except milk for school lunches and vocational training programs, in any amount may be made by direct negotiation by obtaining two or more written quotations for the purchase or sale, when possible, without advertising for bids or otherwise complying with the requirements of this section or section 471.345, subdivision 3. All quotations obtained shall be kept on file for a period of at least one year after receipt.

Every contract made without compliance with the provisions of this section shall be void. Except in the case of the destruction of buildings or injury thereto, where the public interest would suffer by delay, contracts for repairs may be made without advertising for bids.

Sec. 13. Minnesota Statutes 2006, section 123B.52, is amended by adding a subdivision to read:

Subd. 1b. **Best value alternative.** As an alternative to the procurement method described in subdivision 1, a contract for construction, building, alteration, improvement, or repair work may be awarded to the vendor or contractor offering the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c).

Sec. 14. Minnesota Statutes 2006, section 160.17, is amended by adding a subdivision to read:

Subd. 2a. **Best value alternative.** As an alternative to the procurement method referenced in subdivision 2, counties or towns may issue a request for proposal and award the contract to the vendor or contractor offering the best value as described in section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c).

Sec. 15. Minnesota Statutes 2006, section 160.262, is amended by adding a subdivision to read:

Subd. 5. **Best value alternative.** As an alternative to the procurement method described in subdivision 4, the commissioner may allow for the award of design-build contracts for the projects described in subdivision 4 to the vendor or contractor offering the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c).

Sec. 16. Minnesota Statutes 2006, section 161.32, is amended by adding a subdivision to read:

Subd. 1f. **Best value alternative.** As an alternative to the procurement method described in subdivisions 1a to 1e, the commissioner may issue a request for proposals and award the contract to the vendor or contractor offering the best value as described in section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c).

Sec. 17. **[161.3206] BEST VALUE CONTRACTING AUTHORITY.**

Notwithstanding sections 16C.25, 161.32, 161.321, or any other law to the contrary, the commissioner may solicit and award all contracts, other than design-build contracts governed by section 161.3412, for a project on the basis of a best value selection process as defined in section 16C.02, subdivision 4a. Section 16C.08 does not apply to this section.

Sec. 18. Minnesota Statutes 2006, section 161.3412, subdivision 1, is amended to read:

Subdivision 1. **Best value selection for design-build contracts.** Notwithstanding sections 16C.25, 161.32, and 161.321, or any other law to the contrary, the commissioner may solicit and award a design-build contract for a project on the basis of a best value selection process. Section 16C.08 does not apply to design-build contracts to which the commissioner is a party.

Sec. 19. Minnesota Statutes 2006, section 161.38, subdivision 4, is amended to read:

Subd. 4. **Effects on other law of public contract with commissioner.** Whenever the road authority of any city enters into an agreement with the commissioner pursuant to this section, and a portion of the cost is to be assessed against benefited property, the letting of a public contract by the commissioner for the work shall be deemed to comply with statutory or charter provisions requiring the city (1) to advertise for bids before awarding a contract for a public improvement, (2) to let the contract to the lowest responsible bidder or to the vendor or contractor offering the best value, and (3) to require a performance bond to be filed by the contractor before undertaking the work. The contract so let by the commissioner and the performance bond required of the contractor by the commissioner shall be considered to be the contract and bond of the city for the purposes of complying with the requirements of any applicable law or charter provision, and the bond shall inure to the benefit of the city and operate for their protection to the same extent as though they were parties thereto.

Sec. 20. Minnesota Statutes 2006, section 365.37, is amended by adding a subdivision to read:

Subd. 2a. **Best value alternative.** As an alternative to the procurement method described in subdivision 2, a contract for construction, building, alteration, improvement, or repair work may be awarded to the vendor or contractor offering the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c).

Sec. 21. Minnesota Statutes 2006, section 374.13, is amended to read:

374.13 TO ADVERTISE FOR BIDS.

Subdivision 1. **Bidding process.** When the plans and specifications are completed and approved by the city council and the county board, the commission shall, after notice appropriate to inform possible bidders, obtain bids or proposals for all or any portion of the work or materials, or both, to be done, performed, or furnished in the construction of the building. All bids or proposals shall be sealed by the bidders or proposers and filed with the commission at or before the time specified for the opening of bids or proposals. At the time and place specified for the opening of bids or proposals, the commission shall meet, open the bids or proposals, tabulate them, and award the contract or contracts to the responsible bidder whose bid or proposal is the most favorable to the city or county, or reject all bids and proposals. If all bids or proposals are rejected, the commission may, after similar notice, obtain more bids or proposals or may modify or change the plans and specifications and submit the modified plans and specifications to the city council and the county board for approval. When the modified or changed plans and specifications are satisfactory to both the city council and the county board, the plans and specifications shall be returned to the commission and the commission shall proceed again, after similar notice, to obtain bids or proposals. Any contract awarded by the commission shall be subject to approval by the city council and the county board.

Subd. 2. **Best value alternative.** As an alternative to the procurement method described in subdivision 1, the commission may issue a request for proposals and award the contract to the vendor or contractor offering the best value as described in section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c).

Sec. 22. Minnesota Statutes 2006, section 375.21, is amended by adding a subdivision to read:

Subd. 1b. **Best value alternative.** As an alternative to the procurement method described in subdivision 1, a county board may award a contract for construction, building, alteration, improvement, or repair work to the vendor or contractor offering the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c).

Sec. 23. Minnesota Statutes 2006, section 383C.094, is amended by adding a subdivision to read:

Subd. 1a. **Contracts in excess of \$500; best value alternative.** As an alternative to the procurement method described in subdivision 1, the contract may be awarded to the vendor or contractor offering the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c).

Sec. 24. Minnesota Statutes 2006, section 412.311, is amended to read:

412.311 CONTRACTS.

Subdivision 1. **Lowest responsible bidder.** Except as provided in sections 471.87 to 471.89, no member of a council shall be directly or indirectly interested in any contract made by the council. Whenever the amount of a contract for the purchase of merchandise, materials or equipment or for any kind of construction work undertaken by the city is estimated to exceed the amount specified by section 471.345, subdivision 3, the contract shall be let to the lowest responsible bidder, after notice has been published once in the official newspaper at least ten days in advance of the last day for the submission of bids. If the amount of the contract exceeds \$1,000, it shall be entered into only after compliance with section 471.345.

Subd. 2. **Best value alternative.** As an alternative to the procurement method described in subdivision 1, a contract for construction, building, alteration, improvement, or repair work may be awarded to the vendor or contractor offering the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c).

Sec. 25. Minnesota Statutes 2006, section 429.041, is amended by adding a subdivision to read:

Subd. 2a. **Best value alternative.** As an alternative to the procurement method described in subdivision 2, the council may issue a request for proposals and award the contract to the vendor or contractor offering the best value as described in section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c).

Sec. 26. Minnesota Statutes 2006, section 458D.21, is amended by adding a subdivision to read:

Subd. 2a. **Contracts in excess of \$5,000; best value alternative.** As an alternative to the procurement method described in subdivision 2, the board may issue a request for proposals and award the contract to the vendor or contractor offering the best value as described in section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c).

Sec. 27. Minnesota Statutes 2006, section 469.015, is amended by adding a subdivision to read:

Subd. 1a. **Best value alternative.** As an alternative to the procurement method described in subdivision 1, the authority may issue a request for proposals and award the contract to the vendor or contractor offering the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c).

Sec. 28. Minnesota Statutes 2006, section 469.068, subdivision 1, is amended to read:

Subdivision 1. **Contracts; bids; bonds.** All construction work and every purchase of equipment, supplies, or materials necessary in carrying out the purposes of sections 469.048 to 469.068, that involve the expenditure of \$1,000 or more, shall be awarded by contract as provided in this subdivision or in subdivision 1a. Before receiving bids under sections 469.048 to 469.068, the authority shall publish, once a week for two consecutive weeks in the official newspaper of the port's city, a notice that bids will be received for the construction work, or purchase of equipment, supplies, or materials. The notice shall state the nature of the work, and the terms and conditions upon which the contract is to be let and name a time and place where the bids will be received, opened, and read publicly, which time shall be not less than seven days after the date of the last publication. After the bids have been received, opened, read publicly, and recorded, the commissioners shall award the contract to the lowest responsible bidder, reserving the right to reject any or all bids. The contract shall be executed in writing and the person to whom the contract is awarded shall give sufficient bond to the board for its faithful performance. If no satisfactory bid is received, the port authority may readvertise, or, by an affirmative vote of two of its commissioners in the case of a three-member commission, or five of its members in the case of a seven-member commission, may authorize the authority to perform any part or parts of any construction work by day labor under conditions it prescribes. The commissioners may establish reasonable qualifications to determine the fitness and responsibility of bidders, and require bidders to meet the qualifications before bids are accepted. If the commissioners by a two-thirds or five-sevenths vote declare that an emergency exists requiring the immediate purchase of any equipment or material or supplies at a cost in excess of \$1,000, but not exceeding \$5,000, in amount, or making of emergency repairs, it shall not be necessary to advertise for bids, but the material, equipment, or supplies may be purchased in the open market at the lowest price obtainable, or the emergency repairs may be contracted for or performed without securing formal competitive bids. An emergency, for purposes of this section, is unforeseen circumstances or conditions which result in the jeopardizing of human life or property.

In all contracts involving the employment of labor, the commissioners shall stipulate conditions they deem reasonable, as to the hours of labor and wages and may stipulate as to the residence of employees to be employed by the contractors.

Bonds shall be required from contractors for any works of construction as provided in and subject to all the provisions of sections 574.26 to 574.31.

Sec. 29. Minnesota Statutes 2006, section 469.068, is amended by adding a subdivision to read:

Subd. 1a. **Contracts; best value alternative.** As an alternative to the procurement method described in subdivision 1, a contract may be awarded to the vendor or contractor offering the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c).

Sec. 30. Minnesota Statutes 2006, section 469.101, is amended by adding a subdivision to read:

Subd. 5a. **Construction contracts.** For all contracts for construction, alteration, repair, or maintenance work, the authority may award contracts to the vendor offering the best value, and "best value" shall be defined and applied as set forth in sections 16C.02, subdivision 4a, and 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c). Alternatively, the authority may award all contracts for construction, alteration, repair, or maintenance work to the lowest responsible bidder, reserving the right to reject any or all bids.

Sec. 31. Minnesota Statutes 2006, section 471.345, is amended by adding a subdivision to read:

Subd. 3a. **Contracts over \$50,000; best value alternative.** As an alternative to the procurement method described in subdivision 3, municipalities may award a contract for construction, alteration, repair, or maintenance work to the vendor or contractor offering the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c).

Sec. 32. Minnesota Statutes 2006, section 471.345, is amended by adding a subdivision to read:

Subd. 4a. **Contracts from \$10,000 to \$50,000; best value alternative.** As an alternative to the procurement method described in subdivision 4, municipalities may award a contract for construction, alteration, repair, or maintenance work to the vendor or contractor offering the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c).

Sec. 33. Minnesota Statutes 2006, section 471.345, subdivision 5, is amended to read:

Subd. 5. **Contracts less than \$10,000.** If the amount of the contract is estimated to be \$10,000 or less, the contract may be made either upon quotation or in the open market, in the discretion of the governing body. If the contract is made upon quotation it shall be based, so far as practicable, on at least two quotations which shall be kept on file for a period of at least one year after their receipt. Alternatively, municipalities may award a contract for construction, alteration, repair, or maintenance work to the vendor or contractor offering the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c).

Sec. 34. Minnesota Statutes 2006, section 473.523, is amended by adding a subdivision to read:

Subd. 1a. **Contracts over \$50,000; best value alternative.** As an alternative to the procurement method described in subdivision 1, the council may issue a request for proposals and award the contract to the vendor or contractor offering the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c).

Sec. 35. Minnesota Statutes 2006, section 473.756, subdivision 12, is amended to read:

Subd. 12. **Contracts.** The authority may enter into a development agreement with the team, the county, or any other entity relating to the construction, financing, and use of the ballpark and related facilities and public infrastructure. The authority may contract for materials, supplies, and equipment in accordance with sections 471.345 and 473.754, except that the authority, with the consent of the county, may employ or contract with persons, firms, or corporations to perform one or more or all of the functions of architect, engineer, or construction manager with respect to all or any part of the ballpark and public infrastructure. Alternatively, at the request of the team and with the consent of the county, the authority shall authorize the team to provide for the design and construction of the ballpark and related public infrastructure, subject to terms of Laws 2006, chapter 257. The construction manager may enter into contracts with contractors for labor, materials, supplies, and equipment for the construction of the ballpark and related public infrastructure through the process of public bidding, except that the construction manager may, with the consent of the authority or the team:

(1) narrow the listing of eligible bidders to those which the construction manager determines to possess sufficient expertise to perform the intended functions;

(2) award contracts to the contractors that the construction manager determines provide the best value under a request for proposals as described in section 16C.28, subdivision 1, paragraph (a), clause (2), and paragraph (c), which are not required to be the lowest responsible bidder; and

(3) for work the construction manager determines to be critical to the completion schedule, award contracts on the basis of competitive proposals or perform work with its own forces without soliciting competitive bids if the construction manager provides evidence of competitive pricing.

The authority shall require that the construction manager certify, before the contract is signed, a fixed and stipulated construction price and completion date to the authority and post a performance bond in an amount at least equal to 100 percent of the certified price, to cover any costs which may be incurred in excess of the certified price, including but not limited to costs incurred by the authority or loss of revenues resulting from incomplete construction on the completion date. The authority may secure surety bonds as provided in section 574.26, securing payment of just claims in connection with all public work undertaken by it. Persons entitled to the protection of the bonds may enforce them as provided in sections 574.28 to 574.32, and shall not be entitled to a lien on any property of the authority under the provisions of sections 514.01 to 514.16. Contracts for construction and operation of the ballpark must include programs, including Youthbuild, to provide for participation by small local businesses and businesses owned by people of color, and the inclusion of women and people of color in the workforces of contractors and ballpark operators. The construction of the ballpark is a "project" as that term is defined in section 177.42, subdivision 2, and is subject to the prevailing wage law under sections 177.41 to 177.43.

ARTICLE 4

ELECTIONS

Section 1. Minnesota Statutes 2006, section 201.016, subdivision 1a, is amended to read:

Subd. 1a. **Violations; penalty.** (a) The county auditor shall mail a violation notice to any voter who the county auditor can determine has voted ~~in a precinct other than the precinct in~~ using an address at which the voter maintains ~~does not maintain~~ residence on election day. The notice must be in the form provided by the secretary of state. The county auditor shall also change the status of the voter in the statewide registration system to "challenged" and the voter shall be required to provide proof of residence to either the county auditor or to the election judges in the voter's precinct before voting in the next election. Any of the forms authorized by section 201.061 for registration at the polling place may be used for this purpose.

(b) A voter who votes in a precinct other than the precinct in which the voter maintains residence after receiving an initial violation notice as provided in this subdivision is guilty of a petty misdemeanor.

(c) A voter who votes in a precinct other than the precinct in which the voter maintains residence after having been found to have committed a petty misdemeanor under paragraph (b) is guilty of a misdemeanor.

(d) Reliance by the voter on inaccurate information regarding the location of the voter's polling place provided by the state, county, or municipality is an affirmative defense to a prosecution under this subdivision.

Sec. 2. Minnesota Statutes 2006, section 201.056, is amended to read:

201.056 SIGNATURE OF REGISTERED VOTER; MARKS ALLOWED.

An individual who is unable to write the individual's name shall be required to sign a registration card by making the individual's mark application in the manner provided by section 645.44, subdivision 14. If the individual registers in person and signs by making a mark, the clerk or election judge accepting the registration shall certify the mark by signing the individual's name. If the individual registers by mail and signs by making a mark, the mark shall be certified by having a voter registered in the individual's precinct sign the individual's name and the voter's own name and give the voter's own address.

Sec. 3. Minnesota Statutes 2006, section 201.061, subdivision 1, is amended to read:

Subdivision 1. **Prior to election day.** At any time except during the 20 days immediately preceding any regularly scheduled election, an eligible voter or any individual who will be an eligible voter at the time of the next election may register to vote in the precinct in which the voter maintains residence by completing a paper voter registration application as described in section 201.071, subdivision 1, and submitting it in person or by mail to the county auditor of that county or to the Secretary of State's Office. The secretary of state may maintain a Web site function that enables an individual who has a Minnesota driver's license, identification card, or learner's permit to register online. A registration that is received no later than 5:00 p.m. on the 21st day preceding any election shall be accepted. An improperly addressed or delivered registration application shall be forwarded within two working days after receipt to the county auditor of the county where the voter maintains residence. A state or local agency or an individual that accepts completed voter registration applications from a voter must submit the completed applications to the secretary of state or the appropriate county auditor within ten business days after the applications are dated by the voter.

For purposes of this section, mail registration is defined as a voter registration application delivered to the secretary of state, county auditor, or municipal clerk by the United States Postal Service or a commercial carrier.

Sec. 4. Minnesota Statutes 2006, section 201.061, is amended by adding a subdivision to read:

Subd. 1b. **Prohibited methods of compensation; penalty.** (a) No individual may be compensated for the solicitation, collection, or acceptance of voter registration applications from voters for submission to the secretary of state, a county auditor, or other local election official in a manner in which payment is calculated by multiplying (1) either a set or variable payment rate, by (2) the number of voter registration applications solicited, collected, or accepted.

(b) No individual may be deprived of compensation or have compensation automatically reduced exclusively for failure to solicit, collect, or accept a minimum number of voter registration applications and no individual may receive additional compensation for reaching or exceeding a minimum number of voter registration applications.

(c) A person who violates this subdivision is guilty of a petty misdemeanor.

Sec. 5. Minnesota Statutes 2006, section 201.061, subdivision 3, is amended to read:

Subd. 3. **Election day registration.** (a) The definitions in this paragraph apply to this subdivision:

(1) "current utility bill" means a utility bill dated within 30 days before the election day or due within 30 days before or after the election;

(2) "photo identification" means identification that displays the name and photo of an individual and that was issued by:

(i) another state for use as a driver's license or identification card;

(ii) a Minnesota college, university, or other postsecondary educational institution or high school as a student identification card; or

(iii) a tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior;

(3) "residential facility" means transitional housing as defined in section 256E.33, subdivision 1; a supervised living facility licensed by the commissioner of health under section 144.50, subdivision 6; a nursing home as defined in section 144A.01, subdivision 5; a residence registered with the commissioner of health as a housing with services establishment as defined in section 144D.01, subdivision 4; a veterans home operated by the board of directors of the Minnesota Veterans Homes under chapter 198; a residence licensed by the commissioner of human services to provide a residential program as defined in section 245A.02, subdivision 14; a residential facility for persons with a developmental disability licensed by the commissioner of human services under section 252.28; group residential housing as defined in section 256I.03, subdivision 3; a shelter for battered women as defined in section 611A.37, subdivision 4; or a supervised publicly or privately operated shelter or dwelling designed to provide temporary living accommodations for the homeless; and

(4) "utility bill" means a written or electronic bill for gas, electricity, telephone, wireless telephone, cable television, satellite television, solid waste, water, sewer services, or an itemized rent statement.

(b) An individual who is eligible to vote may register on election day by appearing in person at the polling place for the precinct in which the individual maintains residence, by completing a registration application, making an oath in the form prescribed by the secretary of state and providing proof of residence. An individual may prove residence for purposes of registering by:

(1) presenting a driver's license or Minnesota identification card issued pursuant to section 171.07;

(2) presenting:

(i) a photo identification; and

(ii) a current utility bill or lease, showing the individual's name and valid residential address in the precinct;

(3) presenting an identification card issued by the tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the name, address, signature, and picture of the individual;

(4) presenting any document approved by the secretary of state as proper identification;

~~(3)~~ (5) presenting one of the following:

(i) a current valid student identification card from a postsecondary educational institution in Minnesota, if a list of students from that institution has been prepared under section 135A.17 and certified to the county auditor in the manner provided in rules of the secretary of state; or

(ii) a current student fee statement that contains the student's valid address in the precinct together with a ~~picture~~ photo identification card; or

~~(4)~~ (6)(i) having a voter who is registered to vote in the precinct, or who is an employee employed by and working in a residential facility in the precinct and vouching for a resident in the facility, sign an oath in the presence of the election judge vouching that the voter or employee personally knows that the individual is a resident of the precinct. A voter who has been vouched for on election day may not sign a proof of residence oath vouching for any other individual on that election day. A voter who is registered to vote in the precinct may sign up to 15 proof-of-residence oaths on any election day. This limitation does not apply to an employee of a residential facility described in this clause.

(ii) The secretary of state shall provide a form for election judges to use in recording the number of individuals for whom a voter signs proof-of-residence oaths on election day. The form must include space for the maximum number of individuals for whom a voter may sign proof-of-residence oaths. For each proof-of-residence oath, the form must include a statement that the voter is registered to vote in the precinct, personally knows that the individual is a resident of the precinct, and is making the statement on oath. The form must include a space for the voter's printed name, signature, telephone number, and address.

The oath required by this subdivision and Minnesota Rules, part 8200.9939, must be attached to the voter registration application ~~and the information on the oath must be recorded on the records of both the voter registering on election day and the voter who is vouching for the person's residence, and entered into the statewide voter registration system by the county auditor when the voter registration application is entered into that system.~~

(b) The operator of a residential facility shall prepare a list of the names of its employees currently working in the residential facility and the address of the residential facility. The operator shall certify the list and provide it to the appropriate county auditor no less than 20 days before each election for use in election day registration.

(c) "Residential facility" means transitional housing as defined in section 256E.33, subdivision 1; a supervised living facility licensed by the commissioner of health under section 144.50, subdivision 6; a nursing home as defined in section 144A.01, subdivision 5; a residence registered with the commissioner of health as a housing with services establishment as defined in section 144D.01, subdivision 4; a veterans home operated by the board of directors of the Minnesota Veterans Homes under chapter 198; a residence licensed by the commissioner of human services to provide a residential program as defined in section 245A.02, subdivision 14; a residential facility for persons with a developmental disability licensed by the commissioner of human services under section 252.28; group residential housing as defined in section 256I.03, subdivision 3; a shelter for battered women as defined in section 611A.37, subdivision 4; or a supervised publicly or privately operated shelter or dwelling designed to provide temporary living accommodations for the homeless.

~~(d)~~ For tribal band members, an individual may prove residence for purposes of registering by:

~~(1) presenting an identification card issued by the tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the name, address, signature, and picture of the individual; or~~

~~(2) presenting an identification card issued by the tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the name, signature, and picture of the individual and also presenting one of the documents listed in Minnesota Rules, part 8200.5100, subpart 2, item B.~~

(c) An employee of a residential facility must prove employment with that facility by presenting a current identification card issued by the facility or other official documentation verifying the employee's current status with the facility on election day to be eligible to vouch for individuals residing in that facility.

~~(e)~~ (d) A county, school district, or municipality may require that an election judge responsible for election day registration initial each completed registration application.

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

Sec. 6. Minnesota Statutes 2006, section 201.071, subdivision 1, is amended to read:

Subdivision 1. **Form.** A voter registration application must ~~be of suitable size and weight for mailing and~~ contain spaces for the following required information: voter's first name, middle name, and last name; voter's previous name, if any; voter's current address; voter's previous address, if any; voter's date of birth; voter's municipality and county of residence; voter's telephone number, if provided by the voter; date of registration; current and valid Minnesota driver's license number or Minnesota state identification number, or if the voter has no current and valid Minnesota driver's license or Minnesota state identification, and the last four digits of the voter's Social Security number; ~~and voter's signature~~. The registration application may include the voter's e-mail address, if provided by the voter, and the voter's interest in serving as an election judge, if indicated by the voter. The application must also contain the following certification of voter eligibility:

"I certify that I:

- (1) will be at least 18 years old on election day;
- (2) am a citizen of the United States;
- (3) will have resided in Minnesota for 20 days immediately preceding election day;
- (4) maintain residence at the address given on the registration form;
- (5) am not under court-ordered guardianship in which the court order revokes my right to vote;
- (6) have not been found by a court to be legally incompetent to vote;
- (7) have the right to vote because, if I have been convicted of a felony, my felony sentence has expired (been completed) or I have been discharged from my sentence; and
- (8) have read and understand the following statement: that giving false information is a felony punishable by not more than five years imprisonment or a fine of not more than \$10,000, or both."

The certification must include boxes for the voter to respond to the following questions:

"(1) Are you a citizen of the United States?" and

"(2) Will you be 18 years old on or before election day?"

And the instruction:

"If you checked 'no' to either of these questions, do not complete this form."

The form of the voter registration application and the certification of voter eligibility must be as provided in this subdivision and approved by the secretary of state. Voter registration forms authorized by the National Voter Registration Act must also be accepted as valid. The federal postcard application form must also be accepted as valid if it is not deficient and the voter is eligible to register in Minnesota.

An individual may use a voter registration application to apply to register to vote in Minnesota or to change information on an existing registration.

A paper voter registration application must include space for the voter's signature and be of suitable size and weight for mailing.

Sec. 7. Minnesota Statutes 2006, section 201.091, subdivision 9, is amended to read:

Subd. 9. **Restricted data.** A list provided for public inspection or purchase, for jury selection, or in response to a law enforcement inquiry, must not include a voter's date of birth or any part of a voter's Social Security number, driver's license number, ~~or~~ identification card number, military identification card number, or passport number.

Sec. 8. Minnesota Statutes 2006, section 201.12, is amended to read:

201.12 PROPER REGISTRATION; VERIFICATION BY MAIL; CHALLENGES.

Subdivision 1. **Notice of registration.** To prevent fraudulent voting and to eliminate excess names, the county auditor may mail to any registered voter a notice stating the voter's name and address as they appear in the registration files. The notice shall request the voter to notify the county auditor if there is any mistake in the information.

Subd. 2. **Challenges Moved within state.** If the notice is returned as undeliverable but with a permanent forwarding address in this state, the county auditor shall notify the auditor of the county where the voter resides. Upon receipt of the notice, the county auditor shall update the voter's address in the statewide voter registration system and mail to the voter the notice of registration required by section 201.121, subdivision 2. The notice must advise the voter that the voter's voting address has been changed and that the voter must notify the county auditor within 21 days if the new address is not what the voter intended to be their permanent address.

Subd. 3. **Moved out of state.** If the notice is returned as undeliverable but with a permanent forwarding address outside this state, the county auditor shall promptly mail to the voter at the forwarding address a notice advising the voter that the voter's voter registration in this state will be deleted unless the voter notifies the county auditor within 21 days that the voter intends to retain the former address as the voter's permanent address. If the notice is not received by the deadline, the county auditor shall change the voter's status to "inactive" in the statewide registration system.

Subd. 4. **Challenges.** Upon return of any nonforwardable mailing from an election official, the county auditor or the auditor's staff shall ascertain the name and address of that individual. If the individual is no longer at the address recorded in the statewide registration system. If the notice is returned as undeliverable but with no forwarding address, the county auditor shall change the registrant's status to "challenged" in the statewide

registration system. An individual challenged in accordance with this subdivision shall comply with the provisions of section 204C.12, before being allowed to vote. If a notice mailed at least 60 days after the return of the first nonforwardable mailing is also returned by the postal service, the county auditor shall change the registrant's status to "inactive" in the statewide registration system.

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

Sec. 9. Minnesota Statutes 2006, section 201.13, subdivision 3, is amended to read:

Subd. 3. **Use of change of address system.** ~~The county auditor may delete the records in the statewide registration system of voters whose change of address can be confirmed by the United States Postal Service. The secretary of state may provide the county auditors with periodic reports on voters whose change of address can be confirmed by the United States Postal Service.~~

(a) At least once each month the secretary of state shall obtain a list of individuals in this state who have filed with the United States Postal Service a change of their permanent address. If an individual is registered as a voter in the statewide voter registration system and the change is to another address in this state, the secretary of state shall transmit the registration by electronic means to the county auditor of the county where the voter resides. Upon receipt of the registration, the county auditor shall update the voter's address in the statewide voter registration system and mail to the voter the notice of registration required by section 201.121, subdivision 2. The notice must advise the voter that the voter's permanent address has been changed and that the voter must notify the county auditor within 21 days if the new address is not what the voter intended to be the voter's permanent address.

(b) If the change of permanent address is to a forwarding address outside this state, the secretary of state shall notify by electronic means the auditor of the county where the voter formerly resided that the voter has left the state. The county auditor shall promptly mail to the voter at the forwarding address a notice advising the voter that the voter's voter registration in this state will be deleted unless the voter notifies the county auditor within 21 days that the voter intends to retain the former address as the voter's permanent address. If the notice is not received by the deadline, the county auditor shall change the voter's status to "inactive" in the statewide registration system.

EFFECTIVE DATE. This section is effective April 1, 2008.

Sec. 10. Minnesota Statutes 2006, section 201.161, is amended to read:

201.161 AUTOMATIC REGISTRATION OF DRIVER'S LICENSE, INSTRUCTION PERMIT, AND IDENTIFICATION CARD APPLICATIONS APPLICANTS.

Subdivision 1. **Automatic registration.** An individual who properly completes an application for a new or renewed Minnesota driver's license, instruction permit, or identification card, and who is eligible to vote under section 201.014, must be registered to vote as provided in this section, unless the applicant declines to be registered.

Subd. 2. **Applications.** ~~The Department~~ commissioner of public safety, in consultation with the secretary of state, shall change its ~~the~~ applications for an original, duplicate, or change of address driver's license, instruction permit, or identification card so that the forms may also serve as voter registration applications. The forms must contain spaces for all information collected by voter registration applications prescribed by the secretary of state and a box for the applicant to decline to be registered to vote. Applicants for driver's licenses or identification cards must be asked if they want to register to vote at the same time and that ~~Unless the applicant has declined to be registered to vote, the commissioner shall transmit the information must be transmitted at least weekly daily~~ by electronic means to the secretary of state. Pursuant to the Help America Vote Act of 2002, Public Law 107-252, the computerized driver's license record containing the voter's name, address, date of birth, citizenship, driver's license number or state identification number, county, town, and city or town, and signature must be made available for access by the secretary of state and interaction with the statewide voter registration system.

Subd. 3. **Registration.** (a) The secretary of state shall determine whether the applicant is currently registered in the statewide voter registration system. For each currently registered voter whose registration has not changed, the secretary of state shall update the voter's registration date in the statewide voter registration system. For each currently registered voter whose registration has changed, the secretary of state shall transmit the registration daily by electronic means to the county auditor of the county where the voter resides.

(b) If the applicant is not currently registered in the statewide voter registration system, the secretary of state shall determine whether the applicant is 18 years of age or older and a citizen of the United States and compare the voter registration information received from the commissioner of public safety with the information on wards, incompetents, and felons received from the state court administrator under sections 201.15 and 201.155, to determine whether the applicant is eligible to vote. If an applicant is less than 18 years of age, the secretary of state shall wait until the applicant has turned 18 years of age to determine whether the applicant is eligible to vote. For each applicant the secretary of state determines is an eligible voter, the secretary of state shall transmit the registration daily by electronic means to the county auditor of the county where the voter resides.

Subd. 4. **Notice.** Upon receipt of the registration, the county auditor shall mail to the voter the notice of registration required by section 201.121, subdivision 2.

Subd. 5. **Registrations dated 20 days or less before election.** An application for registration that is dated during the 20 days before an election in any jurisdiction within which the voter resides is not effective until the day after the election.

EFFECTIVE DATE. An applicant for a Minnesota driver's license, instruction permit, or identification card must not be registered to vote under this section until the secretary of state has certified that the system for automatic registration of those applicants has been tested and shown to properly determine whether an applicant is eligible to vote.

Sec. 11. Minnesota Statutes 2006, section 201.171, is amended to read:

201.171 POSTING VOTING HISTORY; FAILURE TO VOTE; REGISTRATION REMOVED.

Within six weeks after every election, the county auditor shall post the voting history for every person who voted in the election. After the close of the calendar year, the secretary of state shall determine if any registrants have not voted during the preceding ~~four~~ six years. The secretary of state shall perform list maintenance by changing the status of those registrants to "inactive" in the statewide registration system. The list maintenance performed must be conducted in a manner that ensures that the name of each registered voter appears in the official list of eligible voters in the statewide registration system. A voter must not be removed from the official list of eligible voters unless the voter is not eligible or is not registered to vote. List maintenance must include procedures for eliminating duplicate names from the official list of eligible voters.

The secretary of state shall also prepare a report to the county auditor containing the names of all registrants whose status was changed to "inactive."

Registrants whose status was changed to "inactive" must register in the manner specified in section 201.054 before voting in any primary, special primary, general, school district, or special election, as required by section 201.018.

Although not counted in an election, a late or rejected absentee or mail ballot must be considered a vote for the purpose of continuing registration.

Sec. 12. Minnesota Statutes 2006, section 203B.02, subdivision 1, is amended to read:

Subdivision 1. ~~Unable to go to polling place~~ **Eligibility for absentee voting.** (a) Any eligible voter who ~~reasonably expects to be unable to go to the polling place on election day in the precinct where the individual maintains residence because of absence from the precinct; illness, including isolation or quarantine under sections 144.419 to 144.4196 or United States Code, title 42, sections 264 to 272; disability; religious discipline; observance of a religious holiday; or service as an election judge in another precinct~~ may vote by absentee ballot as provided in sections 203B.04 to 203B.15.

(b) ~~If the governor has declared an emergency and filed the declaration with the secretary of state under section 12.31, and the declaration states that the emergency has made it difficult for voters to go to the polling place on election day, any voter in a precinct covered by the declaration may vote by absentee ballot as provided in sections 203B.04 to 203B.15.~~

EFFECTIVE DATE. This section is effective April 1, 2008.

Sec. 13. Minnesota Statutes 2006, section 203B.04, subdivision 1, is amended to read:

Subdivision 1. **Application procedures.** Except as otherwise allowed by subdivision 2, an application for absentee ballots for any election may be submitted at any time not less than one day before the day of that election. The county auditor shall prepare absentee ballot application forms in the format provided by the secretary of state, notwithstanding rules on absentee ballot forms, and shall furnish them to any person on request. By January 1 of each even-numbered year, the secretary of state shall make the forms to be used available to auditors through electronic means. An application submitted pursuant to this subdivision shall be in writing and shall be submitted to:

(a) ~~(1)~~ the county auditor of the county where the applicant maintains residence; or

(b) ~~(2)~~ the municipal clerk of the municipality, or school district if applicable, where the applicant maintains residence.

An application shall be approved if it is timely received, signed and dated by the applicant, contains the applicant's name and residence and mailing addresses, and states that the applicant is eligible to vote by absentee ballot ~~for one of the reasons specified in section 203B.02.~~ The application may contain a request for the voter's date of birth, which must not be made available for public inspection. An application may be submitted to the county auditor or municipal clerk by an electronic facsimile device. An application mailed or returned in person to the county auditor or municipal clerk on behalf of a voter by a person other than the voter must be deposited in the mail or returned in person to the county auditor or municipal clerk within ten days after it has been dated by the voter and no later than six days before the election. The absentee ballot applications or a list of persons applying for an absentee ballot may not be made available for public inspection until the close of voting on election day.

An application under this subdivision may contain an application under subdivision 5 to automatically receive an absentee ballot application.

EFFECTIVE DATE. This section is effective April 1, 2008.

Sec. 14. Minnesota Statutes 2006, section 203B.04, subdivision 6, is amended to read:

Subd. 6. **Ongoing absentee status; termination; rules.** (a) An eligible voter may apply to a county auditor or municipal clerk for status as an ongoing absentee voter ~~who reasonably expects to meet the requirements of section 203B.02, subdivision 1.~~ The voter may decline to receive an absentee ballot for one or more elections, provided the

request is received by the county auditor or municipal clerk at least five days before the deadline in section 204B.35 for delivering ballots for the election to which it applies. Each applicant must automatically be provided with an absentee ballot application for each ensuing election, other than an election by mail conducted under section 204B.45, or as otherwise requested by the voter, and must have the status of ongoing absentee voter indicated on the voter's registration record.

(b) Ongoing absentee voter status ends on:

- (1) the voter's written request;
- (2) the voter's death;
- (3) return of an ongoing absentee ballot as undeliverable;
- (4) a change in the voter's status so that the voter is not eligible to vote under section 201.15 or 201.155; or
- (5) placement of the voter's registration on inactive status under section 201.171.

(c) The secretary of state shall adopt rules governing procedures under this subdivision.

EFFECTIVE DATE. Paragraph (c) of this section is effective the day following final enactment. The remainder of this section is effective upon adoption of the rules provided for in paragraph (c).

Sec. 15. Minnesota Statutes 2006, section 203B.06, subdivision 3, is amended to read:

Subd. 3. **Delivery of ballots.** (a) If an application for absentee ballots is accepted at a time when absentee ballots are not yet available for distribution, the county auditor, or municipal clerk accepting the application shall file it and as soon as absentee ballots are available for distribution shall mail them to the address specified in the application. If an application for absentee ballots is accepted when absentee ballots are available for distribution, the county auditor or municipal clerk accepting the application shall promptly:

(1) mail the ballots to the voter whose signature appears on the application if the application is submitted by mail and does not request commercial shipping under clause (2);

(2) ship the ballots to the voter using a commercial shipper requested by the voter at the voter's expense;

(3) deliver the absentee ballots directly to the voter if the application is submitted in person; or

(4) deliver the absentee ballots in a sealed transmittal envelope to an agent who has been designated to bring the ballots, as provided in section 203B.11, subdivision 4, to a voter who would have difficulty getting to the polls because of health reasons, or who is disabled, or who is a patient in a health care facility, as provided in section 203B.11, subdivision 4, a resident of a facility providing assisted living services governed by chapter 144G, a participant in a residential program for adults licensed under section 245A.02, subdivision 14, or a resident of a shelter for battered women as defined in section 611A.37, subdivision 4.

(b) If an application does not indicate the election for which absentee ballots are sought, the county auditor or municipal clerk shall mail or deliver only the ballots for the next election occurring after receipt of the application. Only one set of ballots may be mailed, shipped, or delivered to an applicant for any election, except as provided in section 203B.13, subdivision 2, or when a replacement ballot has been requested by the voter for a ballot that has been spoiled or lost in transit.

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

Sec. 16. Minnesota Statutes 2006, section 203B.07, subdivision 2, is amended to read:

Subd. 2. **Design of envelopes.** The return envelope shall be of sufficient size to conveniently enclose and contain the ballot envelope and a voter registration card and application folded along its perforations. The return envelope shall be designed to open on the left-hand end. ~~Notwithstanding any rule to the contrary, the return envelope must be designed in one of the following ways:~~

~~(1) it must be of sufficient size to contain an additional envelope that when sealed, conceals the signature, identification, and other information; or~~

~~(2) it must provide an additional flap that when sealed, conceals the signature, identification, and other information. Election officials may open the flap or the additional envelope at any time after receiving the returned ballot to inspect the returned certificate for completeness or to ascertain other information. A certificate of eligibility to vote by absentee ballot shall be printed on the back of the envelope. The certificate shall contain a statement to be signed and sworn by the voter indicating that the voter meets all of the requirements established by law for voting by absentee ballot. If the voter was not previously registered, the certificate shall also contain a statement signed by a person who is registered to vote in Minnesota or by a notary public or other individual authorized to administer oaths stating that:~~

~~(a)~~ (1) the ballots were displayed to that individual unmarked;

~~(b)~~ (2) the voter marked the ballots in that individual's presence without showing how they were marked, or, if the voter was physically unable to mark them, that the voter directed another individual to mark them; and

~~(c) if the voter was not previously registered, (3) the voter has provided proof of residence as required by section 201.061, subdivision 3.~~

The county auditor or municipal clerk shall affix first class postage to the return envelopes.

EFFECTIVE DATE. This section is effective April 1, 2008.

Sec. 17. Minnesota Statutes 2006, section 203B.081, is amended to read:

203B.081 LOCATIONS FOR ABSENTEE VOTING IN PERSON.

An eligible voter may vote by absentee ballot during the 30 days before the election in the office of the county auditor and at any other polling place designated by the county auditor. The county auditor shall make such designations at least 90 days before the election. At least one voting booth and at least one electronic ballot marker in each polling place must be made available by the county auditor for this purpose.

Sec. 18. Minnesota Statutes 2006, section 203B.11, subdivision 4, is amended to read:

Subd. 4. **Agent delivery of ballots.** During the ~~four~~ seven days preceding an election and until 2:00 p.m. on election day, an eligible voter who ~~is~~ would have difficulty getting to the polls because of health reasons, or who is disabled, a patient of a health care facility, a resident of a facility providing assisted living services governed by chapter 144G, a participant in a residential program for adults licensed under section 245A.02, subdivision 14, or a resident of a shelter for battered women as defined in section 611A.37, subdivision 4, may designate an agent to deliver the ballots to the voter from the county auditor or municipal clerk. A candidate at the election may not be designated as an agent. The voted ballots must be returned to the county auditor or municipal clerk no later than 3:00 p.m. on election day. The voter must complete an affidavit requesting the auditor or clerk to provide the agent with the ballots in a sealed transmittal envelope. The affidavit must include a statement from the voter stating that

the ballots were delivered to the voter by the agent in the sealed transmittal envelope. An agent may deliver ballots to no more than three persons in any election. The secretary of state shall provide samples of the affidavit and transmission envelope for use by the county auditors.

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

Sec. 19. Minnesota Statutes 2006, section 203B.12, subdivision 4, is amended to read:

Subd. 4. **Placement in container; opening and counting of ballots.** The ballot envelopes from return envelopes marked "Accepted" shall be placed by the election judges in a separate absentee ballot container. The container and each ballot envelope may be opened only after ~~the last regular mail delivery by the United States postal service~~ noon on election day. The ballots shall then be initialed by the election judges in the same manner as ballots delivered by them to voters in person and shall be deposited in the appropriate ballot box.

If more than one ballot of any kind is enclosed in the ballot envelope, none of the ballots of that kind shall be counted but all ballots of that kind shall be returned in the manner provided by section 204C.25 for return of spoiled ballots.

Sec. 20. Minnesota Statutes 2006, section 203B.13, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The governing body of any county ~~that has established a counting center as provided in section 206.85, subdivision 2,~~ any municipality, or any school district may by ordinance or resolution, authorize an absentee ballot board. The board shall consist of a sufficient number of election judges appointed as provided in sections 204B.19 to 204B.22.

Sec. 21. Minnesota Statutes 2006, section 203B.13, subdivision 2, is amended to read:

Subd. 2. **Duties.** The absentee ballot board may ~~do any of the following:~~

~~(a) receive from each precinct in the municipality or school district all ballot envelopes marked "Accepted" by the election judges; provided that the governing body of a municipality or the school board of a school district may authorize the board to examine all return absentee ballot envelopes and receive accept or reject absentee ballots in the manner provided in section 203B.12;~~

~~(b) open and count the absentee ballots, tabulating the vote in a manner that indicates each vote of the absentee voter and the total absentee vote cast for each candidate or question in each precinct; or~~

~~(c) report the vote totals tabulated for each precinct.~~

The absentee ballot board may begin the process of examining the return envelopes and marking them "accepted" or "rejected" at any time during the 30 days before the election. If an envelope has been rejected at least five days before the election, the ballots in the envelope must be considered spoiled ballots and the official in charge of the absentee ballot board shall provide the voter with a replacement absentee ballot and return envelope in place of the spoiled ballot. ~~The secretary of state shall provide samples of the replacement ballot and return envelope for use by the county auditor.~~

Sec. 22. Minnesota Statutes 2006, section 203B.16, subdivision 2, is amended to read:

Subd. 2. **Permanent residence outside United States.** Sections 203B.16 to 203B.27 provide the exclusive voting procedure for United States citizens who are living permanently outside the territorial limits of the United States who meet all the qualifications of an eligible voter except residence in Minnesota, but who are authorized by

federal law to vote in Minnesota because they maintained residence in Minnesota for at least 20 days immediately prior to their departure from the United States or because, although they have never resided in the United States, their parent maintained residence in Minnesota for at least 20 days immediately before their parent departed from the United States. Individuals described in this subdivision shall be permitted to vote only for the offices of president, vice-president, senator in Congress, and representative in Congress.

EFFECTIVE DATE. This section is effective April 1, 2008.

Sec. 23. Minnesota Statutes 2006, section 203B.17, subdivision 2, is amended to read:

Subd. 2. **Required information.** An application shall be accepted if it contains the following information stated under oath:

(a) the voter's name, birthdate, and present address of residence in Minnesota, or former address of residence in Minnesota if the voter is living permanently outside the United States;

(b) a statement indicating that the voter is in the military, or is the spouse or dependent of an individual serving in the military, or is temporarily outside the territorial limits of the United States, or is living permanently outside the territorial limits of the United States and voting under federal law;

(c) a statement that the voter expects to be absent from the precinct at the time of the election;

(d) the address to which absentee ballots are to be mailed;

(e) the voter's signature or the signature and relationship of the individual authorized to apply on the voter's behalf; and

(f) the voter's military identification card number, passport number, or, Minnesota driver's license or state identification card number; if the voter does not have ~~a valid passport or identification card, the signed statement of an individual authorized to administer oaths or a commissioned or noncommissioned officer of the military not below the rank of sergeant or its equivalent, certifying that the voter or other individual requesting absentee ballots has attested to the truthfulness of the contents of the application under oath.~~

~~The oath taken must be the standard oath prescribed by section 101(b)(7) of the Uniformed and Overseas Citizens Absentee Voting Act.~~

~~A form for providing this information shall be prepared by each county auditor and shall be furnished to individuals who request it pursuant to this section.~~ access to any of these documents, the voter or other individual requesting absentee ballots may attest to the truthfulness of the contents of the application under penalty of perjury.

EFFECTIVE DATE. This section is effective April 1, 2008.

Sec. 24. Minnesota Statutes 2006, section 203B.19, is amended to read:

203B.19 RECORDING APPLICATIONS.

Upon accepting an application, the county auditor shall record in the statewide registration system the voter's name, address of present or former residence in Minnesota, mailing address, school district number, military identification card number, passport number, Minnesota driver's license number or state identification card number, and whether the voter is in the military or the spouse or dependent of an individual serving in the military, is a voter temporarily outside the territorial limits of the United States, or is living permanently outside the territorial limits of

the United States and voting under federal law. The county auditor shall retain the record for six years. A voter whose name is recorded as provided in this section shall not be required to register under any other provision of law in order to vote under sections 203B.16 to 203B.27. Persons from whom applications are not accepted must be notified by the county auditor and provided with the reasons for the rejection.

No later than 60 days after the general election, the county auditor shall report to the secretary of state the combined number of absentee ballots transmitted to absent voters described in section 203B.16. No later than 60 days after the general election, the county auditor shall report to the secretary of state the combined number of absentee ballots returned and cast by absent voters described in section 203B.16. The secretary of state may require the information be reported by category under section 203B.16 or by precinct.

No later than 90 days after the general election, the secretary of state shall report to the federal Election Assistance Commission the number of absentee ballots transmitted to voters under section 203B.16.

EFFECTIVE DATE. This section is effective April 1, 2008.

Sec. 25. Minnesota Statutes 2006, section 203B.20, is amended to read:

203B.20 CHALLENGES.

Except as provided in this section, the eligibility or residence of a voter whose application for absentee ballots is recorded under section 203B.19 may be challenged in the manner set forth by section 201.195. The county auditor ~~or municipal clerk~~ shall not be required to serve a copy of the petition and notice of hearing on the challenged voter. If the absentee ballot application was submitted on behalf of a voter by an individual authorized under section 203B.17, subdivision 1, paragraph (a), the county auditor must attempt to notify the individual who submitted the application of the challenge. The county auditor may contact other registered voters to request information that may resolve any discrepancies appearing in the application. All reasonable doubt shall be resolved in favor of the validity of the application. If the voter's challenge is affirmed, the county auditor shall provide the challenged voter with a copy of the petition and the decision and shall inform the voter of the right to appeal as provided in section 201.195.

EFFECTIVE DATE. This section is effective April 1, 2008.

Sec. 26. Minnesota Statutes 2006, section 203B.21, subdivision 2, is amended to read:

Subd. 2. **Mailing of ballots; return.** Ballots and instructions for marking them, ballot envelopes, and return envelopes shall be sent by first class mail to addresses within the continental United States and by air mail to addresses outside the continental United States, unless the voter requests to have the ballots and related materials sent electronically under section 203B.225. The ballot envelope and return envelope shall be marked "Official Ballot," and shall contain sufficient postage to assure proper return delivery. The return envelope shall be addressed to comply with any method for return of absentee ballots as authorized under section 203B.08, subdivision 2.

EFFECTIVE DATE. This section is effective April 1, 2008.

Sec. 27. Minnesota Statutes 2006, section 203B.21, subdivision 3, is amended to read:

Subd. 3. **Back of return envelope.** On the back of the return envelope ~~an affidavit form~~ a certificate shall appear with space for:

(~~a~~) (1) the voter's address of present or former residence in Minnesota;

(2) the voter's current e-mail address, if the voter has one;

~~(b)~~ (3) a statement indicating the category described in section 203B.16 to which the voter belongs;

~~(c)~~ (4) a statement that the voter has not cast and will not cast another absentee ballot in the same election or elections;

~~(d)~~ (5) a statement that the voter personally marked the ballots without showing them to anyone, or if physically unable to mark them, that the voter directed another individual to mark them; and

~~(e)~~ (6) the same voter's military identification card number, passport number, or; Minnesota driver's license or state identification card number as provided on the absentee ballot application; if the voter does not have a valid passport or identification card, the signature and certification of an individual authorized to administer oaths under federal law or the law of the place where the oath was administered or commissioned or noncommissioned personnel of the military not below the rank of sergeant or its equivalent access to any of these documents, the voter may attest to the truthfulness of the contents of the certificate under penalty of perjury.

The ~~affidavit~~ certificate shall also contain a signed and dated oath in the form required by section 705 of the Help America Vote Act, Public Law 107-252, which must read:

"I swear or affirm, under penalty of perjury, that:

I am a member of the uniformed services or merchant marine on active duty or an eligible spouse or dependent of such a member; a United States citizen temporarily residing outside the United States; or other United States citizen residing outside the United States; and I am a United States citizen, at least 18 years of age (or will be by the date of the election), and I am eligible to vote in the requested jurisdiction; I have not been convicted of a felony, or other disqualifying offense, or been adjudicated mentally incompetent, or, if so, my voting rights have been reinstated; and I am not registering, requesting a ballot, or voting in any other jurisdiction in the United States except the jurisdiction cited in this voting form. In voting, I have marked and sealed my ballot in private and have not allowed any person to observe the marking of the ballot, except for those authorized to assist voters under state or federal law. I have not been influenced.

My signature and date below indicate when I completed this document.

The information on this form is true, accurate, and complete to the best of my knowledge. I understand that a material misstatement of fact in completion of this document may constitute grounds for a conviction for perjury."

EFFECTIVE DATE. This section is effective April 1, 2008.

Sec. 28. Minnesota Statutes 2006, section 203B.22, is amended to read:

203B.22 MAILING BALLOTS.

The county auditor shall mail the appropriate ballots, as promptly as possible, to an absent voter whose application has been recorded under section 203B.19. If the county auditor determines that a voter is not eligible to vote at the primary but will be eligible to vote at the general election, only general election ballots shall be mailed. Only one set of ballots shall be mailed to any applicant for any election, except that the county auditor may mail a replacement ballot to a voter whose ballot has been spoiled or lost in transit or whose mailing address has changed after the date on which the original application was submitted as confirmed by the county auditor. Ballots to be sent outside the United States shall be given priority in mailing. A county auditor may make use of any special service provided by the United States government for the mailing of voting materials under sections 203B.16 to 203B.27.

Sec. 29. **[203B.225] TRANSMITTING AND RETURNING BALLOTS.**

Subdivision 1. **Transmitting ballot and certificate of voter eligibility.** A voter described in section 203B.16 may include in an application for absentee ballots a request that the ballots, instructions, and a certificate of voter eligibility meeting the requirements of section 203B.21, subdivision 3, be transmitted to the voter electronically. Upon receipt of a properly completed application requesting electronic transmission, the county auditor shall electronically transmit the requested materials to the voter.

Subd. 2. **Returning voted ballots.** The voter must return the voted ballots and the certificate of voter eligibility to the county auditor in a sealed envelope. Upon receipt of a ballot, the county auditor must immediately compare the information provided on the absentee ballot application with the information provided on the certificate of voter eligibility. After the information on the certificate of voter eligibility has been verified, the certificate must be attached to the ballot secrecy envelope and placed with the other absentee ballots for the precinct in which the voter resides.

Subd. 3. **Rejecting transmitted ballots.** If the county auditor cannot verify that the ballots were returned by the same person to whom the absentee ballot application was transmitted, the ballots must be rejected and no votes on the ballots may be counted.

EFFECTIVE DATE. This section is effective April 1, 2008.

Sec. 30. **[203B.227] WRITE-IN ABSENTEE BALLOT.**

An eligible voter who will be outside the territorial limits of the United States during the 180 days prior to the state general election may use a state write-in absentee ballot to vote in any federal, state, or local election. In a state or local election, a vote for a political party without specifying the name of a candidate must not be counted.

Sec. 31. Minnesota Statutes 2006, section 203B.23, is amended to read:

203B.23 APPLICATION RECORDS; DELIVERY TO ELECTION JUDGES ABSENTEE BALLOT BOARD.

~~Subdivision 1. **Establishment.** When election materials are transmitted to the municipal clerks as provided in section 204B.28, subdivision 2, the county auditor shall also transmit a certified copy of the record of applications compiled as provided in section 203B.19, for absentee ballots to be cast at that election in that town, school district, or city. A certified copy of the record of additional applications received by the county auditor after the ballots have been delivered shall also be delivered to the appropriate municipal clerk. Each municipal clerk shall in turn deliver to the election judges in the appropriate precincts the application records received from the county auditor. The county auditor must establish an absentee ballot board for ballots issued under sections 203B.16 to 203B.27. The board may consist of staff trained and certified as election judges, in which case, the board is exempt from sections 204B.19, subdivision 5, and 204C.15, relating to party balance in appointment of judges and to duties to be performed by judges of different major political parties.~~

Subd. 2. **Duties.** The absentee ballot board must examine all returned absentee ballot envelopes for ballots issued under sections 203B.16 to 203B.27 and accept or reject the absentee ballots in the manner provided in section 203B.24.

The absentee ballot board must examine the return envelopes and mark them "accepted" or "rejected" during the 30 days before the election. If an envelope has been rejected at least five days before the election, the ballots in the envelope must be considered spoiled ballots and the official in charge of the absentee ballot board must provide the voter with a replacement absentee ballot and return envelope in place of the spoiled ballot.

Subd. 3. **Applicable laws.** Except as otherwise provided in this section, all the laws applicable to absentee ballots and absentee voters and all other provisions of the Minnesota Election Law apply to an absentee ballot board.

EFFECTIVE DATE. This section is effective April 1, 2008.

Sec. 32. Minnesota Statutes 2006, section 203B.24, is amended to read:

203B.24 DUTIES OF ELECTION JUDGES.

Subdivision 1. **Check of voter eligibility; proper execution of affidavit certificate.** Upon receipt of an absentee ballot returned as provided in sections 203B.16 to 203B.27, the election judges shall compare the voter's name with the names ~~appearing on their copy of the application records~~ recorded under section 203B.19 in the statewide registration system to insure that the ballot is from a voter eligible to cast an absentee ballot under sections 203B.16 to 203B.27. The election judges shall mark the return envelope "Accepted" and initial or sign the return envelope below the word "Accepted" if the election judges are satisfied that:

(1) the voter's name on the return envelope appears in substantially the same form as on the application records provided to the election judges by the county auditor;

(2) the voter has signed the federal oath prescribed pursuant to section 705(b)(2) of the Help America Vote Act, Public Law 107-252;

(3) the voter has set forth the same voter's military identification number ~~or, passport number, or, if those numbers do not appear, a person authorized to administer oaths under federal law or the law of the place where the oath was administered or a witness who is military personnel with a rank at or above the rank of sergeant or its equivalent has signed the ballot~~ Minnesota driver's license or state identification card number as submitted on the application, if the voter has one of these documents; and

(4) the voter has not already voted at that election, either in person or by absentee ballot.

If the identification number described in clause (3) does not match the number as submitted on the application, the election judges must make a reasonable effort to satisfy themselves through other information provided by the applicant, or by an individual authorized to apply on behalf of the voter, that the ballots were returned by the same person to whom the ballots were transmitted.

An absentee ballot ~~case~~ cast pursuant to sections 203B.16 to 203B.27 may only be rejected for the lack of one of clauses (1) to (4). In particular, failure to place the ballot within the security envelope before placing it in the outer white envelope is not a reason to reject an absentee ballot.

Election judges must note the reason for rejection on the back of the envelope in the space provided for that purpose.

Failure to return unused ballots shall not invalidate a marked ballot, but a ballot shall not be counted if the ~~affidavit~~ certificate on the return envelope is not properly executed. In all other respects the provisions of the Minnesota Election Law governing deposit and counting of ballots shall apply.

Subd. 2. **Voting more than once Recording accepted and rejected ballots.** The election judges shall compare the voter's name with the names ~~appearing on their copy of the application records to insure that the voter has not already returned a ballot in the election~~ recorded under section 203B.19 in the statewide registration system. For each returned ballot, the election judges must indicate on the record in the statewide registration system whether ~~an~~ the absentee ballot was accepted ~~for each applicant whose name appears on the record~~ or rejected. ~~If a voter whose~~

~~application has been recorded under section 203B.19 casts a ballot in person on election day, no absentee ballot shall be counted for that voter. If more than one return envelope is received from a voter whose application has been recorded under section 203B.19, the ballots in the return envelope bearing the latest date shall be counted and the uncounted ballots shall be returned by the election judges with the rejected ballots. The election judges must preserve the record and return it to the county auditor or municipal clerk with the election day materials.~~

EFFECTIVE DATE. This section is effective April 1, 2008.

Sec. 33. Minnesota Statutes 2006, section 203B.25, is amended to read:

203B.25 DEATH OF VOTER; INDIVIDUALS VOTING UNDER SPECIAL ABSENTEE ELECTION DAY PROCEDURES.

Subdivision 1. **Death of voter.** If the election judges receive proof that a voter who has returned an absentee ballot as provided in sections 203B.16 to 203B.27 has died before the time when voting is scheduled to begin on election day, the ballot of that voter shall be returned by the election judges with the rejected ballots. Notwithstanding the other provisions of this section, the counting of the absentee ballot of a deceased voter shall not invalidate the election.

Subd. 2. **Voting more than once.** If a voter whose application has been recorded under section 203B.19 casts a ballot in person on election day, an absentee ballot from that voter must not be counted. If more than one return envelope is received from a voter whose application has been recorded under section 203B.19, the ballots in the return envelope bearing the latest date must be counted and the uncounted ballots must be returned by the election judges with the rejected ballots.

EFFECTIVE DATE. This section is effective April 1, 2008.

Sec. 34. Minnesota Statutes 2006, section 203B.26, is amended to read:

203B.26 SEPARATE RECORD.

A separate record of the ballots of absent voters cast under sections 203B.16 to 203B.27 must be ~~kept in~~ generated from the statewide registration system for each precinct and provided to the election judges in the polling place on election day, along with the returned envelopes marked "accepted" by the absentee ballot board. The content of the record must be in a form prescribed by the secretary of state. ~~The election judges in the polling place must note on the record any envelopes that had been marked "accepted" by the absentee ballot board but were not counted. The election judges must preserve the record and return it to the county auditor or municipal clerk with the election day materials.~~

EFFECTIVE DATE. This section is effective April 1, 2008.

Sec. 35. **[203B.28] EMERGENCY POWERS.**

(a) If the governor has declared an emergency and filed the declaration with the secretary of state under section 12.31, or if a natural disaster or armed conflict involving the United States Armed Forces, or mobilization of those forces, including National Guard and reserve components of this state, makes substantial compliance with the Uniformed and Overseas Citizens Absentee Voting Act impossible or unreasonable, the secretary of state may prescribe, by emergency orders, special procedures or requirements necessary to facilitate absentee voting by those citizens directly affected who otherwise are eligible to vote in this state.

(b) The secretary of state shall adopt rules describing the emergency powers and the situations in which the powers must be exercised.

EFFECTIVE DATE. Paragraph (a) is effective upon adoption of the rules provided for in paragraph (b). Paragraph (b) is effective the day following final enactment.

Sec. 36. Minnesota Statutes 2006, section 204B.06, subdivision 1, is amended to read:

Subdivision 1. **Form of affidavit.** An affidavit of candidacy shall state the name of the office sought and, except as provided in subdivision 4, shall state that the candidate:

(1) is an eligible voter;

(2) has no other affidavit on file as a candidate for any office at the same primary or next ensuing general election, except that a candidate for soil and water conservation district supervisor in a district not located in whole or in part in Anoka, Hennepin, Ramsey, or Washington County, may also have on file an affidavit of candidacy for mayor or council member of a statutory or home rule charter city of not more than 2,500 population contained in whole or in part in the soil and water conservation district or for town supervisor in a town of not more than 2,500 population contained in whole or in part in the soil and water conservation district; and

(3) is, or will be on assuming the office, 21 years of age or more, and will have maintained residence in the district from which the candidate seeks election for 30 days before the general election.

An affidavit of candidacy must include a statement that the candidate's name as written on the affidavit for ballot designation is the candidate's true name or the name by which the candidate is commonly and generally known in the community.

An affidavit of candidacy for partisan office shall also state the name of the candidate's political party or political principle, stated in three words or less. Except as provided in section 204B.09, subdivision 1a, the affidavit of candidacy must include an original signature of the candidate.

Sec. 37. Minnesota Statutes 2006, section 204B.09, subdivision 1, is amended to read:

Subdivision 1. **Candidates in state and county general elections.** (a) Except as otherwise provided by this subdivision, affidavits of candidacy and nominating petitions for county, state, and federal offices filled at the state general election shall be filed not more than 70 days nor less than 56 days before the state primary. The affidavit may be prepared and signed at any time between 60 days before the filing period opens and the last day of the filing period.

(b) Notwithstanding other law to the contrary, the affidavit of candidacy must be signed in the presence of a notarial officer or an individual authorized to administer oaths under section 358.10.

(c) This provision does not apply to candidates for presidential elector nominated by major political parties. Major party candidates for presidential elector are certified under section 208.03. Other candidates for presidential electors may file petitions on or before the state primary day pursuant to section 204B.07, but no earlier than 70 days before the state primary. Nominating petitions to fill vacancies in nominations shall be filed as provided in section 204B.13. No affidavit or petition shall be accepted later than 5:00 p.m. on the last day for filing.

(d) Affidavits and petitions for county offices to be voted on in only one county shall must be filed with the county auditor of that county. Affidavits and petitions for federal offices to be voted on in more than one county shall must be filed with the secretary of state. Affidavits and petitions for state offices must be filed with the secretary of state or with the county auditor of the county in which the candidate resides.

Sec. 38. Minnesota Statutes 2006, section 204B.09, subdivision 1a, is amended to read:

Subd. 1a. **Absent candidates.** (a) A candidate for special district, county, state, or federal office who will be absent from the state during the filing period may submit a properly executed affidavit of candidacy, the appropriate filing fee, and any necessary petitions in person to the filing officer. The candidate shall state in writing the reason for being unable to submit the affidavit during the filing period. The affidavit, filing fee, and petitions must be submitted to the filing officer during the seven days immediately preceding the candidate's absence from the state. Nominating petitions may be signed during the 14 days immediately preceding the date when the affidavit of candidacy is filed.

(b) In extraordinary circumstances beyond the candidate's control that prevent the candidate from filing an affidavit of candidacy authenticated by the candidate's handwritten or other signature meeting the requirements of section 645.44, subdivision 14, the affidavit of candidacy may be filed electronically with the secretary of state along with a written statement of the extraordinary circumstances. The affidavit and statement may be authenticated either by the electronic facsimile signature of the candidate, by an electronic signature consisting of a password assigned by the secretary of state, or by another form of electronic signature approved by the secretary of state. The secretary of state may adopt rules governing the electronic filing of an affidavit of candidacy under this paragraph.

Sec. 39. Minnesota Statutes 2006, section 204B.09, subdivision 3, is amended to read:

Subd. 3. **Write-in candidates.** (a) A candidate for county, state, or federal office who wants write-in votes for the candidate to be counted must file a written request with the filing office for the office sought no later than the ~~fifth~~ seventh day before the general election. The filing officer shall provide copies of the form to make the request.

(b) A candidate for president of the United States who files a request under this subdivision must include the name of a candidate for vice-president of the United States. The request must also include the name of at least one candidate for presidential elector. The total number of names of candidates for presidential elector on the request may not exceed the total number of electoral votes to be cast by Minnesota in the presidential election.

(c) A candidate for governor who files a request under this subdivision must include the name of a candidate for lieutenant governor.

Sec. 40. Minnesota Statutes 2006, section 204B.11, subdivision 2, is amended to read:

Subd. 2. **Petition in place of filing fee.** At the time of filing an affidavit of candidacy, a candidate may present a petition in place of the filing fee. The petition may be circulated from the date of precinct caucuses to the end of the period for filing affidavits of candidacy. The petition may be signed by any individual eligible to vote for the candidate. A nominating petition filed pursuant to section 204B.07 or 204B.13, subdivision 4, is effective as a petition in place of a filing fee if the nominating petition includes a prominent statement informing the signers of the petition that it will be used for that purpose.

The number of signatures on a petition in place of a filing fee shall be as follows:

(a) for a state office voted on statewide, or for president of the United States, or United States senator, 2,000;

(b) for a congressional office, 1,000;

(c) for a county or legislative office, or for the office of district judge, 500; and

(d) for any other office which requires a filing fee as prescribed by law, municipal charter, or ordinance, the lesser of 500 signatures or five percent of the total number of votes cast in the municipality, ward, or other election district at the preceding general election at which that office was on the ballot.

An official with whom petitions are filed shall make sample forms for petitions in place of filing fees available upon request.

Sec. 41. Minnesota Statutes 2006, section 204B.16, subdivision 1, is amended to read:

Subdivision 1. **Authority; location.** The governing body of each municipality and of each county with precincts in unorganized territory shall designate by ordinance or resolution a polling place for each election precinct. Polling places must be designated and ballots must be distributed so that no one is required to go to more than one polling place to vote in a school district and municipal election held on the same day. The polling place for a precinct in a city or in a school district located in whole or in part in the metropolitan area defined by section 200.02, subdivision 24, shall be located within the boundaries of the precinct or within ~~3,000 feet~~ one mile of one of those boundaries unless a single polling place is designated for a city pursuant to section 204B.14, subdivision 2, or a school district pursuant to section 205A.11. The polling place for a precinct in unorganized territory may be located outside the precinct at a place which is convenient to the voters of the precinct. If no suitable place is available within a town or within a school district located outside the metropolitan area defined by section 200.02, subdivision 24, then the polling place for a town or school district may be located outside the town or school district within five miles of one of the boundaries of the town or school district.

Sec. 42. Minnesota Statutes 2006, section 204B.21, subdivision 2, is amended to read:

Subd. 2. **Appointing authority; powers and duties.** Election judges for precincts in a municipality shall be appointed by the governing body of the municipality. Election judges for precincts in unorganized territory and for performing election-related duties assigned by the county auditor shall be appointed by the county board. Election judges for a precinct composed of two or more municipalities must be appointed by the governing body of the municipality or municipalities responsible for appointing election judges as provided in the agreement to combine for election purposes. Appointments ~~shall~~ may be made from lists furnished pursuant to subdivision 1 subject to the eligibility requirements and other qualifications established or authorized under section 204B.19. At least two election judges in each precinct must be affiliated with different major political parties. If no lists have been furnished or if additional election judges are required ~~after all listed names have been exhausted~~, the appointing authority may appoint ~~any other individual to serve as an election judge subject to the same requirements and qualifications~~ individuals who meet the qualifications to serve as an election judge, including persons who are not affiliated with a major political party. The appointments shall be made at least 25 days before the election at which the election judges will serve.

Sec. 43. **[204B.445] VOTER COMPLAINT AND RESOLUTION PROCESS.**

Subdivision 1. **Scope.** An eligible voter may file a complaint to seek the resolution of any of the following conditions that have occurred or are about to occur:

(1) voter records in the statewide registration system are not maintained by the secretary of state or a county auditor in the manner provided in chapter 201;

(2) voters are unable to register to vote in the manner provided by section 201.061;

(3) a voting system, including an electronic ballot marker, meeting the requirements of section 206.80 is not available for use by voters either casting an absentee ballot in person at the locations designated by the county auditor or local election official, or for voting at any polling place on election day; or

(4) the secretary of state, county auditor, or local election official has failed, is failing, or is about to fail to carry out a duty required by Title III of the Help America Vote Act of 2002.

A complaint against a municipal or school district clerk must be filed with the county auditor of the county in which the action has occurred or is about to occur. A complaint against a county auditor must be filed with the secretary of state. A complaint against the secretary of state must be filed with the Office of Administrative Hearings. The secretary of state shall provide a standard form for a complaint under this section. The form must provide space for the complainant to specify the legal basis for the complaint. The proceedings authorized by this section are not subject to the requirements of chapter 14.

Subd. 2. **Notice of complaint.** The official with whom the complaint is filed must, within seven days after the complaint was filed, provide written notice of the complaint, including a copy of the complaint, to the official against whom the complaint has been made.

Subd. 3. **Response.** Within 14 days after the notice of complaint is received, the official complained against must respond in writing to the complainant and state the manner in which the respondent proposes to resolve the complaint.

Subd. 4. **Hearing.** If the complainant believes the response does not resolve the complaint, the complainant may file, with the official with whom the complaint was filed, a request for a hearing. The request must state the objection to the response and propose to resolve the complaint in a way that is consistent with the Minnesota Election Law. If the complainant makes a request for hearing, a hearing must take place. The official with whom the complaint was filed must rule on the complaint within 14 days after the hearing.

Subd. 5. **Timeline.** A ruling on a complaint must be made no more than 90 days after the complaint was filed. If the official with whom the complaint was filed fails to make that ruling within 90 days after the complaint was filed, that official must provide alternative dispute resolution for the disposition of the complaint. The alternative dispute resolution process must be completed within 60 days of its commencement.

Subd. 6. **Appeal.** No later than 30 days after the ruling, the complainant may appeal the ruling. If the complaint was filed against a municipal clerk, school district clerk, or county auditor, the appeal must be filed with the secretary of state. If the complaint was filed against the secretary of state, the appeal must be filed with the Ramsey County District Court. The appeal must be heard within 14 days. Upon hearing the appeal, the secretary of state or district court may affirm, reverse, or modify the ruling and give appropriate instructions, as needed, to the secretary of state, county auditor, or local election official to resolve the complaint.

Subd. 7. **Remedies; notice.** If the official rules that there has been a violation of Title III of the Help America Vote Act of 2002, the official must provide an appropriate remedy. If the official rules that there has not been a violation, the complaint must be dismissed and the results of the process published by the official.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 44. Minnesota Statutes 2006, section 204B.45, subdivision 2, is amended to read:

Subd. 2. **Procedure.** Notice of the election and the special mail procedure must be given at least six weeks prior to the election. ~~No earlier~~ Not more than 20 30 days or nor later than 14 days prior to the election, the auditor shall mail ballots by nonforwardable mail to all voters registered in the town or unorganized territory. No later than

14 days before the election, the auditor must make a subsequent mailing of ballots to those voters who register to vote after the initial mailing but before the 20th day before the election. Eligible voters not registered at the time the ballots are mailed may apply for ballots as provided in chapter 203B. Ballot return envelopes, with return postage provided, must be preaddressed to the auditor or clerk and the voter may return the ballot by mail or in person to the office of the auditor or clerk. The auditor or clerk may appoint election judges to examine the return envelopes and mark them "accepted" or "rejected" during the 30 days before the election. If an envelope has been rejected at least five days before the election, the ballots in the envelope must be considered spoiled ballots and the auditor or clerk shall provide the voter with a replacement ballot and return envelope in place of the spoiled ballot. The costs of the mailing shall be paid by the election jurisdiction in which the voter resides. Any ballot received by 8:00 p.m. on the day of the election must be counted.

Sec. 45. Minnesota Statutes 2006, section 204C.06, subdivision 1, is amended to read:

Subdivision 1. **Lingering near polling place.** An individual shall be allowed to go to and from the polling place for the purpose of voting without unlawful interference. No one except an election official or an individual who is waiting to register or to vote shall stand within 100 feet of the ~~entrance to a polling place. The entrance to a polling place is the doorway or point of entry leading into the room or area where voting is occurring building in which a polling place is located.~~

Sec. 46. Minnesota Statutes 2006, section 204C.07, subdivision 3a, is amended to read:

Subd. 3a. **Residence requirement.** A challenger must be a resident of this state. Appointed challengers seeking admission to a polling place to serve in that capacity must prove their status as a resident of this state by presenting one of the documents listed in section 201.061, subdivision 3, paragraph (b), clauses (1) to (4). Challengers need not prove residence in the precinct in which they seek to act as a challenger.

Sec. 47. Minnesota Statutes 2006, section 204C.07, is amended by adding a subdivision to read:

Subd. 3b. **Oath to obey the law.** A challenger must state under oath that the challenger understands and will abide by the laws and rules governing challengers as described in this section and in section 204C.12 and governing challenges to voters as described in section 204C.12.

Sec. 48. Minnesota Statutes 2006, section 205.075, is amended by adding a subdivision to read:

Subd. 4. **Election judges; party balance.** The provisions of sections 204B.19, subdivision 5; 204B.21, subdivision 2; 204C.15; 204C.19; 206.83; and 206.86, subdivision 2, relating to party balance in the appointment of judges and to duties to be performed by judges of different major political parties do not apply to a town election not held in conjunction with a statewide election.

Sec. 49. Minnesota Statutes 2006, section 205.10, is amended by adding a subdivision to read:

Subd. 6. **Cancellation.** A special election ordered by the governing body of the municipality on its own motion under subdivision 1 may be canceled by motion of the governing body, but not less than 46 days before the election.

Sec. 50. Minnesota Statutes 2006, section 205.13, is amended by adding a subdivision to read:

Subd. 7. **Write-in candidates.** A candidate for a city office who wants write-in votes for the candidate to be counted must file a written request with the filing officer for the office sought no later than the seventh day before the general election. The filing officer must provide copies of the form to make the request.

Sec. 51. Minnesota Statutes 2006, section 205.16, subdivision 4, is amended to read:

Subd. 4. **Notice to auditor.** At least 53 days prior to every municipal election, the municipal clerk shall provide a written notice to the county auditor, including the date of the election, the offices to be voted on at the election, and the title and language for each ballot question to be voted on at the election. Not less than 46 days before the election, the municipal clerk must provide written notice to the county auditor of any special election canceled under section 205.10, subdivision 6.

Sec. 52. Minnesota Statutes 2006, section 205A.05, is amended by adding a subdivision to read:

Subd. 3. **Cancellation.** A special election ordered by the school board on its own motion under subdivision 1 may be canceled by motion of the school board, but not less than 46 days before the election.

Sec. 53. Minnesota Statutes 2006, section 205A.07, subdivision 3, is amended to read:

Subd. 3. **Notice to auditor.** At least 53 days prior to every school district election, the school district clerk shall provide a written notice to the county auditor of each county in which the school district is located. The notice must include the date of the election, the offices to be voted on at the election, and the title and language for each ballot question to be voted on at the election. For the purposes of meeting the timelines of this section, in a bond election, a notice, including a proposed question, may be provided to the county auditor prior to receipt of a review and comment from the commissioner of education and prior to actual initiation of the election. Not less than 46 days before the election, the school district clerk must provide written notice to the county auditor of any special election canceled under section 205A.05, subdivision 3.

Sec. 54. Minnesota Statutes 2006, section 205A.07, subdivision 3a, is amended to read:

Subd. 3a. **Notice to commissioner of education.** At least 49 days prior to every school district election, under section 123B.62, 123B.63, 126C.17, 126C.69, or 475.58, the school district clerk shall provide a written notice to the commissioner of education. The notice must include the date of the election and the title and language for each ballot question to be voted on at the election. Not less than 46 days before the election, the school district clerk must provide a written notice to the commissioner of education of any special election canceled under section 205A.05, subdivision 3. The certified vote totals for each ballot question shall be provided in a written notice to the commissioner in a timely manner.

Sec. 55. Minnesota Statutes 2006, section 205A.10, subdivision 2, is amended to read:

Subd. 2. **Election, conduct.** A school district election must be by secret ballot and must be held and the returns made in the manner provided for the state general election, as far as practicable. The vote totals from an absentee ballot board established pursuant to section 203B.13 may be tabulated and reported by the school district as a whole rather than by precinct. For school district elections not held in conjunction with a statewide election, the school board shall appoint election judges as provided in section 204B.21, subdivision 2. The provisions of sections 204B.19, subdivision 5; 204B.21, subdivision 2; 204C.15; 204C.19; ~~206.64, subdivision 2~~; 206.83; and 206.86, subdivision 2, relating to party balance in appointment of judges and to duties to be performed by judges of different major political parties do not apply to school district elections not held in conjunction with a statewide election.

Sec. 56. Minnesota Statutes 2006, section 206.57, subdivision 5, is amended to read:

Subd. 5. **Voting system for disabled voters.** In federal and state elections held after December 31, 2005, ~~and~~ in county, ~~municipal~~ city, and school district elections held after December 31, 2007, and in township elections held after December 31, 2009, the voting method used in each polling place must include a voting system that is accessible for individuals with disabilities, including nonvisual accessibility for the blind and visually impaired in a manner that provides the same opportunity for access and participation, including privacy and independence, as for other voters.

Sec. 57. Minnesota Statutes 2006, section 206.89, subdivision 1, is amended to read:

Subdivision 1. **Definition.** For purposes of this section "postelection review official" means the ~~election administration official who is responsible for the conduct of elections in a precinct selected for review under this section.~~ county auditor, unless the county auditor designates the municipal clerk as the "postelection review official" within 24 hours after the canvass of the state general election.

Sec. 58. Minnesota Statutes 2006, section 206.89, subdivision 5, is amended to read:

Subd. 5. **Additional review.** (a) If the postelection review in one of the reviewed precincts reveals a difference greater than one-half of one percent, or greater than two votes in a precinct where 400 or fewer voters cast ballots, the postelection review official must, within two days, conduct an additional review of the races indicated in subdivision 3 in at least three precincts in the same jurisdiction where the discrepancy was discovered. If all precincts in that jurisdiction have been reviewed, the county auditor must immediately publicly select by lot at least three additional precincts for review. The postelection review official must complete the additional review within two days after the precincts are selected and report the results immediately to the county auditor. If the second review in any of the reviewed precincts also indicates a difference in the vote totals compiled by the voting system that is greater than one-half of one percent from the result indicated by the postelection review, or greater than two votes in a precinct where 400 or fewer voters cast ballots, the county auditor must conduct a review of the ballots from all the remaining precincts in the county for the races indicated in subdivision 3. This review must be completed no later than six weeks after the state general election.

(b) If the results from the countywide reviews from one or more counties comprising in the aggregate more than ten percent of the total number of persons voting in the election clearly indicate that an error in vote counting has occurred, the postelection review official must conduct a manual recount of all the ballots in the district for the affected office. The recount must be completed and the results reported to the appropriate canvassing board no later than ten weeks after the state general election.

Sec. 59. Minnesota Statutes 2006, section 211A.02, subdivision 2, is amended to read:

Subd. 2. **Information required.** The report to be filed by a candidate or committee must include:

- (1) the name of the candidate or ballot question;
- (2) the printed name and, address, telephone number, signature, and e-mail address, if available, of the person responsible for filing the report;
- (3) the total amount of receipts and expenditures for the period from the last previous report to five days before the current report is due;
- (4) the amount, date, and purpose for each expenditure; and
- (5) the name, address, and employer, or occupation if self-employed, of any individual or committee that during the year has made one or more contributions that in the aggregate ~~are equal to or greater than~~ exceed \$100, and the amount and date of each contribution.

The filing officer must restrict public access to the address of any individual who has made a contribution that exceeds \$100 and who has filed with the filing officer a written statement signed by the individual that withholding the individual's address from the financial report is required for the safety of the individual or the individual's family.

Sec. 60. Minnesota Statutes 2006, section 211A.05, subdivision 1, is amended to read:

Subdivision 1. **Penalty.** A candidate who intentionally fails to file a report required by section 211A.02 or a certification required by this section is guilty of a misdemeanor. The treasurer of a committee formed to promote or defeat a ballot question who intentionally fails to file a report required by section 211A.02 or a certification required by this section is guilty of a misdemeanor. Each candidate or treasurer of a committee formed to promote or defeat a ballot question shall certify to the filing officer that all reports required by section 211A.02 have been submitted to the filing officer or that the candidate or committee has not received contributions or made disbursements exceeding \$750 in the calendar year. The certification shall be submitted to the filing officer no later than seven days after the general or special election. The secretary of state shall prepare blanks for this certification. An officer who issues a certificate of election to a candidate who has not certified that all reports required by section 211A.02 have been filed is guilty of a misdemeanor.

Sec. 61. Minnesota Statutes 2006, section 325L.03, is amended to read:

325L.03 SCOPE.

(a) Except as otherwise provided in paragraphs (b) and (e), this chapter applies to electronic records and electronic signatures relating to a transaction.

(b) This chapter does not apply to a transaction to the extent it is governed by:

(1) the Uniform Commercial Code other than section 336.1-306, article 2, and article 2A; and

(2) section 145C.03, subdivision 1, relating to requirements for creation of a health care directive; section 507.24, relating to requirements for recording any conveyance, power of attorney, or other instrument affecting real estate; section 523.23, subdivision 3, relating to requirements for creation of a statutory short form power of attorney; and section 253B.03, subdivision 6b, relating to requirements for creation of a declaration of preferences or instructions regarding intrusive mental health treatment.

(c) This chapter applies to an electronic record or electronic signature otherwise excluded from the application of this chapter under paragraph (b) to the extent it is governed by a law other than those specified in paragraph (b).

(d) A transaction subject to this chapter is also subject to other applicable substantive law.

(e) This chapter does not apply to the creation and execution of wills, codicils, or trusts other than trusts relating to the conduct of business, commercial, or governmental purposes.

(f) Except as provided in section 204B.09, subdivision 1a, this chapter does not apply to affidavits of candidacy relating to the conduct of elections.

Sec. 62. Minnesota Statutes 2006, section 375.101, subdivision 1, is amended to read:

Subdivision 1. **Option for filling vacancies; election in 30 to 60 90 days.** Except as provided in subdivision 3, a vacancy in the office of county commissioner ~~shall may~~ be filled as provided in this subdivision and subdivision 2, or as provided in subdivision 4. If the vacancy is to be filled under this subdivision and subdivision 2, it must be filled at a special election not less than 30 nor more than ~~60~~ 90 days after the vacancy occurs. The special primary or special election may be held on the same day as a regular primary or regular election but the special election shall

be held not less than 14 days after the special primary. The person elected at the special election shall take office immediately after receipt of the certificate of election and upon filing the bond and taking the oath of office and shall serve the remainder of the unexpired term. If the county has been reapportioned since the commencement of the term of the vacant office, the election shall be based on the district as reapportioned.

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

Sec. 63. Minnesota Statutes 2006, section 375.101, is amended by adding a subdivision to read:

Subd. 4. **Option for filling vacancies; appointment.** Except as provided in subdivision 3, and as an alternative to the procedure provided in subdivisions 1 and 2, any other vacancy in the office of county commissioner may be filled by board appointment at a regular or special meeting. The appointment shall be evidenced by a resolution entered in the minutes and shall continue until an election is held under this subdivision. All elections to fill vacancies shall be for the unexpired term. If the vacancy occurs before the first day to file affidavits of candidacy for the next county general election and more than two years remain in the unexpired term, a special election shall be held in conjunction with the county general election. The appointed person shall serve until the qualification of the successor elected to fill the unexpired part of the term at that special election. If the vacancy occurs on or after the first day to file affidavits of candidacy for the county general election, or when less than two years remain in the unexpired term, there shall be no special election to fill the vacancy and the appointed person shall serve the remainder of the unexpired term and until a successor is elected and qualifies at the county general election.

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

Sec. 64. Minnesota Statutes 2006, section 410.12, subdivision 1, is amended to read:

Subdivision 1. **Proposals.** The charter commission may propose amendments to such charter and shall do so upon the petition of voters equal in number to five percent of the total votes cast at the last previous state general election in the city. Proposed charter amendments must be submitted at least 12 weeks before the general election. Petitions may be signed no earlier than 26 weeks before the general election. Only registered voters are eligible to sign the petition. All petitions circulated with respect to a charter amendment shall be uniform in character and shall have attached thereto the text of the proposed amendment in full; except that in the case of a proposed amendment containing more than 1,000 words, a true and correct copy of the same may be filed with the city clerk, and the petition shall then contain a summary of not less than 50 nor more than 300 words setting forth in substance the nature of the proposed amendment. Such summary shall contain a statement of the objects and purposes of the amendment proposed and an outline of any proposed new scheme or frame work of government and shall be sufficient to inform the signers of the petition as to what change in government is sought to be accomplished by the amendment. The summary, together with a copy of the proposed amendment, shall first be submitted to the charter commission for its approval as to form and substance. The commission shall within ten days after such submission to it, return the same to the proposers of the amendment with such modifications in statement as it may deem necessary in order that the summary may fairly comply with the requirements above set forth.

Sec. 65. Minnesota Statutes 2006, section 447.32, subdivision 4, is amended to read:

Subd. 4. **Candidates; ballots; certifying election.** A person who wants to be a candidate for the hospital board shall file an affidavit of candidacy for the election either as member at large or as a member representing the city or town where the candidate resides. The affidavit of candidacy must be filed with the city or town clerk not more than 70 days nor less than 56 days before the first Tuesday after the first Monday in November of the year in which the general election is held. The city or town clerk must forward the affidavits of candidacy to the clerk of the hospital district or, for the first election, the clerk of the most populous city or town immediately after the last day of the

filing period. A candidate may withdraw from the election by filing an affidavit of withdrawal with the clerk of the district no later than 5:00 p.m. two days after the last day to file affidavits of candidacy. A candidate for a hospital district office who wants write-in votes for the candidate to be counted must file a written request with the filing officer for the office sought no later than the seventh day before the general election. The filing officer must provide copies of the form to make the request.

Voting must be by secret ballot. The clerk shall prepare, at the expense of the district, necessary ballots for the election of officers. Ballots must be printed on tan paper and prepared as provided in the rules of the secretary of state. The ballots must be marked and initialed by at least two judges as official ballots and used exclusively at the election. Any proposition to be voted on may be printed on the ballot provided for the election of officers. The hospital board may also authorize the use of voting systems subject to chapter 206. Enough election judges may be appointed to receive the votes at each polling place. The election judges shall act as clerks of election, count the ballots cast, and submit them to the board for canvass.

After canvassing the election, the board shall issue a certificate of election to the candidate who received the largest number of votes cast for each office. The clerk shall deliver the certificate to the person entitled to it in person or by certified mail. Each person certified shall file an acceptance and oath of office in writing with the clerk within 30 days after the date of delivery or mailing of the certificate. The board may fill any office as provided in subdivision 1 if the person elected fails to qualify within 30 days, but qualification is effective if made before the board acts to fill the vacancy.

Sec. 66. **REPEALER.**

(a) Minnesota Statutes 2006, sections 201.061, subdivision 7; 201.096; 203B.02, subdivision 1a; and 203B.13, subdivision 3a, are repealed.

(b) Minnesota Statutes 2006, sections 203B.04, subdivision 5; and 203B.16, subdivision 3, are repealed effective April 1, 2008.

(c) Minnesota Statutes 2006, section 200.04, is repealed effective January 1, 2008.

ARTICLE 5

ELECTIONS CLARIFICATIONS

Section 1. Minnesota Statutes 2006, section 103C.305, subdivision 3, is amended to read:

Subd. 3. **Ballots.** Ballots shall be prepared by the county auditor. The names of candidates shall be placed on the "canary ballot" described in section 204D.11, subdivision 3. The office title printed on the ballot must be either "Soil and Water Conservation District Supervisor" or "Conservation District Supervisor," based upon the district from which the supervisor is to be elected.

Sec. 2. Minnesota Statutes 2006, section 201.054, subdivision 1, is amended to read:

Subdivision 1. **Registration.** An individual may register to vote:

(1) at any time before the 20th day preceding any election as provided in section 201.061, subdivision 1;

(2) on the day of an election as provided in section 201.061, subdivision 3; or

(3) when submitting an absentee ballot, by enclosing a completed registration ~~card~~ application as provided in section 203B.04, subdivision 4.

Sec. 3. Minnesota Statutes 2006, section 201.061, subdivision 4, is amended to read:

Subd. 4. **Registration by election judges; procedures.** Registration at the polling place on election day shall be conducted by the election judges. The election judge who registers an individual at the polling place on election day shall not handle that voter's ballots at any time prior to the opening of the ballot box after the voting ends. Registration ~~cards~~ applications and forms for oaths shall be available at each polling place. If an individual who registers on election day proves residence by oath of a registered voter, the form containing the oath shall be attached to the individual's registration ~~card~~ application. Registration ~~cards~~ applications completed on election day shall be forwarded to the county auditor who shall add the name of each voter to the registration system unless the information forwarded is substantially deficient. A county auditor who finds an election day registration substantially deficient shall give written notice to the individual whose registration is found deficient. An election day registration shall not be found deficient solely because the individual who provided proof of residence was ineligible to do so.

Sec. 4. Minnesota Statutes 2006, section 201.071, subdivision 3, is amended to read:

Subd. 3. **Deficient registration.** No voter registration application is deficient if it contains the voter's name, address, date of birth, current and valid Minnesota driver's license number or Minnesota state identification number, or if the voter has no current and valid Minnesota driver's license or Minnesota state identification number, the last four digits of the voter's Social Security number, if the voter has been issued a Social Security number, prior registration, if any, and signature. The absence of a zip code number does not cause the registration to be deficient. Failure to check a box on an application form that a voter has certified to be true does not cause the registration to be deficient. The election judges shall request an individual to correct a voter registration application if it is deficient or illegible ~~or if the name or number of the voter's school district is missing or obviously incorrect~~. No eligible voter may be prevented from voting unless the voter's registration application is deficient or the voter is duly and successfully challenged in accordance with section 201.195 or 204C.12.

A voter registration application accepted prior to August 1, 1983, is not deficient for lack of date of birth. The county or municipality may attempt to obtain the date of birth for a voter registration application accepted prior to August 1, 1983, by a request to the voter at any time except at the polling place. Failure by the voter to comply with this request does not make the registration deficient.

A voter registration application accepted before January 1, 2004, is not deficient for lack of a valid Minnesota driver's license or state identification number or the last four digits of a Social Security number. A voter registration application submitted by a voter who does not have a Minnesota driver's license or state identification number, or a Social Security number, is not deficient for lack of any of these numbers.

Sec. 5. Minnesota Statutes 2006, section 201.071, subdivision 4, is amended to read:

Subd. 4. **Change of registration.** ~~Any A county auditor who receives a registration card indicating that an individual was previously registered in a different county in Minnesota shall notify the county auditor of that county update the voter's record electronically through the statewide registration system in the manner prescribed in the rules of by the secretary of state. A county auditor receiving a registration card indicating that a voter was previously registered in a different precinct in the same county or receiving a notification as provided in this subdivision shall remove that individual's voter registration card from the files. Any A county auditor who receives a registration card application or notification requiring a change of registration records under this subdivision as a result of an election day registration shall also check the statewide registration system to determine whether the individual voted in more than one precinct in the most recent election.~~

Sec. 6. Minnesota Statutes 2006, section 201.081, is amended to read:

201.081 REGISTRATION FILES.

The statewide registration system is the official record of registered voters. The voter registration ~~cards~~ applications and the terminal providing access to the statewide registration system must be under the control of the county auditor or the public official to whom the county auditor has delegated the responsibility for maintaining voter registration records. The voter registration ~~cards~~ applications and terminals providing access to the statewide registration system must not be removed from the control of the county auditor except as provided in this subdivision. The county auditor may make photographic copies of voter registration ~~cards~~ applications in the manner provided by section 138.17.

A properly completed voter registration ~~card~~ application that has been submitted to the secretary of state or a county auditor must be maintained by the secretary of state or the county auditor for at least 22 months after the date that the information on the ~~card~~ application is entered into the database of the statewide registration system. The secretary of state or the county auditor may dispose of the ~~cards~~ applications after retention for 22 months in the manner provided by section 138.17.

Sec. 7. Minnesota Statutes 2006, section 201.091, subdivision 1, is amended to read:

Subdivision 1. **Master list.** Each county auditor shall prepare and maintain a current list of registered voters in each precinct in the county which is known as the master list. The master list must be created by entering each completed voter registration ~~card~~ application received by the county auditor into the statewide registration system. It must show the name, residence address, and date of birth of each voter registered in the precinct. The information contained in the master list may only be made available to public officials for purposes related to election administration, jury selection, and in response to a law enforcement inquiry concerning a violation of or failure to comply with any criminal statute or state or local tax statute.

Sec. 8. Minnesota Statutes 2006, section 201.091, subdivision 8, is amended to read:

Subd. 8. **Registration places.** Each county auditor shall designate a number of public buildings in those political subdivisions of the county where preregistration of voters is allowed as provided in section 201.061, subdivision 1, where eligible voters may register to vote. At least one public building must be designated for each 30,000 residents of the county. At least one telecommunications device for the deaf must be available for voter registration information in each county seat and in every city of the first, second, and third class.

An adequate supply of registration ~~cards~~ applications and instructions must be maintained at each designated location, and a designated individual must be available there to accept registration ~~cards~~ applications and transmit them to the county auditor.

A person who, because of disability, needs assistance in order to determine eligibility or to register must be assisted by a designated individual. Assistance includes but is not limited to reading the registration form and instructions and filling out the registration form as directed by the eligible voter.

Sec. 9. Minnesota Statutes 2006, section 201.27, subdivision 1, is amended to read:

Subdivision 1. **Intentional violation.** No officer, deputy, clerk, or other employee shall intentionally:

(1) fail to perform or enforce any of the provisions of this chapter except subdivision 2;

(2) remove a registration ~~card~~ application or record from its proper place in the registration files in a manner or for a purpose not authorized by law;

(3) destroy or make an unauthorized change to a record required to be kept by this chapter; or

(4) add a name or names to the voter registration files, records, or ~~cards~~ applications, except as authorized by law.

An individual who violates this subdivision is guilty of a felony.

Sec. 10. Minnesota Statutes 2006, section 203B.04, subdivision 1, is amended to read:

Subdivision 1. **Application procedures.** Except as otherwise allowed by subdivision 2 or by section 203B.11, subdivision 4, an application for absentee ballots for any election may be submitted at any time not less than one day before the day of that election. The county auditor shall prepare absentee ballot application forms in the format provided by the secretary of state, notwithstanding rules on absentee ballot forms, and shall furnish them to any person on request. By January 1 of each even-numbered year, the secretary of state shall make the forms to be used available to auditors through electronic means. An application submitted pursuant to this subdivision shall be in writing and shall be submitted to:

(a) the county auditor of the county where the applicant maintains residence; or

(b) the municipal clerk of the municipality, or school district if applicable, where the applicant maintains residence.

An application shall be approved if it is timely received, signed and dated by the applicant, contains the applicant's name and residence and mailing addresses, and states that the applicant is eligible to vote by absentee ballot for one of the reasons specified in section 203B.02. The application may contain a request for the voter's date of birth, which must not be made available for public inspection. An application may be submitted to the county auditor or municipal clerk by an electronic facsimile device. An application mailed or returned in person to the county auditor or municipal clerk on behalf of a voter by a person other than the voter must be deposited in the mail or returned in person to the county auditor or municipal clerk within ten days after it has been dated by the voter and no later than six days before the election. The absentee ballot applications or a list of persons applying for an absentee ballot may not be made available for public inspection until the close of voting on election day.

An application under this subdivision may contain an application under subdivision 5 to automatically receive an absentee ballot application.

Sec. 11. Minnesota Statutes 2006, section 203B.04, subdivision 4, is amended to read:

Subd. 4. **Registration at time of application.** An eligible voter who is not registered to vote but who is otherwise eligible to vote by absentee ballot may register by including a completed voter registration ~~card~~ application with the absentee ballot. The individual shall present proof of residence as required by section 201.061, subdivision 3, to the individual who witnesses the marking of the absentee ballots. A military voter, as defined in section 203B.01, may register in this manner if voting pursuant to sections 203B.04 to 203B.15, or may register pursuant to sections 203B.16 to 203B.27.

Sec. 12. Minnesota Statutes 2006, section 203B.05, subdivision 2, is amended to read:

Subd. 2. **City, school district, and town elections.** For city, town, and school district elections not held on the same day as a statewide election, ~~for school district elections not held on the same day as a statewide election, and for town elections conducted under the Australian ballot system;~~ applications for absentee ballots shall be filed with the city, school district, or town clerk and the duties prescribed by this chapter for the county auditor shall be performed by the city, school district, or town clerk unless the county auditor agrees to perform those duties on behalf of the city, school district, or town clerk. The costs incurred to provide absentee ballots and perform the duties prescribed by this subdivision shall be paid by the city, town, or school district holding the election.

Notwithstanding any other law, this chapter applies to school district elections held on the same day as a statewide election or an election for a county or municipality wholly or partially within the school district.

Sec. 13. Minnesota Statutes 2006, section 203B.07, subdivision 1, is amended to read:

Subdivision 1. **Delivery of envelopes, directions.** The county auditor or the municipal clerk shall prepare, print, and transmit a return envelope, a ballot envelope, and a copy of the directions for casting an absentee ballot to each applicant whose application for absentee ballots is accepted pursuant to section 203B.04. The directions for casting an absentee ballot shall be printed in at least 14-point bold type with heavy leading and may be printed on the ballot envelope. When a person requests the directions in Braille or on cassette tape, the county auditor or municipal clerk shall provide them in the form requested. The secretary of state shall prepare Braille and cassette copies and make them available.

When a voter registration ~~card~~ application is sent to the applicant as provided in section 203B.06, subdivision 4, the directions or registration ~~card~~ application shall include instructions for registering to vote.

Sec. 14. Minnesota Statutes 2006, section 203B.08, subdivision 3, is amended to read:

Subd. 3. **Procedures on receipt of ballots.** When absentee ballots are returned to a county auditor or municipal clerk, that official shall stamp or initial and date the return envelope ~~with an official seal of the office~~ and place it in a secure location with other return envelopes received by that office. The county auditor or municipal clerk shall deliver to the appropriate election judges on election day all ballots received before or with the last mail delivery by the United States Postal Service on election day. A town clerk may request the United States Postal Service to deliver absentee ballots to the polling place on election day instead of to the official address of the town clerk.

Sec. 15. Minnesota Statutes 2006, section 203B.10, is amended to read:

203B.10 DELIVERY OF ABSENTEE BALLOT APPLICATIONS TO ELECTION JUDGES.

(a) On the day before an election:

~~(a)~~ (1) the county auditor shall deliver to the municipal clerks within that county the applications for absentee ballots theretofore received and endorsed as provided in section 203B.06, subdivision 5; and

~~(b)~~ (2) the municipal clerks shall deliver the applications received from the county auditor and the applications for absentee ballots filed with their respective offices and endorsed as provided in section 203B.06, subdivision 5, to the appropriate election judges. Applications received on election day pursuant to section 203B.04, subdivision 2, shall be promptly delivered to the election judges in the precincts or to the judges of an absentee ballot board.

(b) Delivery of the applications to the municipal clerks and election judges in the precinct is not required if the absentee ballot envelopes have been accepted or rejected by an absentee ballot board pursuant to section 203B.13.

Sec. 16. Minnesota Statutes 2006, section 204B.06, subdivision 8, is amended to read:

Subd. 8. **Proof of eligibility.** A candidate for judicial office or for the office of county attorney shall submit with the affidavit of candidacy proof that the candidate is licensed to practice law in this state. Proof means providing a copy of a current attorney license.

A candidate for county sheriff shall submit with the affidavit of candidacy proof of licensure as a peace officer in this state. Proof means providing a copy of a current Peace Officer Standards and Training Board license.

Sec. 17. Minnesota Statutes 2006, section 204B.08, subdivision 3, is amended to read:

Subd. 3. **Number of signatures.** The number of signatures required on a nominating petition shall be as follows:

(a) for a federal or state office voted on statewide ~~or for United States senator~~, one percent of the total number of individuals voting in the state at the last preceding state general election, or 2,000, whichever is less;

(b) for a congressional office, five percent of the total number of individuals voting in the district at the last preceding state general election, or 1,000, whichever is less;

(c) for a county or legislative office, ten percent of the total number of individuals voting in the county or legislative district at the last preceding state or county general election, or 500, whichever is less;

(d) for a municipal office in a city of the first class, the number specified in section 205.121; and

(e) for any other municipal or school district office, ten percent of the total number of individuals voting in the municipality, ward, school district, or other election district at the last preceding municipal, or school district if applicable, general election, or 500, whichever is less.

Sec. 18. Minnesota Statutes 2006, section 205A.10, subdivision 1, is amended to read:

Subdivision 1. **Materials, ballots.** The school district clerk shall prepare and have printed the necessary election materials, including ballots, for a school district election. ~~The name of each candidate for office shall be rotated with the names of the other candidates for the same office so that the name of each candidate appears substantially an equal number of times at the top, at the bottom, and at each intermediate place in the group of candidates for that office~~ names must be arranged on school district ballots in the manner provided in section 204D.08, subdivision 3, for state elections.

Sec. 19. Minnesota Statutes 2006, section 205A.11, subdivision 2, is amended to read:

Subd. 2. **Combined polling place.** When no other election is being held in two or more precincts on the day of a school district election, the school board may designate one or more combined polling places at which the voters in those precincts may vote in the school district election. In school districts that have organized into separate board member election districts under section 205A.12, a combined polling place for a school general election must be arranged so that it does not include more than one board member election district.

Sec. 20. Minnesota Statutes 2006, section 206.82, subdivision 2, is amended to read:

Subd. 2. **Plan.** ~~(a) Subject to paragraph (b),~~ The municipal clerk in a municipality where an electronic voting system is used and the county auditor of a county in which an electronic voting system is used in more than one municipality and the county auditor of a county in which a counting center serving more than one municipality is located shall prepare a plan which indicates acquisition of sufficient facilities, computer time, and professional services and which describes the proposed manner of complying with section 206.80. The plan must be signed, notarized, and submitted to the secretary of state more than 60 days before the first election at which the municipality uses an electronic voting system. Prior to July 1 of each subsequent general election year, the clerk or auditor shall submit to the secretary of state notification of any changes to the plan on file with the secretary of state. The secretary of state shall review each plan for its sufficiency and may request technical assistance from the Department of Administration or other agency which may be operating as the central computer authority. The secretary of state shall notify each reporting authority of the sufficiency or insufficiency of its plan within 20 days of receipt of the plan. The attorney general, upon request of the secretary of state, may seek a district court order requiring an election official to fulfill duties imposed by this subdivision or by rules promulgated pursuant to this section.

~~(b) Systems implemented by counties and municipalities in calendar year 2006 are exempt from paragraph (a) and section 206.58, subdivision 4, if:~~

~~(1) the municipality has fewer than 10,000 residents; and~~

~~(2) a valid county plan was filed by the county auditor of the county in which the municipality is located.~~

Sec. 21. Laws 2004, chapter 293, article 1, section 37, subdivision 2, is amended to read:

Subd. 2. **Social security number.** A voter must not be included on the list of voters prepared under Minnesota Statutes, section 201.121, subdivision 1, whose registration is incomplete because of a failure to match the last four digits of the voter's Social Security number until the commissioner of public safety has:

(1) entered into an agreement with the commissioner of the Social Security Administration under Minnesota Statutes, section 201.1615, regarding the use of the last four digits of a Social Security number to verify voter registration information;

~~(2) assembled a complete and current database of the last four digits of the Social Security number of each resident of this state as maintained by the Social Security Administration; and~~

~~(3)~~ (2) certified, along with the secretary of state, that the voter registration system has been tested and shown to properly verify the last four digits of a voter's Social Security number.

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

Delete the title and insert:

"A bill for an act relating to government operations; appropriating money for general legislative and administrative expenses of state government; regulating state and local government operations; establishing the Minnesota Commission on Ethnic Heritage and New Americans; creating the position of poet laureate; imposing a temporary technology surcharge; establishing the Minnesota Commission on Terrorism and Disaster Preparedness; providing a process for continuing appropriations in certain circumstances; establishing provisions for grants management; defining significant individual; creating a state employees electronic health records pilot project; abolishing the Department of Employee Relations and transferring duties; requiring best value contracts and

procurement for certain purposes; requiring reports; regulating elections and voter registration; amending Minnesota Statutes 2006, sections 4.035, subdivision 3; 5.12, subdivision 1; 15.06, subdivision 2; 15B.17, subdivision 1; 16A.102, subdivision 4; 16A.103, subdivision 1e; 16A.1286, subdivision 2; 16A.695, subdivisions 2, 3, by adding subdivisions; 16B.055, subdivision 1; 16B.24, subdivision 5; 16B.35, subdivision 1; 16C.02, subdivisions 4, 12, 14, by adding subdivisions; 16C.03, subdivisions 2, 3, 4, 8, 16, by adding subdivisions; 16C.05, subdivisions 1, 2; 16C.08, subdivisions 2, 4, by adding subdivisions; 16C.10, subdivision 7; 16C.16, subdivision 5; 16C.26; 16C.27, subdivision 1; 16C.28; 43A.02, by adding a subdivision; 43A.08, subdivision 2a; 43A.346, subdivision 1; 103C.305, subdivision 3; 103D.811, subdivision 3; 103E.505, subdivision 5; 116A.13, subdivision 5; 123B.52, subdivision 1, by adding a subdivision; 160.17, by adding a subdivision; 160.262, by adding a subdivision; 161.1419, subdivision 8; 161.32, by adding a subdivision; 161.3412, subdivision 1; 161.38, subdivision 4; 201.016, subdivision 1a; 201.054, subdivision 1; 201.056; 201.061, subdivisions 1, 3, 4, by adding a subdivision; 201.071, subdivisions 1, 3, 4; 201.081; 201.091, subdivisions 1, 8, 9; 201.12; 201.13, subdivision 3; 201.161; 201.171; 201.27, subdivision 1; 203B.02, subdivision 1; 203B.04, subdivisions 1, 4, 6; 203B.05, subdivision 2; 203B.06, subdivision 3; 203B.07, subdivisions 1, 2; 203B.08, subdivision 3; 203B.081; 203B.10; 203B.11, subdivision 4; 203B.12, subdivision 4; 203B.13, subdivisions 1, 2; 203B.16, subdivision 2; 203B.17, subdivision 2; 203B.19; 203B.20; 203B.21, subdivisions 2, 3; 203B.22; 203B.23; 203B.24; 203B.25; 203B.26; 204B.06, subdivisions 1, 8; 204B.08, subdivision 3; 204B.09, subdivisions 1, 1a, 3; 204B.11, subdivision 2; 204B.16, subdivision 1; 204B.21, subdivision 2; 204B.45, subdivision 2; 204C.06, subdivision 1; 204C.07, subdivision 3a, by adding a subdivision; 205.075, by adding a subdivision; 205.10, by adding a subdivision; 205.13, by adding a subdivision; 205.16, subdivision 4; 205A.05, by adding a subdivision; 205A.07, subdivisions 3, 3a; 205A.10, subdivisions 1, 2; 205A.11, subdivision 2; 206.57, subdivision 5; 206.82, subdivision 2; 206.89, subdivisions 1, 5; 211A.02, subdivision 2; 211A.05, subdivision 1; 270B.14, by adding a subdivision; 270C.03, subdivision 1; 302A.821, subdivision 4; 308A.995, subdivision 4; 308B.121, subdivision 4; 308B.215, subdivision 2; 317A.823, subdivision 1; 321.0206; 325L.03; 336.1-110; 336.9-516; 336.9-525; 358.41; 358.42; 358.50; 359.085, subdivisions 2, 3; 365.37, by adding a subdivision; 374.13; 375.101, subdivision 1, by adding a subdivision; 375.21, by adding a subdivision; 383C.094, by adding a subdivision; 410.12, subdivision 1; 412.311; 429.041, by adding a subdivision; 447.32, subdivision 4; 458D.21, by adding a subdivision; 469.015, by adding a subdivision; 469.068, subdivision 1, by adding a subdivision; 469.101, by adding a subdivision; 471.345, subdivision 5, by adding subdivisions; 471.61, subdivision 1a; 473.523, by adding a subdivision; 473.756, subdivision 12; 477A.014, subdivision 4; 491A.02, subdivision 4; 507.24, subdivision 2; 517.08, subdivisions 1b, 1c; Laws 2004, chapter 293, article 1, section 37, subdivision 2; Laws 2005, chapter 156, article 2, section 45; Laws 2006, chapter 253, section 22, subdivision 1; Laws 2006, chapter 282, article 14, section 5; proposing coding for new law in Minnesota Statutes, chapters 3; 4; 5; 8; 11A; 12; 13; 16A; 16B; 16C; 161; 203B; 204B; 270C; 308B; 321; repealing Minnesota Statutes 2006, sections 16A.102, subdivisions 1, 2, 3; 16B.055, subdivisions 2, 3; 16C.055, subdivision 1; 16C.08, subdivision 4a; 69.051, subdivision 1c; 200.04; 201.061, subdivision 7; 201.096; 203B.02, subdivision 1a; 203B.04, subdivision 5; 203B.13, subdivision 3a; 203B.16, subdivision 3; 359.085, subdivision 8; 645.44, subdivision 19."

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

Senate Conferees: DON BETZOLD, ANN H. REST, DAN LARSON, GARY W. KUBLY AND RICK E. OLSEEN.

House Conferees: PHYLLIS KAHN, BILL HILTY, RYAN WINKLER AND LOREN SOLBERG.

Kahn moved that the report of the Conference Committee on S. F. No. 1997 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

Peterson, N., was excused for the remainder of today's session.

The Speaker resumed the Chair.

CALL OF THE HOUSE

On the motion of Kohls and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

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

Kohls moved that further proceedings of the roll call be suspended and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

S. F. No. 1997, A bill for an act relating to government operations; appropriating money for the general legislative and administrative expenses of state government; raising fees; regulating state and local government operations; modifying provisions related to public employment; providing for automatic voter registration; abolishing the Department of Employee Relations; amending Minnesota Statutes 2006, sections 4.035, subdivision 3; 5.12, subdivision 1; 15.06, subdivisions 2, 8; 15B.17, subdivision 1; 16A.1286, subdivision 2; 16B.03; 16C.08, subdivision 2; 43A.02, by adding a subdivision; 43A.03, subdivision 3; 43A.08, subdivisions 1, 2a; 43A.24, subdivision 1; 43A.346, subdivision 1; 45.013; 84.01, subdivision 3; 116.03, subdivision 1; 116J.01, subdivision 5; 116J.035, subdivision 4; 174.02, subdivision 2; 201.12; 201.13, subdivision 3; 201.161; 241.01, subdivision 2; 270B.14, by adding a subdivision; 302A.821, subdivision 4; 321.0206; 336.1-110; 336.9-525; 471.61, subdivision 1a; 517.08, subdivisions 1b, 1c; Laws 2005, First Special Session chapter 1, article 4, section 121; proposing coding for new law in Minnesota Statutes, chapters 5; 13; 16B; 16C; repealing Minnesota Statutes 2006, sections 43A.03, subdivision 4; 43A.08, subdivision 1b; Laws 2006, chapter 253, section 22.

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 71 yeas and 57 nays as follows:

Those who voted in the affirmative were:

Anzelc	Bigham	Carlson	Dill	Eken	Gardner
Atkins	Bly	Clark	Dominguez	Faust	Greiling
Benson	Brynaert	Davnie	Doty	Fritz	Hansen

Hausman	Juhnke	Lillie	Mullery	Ruud	Thissen
Haws	Kahn	Loeffler	Murphy, E.	Sailer	Tillberry
Hilstrom	Knuth	Madore	Murphy, M.	Scalze	Tschumper
Hilty	Koenen	Mahoney	Nelson	Sertich	Wagenius
Hornstein	Laine	Mariani	Norton	Simon	Walker
Hortman	Lenczewski	Marquart	Paymar	Slawik	Ward
Huntley	Lesch	Masin	Peterson, A.	Slocum	Winkler
Jaros	Liebling	Moe	Peterson, S.	Solberg	Spk. Kelliher
Johnson	Lieder	Morrow	Rukavina	Thao	

Those who voted in the negative were:

Abeler	DeLaForest	Hackbarth	Magnus	Peppin	Tingelstad
Anderson, S.	Dettmer	Hamilton	McFarlane	Poppe	Urdahl
Beard	Dittrich	Heidgerken	McNamara	Ruth	Wardlow
Berns	Eastlund	Hoppe	Morgan	Seifert	Welti
Brod	Emmer	Hosch	Nornes	Severson	Westrom
Brown	Erickson	Howes	Olin	Shimanski	Wollschlager
Buesgens	Finstad	Kalin	Olson	Simpson	Zellers
Bunn	Garofalo	Kohls	Otremba	Smith	
Cornish	Gottwalt	Kranz	Ozment	Sviggum	
Dean	Gunther	Lanning	Paulsen	Swails	

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

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. 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.

PATRICE DWORAK, First Assistant Secretary of the Senate

Marquart moved that the House refuse to concur in the Senate amendments to H. F. No. 2433, 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.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2433:

Marquart, Carlson and Seifert.

CALL OF THE HOUSE LIFTED

Abeler moved that the call of the House be lifted. The motion prevailed and it was so ordered.

MESSAGES FROM THE SENATE, Continued

There being no objection, the Message from the Senate and the Conference Committee Report on S. F. No. 2096 were reported to the House.

Madam Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 2096.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

PATRICE DWORAK, First Assistant Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. No. 2096

A bill for an act relating to state government; appropriating money for environmental, natural resources, and energy purposes; establishing and modifying certain programs; modifying rulemaking authority; providing for accounts, assessments, and fees; amending Minnesota Statutes 2006, sections 84.025, subdivision 9; 84.026, subdivision 1; 84.027, by adding a subdivision; 84.0855, subdivisions 1, 2; 84.780; 84.922, subdivisions 1a, 5; 84.927, subdivision 2; 84D.03, subdivision 1; 84D.12, subdivisions 1, 3; 84D.13, subdivision 7; 85.32, subdivision 1; 86B.415, subdivisions 1, 2, 3, 4, 5, 7; 86B.706, subdivision 2; 89A.11; 93.0015, subdivision 3; 97A.045, by adding a subdivision; 97A.055, subdivision 4; 97A.065, by adding a subdivision; 97A.405, subdivision 2; 97A.411, subdivision 1; 97A.451, subdivision 3a; 97A.465, by adding subdivisions; 97A.473, subdivisions 3, 5; 97A.475, subdivisions 3, 7, 11, 12, by adding a subdivision; 97B.601, subdivision 3; 97B.715, subdivision 1; 97B.801; 97C.081, subdivision 3; 97C.355, subdivision 2; 116C.779, subdivision 1; 216B.812, subdivisions 1, 2; 216C.051, subdivision 9; Laws 2003, chapter 128, article 1, section 169; proposing coding for new law in Minnesota Statutes, chapters 84; 84D; 89; 103F; 144; 216B; 216C; 325E; repealing Minnesota Statutes 2006, section 93.2236.

May 4, 2007

The Honorable James P. Metzen
President of the Senate

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 2096 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 2096 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

ENVIRONMENT AND NATURAL RESOURCES

Section 1. **SUMMARY OF APPROPRIATIONS.**

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

	<u>2008</u>	<u>2009</u>	<u>Total</u>
<u>General</u>	<u>\$177,046,000</u>	<u>\$126,148,000</u>	<u>\$303,194,000</u>
<u>State Government Special Revenue</u>	<u>48,000</u>	<u>48,000</u>	<u>96,000</u>
<u>Environmental</u>	<u>62,425,000</u>	<u>62,622,000</u>	<u>125,047,000</u>
<u>Natural Resources</u>	<u>82,211,000</u>	<u>82,301,000</u>	<u>164,512,000</u>
<u>Game and Fish</u>	<u>89,988,000</u>	<u>91,947,000</u>	<u>181,935,000</u>
<u>Remediation</u>	<u>11,116,000</u>	<u>11,186,000</u>	<u>22,302,000</u>
<u>Permanent School</u>	<u>200,000</u>	<u>200,000</u>	<u>400,000</u>
<u>Total</u>	<u>\$423,034,000</u>	<u>\$374,452,000</u>	<u>\$797,486,000</u>

Sec. 2. **ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS.**

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

APPROPRIATIONS
Available for the Year
Ending June 30
2008 2009

Sec. 3. **POLLUTION CONTROL AGENCY**

Subdivision 1. Total Appropriation \$117,782,000 \$86,388,000

Appropriations by Fund

	<u>2008</u>	<u>2009</u>
<u>General</u>	<u>44,293,000</u>	<u>12,632,000</u>

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

<u>State Government</u>		
<u>Special Revenue</u>	<u>48,000</u>	<u>48,000</u>
 <u>Environmental</u>	 <u>62,425,000</u>	 <u>62,622,000</u>
 <u>Remediation</u>	 <u>11,016,000</u>	 <u>11,086,000</u>

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

<u>Subd. 2. Water</u>	<u>58,053,000</u>	<u>26,930,000</u>
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Appropriations by Fund

<u>General</u>	<u>38,656,000</u>	<u>7,603,000</u>
 <u>State Government</u>		
<u>Special Revenue</u>	<u>48,000</u>	<u>48,000</u>
 <u>Environmental</u>	 <u>19,349,000</u>	 <u>19,279,000</u>

\$2,348,000 the first year and \$2,348,000 the second year are for the clean water partnership program. Any balance remaining in the first year does not cancel and is available for the second year. This appropriation may be used for grants to local units of government for the purpose of restoring impaired waters listed under section 303(d) of the federal Clean Water Act in accordance with adopted total maximum daily loads (TMDLs), including implementation of approved clean water partnership diagnostic study work plans that will assist in restoration of impaired waters, in accordance with Minnesota Statutes, chapter 114D.

\$2,324,000 the first year and \$2,324,000 the second year must be distributed as grants to delegated counties to administer the county feedlot program. Distribution of funds must be as provided in Laws 2005, First Special Session chapter 1, article 2, section 2, subdivision 2. The commissioner, in consultation with the Minnesota Association of County Feedlot Officers executive team, may use up to five percent of the annual appropriation for initiatives to enhance existing delegated county feedlot programs, information and education, or technical assistance to reduce feedlot-related pollution hazards. Any money remaining after the first year is available for the second year.

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

\$335,000 the first year and \$335,000 the second year are for community technical assistance and education, including grants and technical assistance to communities for local and basinwide water quality protection.

\$405,000 the first year and \$405,000 the second year are for individual sewage treatment system (ISTS) administration and grants. Of this amount, \$86,000 each year is for assistance to counties through grants for ISTS program administration. Any unexpended balance in the first year does not cancel but is available in the second year.

\$480,000 the first year and \$480,000 the second year are from the environmental fund to address the need for continued increased activity in the areas of new technology review, technical assistance for local governments, and enforcement under Minnesota Statutes, sections 115.55 to 115.58, and to complete the requirements of Laws 2003, chapter 128, article 1, section 165. Of this amount, \$48,000 each year is for administration of individual septic tank fees.

\$31,009,000 the first year is to implement the requirements of Minnesota Statutes, chapter 114D. Of this amount, \$12,634,000 is for completion of 20 percent of the needed statewide assessments of surface water quality and trends and \$18,000,000 is to develop TMDL's and TMDL implementation plans for waters listed on the United States Environmental Protection Agency approved impaired waters list in accordance with Minnesota Statutes, chapter 114D. The agency shall complete an average of ten percent of the TMDL's each year over the biennium. The department shall monitor and analyze endocrine disruptors in surface waters in at least 20 additional sites. The data must be placed on the agency's Web site.

\$1,035,000 the first year and \$1,035,000 the second year are from the environmental fund to provide regulatory services to the ethanol, mining, and other developing economic sectors. Priority shall be for permitting new and emerging bioenergy crop utilization technologies. This is a onetime appropriation.

\$88,000 the first year is for the endocrine disruptors report required to be completed under this article.

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

The commissioner shall transfer the amount necessary, up to \$600,000, from the remediation fund to the commissioner of health to conduct an evaluation under Minnesota Statutes, section 115B.17, of point of use water treatment units at removing perfluorooctanoic acid, perfluorooctane sulfonate, and perfluorobutanoic acid from known concentrations of these compounds in drinking water. The evaluation shall be completed by December 31, 2007, and the commissioner of health may contract for services to complete the evaluation.

By January 15, 2008, the commissioner shall amend agency rules and, where legislative action is necessary, provide recommendations to the house of representatives and senate divisions on environmental finance on water and air fee changes that will result in revenue to the environmental fund to pay for regulatory services to the ethanol, mining, and other developing economic sectors.

Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2009, for clean water partnership, individual sewage treatment systems (ISTS), Minnesota River, total maximum daily loads (TMDL's), stormwater contracts or grants, and local and basinwide water quality protection contracts or grants in this subdivision are available until June 30, 2011.

Subd. 3. **Air**

11,003,000

11,270,000

Appropriations by Fund

Environmental

11,003,000

11,270,000

Up to \$150,000 the first year and \$150,000 the second year may be transferred from the environmental fund to the small business environmental improvement loan account established in Minnesota Statutes, section 116.993.

\$200,000 the first year and \$200,000 the second year are from the environmental fund for a monitoring program under Minnesota Statutes, section 116.454.

\$125,000 the first year and \$125,000 the second year are from the environmental fund for monitoring ambient air for hazardous pollutants in the metropolitan area.

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

\$1,140,000 the first year and \$1,140,000 the second year are from the environmental fund to provide regulatory services to the ethanol, mining, and other developing economic sectors. Priority shall be for permitting new and emerging bioenergy crop utilization technologies. This is a onetime appropriation.

Subd. 4. **Land**

19,081,000

19,151,000

Appropriations by Fund

<u>General</u>	<u>1,000,000</u>	<u>1,000,000</u>
<u>Environmental</u>	<u>7,065,000</u>	<u>7,065,000</u>
<u>Remediation</u>	<u>11,016,000</u>	<u>11,086,000</u>

All money for environmental response, compensation, and compliance in the remediation fund not otherwise appropriated is appropriated to the commissioners of the Pollution Control Agency and agriculture for purposes of Minnesota Statutes, section 115B.20, subdivision 2, clauses (1), (2), (3), (6), and (7). At the beginning of each fiscal year, the two commissioners shall jointly submit an annual spending plan to the commissioner of finance and the house and senate chairs of environment and natural resources finance that maximizes the utilization of resources and appropriately allocates the money between the two departments. This appropriation is available until June 30, 2009.

\$3,616,000 the first year and \$3,616,000 the second year are from the petroleum tank fund to be transferred to the remediation fund for purposes of the leaking underground storage tank program to protect the land.

\$252,000 the first year and \$252,000 the second year are from the remediation fund to be transferred to the Department of Health for private water supply monitoring and health assessment costs in areas contaminated by unpermitted mixed municipal solid waste disposal facilities and drinking water advisories and public information activities for areas contaminated by hazardous releases.

\$1,000,000 each year is for environmental health tracking and biomonitoring. Of this amount, \$900,000 each year is for transfer to the Department of Health. The base appropriation for this program for fiscal year 2010 and later is \$500,000.

<u>APPROPRIATIONS</u> <u>Available for the Year</u> <u>Ending June 30</u>		
	<u>2008</u>	<u>2009</u>
Subd. 5. <u>Multimedia</u>	<u>5,872,000</u>	<u>5,215,000</u>
<u>Appropriations by Fund</u>		
General	<u>3,006,000</u>	<u>2,349,000</u>
Environmental	<u>2,866,000</u>	<u>2,866,000</u>
<p><u>\$825,000 the first year and \$825,000 the second year are from the environmental fund to provide regulatory services to the ethanol, mining, and other developing economic sectors. Priority shall be for permitting new and emerging bioenergy crop utilization technologies. This is a onetime appropriation.</u></p> <p><u>\$400,000 the first year is a onetime appropriation for a grant to the Koochiching Economic Development Authority for a feasibility study for a plasma torch gasification facility that converts municipal solid waste into energy and slag.</u></p> <p><u>\$300,000 the first year is for the biomass gasification facilities air emissions study for the purpose of fully characterizing the air emissions exerted from biomass gasification facilities across a range of feedstocks. This is a onetime appropriation.</u></p> <p><u>Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2009, for total maximum daily load (TMDL) contracts or grants are available until June 30, 2011.</u></p>		
Subd. 6. <u>Environmental Assistance</u>	<u>22,142,000</u>	<u>22,142,000</u>
<p><u>This appropriation is from the environmental fund.</u></p> <p><u>\$14,000,000 each year is from the environmental fund for SCORE block grants to counties.</u></p> <p><u>Any unencumbered grant and loan balances in the first year do not cancel but are available for grants and loans in the second year.</u></p> <p><u>All money deposited in the environmental fund for the metropolitan solid waste landfill fee in accordance with Minnesota Statutes, section 473.843, and not otherwise appropriated, is appropriated for the purposes of Minnesota Statutes, section 473.844.</u></p>		

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

\$119,000 the first year and \$119,000 the second year are for environmental assistance grants or loans under Minnesota Statutes, section 115A.0716.

\$1,200,000 the first year and \$1,200,000 the second year are from the environmental fund first to retrofit school buses statewide, including buses for preschool children, and, after completion, secondly for loans to small trucking firms to install equipment to reduce fuel consumption. This is a onetime appropriation.

Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2009, for environmental assistance grants awarded under Minnesota Statutes, section 115A.0716, and for technical and research assistance under Minnesota Statutes, section 115A.152, technical assistance under Minnesota Statutes, section 115A.52, and pollution prevention assistance under Minnesota Statutes, section 115D.04, are available until June 30, 2011.

Subd. 7. Administrative Support

1,631,000

1,680,000

The commissioner may transfer money from the environmental fund to the remediation fund as necessary for the purposes of the remediation fund under Minnesota Statutes, section 116.155, subdivision 2.

Sec. 4. NATURAL RESOURCES

Subdivision 1. Total Appropriation

\$255,077,000

\$252,416,000

Appropriations by Fund

	<u>2008</u>	<u>2009</u>
<u>General</u>	<u>87,775,000</u>	<u>83,066,000</u>
<u>Natural Resources</u>	<u>77,014,000</u>	<u>77,103,000</u>
<u>Game and Fish</u>	<u>89,988,000</u>	<u>91,947,000</u>
<u>Remediation</u>	<u>100,000</u>	<u>100,000</u>
<u>Permanent School</u>	<u>200,000</u>	<u>200,000</u>

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

<u>APPROPRIATIONS</u>		
<u>Available for the Year</u>		
<u>Ending June 30</u>		
	<u>2008</u>	<u>2009</u>
<u>Subd. 2. Land and Mineral Resources Management</u>	<u>11,747,000</u>	<u>11,272,000</u>
<u>Appropriations by Fund</u>		
<u>General</u>	<u>6,633,000</u>	<u>6,230,000</u>
<u>Natural Resources</u>	<u>3,551,000</u>	<u>3,447,000</u>
<u>Game and Fish</u>	<u>1,363,000</u>	<u>1,395,000</u>
<u>Permanent School</u>	<u>200,000</u>	<u>200,000</u>
<p><u>\$475,000 the first year and \$475,000 the second year are for iron ore cooperative research. Of this amount, \$200,000 each year is from the minerals management account in the natural resources fund and \$275,000 each year is from the general fund. \$237,500 the first year and \$237,500 the second year are available only as matched by \$1 of nonstate money for each \$1 of state money. The match may be cash or in-kind.</u></p> <p><u>\$86,000 the first year and \$86,000 the second year are for minerals cooperative environmental research, of which \$43,000 the first year and \$43,000 the second year are available only as matched by \$1 of nonstate money for each \$1 of state money. The match may be cash or in-kind.</u></p> <p><u>\$2,800,000 the first year and \$2,696,000 the second year are from the minerals management account in the natural resources fund for use as provided in Minnesota Statutes, section 93.2236, paragraph (c).</u></p> <p><u>\$200,000 the first year and \$200,000 the second year are from the state forest suspense account in the permanent school fund to accelerate land exchanges, land sales, and commercial leasing of school trust lands and to identify, evaluate, and lease construction aggregate located on school trust lands. This appropriation is to be used for securing maximum long-term economic return from the school trust lands consistent with fiduciary responsibilities and sound natural resources conservation and management principles.</u></p> <p><u>\$15,000 the first year is for a report by February 1, 2008, to the house and senate committees with jurisdiction over environment and natural resources on proposed minimum legal and conservation standards that could be applied to conservation easements acquired with public money.</u></p>		

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

\$1,201,000 the first year and \$701,000 the second year are to support the land records management system. Of this amount, \$326,000 the first year and \$326,000 the second year are from the game and fish fund and \$375,000 the first year and \$375,000 the second year are from the natural resources fund. The commissioner must report to the legislative chairs on environmental finance on the outcomes of the land records management support.

\$500,000 the first year and \$500,000 the second year are for land asset management. This is a onetime appropriation.

Subd. 3. Water Resources Management

15,051,000

12,522,000

Appropriations by Fund

<u>General</u>	<u>14,771,000</u>	<u>12,242,000</u>
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<u>Natural Resources</u>	<u>280,000</u>	<u>280,000</u>
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\$310,000 the first year and \$310,000 the second year are for grants associated with the implementation of the Red River mediation agreement.

\$65,000 the first year and \$65,000 the second year are for a grant to the Mississippi Headwaters Board for up to 50 percent of the cost of implementing the comprehensive plan for the upper Mississippi within areas under its jurisdiction.

\$5,000 the first year and \$5,000 the second year are for payment to the Leech Lake Band of Chippewa Indians to implement its portion of the comprehensive plan for the upper Mississippi.

\$200,000 the first year and \$200,000 the second year are for the construction of ring dikes under Minnesota Statutes, section 103F.161. The ring dikes may be publicly or privately owned. If the appropriation in either year is insufficient, the appropriation in the other year is available for it. The base appropriation for fiscal year 2010 and later is \$125,000.

\$2,250,000 the first year is to support the identification of impaired waters and develop plans to address those impairments, as required by the federal Clean Water Act, in accordance with Minnesota Statutes, chapter 114D. This is a onetime appropriation.

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

By January 15, 2008, the commissioner shall commence rulemaking under Minnesota Statutes, chapter 14, to update the minimum shoreland standards in Minnesota Rules, chapter 6120.

\$60,000 the first year is a onetime appropriation to the commissioner of natural resources to conduct a feasibility study in conjunction with U.S. Army Corps of Engineers on the foundation and hydraulics of the Rapidan Dam in Blue Earth County. This appropriation must be equally matched by Blue Earth County, and is available until expended.

\$500,000 in fiscal year 2008 is for addressing surface and groundwater issues related to the development and expansion of ethanol production.

Subd. 4. **Forest Management**

44,495,000

43,393,000

Appropriations by Fund

<u>General</u>	<u>24,755,000</u>	<u>24,836,000</u>
<u>Natural Resources</u>	<u>19,483,000</u>	<u>18,293,000</u>
<u>Game and Fish</u>	<u>257,000</u>	<u>264,000</u>

\$7,217,000 the first year and \$7,217,000 the second year are for prevention, presuppression, and suppression costs of emergency firefighting and other costs incurred under Minnesota Statutes, section 88.12. If the appropriation for either year is insufficient to cover all costs of presuppression and suppression, the amount necessary to pay for these costs during the biennium is appropriated from the general fund.

By November 15 of each year, the commissioner of natural resources shall submit a report to the chairs of the house and senate committees and divisions having jurisdiction over environment and natural resources finance, identifying all firefighting costs incurred and reimbursements received in the prior fiscal year. These appropriations may not be transferred. Any reimbursement of firefighting expenditures made to the commissioner from any source other than federal mobilizations shall be deposited into the general fund.

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

\$17,983,000 the first year and \$18,293,000 the second year are from the forest management investment account in the natural resources fund for only the purposes specified in Minnesota Statutes, section 89.039, subdivision 2.

Of this amount:

(1) \$750,000 each year is for additional staff to enhance timber sales;

(2) \$1,000,000 each year is for forest improvements;

(3) \$1,100,000 each year is for forest road maintenance;

(4) \$600,000 each year is for the ecological classification system on state forest lands;

(5) \$350,000 each year is for the prevention of invasive species on state forest lands; and

(6) \$400,000 each year is for the re-inventory of state forest lands.

Money for forest road maintenance is onetime.

\$780,000 the first year and \$780,000 the second year are for the Forest Resources Council for implementation of the Sustainable Forest Resources Act.

\$40,000 the first year is for the Forest Resources Council to provide a grant to the University of Minnesota to prepare a statewide plan to address the fragmentation and parcelization of large blocks of forest land in the state.

\$200,000 in fiscal year 2008 is for a grant to the Forest Resources Research Advisory Committee to provide direction on research topics recommended by the governor's task force on the competitiveness of Minnesota's primary forest products industry.

\$350,000 the first year and \$350,000 the second year are for the FORIST timber management information system, other information systems, and for increased forestry management. The amount in the second year is also available in the first year.

\$257,000 the first year and \$264,000 the second year are from the game and fish fund to implement ecological classification systems (ECS) standards on forested landscapes. This appropriation is from revenue deposited in the game and fish fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (1).

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

\$110,000 the first year is to develop and implement a statewide information and education campaign regarding the statewide ban on the transport, storage, or use of nonapproved firewood on state-administered lands.

\$1,500,000 the first year is from the forest management investment account in the natural resources fund for the purposes of section 157. This is a onetime appropriation.

\$75,000 the first year is to the Forest Resources Council for a task force on forest protection and \$75,000 the second year is appropriated to the commissioner for grants to cities, counties, townships, special recreation areas, and park and recreation boards in cities of the first class for the identification, removal, disposal, and replacement of dead or dying shade trees lost to forest pests or disease. For purposes of this section, "shade tree" means a woody perennial grown primarily for aesthetic or environmental purposes with minimal to residual timber value. The commissioner shall consult with municipalities; park and recreation boards in cities of the first class; nonprofit organizations; and other interested parties in developing eligibility criteria.

\$200,000 in fiscal year 2008 is for a grant to the Natural Resources Research Institute for silvicultural research to improve the quality and quantity of timber fiber. The appropriation must be matched in the amount of \$200,000 in cash or in-kind contributions from the forest products industry members of the Minnesota Forest Productivity Research Cooperative.

\$1,000,000 the first year and \$1,000,000 the second year are to support additional technical and cost-share assistance to nonindustrial private forest (NIPF) landowners. The base appropriation in fiscal year 2010 and later is \$500,000.

\$200,000 the first year and \$200,000 the second year are to address escalating land asset management demands, such as boundary disputes, access easements, and sale, exchange, and acquisition of forest lands.

Subd. 5. Parks and Recreation Management

35,324,000

36,319,000

Appropriations by Fund

<u>General</u>	<u>20,743,000</u>	<u>21,283,000</u>
<u>Natural Resources</u>	<u>14,581,000</u>	<u>15,036,000</u>

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

\$640,000 the first year and \$640,000 the second year are from the water recreation account in the natural resources fund for state park water access projects.

\$150,000 in the first year and \$150,000 in the second year are for additional interpretative services.

\$3,996,000 the first year and \$3,996,000 the second year are from the natural resources fund for state park and recreation area operations. This appropriation is from the revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (2).

\$10,000 in the first year is for payment of expenses of the Cuyuna Country State Recreation Area Citizens Advisory Council.

The appropriation in Laws 2003, chapter 128, article 1, section 5, subdivision 6, from the water recreation account in the natural resources fund for a cooperative project with the United States Army Corps of Engineers to develop the Mississippi Whitewater Park is available until June 30, 2009. The project must be designed to prevent the spread of aquatic invasive species.

\$500,000 the first year and \$750,000 the second year are from the natural resources fund for increased park maintenance work, resource management projects, and conservation education for park users.

Subd. 6. Trails and Waterways Management

30,257,000

30,492,000

Appropriations by Fund

<u>General</u>	<u>2,538,000</u>	<u>2,568,000</u>
<u>Natural Resources</u>	<u>25,600,000</u>	<u>25,730,000</u>
<u>Game and Fish</u>	<u>2,119,000</u>	<u>2,194,000</u>

\$8,424,000 the first year and \$8,424,000 the second year are from the snowmobile trails and enforcement account in the natural resources fund for snowmobile grants-in-aid. The additional money under this item may be used for new grant-in-aid trails. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

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

\$1,175,000 the first year and \$1,325,000 the second year are from the natural resources fund for off-highway vehicle grants-in-aid. Of this amount, \$825,000 the first year and \$1,075,000 the second year are from the all-terrain vehicle account; \$150,000 each year is from the off-highway motorcycle account; and \$200,000 the first year and \$100,000 the second year are from the off-road vehicle account. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

\$261,000 the first year and \$261,000 the second year are from the water recreation account in the natural resources fund for a safe harbor program on Lake Superior.

\$742,000 the first year and \$760,000 the second year are from the natural resources fund for state trail operations and maintenance. The money may be used for trail maintenance, signage, mapping, interpretation, native prairie restoration using best management practices, and maintenance of nonmotorized forest trails. This appropriation is from the revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (2).

\$655,000 the first year and \$655,000 the second year are from the natural resources fund for trail grants to local units of government on land to be maintained for at least 20 years for the purposes of the grant. This appropriation is from the revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (4).

\$150,000 the first year and \$150,000 the second year are from the all-terrain vehicle account for two all-terrain vehicle trail specialists to assist and consult with on all-terrain vehicle grant-in-aid education and training for sustainable trail development and maintenance, as well as providing training for public and private sector trail monitoring. The specialists may assist in the evaluation of grant-in-aid trail proposals, but not in the promotion of new trails.

\$1,965,000 the first year and \$2,040,000 the second year are from the game and fish fund for expenditures on water access sites according to the requirements of the federal sport and fish restoration program.

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

Money appropriated under Laws 2005, First Special Session chapter 1, article 2, section 11, subdivision 6, paragraph (h), for the Paul Bunyan State Trail connection is available until June 30, 2008.

\$400,000 each year is for operation and maintenance of nonmotorized trails within state forests. This is a onetime appropriation.

\$75,000 each year is for additional wild and scenic rivers program activities.

\$120,000 the first year is from the water recreation account in the natural resources fund to cooperate with local units of government in marking routes and designating river accesses and campsites under Minnesota Statutes, section 85.32. This is a onetime appropriation and available until spent.

The appropriation in Laws 2005, First Special Session chapter 1, article 2, section 3, subdivision 6, from the lottery in lieu account in the natural resources fund for trail grants to local units of government, is available until June 30, 2009.

Subd. 7. Fish and Wildlife Management

67,191,000

68,533,000

Appropriations by Fund

<u>General</u>	<u>3,459,000</u>	<u>3,479,000</u>
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<u>Natural Resources</u>	<u>1,876,000</u>	<u>1,876,000</u>
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<u>Game and Fish</u>	<u>61,856,000</u>	<u>63,178,000</u>
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\$410,000 the first year and \$418,000 the second year are for resource population surveys in the 1837 treaty area. Of this amount, \$274,000 the first year and \$288,000 the second year are from the game and fish fund.

\$1,790,000 the first year and \$1,790,000 the second year are from the wildlife acquisition surcharge account for only the purposes of land costs as specified in Minnesota Statutes, section 97A.071, subdivision 2a. This appropriation is available until spent.

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

\$8,061,000 the first year and \$8,167,000 the second year are from the heritage enhancement account in the game and fish fund only for activities that improve, enhance, or protect fish and wildlife resources as specified in Minnesota Statutes, section 297A.94, paragraph (e), clause (1). Notwithstanding Minnesota Statutes, section 297A.94, money under this paragraph may be used for expanding hunter and angler recruitment and retention and public land user facilities. Of this amount, \$1,175,000 each year is for preserving, restoring, and enhancing grassland/wetland complexes.

Notwithstanding Minnesota Statutes, section 84.943, \$13,000 the first year and \$13,000 the second year from the critical habitat private sector matching account may be used to publicize the critical habitat license plate match program.

\$830,000 the first year and \$830,000 the second year are from the trout and salmon management account for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 3.

\$1,353,000 the first year and \$1,353,000 the second year are from the deer habitat improvement account for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 1, paragraph (b).

\$715,000 the first year and \$715,000 the second year are from the deer and bear management account for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 1, paragraph (c).

\$700,000 the first year and \$700,000 the second year are from the waterfowl habitat improvement account for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 2.

\$875,000 the first year and \$875,000 the second year are from the pheasant habitat improvement account for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 4.

\$172,000 the first year and \$172,000 the second year are from the wild turkey management account for only the purposes specified in Minnesota Statutes, section 97A.075, subdivision 5. Of this amount, \$8,000 the first year and \$8,000 the second year are appropriated from the game and fish fund for transfer to the wild turkey management account for purposes specified in Minnesota Statutes, section 97A.075, subdivision 5.

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

\$108,000 the first year and \$108,000 the second year are from the game and fish fund for costs associated with administering fishing contest permits.

\$186,000 the first year and \$132,000 the second year are to accelerate wildlife health programs. \$54,000 in the first year is for fencing cattle-feeding areas in bovine tuberculosis control zones, under the emergency deterrent materials assistance program in Minnesota Statutes, section 97A.028, subdivision 3. This appropriation is available until June 30, 2009. \$61,000 of this amount is permanent.

\$575,000 the first year and \$575,000 the second year are for preserving, restoring, and enhancing grassland/wetland complexes on public or private lands.

The commissioner must report to the legislative chairs on environmental finance for money appropriated in this subdivision on grassland/wetland complexes with specific outcomes, including acres of wetlands and prairie grasses and forbs of a local ecotype preserved, restored, and enhanced during the 2008-2009 biennium.

\$150,000 the first year and \$150,000 the second year are from the game and fish fund for the roadsides for wildlife program.

\$175,000 in the first year and \$175,000 in the second year are for grants to Let's Go Fishing of Minnesota to promote opportunities for fishing. The grants must be matched with cash or in-kind contributions from nonstate sources. It is a condition of acceptance of this appropriation that Let's Go Fishing of Minnesota must submit a work program and annual progress reports in the form and manner determined by the commissioner of natural resources to the Budgetary Oversight Committee. The work program must identify capital expenditures and leases over \$2,000 and annual reports must describe the use of that capital equipment throughout its useful life. None of the money provided may be spent unless the commissioner has approved the work program. This is a onetime appropriation.

\$90,000 each year from the game and fish fund is to staff the Budgetary Oversight Committee.

By November 15, 2008, the commissioner, in consultation with the Budgetary Oversight Committee, established in Minnesota Statutes, section 97A.055, subdivision 4b, paragraph (c), shall report to the house of representatives and senate policy and finance

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

committees and divisions with jurisdiction over natural resources on game and fish fund receipt and expenditure imbalances between hunting-related and fishing-related activities. The report shall include, but is not limited to:

(1) a table showing the allocation of game and fish fund receipts and expenditures related to fishing and hunting activities for fiscal years 1989 to 2007 and projected receipts and expenditures for fiscal years 2008 and 2009;

(2) recommendations for short-term changes to correct any imbalances; and

(3) recommendations for long-term changes that will ensure that fishing license revenue is adequate to cover fishing-related expenditures and hunting license revenue is adequate to cover hunting-related expenditures.

Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2009, for aquatic restoration grants and wildlife habitat grants are available until June 30, 2010.

The commissioner of finance shall transfer \$160,000 in fiscal year 2008 to the special revenue fund for the account under Minnesota Statutes, section 97A.065, subdivision 6.

Subd. 8. **Ecological Services**

16,175,000

14,476,000

Appropriations by Fund

<u>General</u>	<u>8,597,000</u>	<u>6,531,000</u>
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<u>Natural Resources</u>	<u>3,696,000</u>	<u>3,994,000</u>
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<u>Game and Fish</u>	<u>3,882,000</u>	<u>3,951,000</u>
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\$1,194,000 the first year and \$1,227,000 the second year are from the nongame wildlife management account in the natural resources fund for the purpose of nongame wildlife management.

Notwithstanding Minnesota Statutes, section 290.431, \$100,000 the first year and \$100,000 the second year may be used for nongame information, education, and promotion.

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

\$1,612,000 the first year and \$1,636,000 the second year are from the heritage enhancement account in the game and fish fund for only the purposes specified in Minnesota Statutes, section 297A.94, paragraph (e), clause (1).

The commissioner must report to the legislative chairs on environmental finance for money appropriated in this subdivision on grassland/wetland complexes with specific outcomes, including acres of wetlands and prairie grasses and forbs of a local ecotype preserved, restored, and enhanced during the 2008-2009 biennium.

\$2,938,000 in the first year and \$4,385,000 in the second year, of which \$1,968,000 the first year and \$2,195,000 the second year are from the invasive species account in the natural resources fund for law enforcement and water access inspection to prevent the spread of invasive species, grants to manage invasive plants in public waters, technical assistance to grant applicants for improving lake quality, and management of terrestrial invasive species on state-administered lands. Priority shall be given to preventing the spread of aquatic invertebrates, including, but not limited to, zebra mussels, spiny waterflea, and round goby. An applicant for a grant to manage invasive plants in public waters must have a workable plan for improving water quality and reducing the need for additional treatment. Grants may not be made for chemicals that are likely endocrine disruptors. A plan to prevent the introduction of asian carp into Minnesota waters must be made available to the public by November 1, 2007.

\$125,000 the first year is to support a technical advisory committee and for land management units that manage grass lands in order to develop plans to optimize native prairie seed harvest and replanting on state-owned lands. The work must use best management practices with an outcome of ensuring the survival of the native prairie remaining in Minnesota and to estimate the value of the seeds. Maximizing seed harvest may include allowing seed producers to keep a portion of the seed as compensation for supplying equipment and labor. The Department of Natural Resources in cooperation with the Department of Agriculture and the Board of Water and Soil Resources shall establish the technical advisory committee which has the expertise to develop (1) criteria to identify public and private marginal lands which could be used to produce native prairie seeds of a local eco-type or restore native prairies that could be used to produce clean energy, (2) guidelines for production that ensure high carbon sequestration, protection of wildlife and waters, and minimization of inputs and that do not compromise the survival of the native prairie remaining in

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

Minnesota, and (3) recommendations for incentives that will result in the production of native prairie seeds of a local eco-type or restore native prairies. In addition to agency members, the advisory committee shall have one member from each of two statewide farm organizations, one member from a statewide sustainable farmer organization, one member each from three statewide rural economic development organizations, one member each from three statewide environmental organizations, and one member each from three statewide wildlife or conservation organizations. No person registered as a lobbyist under Minnesota Statutes, section 10A.03, may serve on the technical advisory committee. The technical committee shall work with the NextGen Energy Board to develop a clean energy program. A report on outcomes from the technical committee is due December 15, 2007, to the legislative finance chairs on environment and natural resources.

\$50,000 in the first year is for the commissioner, in consultation with the Environmental Quality Board, to report to the house and senate committees having jurisdiction over environmental policy and finance by February 1, 2008, on the Mississippi River critical area program. The report shall include the status of critical area plans, zoning ordinances, the number and types of revisions anticipated, and the nature and number of variances sought. The report shall include recommendations that adequately protect and manage the aesthetic integrity and natural environment of the river corridor.

\$2,250,000 the first year is to support the identification of impaired waters and develop plans to address those impairments, as required by the federal Clean Water Act, in accordance with Minnesota Statutes, chapter 114D. This is a onetime appropriation.

\$477,000 the first year and \$477,000 the second year are for the reinvest in Minnesota programs of game and fish, critical habitat, and wetlands established under Minnesota Statutes, section 84.95, subdivision 2.

\$350,000 the first year is for a grant to the International Wolf Center for building renovations.

\$500,000 the first year is for a grant to the city of Wabasha for programming at the National Bald Eagle Center.

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

\$100,000 the first year is for a grant to the Wildlife Rehabilitation Center of Minnesota to retire loans incurred by the center for construction of its facility in the city of Roseville and to complete educational technology infrastructure at the center.

\$115,000 in the first year and \$116,000 in the second year is for the Project Wild program. Of this amount, \$35,000 in the first year and \$36,000 in the second year are from the natural resources fund, and \$40,000 in the first year and \$40,000 in the second year are from the game and fish fund.

\$150,000 each year is from the all-terrain vehicle account in the natural resources fund for developing and maintaining all-terrain vehicle trails and environmental review.

Subd. 9. Enforcement

30,549,000

31,596,000

Appropriations by Fund

<u>General</u>	<u>3,564,000</u>	<u>3,648,000</u>
<u>Natural Resources</u>	<u>7,463,000</u>	<u>7,963,000</u>
<u>Game and Fish</u>	<u>19,422,000</u>	<u>19,885,000</u>
<u>Remediation</u>	<u>100,000</u>	<u>100,000</u>

Until June 30, 2009, a conservation officer must be stationed at Mississippi Headwaters State Forest to work with local jurisdictions in enforcing state law along the Mississippi River from Lake Itasca downstream to Lake Bemidji and in the Bemidji region.

\$1,082,000 the first year and \$1,082,000 the second year are from the water recreation account in the natural resources fund for grants to counties for boat and water safety.

\$100,000 the first year and \$100,000 the second year are from the remediation fund for solid waste enforcement activities under Minnesota Statutes, section 116.073.

\$315,000 the first year and \$315,000 the second year are from the snowmobile trails and enforcement account in the natural resources fund for grants to local law enforcement agencies for snowmobile enforcement activities.

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

\$1,164,000 the first year and \$1,164,000 the second year are from the heritage enhancement account in the game and fish fund for only activities that improve, enhance, or protect fish and wildlife resources specified in Minnesota Statutes, section 297A.94, paragraph (e), clause (1).

Overtime must be distributed to conservation officers at historical levels; however, a reasonable reduction or addition may be made to the officer's allocation, if justified, based on an individual officer's workload. If funding for enforcement is reduced because of an unallotment, the overtime bank may be reduced in proportion to reductions made in other areas of the budget.

\$325,000 the first year and \$325,000 the second year are from the natural resources fund for grants to county law enforcement agencies for off-highway vehicle enforcement and public education activities based on off-highway vehicle use in the county. Of this amount, \$313,000 each year is from the all-terrain vehicle account; \$11,000 each year is from the off-highway motorcycle account; and \$1,000 each year is from the off-road vehicle account. The county enforcement agencies may use money received under this appropriation to make grants to other local enforcement agencies within the county that have a high concentration of off-highway vehicle use. Of this appropriation, \$25,000 each year is for administration of these grants.

\$250,000 the first year and \$250,000 the second year are from the all-terrain vehicle account for grants to qualifying organizations to assist in safety and environmental education and monitoring trails on public lands under new Minnesota Statutes, section 84.9011. Grants issued under this paragraph: (1) must be issued through a formal agreement with the organization; and (2) must not be used as a substitute for traditional spending by the organization. By December 15, each year, an organization receiving a grant under this paragraph shall report to the commissioner with details on expenditures from the grant. Of this appropriation, \$25,000 each year is for administration of these grants.

The commissioner must publicize opportunities for conservation officer employment and recruit, when possible, conservation officer candidates from the biological sciences departments at colleges and universities.

<u>APPROPRIATIONS</u>		
<u>Available for the Year</u>		
<u>Ending June 30</u>		
	<u>2008</u>	<u>2009</u>
<u>Subd. 10. Operations Support</u>	<u>4,288,000</u>	<u>3,813,000</u>
<u>Appropriations by Fund</u>		
General	<u>2,715,000</u>	<u>2,249,000</u>
Natural Resources	<u>484,000</u>	<u>484,000</u>
Game and Fish	<u>1,089,000</u>	<u>1,080,000</u>
<u>\$38,000 in the first year is from the game and fish fund for the study on the natural stands of wild rice required in this article.</u>		
<u>\$270,000 the first year and \$270,000 the second year are from the natural resources fund for grants to be divided equally between the city of St. Paul for the Como Zoo and Conservatory and the city of Duluth for the Duluth Zoo. This appropriation is from the revenue deposited to the fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (5).</u>		
<u>\$55,000 in the first year and \$7,000 in the second year are to be transferred to the Environmental Quality Board to fulfill the requirement of Minnesota Statutes, sections 116C.92 and 116C.94.</u>		
<u>\$475,000 the first year is a onetime appropriation for terrestrial and geologic carbon sequestration reports and studies in this article. Of this amount, the commissioner shall make payments of \$385,000 to the Board of Regents of the University of Minnesota for the purposes of terrestrial carbon sequestration activities, and \$90,000 to the Minnesota Geological Survey for the purposes of geologic carbon sequestration assessment.</u>		
<u>Sec. 5. BOARD OF WATER AND SOIL RESOURCES</u>	<u>\$32,153,000</u>	<u>\$17,482,000</u>
<u>\$4,102,000 the first year and \$4,102,000 the second year are for natural resources block grants to local governments. The board may reduce the amount of the natural resources block grant to a county by an amount equal to any reduction in the county's general services allocation to a soil and water conservation district from the county's previous year allocation when the board determines that the reduction was disproportionate. Grants must be matched with a combination of local cash or in-kind contributions. The base grant portion related to water planning must be matched by an amount that would be raised by a levy under Minnesota Statutes, section 103B.3369.</u>		

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\$3,566,000 the first year and \$3,566,000 the second year are for grants requested by soil and water conservation districts for general purposes, nonpoint engineering, and implementation of the reinvest in Minnesota conservation reserve program. Upon approval of the board, expenditures may be made from these appropriations for supplies and services benefiting soil and water conservation districts. Any district requesting a grant under this paragraph shall create and maintain a Web page that publishes, at a minimum, its annual plan, annual report, annual audit, and annual budget, including membership dues and meeting notices and minutes.

\$3,285,000 the first year and \$3,285,000 the second year are for grants to soil and water conservation districts for cost-sharing contracts for erosion control and water quality management. Of this amount, at least \$1,200,000 the first year and \$1,200,000 the second year are for grants for cost-sharing contracts to establish and maintain vegetation buffers of restored native prairie and restored prairie using seeds of a local ecotype region. \$300,000 the first year and \$300,000 the second year are available to begin county cooperative weed management programs on natural lands and private lands enrolled in state and federal conservation programs and to restore native plants in selected invasive species management sites by providing local native seeds and plants to landowners for implementation. This appropriation is available until expended. If the appropriation in either year is insufficient, the appropriation in the other year is available for it. Notwithstanding Minnesota Statutes, section 103C.501, any balance in the board's cost-share program that remains from the fiscal year 2007 appropriation is available in an amount up to \$2,000 for a grant to the Faribault Soil and Water Conservation District to pay for erosion repair on the Blue Earth River, and up to \$40,000 is available for grants to soil and water conservation districts for Web site development and reporting; and \$100,000 in fiscal years 2008 and 2009 is for evaluating and reporting on performance, financial, and activity information of local water management entities as provided for in section 103.

The board shall develop a forestry practice docket for cost-share money. The board shall develop standards or policies for cost-share practices for the following purposes: (1) establishment and maintenance of vegetated buffers of restored prairie or restored native prairie using seeds of a local ecotype; (2) establishment of cooperative weed management programs on private natural lands and lands enrolled in state and federal conservation programs and restoration of native plants in selected invasive species management sites by providing local native seeds and plants to landowners; and (3) establishment of soil and water conservation and ecological improvement practices on private forest lands.

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\$100,000 the first year and \$100,000 the second year are for a grant to the Red River Basin Commission to develop a Red River basin plan and to coordinate water management activities in the states and provinces bordering the Red River. The unencumbered balance in the first year does not cancel but is available for the second year.

\$14,166,000 is for implementation of the Clean Water Legacy Act, in accordance with Minnesota Statutes, chapter 114D, as follows:

(1) \$3,316,000 is for targeted nonpoint restoration cost-share and incentive payments, of which up to \$3,116,000 is available for grants. Of this amount, \$1,500,000 is for agricultural watershed restoration projects that are located in a watershed impaired by nonpoint agricultural sources and are designed to provide long-term restoration of surface water quality through restoration of the natural hydrological function to working lands. Of this amount, \$500,000 must be contracted for services with the Minnesota Conservation Corps. The grant funds are available until expended;

(2) \$3,000,000 is for targeted nonpoint restoration and protection and technical, compliance, and engineering assistance activities, of which up to \$2,400,000 is available for grants, and \$225,000 the first year is to inventory wetland mitigation opportunities and water quality and watershed improvement projects in a greater than 80 percent area and of which \$150,000 the first year is to conduct a regionwide wetland mitigation siting analysis for greater than 80 percent areas. The \$225,000 amount shall include an inventory of the wetland and water resources that have been developed on former mine lands and an analysis of the functions and values of those wetland and water resources. This is a onetime appropriation and is available until June 30, 2009. The \$150,000 amount for analysis shall (i) evaluate wetland mitigation opportunities in each watershed and wetland bank service area, (ii) develop goals for maintaining water quality in the greater than 80 percent areas, and (iii) identify wetland mitigation opportunities in other regions with a greater loss of wetlands or with impaired waters. This is a onetime appropriation and is available until June 30, 2009. A report on the analysis outcomes shall be given to the house and senate chairs of the environment and natural resources policy and finance committees by January 15, 2009;

(3) \$400,000 is for reporting and evaluating applied soil and water conservation practices;

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(4) \$2,450,000 is for grants to implement county individual sewage treatment system programs. Of this amount, after a county has complied with requirements to adopt ordinances pursuant to Minnesota Statutes, section 115.55, subdivision 2, the county may request grants of up to \$130,000 to inventory properties with individual sewage treatment systems that are an imminent threat to public health or safety due to water discharges of untreated sewage, and require compliance under an applicable ordinance. The grant amount shall be proportional to the number of properties expected to be inventoried. Each county receiving an appropriation under this paragraph shall report the number of inspections and the number determined to be an imminent threat to public health or safety to the Pollution Control Agency by February 1 of each year;

(5) \$3,000,000 is for feedlot water quality grants for feedlots under 300 animal units where there are impaired waters;

(6) \$1,000,000 in fiscal year 2008 is for grants to support local nonpoint source protection activities related to lake and river protection and management; and

(7) \$1,000,000 in fiscal year 2008 is for grants to address imminent threat and failing individual sewage treatment systems.

If the appropriations in clauses (1) to (7) in either year are insufficient, the appropriation in the other year is available for it. All of the money appropriated in clauses (1) to (7) as grants to local governments shall be administered through the Board of Water and Soil Resources' local water resources protection and management program under Minnesota Statutes, section 103B.3369.

\$100,000 each year is to the Minnesota River Basin Joint Powers Board, also known as the Minnesota River Board, for operating expenses to measure and report the results of projects in the 12 major watersheds within the Minnesota River basin.

By January 1, 2008, the board shall report to the senate and house of representatives environmental finance divisions on the financial needs to bring all feedlots in the state that are under 300 animal units into compliance with Pollution Control Agency rules by October 1, 2010, and comply with the requirements of Minnesota Statutes, section 116.07, subdivision 7, paragraph (p).

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\$140,000 the first year and \$140,000 the second year are for a grant to Area II, Minnesota River Basin Projects, for floodplain management, including administration of programs.

\$1,120,000 the first year and \$1,060,000 the second year may be spent for the following purposes to support implementation of the Wetland Conservation Act: \$250,000 each year is to make grants to local units of governments within the 11-county metropolitan area to improve response to major wetland violations; \$250,000 each year is for transfer to the commissioner of natural resources for enforcement of wetland violations; \$500,000 each year is for staffing to provide adequate state oversight and technical support to local governments administering the Wetland Conservation Act; \$60,000 each year is for staff to monitor and enforce wetland replacement and wetland bank sites; and \$60,000 the first year is for rulemaking required by changes to the Wetland Conservation Act. The board must include in its biennial report to the legislature information on all state and local units of government, including special purpose districts, impacts on wetlands in the state.

\$450,000 the first year and \$800,000 the second year are to implement recommendations of the Drainage Work Group to enhance public drainage and modernization as follows: \$150,000 the first year is to develop guidelines for drainage records preservation and modernization; \$500,000 the second year is for cost-share grants to local governments for public drainage records modernization; and \$300,000 each year is to provide assistance to local drainage management officials, to facilitate the work of the Drainage Work Group, to staff a drainage assistance team, and to update the Minnesota Public Drainage Manual. All of the money appropriated in this paragraph as grants to local governments shall be administered through the Board of Water and Soil Resources' local water resources protection and management program under Minnesota Statutes, section 103B.3369.

In addition to other authorities, the Board of Water and Soil Resources may reduce, withhold, or redirect grants and other funding if the local water management entity has not corrected deficiencies as prescribed in a notice from the board within one year from the date of the notice.

\$500,000 the first year is to provide grants for bioenergy crop research and monitoring, including, but not limited to, water quality, water quantity utilized, soil carbon storage, biological diversity, wildlife and habitat impacts and benefits, and small diameter woody bioenergy. Of this amount, \$300,000 is for a

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grant to the Minnesota Forest Resources Council for conducting site level ecological research and assessments as identified by the council's biomass technical committee. Additional money from other sources should be sought to accomplish this purpose.

\$200,000 in fiscal year 2008 is to develop clean energy program guidelines and standards.

\$200,000 is for a grant to the city of Gaylord to construct and reconstruct storm water sewer drains and related facilities to divert water that currently drains into Lake Titlow into holding ponds south of the city. The cost of reconstructing city streets as part of this diversion, and as outlined in the city of Gaylord's street improvement plan, is the responsibility of the city. This diversion will keep phosphorus and other chemicals from entering the lake, and will improve the water quality of Lake Titlow.

The appropriations for grants in this section are available until expended. If an appropriation for grants in either year is insufficient, the appropriation in the other year is available for it.

Sec. 6. **METROPOLITAN COUNCIL**

\$8,620,000

\$8,620,000

Appropriations by Fund

	<u>2008</u>	<u>2009</u>
<u>General</u>	<u>4,050,000</u>	<u>4,050,000</u>
<u>Natural Resources</u>	<u>4,570,000</u>	<u>4,570,000</u>

\$4,050,000 the first year and \$4,050,000 the second year are for metropolitan area regional parks maintenance and operations.

\$4,570,000 the first year and \$4,570,000 the second year are from the natural resources fund for metropolitan area regional parks and trails maintenance and operations. This appropriation is from the revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (3).

Sec. 7. **MINNESOTA CONSERVATION CORPS**

\$1,015,000

\$965,000

Appropriations by Fund

	<u>2008</u>	<u>2009</u>
<u>General</u>	<u>525,000</u>	<u>475,000</u>
<u>Natural Resources</u>	<u>490,000</u>	<u>490,000</u>

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The Minnesota Conservation Corps may receive money appropriated from the natural resources fund under this section only as provided in an agreement with the commissioner of natural resources.

\$50,000 is to be used for learning stipends for deaf students and wages for interpreters participating in its summer youth program. The appropriation is available until June 30, 2009.

Sec. 8. **ZOOLOGICAL BOARD**

\$7,137,000

\$7,331,000

Appropriations by Fund

	<u>2008</u>	<u>2009</u>
<u>General</u>	<u>7,000,000</u>	<u>7,193,000</u>
<u>Natural Resources</u>	<u>137,000</u>	<u>138,000</u>

\$137,000 the first year and \$138,000 the second year are from the natural resources fund from the revenue deposited under Minnesota Statutes, section 297A.94, paragraph (e), clause (5).

The general fund base budget for the Zoological Board is \$7,068,000 each year in the 2010-2011 biennium.

Sec. 9. **SCIENCE MUSEUM OF MINNESOTA**

\$1,250,000

\$1,250,000

Sec. 10. Minnesota Statutes 2006, section 10A.01, subdivision 35, is amended to read:

Subd. 35. **Public official.** "Public official" means any:

- (1) member of the legislature;
- (2) individual employed by the legislature as secretary of the senate, legislative auditor, chief clerk of the house, revisor of statutes, or researcher, legislative analyst, or attorney in the Office of Senate Counsel and Research or House Research;
- (3) constitutional officer in the executive branch and the officer's chief administrative deputy;
- (4) solicitor general or deputy, assistant, or special assistant attorney general;
- (5) commissioner, deputy commissioner, or assistant commissioner of any state department or agency as listed in section 15.01 or 15.06, or the state chief information officer;

(6) member, chief administrative officer, or deputy chief administrative officer of a state board or commission that has either the power to adopt, amend, or repeal rules under chapter 14, or the power to adjudicate contested cases or appeals under chapter 14;

(7) individual employed in the executive branch who is authorized to adopt, amend, or repeal rules under chapter 14 or adjudicate contested cases under chapter 14;

(8) executive director of the State Board of Investment;

(9) deputy of any official listed in clauses (7) and (8);

(10) judge of the Workers' Compensation Court of Appeals;

(11) administrative law judge or compensation judge in the State Office of Administrative Hearings or referee in the Department of Employment and Economic Development;

(12) member, regional administrator, division director, general counsel, or operations manager of the Metropolitan Council;

(13) member or chief administrator of a metropolitan agency;

(14) director of the Division of Alcohol and Gambling Enforcement in the Department of Public Safety;

(15) member or executive director of the Higher Education Facilities Authority;

(16) member of the board of directors or president of Minnesota Technology, Inc.;

(17) member of the board of directors or executive director of the Minnesota State High School League;

(18) member of the Minnesota Ballpark Authority established in section 473.755; ~~or~~

(19) citizen member of the Legislative-Citizen Commission on Minnesota Resources; ~~;~~

(20) manager of a watershed district, or member of a watershed management organization as defined under section 103B.205, subdivision 13; or

(21) supervisor of a soil and water conservation district.

Sec. 11. Minnesota Statutes 2006, section 15.99, subdivision 3, is amended to read:

Subd. 3. **Application; extensions.** (a) The time limit in subdivision 2 begins upon the agency's receipt of a written request containing all information required by law or by a previously adopted rule, ordinance, or policy of the agency, including the applicable application fee. If an agency receives a written request that does not contain all required information, the 60-day limit starts over only if the agency sends written notice within 15 business days of receipt of the request telling the requester what information is missing.

(b) If a request relating to zoning, septic systems, watershed district review, soil and water conservation district review, or expansion of the metropolitan urban service area requires the approval of more than one state agency in the executive branch, the 60-day period in subdivision 2 begins to run for all executive branch agencies on the day a request containing all required information is received by one state agency. The agency receiving the request must forward copies to other state agencies whose approval is required.

(c) An agency response, including an approval with conditions, meets the 60-day time limit if the agency can document that the response was sent within 60 days of receipt of the written request. Failure to satisfy the conditions, if any, may be a basis to revoke or rescind the approval by the agency and will not give rise to a claim that the 60-day limit was not met.

(d) The time limit in subdivision 2 is extended if a state statute, federal law, or court order requires a process to occur before the agency acts on the request, and the time periods prescribed in the state statute, federal law, or court order make it impossible to act on the request within 60 days. In cases described in this paragraph, the deadline is extended to 60 days after completion of the last process required in the applicable statute, law, or order. Final approval of an agency receiving a request is not considered a process for purposes of this paragraph.

(e) The time limit in subdivision 2 is extended if: (1) a request submitted to a state agency requires prior approval of a federal agency; or (2) an application submitted to a city, county, town, school district, metropolitan or regional entity, or other political subdivision requires prior approval of a state or federal agency. In cases described in this paragraph, the deadline for agency action is extended to 60 days after the required prior approval is granted.

(f) An agency may extend the time limit in subdivision 2 before the end of the initial 60-day period by providing written notice of the extension to the applicant. The notification must state the reasons for the extension and its anticipated length, which may not exceed 60 days unless approved by the applicant.

(g) An applicant may by written notice to the agency request an extension of the time limit under this section.

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

Sec. 12. Minnesota Statutes 2006, section 16A.531, subdivision 1a, is amended to read:

Subd. 1a. **Revenues.** The following revenues must be deposited in the environmental fund:

- (1) all revenue from the motor vehicle transfer fee imposed under section 115A.908;
- (2) all fees collected under section 116.07, subdivision 4d;
- (3) all money collected by the Pollution Control Agency in enforcement matters as provided in section 115.073;
- (4) all revenues from license fees for individual sewage treatment systems under section 115.56;
- (5) all loan repayments deposited under section 115A.0716;
- (6) all revenue from pollution prevention fees imposed under section 115D.12;
- (7) all loan repayments deposited under section 116.994;
- (8) all fees collected under section 116C.834;
- (9) revenue collected from the solid waste management tax pursuant to chapter 297H;
- (10) fees collected under section 473.844; ~~and~~
- (11) interest accrued on the fund; and

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

Sec. 13. **[17.035] VENISON DISTRIBUTION AND REIMBURSEMENT.**

Subdivision 1. **Reimbursement.** A meat processor holding a license under chapter 28A may apply to the commissioner of agriculture for reimbursement of \$70 towards the cost of processing donated deer. The meat processor shall deliver the deer, processed into cuts or ground meat, to a charitable organization that is registered under chapter 309 and with the commissioner of agriculture and that operates a food assistance program. To request reimbursement, the processor shall submit an application, on a form prescribed by the commissioner of agriculture, the tag number under which the deer was taken, and a receipt for the deer from the charitable organization.

Subd. 2. **Distribution.** (a) The commissioner of agriculture shall ensure the equitable statewide distribution of processed deer by requiring the charitable organization to allocate and distribute processed deer according to the allocation formula used in the distribution of United States Department of Agriculture commodities under the federal emergency food assistance program. The charitable organization must submit quarterly reports to the commissioner on forms prescribed by the commissioner. The reports must include, but are not limited to, information on the amount of processed deer received and the organizations to which the meat was distributed.

(b) The commissioner of agriculture may adopt rules to implement this section.

Sec. 14. Minnesota Statutes 2006, section 17.4984, subdivision 1, is amended to read:

Subdivision 1. **License required.** (a) A person or entity may not operate an aquatic farm without first obtaining an aquatic farm license from the commissioner.

(b) Applications for an aquatic farm license must be made on forms provided by the commissioner.

(c) Licenses are valid for five years and are transferable upon notification to the commissioner.

(d) The commissioner shall issue an aquatic farm license on payment of the required license fee under section 17.4988.

(e) A license issued by the commissioner is not a determination of private property rights, but is only based on a determination that the licensee does not have a significant detrimental impact on the public resource.

(f) By January 15, 2008, the commissioner shall report to the senate and house of representatives committees on natural resource policy and finance on policy recommendations regarding aquaculture.

Sec. 15. Minnesota Statutes 2006, section 18G.03, is amended by adding a subdivision to read:

Subd. 5. **Certain species not subject to chapter 18G.** This chapter does not apply to exotic aquatic plants and wild animal species regulated under chapter 84D.

Sec. 16. Minnesota Statutes 2006, section 18G.11, is amended to read:

18G.11 COOPERATION WITH OTHER JURISDICTIONS.

Subdivision 1. **Detection and control agreements.** The commissioner may enter into cooperative agreements with organizations, persons, civic groups, governmental agencies, or other organizations to adopt and execute plans to detect and control areas infested or infected with harmful plant pests. The cooperative agreements may include provisions of joint funding of any control treatment.

If a harmful plant pest infestation or infection occurs and cannot be adequately controlled by individual persons, owners, tenants, or local units of government, the commissioner may conduct the necessary control measures independently or on a cooperative basis with federal or other units of government.

Subd. 2. **New and emerging plant pest programs.** The commissioner may make grants to municipalities or enter into contracts with municipalities, nurseries, colleges, universities, state or federal agencies in connection with new or emerging plant pests programs, including research, or any other organization with the legal authority to enter into contractual agreements.

Sec. 17. **[84.02] DEFINITIONS.**

Subdivision 1. **Definitions.** For purposes of this chapter, the terms defined in this section shall have the meanings given them.

Subd. 2. **Best management practice for native prairie restoration.** "Best management practice for native prairie restoration" means using seeds collected from a native prairie within the same county or within 25 miles of the county's border, but not across the boundary of an ecotype region.

Subd. 3. **Created grassland.** "Created grassland" means a restoration using seeds or plants with origins outside of the state of Minnesota.

Subd. 4. **Ecotype region.** "Ecotype region" means the following ecological subsections and counties based on the Department of Natural Resources map, "County Landscape Groupings Based on Ecological Subsections," dated February 15, 2007.

Ecotype Region

Counties or portions thereof:

Rochester Plateau, Blufflands, and Oak Savanna

Houston, Winona, Fillmore, Wabasha, Goodhue, Mower, Freeborn, Steele, Olmsted, Rice, Waseca, Dakota, Dodge

Anoka Sand Plain, Big Woods, and St. Paul Baldwin Plains and Moraines

Anoka, Hennepin, Ramsey, Washington, Chisago, Scott, Carver, McLeod, Wright, Benton, Isanti, Le Sueur, Sherburne

Inner Coteau and Coteau Moraines

Lincoln, Lyon, Pipestone, Rock, Murray, Nobles, Jackson, Cottonwood

Red River Prairie (South)

Traverse, Wilkin, Clay, Becker

Red River Prairie (North) and Aspen Parklands

Kittson, Roseau, Red Lake, Pennington, Marshall, Clearwater, Mahnommen, Polk, Norman

Minnesota River Prairie (North)

Big Stone, Pope, Stevens, Grant, Swift, Chippewa, Meeker, Kandiyohi, Renville, Lac qui Parle, Yellow Medicine

Minnesota River Prairie (South)

Nicollet, Redwood, Brown, Watonwan, Martin, Faribault, Blue Earth, Sibley

Hardwood Hills

Douglas, Morrison, Otter Tail, Stearns, Todd

Subd. 5. **Native prairie.** "Native prairie" means land that has never been plowed where native prairie vegetation originating from the site currently predominates or, if disturbed, is predominantly covered with native prairie vegetation that originated from the site. Unbroken pasture land used for livestock grazing can be considered native prairie if it has predominantly native vegetation originating from the site and conservation practices have maintained biological diversity.

Subd. 6. **Native prairie species of a local ecotype.** "Native prairie species of a local ecotype" means a genetically differentiated population of a species that has at least one trait (morphological, biochemical, fitness, or phenological) that is evolutionarily adapted to local environmental conditions, notably plant competitors, pathogens, pollinators, soil microorganisms, growing season length, climate, hydrology, and soil.

Subd. 7. **Restored native prairie.** "Restored native prairie" means a restoration using at least 25 representative and biologically diverse native prairie plant species of a local ecotype originating in the same county as the restoration site or within 25 miles of the county's border, but not across the boundary of an ecotype region.

Subd. 8. **Restored prairie.** "Restored prairie" means a restoration using at least 25 representative and biologically diverse native prairie plant species originating from the same ecotype region in which the restoration occurs.

Sec. 18. Minnesota Statutes 2006, section 84.025, subdivision 9, is amended to read:

Subd. 9. **Professional services support account.** The commissioner of natural resources may bill the various programs carried out by the commissioner for the costs of providing them with professional support services. Except as provided under section 89.421, receipts must be credited to a special account in the state treasury and are appropriated to the commissioner to pay the costs for which the billings were made.

The commissioner of natural resources shall submit to the commissioner of finance before the start of each fiscal year a work plan showing the estimated work to be done during the coming year, the estimated cost of doing the work, and the positions and fees that will be necessary. This account is exempted from statewide and agency indirect cost payments.

Sec. 19. Minnesota Statutes 2006, section 84.026, subdivision 1, is amended to read:

Subdivision 1. **Contracts.** The commissioner of natural resources is authorized to enter into contractual agreements with any public or private entity for the provision of statutorily prescribed natural resources services by the department. The contracts shall specify the services to be provided. Except as provided under section 89.421, funds generated in a contractual agreement made pursuant to this section shall be deposited in the special revenue fund and are appropriated to the department for purposes of providing the services specified in the contracts. The commissioner shall report revenues collected and expenditures made under this subdivision to the chairs of the Committees on Ways and Means in the house and Finance in the senate by January 1 of each odd-numbered year.

Sec. 20. Minnesota Statutes 2006, section 84.027, is amended by adding a subdivision to read:

Subd. 13a. **Game and fish expedited permanent rules.** In addition to the authority granted in subdivision 13, the commissioner of natural resources may adopt rules under section 14.389 that are authorized under:

(1) chapters 97A, 97B, and 97C to describe zone or permit area boundaries, to designate fish spawning beds or fish preserves, to select hunters or anglers for areas, to provide for registration of game or fish, to prevent or control wildlife disease, or to correct errors or omissions in rules that do not have a substantive effect on the intent or application of the original rule; or

(2) section 84D.12 to designate prohibited invasive species, regulated invasive species, and unregulated nonnative species.

Sec. 21. Minnesota Statutes 2006, section 84.0272, is amended by adding a subdivision to read:

Subd. 5. **Easement information.** Parties to an easement purchased under the authority of the commissioner must:

(1) specify in the easement all provisions that are perpetual in nature;

(2) file the easement with the county recorder or registrar of titles in the county in which the land is located; and

(3) submit an electronic copy of the easement to the commissioner.

Sec. 22. Minnesota Statutes 2006, section 84.0855, subdivision 1, is amended to read:

Subdivision 1. **Sales authorized; gift certificates.** The commissioner may sell natural resources-related publications and maps; forest resource assessment products; federal migratory waterfowl, junior duck, and other federal stamps; and other nature-related merchandise, and may rent or sell items for the convenience of persons using Department of Natural Resources facilities or services. The commissioner may sell gift certificates for any items rented or sold. Notwithstanding section 16A.1285, a fee charged by the commissioner under this section may include a reasonable amount in excess of the actual cost to support Department of Natural Resources programs. The commissioner may advertise the availability of a program or item offered under this section.

Sec. 23. Minnesota Statutes 2006, section 84.0855, subdivision 2, is amended to read:

Subd. 2. **Receipts; appropriation.** Except as provided under section 89.421, money received by the commissioner under this section or to buy supplies for the use of volunteers, may be credited to one or more special accounts in the state treasury and is appropriated to the commissioner for the purposes for which the money was received. Money received from sales at the state fair shall be available for state fair related costs. Money received from sales of intellectual property and software products or services shall be available for development, maintenance, and support of software products and systems.

Sec. 24. Minnesota Statutes 2006, section 84.777, is amended to read:

84.777 OFF-HIGHWAY VEHICLE USE OF STATE LANDS RESTRICTED.

Subdivision 1. **Designated trails.** (a) Except as otherwise allowed by law or rules adopted by the commissioner, effective June 1, 2003, notwithstanding sections 84.787 to 84.805 and 84.92 to 84.929, the use of off-highway vehicles is prohibited on state land administered by the commissioner of natural resources, and on county-administered forest land within the boundaries of a state forest, except on roads and trails specifically designated and posted by the commissioner for use by off-highway vehicles.

(b) Paragraph (a) does not apply to county-administered land within a state forest if the county board adopts a resolution that modifies restrictions on the use of off-highway vehicles on county-administered land within the forest.

Subd. 2. **Off-highway vehicle seasons.** (a) The commissioner shall prescribe seasons for off-highway vehicle use on state forest lands. Except for designated forest roads, a person must not operate an off-highway vehicle on state forest lands outside of the seasons prescribed under this paragraph.

(b) The commissioner may designate and post winter trails on state forest lands for use by off-highway vehicles.

(c) For the purposes of this subdivision, "state forest lands" means forest lands under the authority of the commissioner as defined in section 89.001, subdivision 13, and lands managed by the commissioner under section 282.011.

Subd. 3. **Mapped trails.** Except as provided in sections 84.926 and 84.928, after completion of off-highway vehicle maps for the area, a person must not operate an off-highway vehicle on state land that is not mapped for the type of off-highway vehicle.

Subd. 4. **Exemption from rulemaking.** Determinations of the commissioner under this section may be by written order published in the State Register and are exempt from the rulemaking provisions of chapter 14. Section 14.386 does not apply.

Sec. 25. Minnesota Statutes 2006, section 84.780, is amended to read:

84.780 OFF-HIGHWAY VEHICLE DAMAGE ACCOUNT.

(a) The off-highway vehicle damage account is created in the natural resources fund. Money in the off-highway vehicle damage account is appropriated to the commissioner of natural resources for the repair or restoration of property damaged by the illegal operation of off-highway vehicles or the operation of off-highway vehicles in an unpermitted area after August 1, 2003, and for the costs of administration for this section. Before the commissioner may make a payment from this account, the commissioner must determine whether the damage to the property was caused by the unpermitted or illegal use of off-highway vehicles, that the applicant has made reasonable efforts to identify the responsible individual and obtain payment from the individual, and that the applicant has made reasonable efforts to prevent reoccurrence. ~~By June 30, 2008, the commissioner of finance must transfer the remaining balance in the account to the off-highway motorcycle account under section 84.794, the off-road vehicle account under section 84.803, and the all terrain vehicle account under section 84.927. The amount transferred to each account must be proportionate to the amounts received in the damage account from the relevant off-highway vehicle accounts.~~

(b) Determinations of the commissioner under this section may be made by written order and are exempt from the rulemaking provisions of chapter 14. Section 14.386 does not apply.

~~(c) This section expires July 1, 2008. Money in the account is available until expended.~~

Sec. 26. **[84.8045] RESTRICTIONS ON OFF-ROAD VEHICLE TRAILS.**

Notwithstanding any provision of sections 84.797 to 84.805 or other law to the contrary, the commissioner shall not permit land administered by the commissioner in Cass, Crow Wing, and Hubbard Counties to be used or developed for trails primarily for off-road vehicles as defined in section 84.797, subdivision 7, except:

(1) upon approval by the legislature; or

(2) in designated off-road vehicle use areas.

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

Sec. 27. **[84.9011] OFF-HIGHWAY VEHICLE SAFETY AND CONSERVATION PROGRAM.**

Subdivision 1. **Creation.** The commissioner of natural resources shall establish a program to promote the safe and responsible operation of off-highway vehicles in a manner that does not harm the environment.

Subd. 2. **Agreements.** (a) The commissioner shall enter into agreements with organizations for volunteer services that promote the safe and responsible operation of off-highway vehicles in a manner that does not harm the environment to maintain, make improvements to, and monitor trails on state forest land and other public lands. The organizations shall promote the operation of off-highway vehicles in a safe and responsible manner that complies with the laws and rules that relate to the operation of off-highway vehicles.

(b) The organizations may provide assistance to the department in locating, recruiting, and training instructors for off-highway vehicle training programs.

(c) The commissioner may provide assistance to enhance the comfort and safety of volunteers and to facilitate the implementation and administration of the safety and conservation program.

(d) The commissioner shall establish standards, train, and certify organizations and individuals participating as volunteers under this section. The training shall include:

- (1) the identification of invasive species;
- (2) correctly reporting the location of invasive species; and
- (3) basic global positioning system operation.

Subd. 3. **Worker displacement prohibited.** The commissioner may not enter into any agreement that has the purpose of or results in the displacement of public employees by volunteers participating in the off-highway safety and conservation program under this section. The commissioner must certify to the appropriate bargaining agent that the work performed by a volunteer will not result in the displacement of currently employed workers or workers on seasonal layoff or layoff from a substantially equivalent position, including partial displacement such as reduction in hours of nonovertime work, wages, or other employment benefits.

Subd. 4. **Off-Highway Vehicle Safety Advisory Council.** (a) The commissioner of natural resources shall appoint an Off-Highway Vehicle Safety Advisory Council to advise the commissioner on:

- (1) off-highway vehicle safety; and
- (2) standards and certification for organizations and individuals participating as volunteers under this section.

Sec. 28. Minnesota Statutes 2006, section 84.922, subdivision 1a, is amended to read:

Subd. 1a. **Exemptions.** All-terrain vehicles exempt from registration are:

- (1) vehicles owned and used by the United States, the state, another state, or a political subdivision;
- (2) vehicles registered in another state or country that have not been in this state for more than 30 consecutive days; and
- (3) vehicles used exclusively in organized track racing events; and

(4) vehicles that are 25 years old or older and were originally produced as a separate identifiable make by a manufacturer.

Sec. 29. Minnesota Statutes 2006, section 84.922, subdivision 5, is amended to read:

Subd. 5. **Fees for registration.** (a) The fee for a three-year registration of an all-terrain vehicle under this section, other than those registered by a dealer or manufacturer under paragraph (b) or (c), is:

- (1) ~~for public use before January 1, 2005, \$23;~~
- ~~(2) for public use on January 1, 2005, and after, \$30~~ \$45;
- ~~(3) (2)~~ for private use, \$6; and
- ~~(4) (3)~~ for a duplicate or transfer, \$4.

(b) The total registration fee for all-terrain vehicles owned by a dealer and operated for demonstration or testing purposes is \$50 per year. Dealer registrations are not transferable.

(c) The total registration fee for all-terrain vehicles owned by a manufacturer and operated for research, testing, experimentation, or demonstration purposes is \$150 per year. Manufacturer registrations are not transferable.

(d) The fees collected under this subdivision must be credited to the all-terrain vehicle account.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 30. Minnesota Statutes 2006, section 84.927, subdivision 2, is amended to read:

Subd. 2. **Purposes.** Subject to appropriation by the legislature, money in the all-terrain vehicle account may only be spent for:

- (1) the education and training program under section 84.925;
- (2) administration, enforcement, and implementation of sections 84.773 to 84.929;
- (3) acquisition, maintenance, and development of vehicle trails and use areas;
- (4) grant-in-aid programs to counties and municipalities to construct and maintain all-terrain vehicle trails and use areas;
- (5) grants-in-aid to local safety programs; ~~and~~
- (6) enforcement and public education grants to local law enforcement agencies; and
- (7) maintenance of minimum-maintenance forest roads designated under section 89.71, subdivision 5, and county forest roads that are part of a designated trail system within state forest boundaries as established under section 89.021.

The distribution of funds made available through grant-in-aid programs must be guided by the statewide comprehensive outdoor recreation plan.

Sec. 31. Minnesota Statutes 2006, section 84.963, is amended to read:

84.963 PRAIRIE PLANT SEED PRODUCTION AREAS.

(a) The commissioner of natural resources shall study the feasibility of establishing private or public prairie plant seed production areas within prairie land locations. If prairie plant seed production is feasible, the commissioner may aid the establishment of production areas. The commissioner may enter cost-share or sharecrop agreements with landowners having easements for conservation purposes of ten or more years on their land to commercially produce prairie plant seed of Minnesota origin. The commissioner may only aid prairie plant seed production areas on agricultural land used to produce crops before December 23, 1985, and cropped three out of five years between 1981 and 1985.

(b) The commissioner shall compile, prepare, and electronically disseminate to the public prairie establishment guidance materials and resources. The resources must provide information and guidance on project planning, seed selection including ecotype and species mix, site preparation, seeding, maintenance, and technical service providers. The commissioner shall use actual prairie restoration projects under development on state-owned land to illustrate and demonstrate the practices described.

Sec. 32. Minnesota Statutes 2006, section 84D.02, is amended by adding a subdivision to read:

Subd. 7. Contracts for services for emergency invasive species prevention work; commissions to persons employed. The commissioner may contract for or accept the services of any persons whose aid is available, temporarily or otherwise, in emergency invasive species prevention work, either gratuitously or for compensation not in excess of the limits provided by law with respect to the employment of labor by the commissioner. The commissioner may issue a commission, or other written evidence of authority, to any person whose services are so arranged for and may thereby empower the person to act, temporarily or otherwise, in any other capacity, with powers and duties as may be specified in the commission or other written evidence of authority, but not in excess of the powers conferred by law. The commissioner of agriculture, under authority provided by law, shall cooperate with the commissioner in emergency control of invasive species prevention.

Sec. 33. Minnesota Statutes 2006, section 84D.03, subdivision 1, is amended to read:

Subdivision 1. **Infested waters; restricted activities.** (a) The commissioner shall designate a water of the state as an infested water if the commissioner determines that:

(1) the water contains a population of an aquatic invasive species that could spread to other waters if use of the water and related activities are not regulated to prevent this; or

(2) the water is highly likely to be infested by an aquatic invasive species because it is connected to a water that contains a population of an aquatic invasive species.

(b) When determining which invasive species comprise infested waters, the commissioner shall consider:

(1) the extent of a species distribution within the state;

(2) the likely means of spread for a species; and

(3) whether regulations specific to infested waters containing a specific species will effectively reduce that species' spread.

(c) The presence of common carp and curly-leaf pondweed shall not be the basis for designating a water as infested.

(d) The designation of infested waters by the commissioner shall be by written order published in the State Register. Designations are not subject to the rulemaking provisions of chapter 14 and section 14.386 does not apply.

Sec. 34. Minnesota Statutes 2006, section 84D.12, subdivision 1, is amended to read:

Subdivision 1. **Required rules.** The commissioner shall adopt rules:

(1) designating ~~infested waters~~, prohibited invasive species, regulated invasive species, and unregulated nonnative species of aquatic plants and wild animals;

(2) governing the application for and issuance of permits under this chapter, which rules may include a fee schedule; and

(3) governing notification under section 84D.08.

Sec. 35. Minnesota Statutes 2006, section 84D.12, subdivision 3, is amended to read:

Subd. 3. **Expedited rules.** The commissioner may adopt rules under section 84.027, subdivision 13, that designate:

(1) prohibited invasive species of aquatic plants and wild animals;

(2) regulated invasive species of aquatic plants and wild animals; and

(3) unregulated nonnative species of aquatic plants and wild animals; ~~and~~

~~(4) infested waters.~~

Sec. 36. Minnesota Statutes 2006, section 84D.13, subdivision 7, is amended to read:

Subd. 7. **Satisfaction of civil penalties.** A civil penalty is due and a watercraft license suspension is effective 30 days after issuance of the civil citation. A civil penalty collected under this section is payable to the commissioner and must be credited to the ~~water recreation account~~ invasive species account.

Sec. 37. Minnesota Statutes 2006, section 84D.14, is amended to read:

84D.14 EXEMPTIONS.

This chapter does not apply to:

(1) pathogens and terrestrial arthropods regulated under sections 18G.01 to ~~18G.16~~ 18G.15; or

(2) mammals and birds defined by statute as livestock.

Sec. 38. **[84D.15] INVASIVE SPECIES ACCOUNT.**

Subdivision 1. **Creation.** The invasive species account is created in the state treasury in the natural resources fund.

Subd. 2. **Receipts.** Money received from surcharges on watercraft licenses under section 86B.415, subdivision 7, and civil penalties under section 84D.13 shall be deposited in the invasive species account. Each year, the commissioner of finance shall transfer from the game and fish fund to the invasive species account, the annual surcharge collected on nonresident fishing licenses under section 97A.475, subdivision 7, paragraph (b).

Subd. 3. **Use of money in account.** Money credited to the invasive species account in subdivision 2 shall be used for management of invasive species and implementation of this chapter as it pertains to invasive species, including control, public awareness, law enforcement, assessment and monitoring, management planning, and research.

Sec. 39. Minnesota Statutes 2006, section 85.013, is amended by adding a subdivision to read:

Subd. 11b. Greenleaf Lake State Recreation Area, which is hereby renamed from Greenleaf Lake State Park.

Sec. 40. **[85.0146] CUYUNA COUNTRY STATE RECREATION AREA; CITIZENS ADVISORY COUNCIL.**

Subdivision 1. **Advisory council created.** The Cuyuna Country State Recreation Area Citizens Advisory Council is established. Membership on the advisory council shall include:

- (1) a representative of the Cuyuna Range Mineland Recreation Area Joint Powers Board;
- (2) a representative of the Croft Mine Historical Park Joint Powers Board;
- (3) a designee of the Cuyuna Range Mineland Reclamation Committee who has worked as a miner in the local area;
- (4) a representative of the Crow Wing County Board;
- (5) an elected state official;
- (6) a representative of the Grand Rapids regional office of the Department of Natural Resources;
- (7) a designee of the Iron Range Resources and Rehabilitation Board;
- (8) a designee of the local business community selected by the area chambers of commerce;
- (9) a designee of the local environmental community selected by the Crow Wing County District 5 commissioner;
- (10) a designee of a local education organization selected by the Crosby-Ironton School Board;
- (11) a designee of one of the recreation area user groups selected by the Cuyuna Range Chamber of Commerce;
- and
- (12) a member of the Cuyuna Country Heritage Preservation Society.

Subd. 2. **Administration.** (a) The advisory council must meet at least four times annually. The council shall elect a chair and meetings shall be at the call of the chair.

(b) Members of the advisory council shall serve as volunteers for two-year terms with the ability to be reappointed. Members shall accept no per diem.

(c) The state recreation area manager may attend the council meetings and advise the council of issues in management of the recreation area.

(d) Before a major decision is implemented in the Cuyuna Country State Recreation Area, the area manager must consult with the council and take into consideration any council comments or advice that may impact the major decision.

Sec. 41. Minnesota Statutes 2006, section 85.054, is amended by adding a subdivision to read:

Subd. 13. **Cuyuna Country State Recreation Area.** A state park permit is not required and a fee may not be charged for motor vehicle entry or parking at Croft Mine Historical Park and Portsmouth Mine Lake Overlook in Cuyuna Country State Recreation Area, except for overnight camping.

Sec. 42. Minnesota Statutes 2006, section 85.32, subdivision 1, is amended to read:

Subdivision 1. **Areas marked.** The commissioner of natural resources is authorized in cooperation with local units of government and private individuals and groups when feasible to mark canoe and boating routes on the Little Fork, Big Fork, Minnesota, St. Croix, Snake, Mississippi, Red Lake, Cannon, Straight, Des Moines, Crow Wing, St. Louis, Pine, Rum, Kettle, Cloquet, Root, Zumbro, Pomme de Terre within Swift County, Watonwan, Cottonwood, Whitewater, Chippewa from Benson in Swift County to Montevideo in Chippewa County, Long Prairie, Red River of the North, Sauk, Otter Tail, Redwood, and Crow Rivers which have historic and scenic values and to mark appropriately points of interest, portages, camp sites, and all dams, rapids, waterfalls, whirlpools, and other serious hazards which are dangerous to canoe and watercraft travelers.

Sec. 43. Minnesota Statutes 2006, section 86B.706, subdivision 2, is amended to read:

Subd. 2. **Money deposited in account.** The following shall be deposited in the state treasury and credited to the water recreation account:

- (1) fees ~~and surcharges~~ from titling and licensing of watercraft under this chapter;
- (2) fines, installment payments, and forfeited bail according to section 86B.705, subdivision 2;
- (3) ~~civil penalties according to section 84D.13;~~
- ~~(4)~~ mooring fees and receipts from the sale of marine gas at state-operated or state-assisted small craft harbors and mooring facilities according to section 86A.21;
- ~~(5)~~ ~~(4)~~ the unrefunded gasoline tax attributable to watercraft use under section 296A.18; and
- ~~(6)~~ ~~(5)~~ fees for permits issued to control or harvest aquatic plants other than wild rice under section 103G.615, subdivision 2.

Sec. 44. Minnesota Statutes 2006, section 88.01, is amended by adding a subdivision to read:

Subd. 27. **Community forest.** "Community forest" means public and private trees and associated plants occurring individually, in small groups, or under forest conditions within a municipality.

Sec. 45. Minnesota Statutes 2006, section 88.79, subdivision 1, is amended to read:

Subdivision 1. **Employment of competent foresters; service to private owners.** The commissioner of natural resources may employ competent foresters to furnish owners of forest lands within the state of Minnesota who own not more than 1,000 acres of forest land, forest management services consisting of:

- (1) advice in management and protection of timber, including written stewardship and forest management plans;
- (2) selection and marking of timber to be cut;
- (3) measurement of products;
- (4) aid in marketing harvested products;
- (5) provision of tree-planting equipment; ~~and~~
- (6) advice in community forest management; and

(7) such other services as the commissioner of natural resources deems necessary or advisable to promote maximum sustained yield of timber and other benefits upon such forest lands.

Sec. 46. Minnesota Statutes 2006, section 88.79, subdivision 2, is amended to read:

Subd. 2. **Charge for service; receipts to special revenue fund.** The commissioner of natural resources may charge the owner receiving such services such sums as the commissioner shall determine to be fair and reasonable. The charges must account for differences in the value of timber and other benefits. The receipts from such services shall be credited to the special revenue fund and are annually appropriated to the commissioner for the purposes specified in subdivision 1.

Sec. 47. Minnesota Statutes 2006, section 88.82, is amended to read:

88.82 MINNESOTA RELEAF PROGRAM.

The Minnesota releaf program is established in the Department of Natural Resources to encourage, promote, and fund the inventory, planting, assessment, maintenance, and improvement, protection, and restoration of trees and forest resources in this state to enhance community forest ecosystem health and sustainability as well as to reduce atmospheric carbon dioxide levels and promote energy conservation.

Sec. 48. Minnesota Statutes 2006, section 89.001, subdivision 8, is amended to read:

Subd. 8. **Forest resources.** "Forest resources" means those natural assets of forest lands, including timber and other forest crops; biological diversity; recreation; fish and wildlife habitat; wilderness; rare and distinctive flora and fauna; air; water; soil; climate; and educational, aesthetic, and historic values.

Sec. 49. Minnesota Statutes 2006, section 89.001, is amended by adding a subdivision to read:

Subd. 15. **Forest pest.** "Forest pest" means any vertebrate or invertebrate animal, plant pathogen, or plant that is determined by the commissioner to be harmful, injurious, or destructive to forests or timber.

Sec. 50. Minnesota Statutes 2006, section 89.001, is amended by adding a subdivision to read:

Subd. 16. **Shade tree pest.** "Shade tree pest" means any vertebrate or invertebrate animal, plant pathogen, or plant that is determined by the commissioner to be harmful, injurious, or destructive to shade trees or community forests.

Sec. 51. Minnesota Statutes 2006, section 89.001, is amended by adding a subdivision to read:

Subd. 17. **Community forest.** "Community forest" has the meaning given under section 88.01, subdivision 27.

Sec. 52. Minnesota Statutes 2006, section 89.001, is amended by adding a subdivision to read:

Subd. 18. **Shade tree.** "Shade tree" means a woody perennial grown primarily for aesthetic or environmental purposes.

Sec. 53. Minnesota Statutes 2006, section 89.01, subdivision 1, is amended to read:

Subdivision 1. **Best methods.** The commissioner shall ascertain and observe the best methods of reforestation, cutover and denuded lands, foresting waste lands, ~~preventing destruction~~ minimizing loss or damage of forests and lands, forest resources by fire, forest pests, or shade tree pests, administering forests on forestry principles, encouraging private owners to preserve and grow trees or timber for commercial or other purposes, and conserving the forests around the head waters of streams and on the watersheds of the state.

Sec. 54. Minnesota Statutes 2006, section 89.01, subdivision 2, is amended to read:

Subd. 2. **General duties.** The commissioner shall execute all rules pertaining to forestry and forest protection within the jurisdiction of the state; have charge of the work of protecting all forests and lands from fire, forest pests, and shade tree pests; shall investigate the origin of all forest fires; and prosecute all violators as provided by law; shall prepare and print for public distribution an abstract of the forest fire laws of Minnesota, together with such rules as may be formulated.

The commissioner shall prepare printed notices calling attention to the dangers from forest fires and cause them to be posted in conspicuous places.

Sec. 55. Minnesota Statutes 2006, section 89.01, subdivision 4, is amended to read:

Subd. 4. **Forest plans.** The commissioner shall cooperate with the several departments of the state and federal governments and with counties, towns, municipalities, corporations, or individuals in the preparation of plans for forest protection, and management, and planting or replacement of trees, in wood lots, and community forests or on timber tracts, using such influence as time will permit toward the establishment of scientific forestry principles in the management, protection, and promotion of the forest resources of the state.

Sec. 56. Minnesota Statutes 2006, section 89.22, subdivision 2, is amended to read:

Subd. 2. **Receipts to natural resources special revenue fund.** Fees collected under subdivision 1 shall be credited to a forest land use account in the natural resources fund the special revenue fund and are annually appropriated to the commissioner to recoup the costs of developing, operating, and maintaining facilities necessary for the specified uses in subdivision 1 or to prevent or mitigate resource impacts of those uses.

EFFECTIVE DATE. This section is effective July 1, 2007, and applies to fees collected according to Minnesota Statutes, section 89.22, subdivision 1, after August 1, 2006.

Sec. 57. **[89.421] FOREST RESOURCE ASSESSMENT PRODUCTS AND SERVICES ACCOUNT.**

Subdivision 1. **Creation.** The forest resource assessment products and services account is created in the state treasury in the natural resources fund.

Subd. 2. **Receipts.** Money received from forest resource assessment product sales and services provided by the commissioner under sections 84.025, subdivision 9; 84.026; and 84.0855 shall be credited to the forest resource assessment products and services account. Forest resource assessment products and services include the sale of aerial photography, remote sensing, and satellite imagery products and services.

Subd. 3. **Use of money in account.** Money credited to the forest resource assessment products and services account under subdivision 2 is annually appropriated to the commissioner and shall be used to maintain the staff and facilities producing the aerial photography, remote sensing, and satellite imagery products and services.

Sec. 58. Minnesota Statutes 2006, section 89.51, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** For the purposes of sections 89.51 to ~~89.64~~ 89.64 the terms described in this section have the meanings ascribed to them.

Sec. 59. Minnesota Statutes 2006, section 89.51, subdivision 6, is amended to read:

Subd. 6. **Infestation.** "Infestation;" includes actual, potential, incipient, or ~~emergency~~ emergent infestation or infection by forest pests or shade tree pests.

Sec. 60. Minnesota Statutes 2006, section 89.51, subdivision 9, is amended to read:

Subd. 9. **Forest land or forest.** "Forest land" or "forest;" means land on which occurs a stand or potential stand of trees valuable for timber products, watershed or wildlife protection, recreational uses, community forest benefits, or other purposes, and shall include lands owned or controlled by the state of Minnesota.

Sec. 61. Minnesota Statutes 2006, section 89.52, is amended to read:

89.52 SURVEYS, INVESTIGATIONS.

The commissioner shall make surveys and investigations to determine the presence of infestations of forest pests or shade tree pests. For this purpose, duly designated representatives of the commissioner may enter at reasonable times on public and private lands ~~for the purpose of conducting such~~ to conduct the surveys and investigations.

Sec. 62. Minnesota Statutes 2006, section 89.53, is amended to read:

89.53 CONTROL OF FOREST PESTS AND SHADE TREE PESTS.

Subdivision 1. **Commissioner's duties; notice of control measures.** Whenever the commissioner finds that an area in the state is infested or threatened to be infested with forest pests or shade tree pests, the commissioner shall determine whether measures of control are needed ~~and are available~~, what control measures are to be applied, and the area over which the control measures shall be applied. The commissioner shall prescribe a proposed zone of infestation covering the area in which control measures are to be applied and shall publish notice of the proposal once a week, for two successive weeks in a newspaper having a general circulation in each county located in whole or in part in the proposed zone of infestation. Prescribing zones of infestation ~~is and prescribing measures of control~~ are exempt from the rulemaking provisions of chapter 14 and section 14.386 does not apply.

Subd. 2. **Notice requirements; public comment.** The notice shall include a description of the boundaries of the proposed zone of infestation, the control measures to be applied, and a time and place where municipalities and owners of forest lands or shade trees in the zone may show cause orally or in writing why the zone and control measures should or should not be established. The commissioner shall consider any statements received in determining whether the zone shall be established and the control measures applied.

Subd. 3. **Experimental programs.** The commissioner may establish experimental programs for the control of forest pests or shade tree pests and for municipal reforestation.

Sec. 63. Minnesota Statutes 2006, section 89.54, is amended to read:

89.54 ZONES OF INFESTATION, ESTABLISHMENT.

Upon the decision by the commissioner that the establishment of a zone of infestation is necessary, the commissioner shall make a written order establishing ~~said the~~ zone, and upon making ~~said the~~ order, ~~said the~~ zone shall be established. Notice of the establishment of the zone shall thereupon be published in a newspaper having a general circulation in each county located in whole or in part in the proposed zone and posted on the Department of Natural Resources Web site.

Sec. 64. Minnesota Statutes 2006, section 89.55, is amended to read:

89.55 INFESTATION CONTROL, COSTS.

Upon the establishment of the zone of infestation, the commissioner may apply measures of infestation prevention and control on public and private forest and other lands within such zone and to any trees, ~~timber~~, plants ~~or shrubs thereon~~, wood or wood products, or contaminated soil harboring or which may harbor the forest pests or shade tree pests. For this purpose, the duly authorized representatives of the commissioner are authorized to enter upon any lands, public or private within such the zone. The commissioner may enter into agreements with owners of the lands in the zone covering the control work on their lands, and fixing the pro rata basis on which the cost of ~~such the~~ work will be shared between the commissioner and ~~said the~~ owner.

Sec. 65. Minnesota Statutes 2006, section 89.56, subdivision 1, is amended to read:

Subdivision 1. **Statement of expenses; cost to owners.** At the end of each fiscal year and upon completion of the infestation control measures in any zone of infestation, the commissioner shall prepare a certified statement of expenses incurred in carrying out such the measures, including expenses of owners covered by agreements entered into pursuant to section 89.55. The statement shall show the amount ~~which that~~ the commissioner determines to be ~~its the commissioner's~~ share of the expenses. The share of the commissioner may include funds and the value of other contributions made available by the federal government and other cooperators. The balance of such the costs shall constitute a charge on an acreage basis as provided herein against the owners of lands in the zone containing trees ~~valuable or potentially valuable for commercial timber purposes and~~ affected or likely to be affected by the forest pests or shade tree pests for which control measures were conducted. In fixing the rates at which charges shall be made against each owner, the commissioner shall consider the present commercial value of the trees on the land, the present and potential benefits to such the owner from the application of the control measures, ~~and~~ the cost of applying such the measures to the land, and such other factors as in the discretion of the commissioner will enable determination of an equitable distribution of the cost to all ~~such~~ owners. No charge shall be made against owners to the extent that they have individually or as members of a cooperative association contributed funds, supplies, or services pursuant to agreement under this section.

Sec. 66. Minnesota Statutes 2006, section 89.56, subdivision 3, is amended to read:

Subd. 3. **Collection.** The unpaid charges assessed under sections 89.51 to ~~89.61~~ 89.64 and the actions of the commissioner on any protests filed pursuant to subdivision 2, shall be reported to the tax levying authority for the county in which the lands for which the charges are assessed are situated and shall be made a public record. Any charges finally determined to be due shall become a special assessment and shall be payable in the same manner and with the same interest and penalty charges and with the same procedure for collection as apply to ad valorem property taxes. Upon collection of the charges, the county treasurer shall forthwith cause the amounts thereof to be paid to the forest pest and shade tree pest control fund account created by section 89.58. Any unpaid charge or lien against the lands shall not be affected by the sale thereof or by dissolution of the zone of infestation.

Sec. 67. Minnesota Statutes 2006, section 89.57, is amended to read:

89.57 DISSOLUTION OF ZONE INFESTATION.

Whenever the commissioner shall determine that forest pest or shade tree pest control work within an established zone of infestation is no longer necessary or feasible, the commissioner shall dissolve the zone.

Sec. 68. Minnesota Statutes 2006, section 89.58, is amended to read:

89.58 FOREST PEST AND SHADE TREE PEST CONTROL ACCOUNT.

All money collected under the provisions of sections 89.51 to ~~89.61~~ 89.64, together with such money as may be appropriated by the legislature or allocated by the Legislative Advisory Commission for the purposes of sections 89.51 to ~~89.61~~ 89.64, and such money as may be contributed or paid by the federal government, or any other public or private agency, organization or individual, shall be deposited in the state treasury, to the credit of the forest pest and shade tree pest control account, which account is hereby created, and any moneys therein are appropriated to the commissioner for use in carrying out the purposes ~~hereof of sections 89.51 to 89.64~~.

Sec. 69. Minnesota Statutes 2006, section 89.59, is amended to read:

89.59 COOPERATION.

The commissioner may cooperate with the United States or agencies thereof, other agencies of the state, county or municipal governments, agencies of neighboring states, or other public or private organizations or individuals and may accept such funds, equipment, supplies, or services from cooperators and others as ~~it~~ the commissioner may provide in agreements with the United States or its agencies for matching of federal funds as required under laws of the United States relating to forest pests and shade tree pests.

Sec. 70. Minnesota Statutes 2006, section 89.60, is amended to read:

89.60 DUTIES, RULES; COMMISSIONER.

The commissioner is authorized to employ personnel in accordance with the laws of this state, to procure necessary equipment, supplies, and service, to enter into contracts, to provide funds to any agency of the United States for work or services under sections 89.51 to ~~89.61~~ 89.64, and to designate or appoint, as ~~its~~ the commissioner's representatives, employees of ~~its~~ cooperators, including employees of the United States or any agency thereof. The commissioner may prescribe rules for carrying out the purposes ~~hereof of this section~~.

Sec. 71. Minnesota Statutes 2006, section 89.61, is amended to read:

89.61 ACT SUPPLEMENTAL.

Provisions of sections 89.51 to ~~89.61~~ 89.64 are supplementary to and not to be construed to repeal existing legislation.

Sec. 72. **[89.62] SHADE TREE PEST CONTROL; GRANT PROGRAM.**

Subdivision 1. **Grants.** The commissioner may make grants to aid in the control of a shade tree pest. To be eligible, a grantee must have a pest control program approved by the commissioner that:

- (1) defines tree ownership and who is responsible for the costs associated with control measures;
- (2) defines the zone of infestation within which the control measures are to be applied;
- (3) includes a tree inspector certified under section 89.63 and having the authority to enter and inspect private lands;
- (4) has the means to enforce measures needed to limit the spread of shade tree pests; and
- (5) provides that grant money received will be deposited in a separate fund to be spent only for the purposes authorized by this section.

Subd. 2. **Grant eligibility.** The following are eligible for grants under this section:

- (1) a home rule charter or statutory city or a town that exercises municipal powers under section 368.01 or any general or special law;
- (2) a special park district organized under chapter 398;
- (3) a special-purpose park and recreation board;
- (4) a soil and water conservation district;
- (5) a county; or
- (6) any other organization with the legal authority to enter into contractual agreements.

Subd. 3. **Rules; applicability to municipalities.** The rules and procedures adopted under this section by the commissioner apply in a municipality unless the municipality adopts an ordinance determined by the commissioner to be more stringent than the rules and procedures of the commissioner. The rules and procedures of the commissioner or the municipality apply to all state agencies, special purpose districts, and metropolitan commissions as defined in section 473.121, subdivision 5a, that own or control land adjacent to or within a zone of infestation.

Sec. 73. **[89.63] CERTIFICATION OF TREE INSPECTORS.**

(a) The governing body of a municipality may appoint a qualified tree inspector. Two or more municipalities may jointly appoint a tree inspector for the purpose of administering their respective pest control programs.

(b) Upon a determination by the commissioner that a candidate for the position of tree inspector is qualified, the commissioner shall issue a certificate of qualification to the tree inspector. The certificate is valid for one year. A person certified as a tree inspector by the commissioner may enter and inspect any public or private property that might harbor forest pests or shade tree pests. The commissioner shall offer an annual tree inspector certification workshop, upon completion of which participants are qualified as tree inspectors.

(c) The commissioner may suspend and, upon notice and hearing, decertify a tree inspector if the tree inspector fails to act competently or in the public interest in the performance of duties.

Sec. 74. **[89.64] EXEMPTIONS.**

This chapter does not supersede the authority of the Department of Agriculture under chapter 18G.

Sec. 75. Minnesota Statutes 2006, section 89A.11, is amended to read:

89A.11 REPEALER.

Sections 89A.01; 89A.02; 89A.03; 89A.04; 89A.05; 89A.06; 89A.07; 89A.08; 89A.09; 89A.10; and 89A.11, are repealed June 30, ~~2007~~ 2017.

Sec. 76. Minnesota Statutes 2006, section 90.161, is amended by adding a subdivision to read:

Subd. 4. **Change of security.** Prior to any harvest activity, or activities incidental to the preparation for harvest, a purchaser having posted a bond for 100 percent of the purchase price of a sale may request the release of the bond and the commissioner shall grant the release upon cash payment to the commissioner of 15 percent of the appraised value of the sale, plus eight percent interest on the appraised value of the sale from the date of purchase to the date of release.

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

Sec. 77. Minnesota Statutes 2006, section 93.0015, subdivision 3, is amended to read:

Subd. 3. **Expiration.** Notwithstanding section 15.059, subdivision 5, or other law to the contrary, the committee expires June 30, ~~2007~~ 2011.

Sec. 78. Minnesota Statutes 2006, section 93.22, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) All payments under sections 93.14 to 93.285 shall be made to the Department of Natural Resources and shall be credited according to this section.

~~(a) If the lands or minerals and mineral rights covered by a lease are held by the state by virtue of an act of Congress, payments made under the lease shall be credited to the permanent fund of the class of land to which the leased premises belong.~~

~~(b) If a lease covers the bed of navigable waters, payments made under the lease shall be credited to the permanent school fund of the state.~~

~~(c) If the lands or minerals and mineral rights covered by a lease are held by the state in trust for the taxing districts, payments made under the lease shall be distributed annually on the first day of September as follows:~~

~~(1) 20 percent to the general fund; and~~

~~(2) 80 percent to the respective counties in which the lands lie, to be apportioned among the taxing districts interested therein as follows: county, three-ninths; town or city, two-ninths; and school district, four-ninths.~~

~~(d) Except as provided under this section and except where the disposition of payments may be otherwise directed by law, all payments shall be paid into the general fund of the state.~~

(b) Twenty percent of all payments under sections 93.14 to 93.285 shall be credited to the minerals management account in the natural resources fund as costs for the administration and management of state mineral resources by the commissioner of natural resources.

(c) The remainder of the payments shall be credited as follows:

(1) if the lands or minerals and mineral rights covered by a lease are held by the state by virtue of an act of Congress, payments made under the lease shall be credited to the permanent fund of the class of land to which the leased premises belong;

(2) if a lease covers the bed of navigable waters, payments made under the lease shall be credited to the permanent school fund of the state;

(3) if the lands or minerals and mineral rights covered by a lease are held by the state in trust for the taxing districts, payments made under the lease shall be distributed annually on the first day of September to the respective counties in which the lands lie, to be apportioned among the taxing districts interested therein as follows: county, three-ninths; town or city, two-ninths; and school district, four-ninths;

(4) if the lands or mineral rights covered by a lease became the absolute property of the state under the provisions of chapter 84A, payments made under the lease shall be distributed as follows: county containing the land from which the income was derived, five-eighths; and general fund of the state, three-eighths; and

(5) except as provided under this section and except where the disposition of payments may be otherwise directed by law, payments made under a lease shall be paid into the general fund of the state.

Sec. 79. Minnesota Statutes 2006, section 97A.045, is amended by adding a subdivision to read:

Subd. 12. **Establishing fees.** Notwithstanding section 16A.1283, the commissioner may, by written order published in the State Register, establish fees providing for the use of state wildlife management area or aquatic management area lands for specific purposes, including dog trials, special events, and commercial uses. The fees are not subject to the rulemaking provisions of chapter 14 and section 14.386 does not apply.

Sec. 80. Minnesota Statutes 2006, section 97A.055, subdivision 4, is amended to read:

Subd. 4. **Game and fish annual reports.** (a) By December 15 each year, the commissioner shall submit to the legislative committees having jurisdiction over appropriations and the environment and natural resources reports on each of the following:

(1) the amount of revenue from the following and purposes for which expenditures were made:

(i) the small game license surcharge under section 97A.475, subdivision 4;

(ii) the Minnesota migratory waterfowl stamp under section 97A.475, subdivision 5, clause (1);

(iii) the trout and salmon stamp under section 97A.475, subdivision 10;

(iv) the pheasant stamp under section 97A.475, subdivision 5, clause (2); ~~and~~

(v) the turkey stamp under section 97A.475, subdivision 5, clause (3); and

(vi) the deer license donations and surcharges under section 97A.475, subdivisions 3, paragraph (b), and 3a;

(2) the amounts available under section 97A.075, subdivision 1, paragraphs (b) and (c), and the purposes for which these amounts were spent;

(3) money credited to the game and fish fund under this section and purposes for which expenditures were made from the fund;

(4) outcome goals for the expenditures from the game and fish fund; and

(5) summary and comments of citizen oversight committee reviews under subdivision 4b.

(b) The report must include the commissioner's recommendations, if any, for changes in the laws relating to the stamps and surcharge referenced in paragraph (a).

Sec. 81. Minnesota Statutes 2006, section 97A.065, is amended by adding a subdivision to read:

Subd. 6. **Deer license donations and surcharges.** (a) The surcharges and donations collected under section 97A.475, subdivision 3, paragraph (b), and subdivision 3a, shall be deposited in an account in the special revenue fund and are appropriated to the commissioner for deer management, including for grants or payments to agencies, organizations, or individuals for assisting with the cost of processing deer taken for population management purposes for venison donation programs. None of the additional license fees shall be transferred to any other agency for administration of programs other than venison donation. If any money transferred by the commissioner is not used for a venison donation program, it shall be returned to the commissioner.

(b) By February 10, 2010, the commissioner shall report to the legislature on the participation in and the effectiveness of the venison donation program.

Sec. 82. Minnesota Statutes 2006, section 97A.133, is amended by adding a subdivision to read:

Subd. 66. Vermillion Highlands Wildlife Management Area, Dakota County.

Sec. 83. Minnesota Statutes 2006, section 97A.205, is amended to read:

97A.205 ENFORCEMENT OFFICER POWERS.

An enforcement officer is authorized to:

(1) execute and serve court issued warrants and processes relating to wild animals, wild rice, public waters, water pollution, conservation, and use of water, in the same manner as a sheriff;

(2) enter any land to carry out the duties and functions of the division;

(3) make investigations of violations of the game and fish laws;

(4) take an affidavit, if it aids an investigation;

(5) arrest, without a warrant, a person who is detected in the actual violation of the game and fish laws, a provision of chapters 84, 84A, 84D, 85, 86A, 88 to 97C, 103E, 103F, 103G, sections 86B.001 to 86B.815, 89.51 to ~~89.64~~ 89.64; or 609.66, subdivision 1, clauses (1), (2), (5), and (7); and 609.68; and

(6) take an arrested person before a court in the county where the offense was committed and make a complaint.

Nothing in this section grants an enforcement officer any greater powers than other licensed peace officers.

Sec. 84. Minnesota Statutes 2006, section 97A.405, subdivision 2, is amended to read:

Subd. 2. **Personal possession.** (a) A person acting under a license or traveling from an area where a licensed activity was performed must have in personal possession either: (1) the proper license, if the license has been issued to and received by the person; or (2) the proper license identification number or stamp validation, if the license has been sold to the person by electronic means but the actual license has not been issued and received.

(b) If possession of a license or a license identification number is required, a person must exhibit, as requested by a conservation officer or peace officer, either: (1) the proper license if the license has been issued to and received by the person; or (2) the proper license identification number or stamp validation and a valid state driver's license, state identification card, or other form of identification provided by the commissioner, if the license has been sold to the person by electronic means but the actual license has not been issued and received.

(c) If the actual license has been issued and received, a receipt for license fees, a copy of a license, or evidence showing the issuance of a license, including the license identification number or stamp validation, does not entitle a licensee to exercise the rights or privileges conferred by a license.

(d) A license ~~or stamp~~ issued electronically and not immediately provided to the licensee shall be mailed to the licensee within 30 days of purchase of the license ~~or stamp validation, except for a pictorial turkey stamp or a pictorial trout and salmon stamp.~~ A pictorial turkey stamp ~~or a pictorial, migratory waterfowl, pheasant, or trout and salmon stamp shall be mailed provided~~ to the licensee after purchase of a ~~license or~~ stamp validation only if the licensee pays an additional \$2 fee.

Sec. 85. Minnesota Statutes 2006, section 97A.411, subdivision 1, is amended to read:

Subdivision 1. **License period.** (a) Except as provided in paragraphs (b), (c), ~~and (d), and (e),~~ a license is valid during the lawful time within the license year that the licensed activity may be performed. A license year begins on the first day of March and ends on the last day of February.

(b) A license issued under section 97A.475, subdivision 6, clause (5), 97A.475, subdivision 7, clause (2), (3), (5), or (6), or 97A.475, subdivision 12, clause (2), is valid for the full license period even if this period extends into the next license year, provided that the license period selected by the licensee begins at the time of issuance.

(c) When the last day of February falls on a Saturday, an annual resident or nonresident fish house or dark house license, including a rental fish house or dark house license, obtained for the license year covering the last day of February, is valid through Sunday, March 1 and the angling license of the fish house licensee is extended through March 1.

(d) A lifetime license issued under section 97A.473 or 97A.474 is valid during the lawful time within the license year that the licensed activity may be performed for the lifetime of the licensee.

(e) A three-year fish house or dark house license is valid during the license year that it is purchased and the two succeeding license years.

Sec. 86. Minnesota Statutes 2006, section 97A.451, subdivision 3a, is amended to read:

Subd. 3a. **Nonresidents under age 16 18; small game.** (a) A nonresident under age ~~16~~ 18 may obtain a small game license at the resident fee under section 97A.475, subdivision 2, clause (2), if the nonresident:

(1) possesses a firearms safety certificate; or

(2) if age 13 or under, is accompanied by a parent or guardian when purchasing the license.

(b) A nonresident age 13 or under must be accompanied by a parent or guardian to take small game. A nonresident age 12 or under is not required to possess a firearms safety certificate under section 97B.020 to take small game.

Sec. 87. Minnesota Statutes 2006, section 97A.465, is amended by adding a subdivision to read:

Subd. 1a. **Spouses of residents on active military duty.** Notwithstanding section 97A.405, subdivision 5, the spouse of a resident who is on active military duty may obtain resident hunting and fishing licenses.

Sec. 88. Minnesota Statutes 2006, section 97A.465, is amended by adding a subdivision to read:

Subd. 1b. **Residents discharged from active service.** (a) A resident who has served at any time during the preceding 24 months in federal active service, as defined in section 190.05, subdivision 5c, outside the United States as a member of the National Guard, or as a reserve component or active duty member of the United States armed forces and has been discharged from active service may take small game and fish without a license if the resident possesses official military discharge papers. The resident must obtain the seals, tags, and coupons required of a licensee, which must be furnished without charge.

(b) The commissioner shall issue, without fee, a deer license to a resident who has served at any time during the preceding 24 months in federal active service, as defined in section 190.05, subdivision 5c, outside the United States as a member of the National Guard, or as a reserve component or active duty member of the United States armed forces and has been discharged from active service. Eligibility under this paragraph is limited to one license per resident.

Sec. 89. Minnesota Statutes 2006, section 97A.473, subdivision 3, is amended to read:

Subd. 3. **Lifetime small game hunting license; fee.** (a) A resident lifetime small game hunting license authorizes a person to hunt and trap small game in the state. The license authorizes those hunting and trapping activities authorized by the annual resident small game hunting ~~license~~ and trapping licenses. The license does not include a turkey stamp validation or any other hunting stamps required by law.

(b) The fees for a resident lifetime small game hunting license are:

(1) age 3 and under, \$217;

(2) age 4 to age 15, \$290;

(3) age 16 to age 50, \$363; and

(4) age 51 and over, \$213.

EFFECTIVE DATE. This section is effective August 1, 2007, and applies retroactively to licenses issued after February 28, 2001.

Sec. 90. Minnesota Statutes 2006, section 97A.473, subdivision 5, is amended to read:

Subd. 5. **Lifetime sporting license; fee.** (a) A resident lifetime sporting license authorizes a person to take fish by angling and hunt and trap small game in the state. The license authorizes those activities authorized by the annual resident angling ~~and~~ resident small game hunting, and resident trapping licenses. The license does not include a trout and salmon stamp validation, a turkey stamp validation, or any other hunting stamps required by law.

(b) The fees for a resident lifetime sporting license are:

- (1) age 3 and under, \$357;
- (2) age 4 to age 15, \$480;
- (3) age 16 to age 50, \$613; and
- (4) age 51 and over, \$413.

EFFECTIVE DATE. This section is effective August 1, 2007, and applies retroactively to licenses issued after February 28, 2001.

Sec. 91. Minnesota Statutes 2006, section 97A.475, subdivision 3, is amended to read:

Subd. 3. **Nonresident hunting.** (a) Fees for the following licenses, to be issued to nonresidents, are:

- (1) for persons age 18 and older to take small game, \$73;
- (2) for persons age 18 and older to take deer with firearms, \$135;
- (3) for persons age 18 and older to take deer by archery, ~~the greater of:~~
 - ~~(i) an amount equal to the total amount of license fees and surcharges charged to a Minnesota resident to take deer by archery in the person's state or province of residence; or~~
 - (ii) \$135;
- (4) to take bear, \$195;
- (5) to take turkey, \$73;
- (6) to take raccoon; or bobcat; ~~fox, or coyote~~, \$155;
- (7) multizone license to take antlered deer in more than one zone, \$270; ~~and~~
- (8) to take Canada geese during a special season, \$4;
- (9) for persons at least age 12 and under age 18 to take deer with firearms during the regular firearms season in any open zone or time period, \$13; and
- (10) for persons at least age 12 and under age 18 to take deer by archery, \$13.

(b) A \$5 surcharge shall be added to nonresident hunting licenses issued under paragraph (a), clauses (1) to (7). An additional commission may not be assessed on this surcharge.

Sec. 92. Minnesota Statutes 2006, section 97A.475, is amended by adding a subdivision to read:

Subd. 3a. **Deer license surcharge.** A person may agree to add a donation of \$1, \$3, or \$5 to the fees for annual resident and nonresident licenses to take deer by firearms or archery established under subdivisions 2, clauses (4), (5), (9), and (11), and 3, clauses (2), (3), and (7). Beginning March 1, 2008, fees for bonus licenses to take deer by firearms or archery established under section 97B.301, subdivision 4, must be increased by a surcharge of \$1. An additional commission may not be assessed on the donation or surcharge and the following statement must be included in the annual deer hunting regulations: "The deer license donations and surcharges are being paid by hunters for deer management, including assisting with the costs of processing deer donated for charitable purposes."

Sec. 93. Minnesota Statutes 2006, section 97A.475, subdivision 7, is amended to read:

Subd. 7. **Nonresident fishing.** (a) Fees for the following licenses, to be issued to nonresidents, are:

- (1) to take fish by angling, ~~\$34~~ \$37.50;
- (2) to take fish by angling limited to seven consecutive days selected by the licensee, ~~\$24~~ \$26.50;
- (3) to take fish by angling for a 72-hour period selected by the licensee, ~~\$20~~ \$22;
- (4) to take fish by angling for a combined license for a family for one or both parents and dependent children under the age of 16, ~~\$46~~ \$50.50;
- (5) to take fish by angling for a 24-hour period selected by the licensee, \$8.50; and
- (6) to take fish by angling for a combined license for a married couple, limited to 14 consecutive days selected by one of the licensees, ~~\$35~~ \$38.50.

(b) A \$2 surcharge shall be added to all nonresident fishing licenses, except licenses issued under paragraph (a), clause (5). An additional commission may not be assessed on this surcharge.

EFFECTIVE DATE. This section is effective March 1, 2008.

Sec. 94. Minnesota Statutes 2006, section 97A.475, subdivision 11, is amended to read:

Subd. 11. **Fish houses and dark houses; residents.** Fees for the following licenses are:

- (1) ~~annual~~ for a fish house or dark house that is not rented, \$11.50; ~~and~~
- (2) ~~annual~~ for a fish house or dark house that is rented, \$26;
- (3) ~~three-year~~ for a fish house or dark house that is not rented, \$34.50; and
- (4) ~~three-year~~ for a fish house or dark house that is rented, \$78.

Sec. 95. Minnesota Statutes 2006, section 97A.475, subdivision 12, is amended to read:

Subd. 12. **Fish houses; nonresident.** Fees for fish house licenses for a nonresident are:

- (1) annual, \$33; ~~and~~
- (2) seven consecutive days, \$19; and
- (3) three-year, \$99.

Sec. 96. Minnesota Statutes 2006, section 97A.485, subdivision 7, is amended to read:

Subd. 7. **Electronic licensing system commission.** The commissioner shall retain for the operation of the electronic licensing system the commission established under section 84.027, subdivision 15, and issuing fees collected by the commissioner on all license fees collected, excluding:

- (1) the small game surcharge; ~~and~~
- (2) the deer license surcharges or donations under section 97A.475, subdivisions 3, paragraph (b), and 3a; and
- (3) \$2.50 of the license fee for the licenses in section 97A.475, subdivisions 6, clauses (1), (2), and (4), 7, 8, 12, and 13.

Sec. 97. **[97B.303] VENISON DONATIONS.**

An individual who legally takes a deer may donate the deer, for distribution to charitable food assistance programs, to a meat processor that is licensed under chapter 28A. An individual donating a deer must supply the processor with the tag number under which the deer was taken.

Sec. 98. Minnesota Statutes 2006, section 97B.601, subdivision 3, is amended to read:

Subd. 3. **Nonresidents: raccoon, or bobcat, ~~fox, coyote.~~** A nonresident may not take raccoon, or bobcat, ~~fox,~~ ~~or coyote~~ by firearms without a separate license to take that animal in addition to a small game license.

Sec. 99. Minnesota Statutes 2006, section 97B.715, subdivision 1, is amended to read:

Subdivision 1. **Stamp required.** (a) Except as provided in paragraph (b) or section 97A.405, subdivision 2, a person required to possess a small game license may not hunt pheasants without:

- ~~(1) a pheasant stamp in possession; and~~
- ~~(2) a pheasant stamp validation on the small game license when issued electronically.~~
- (b) The following persons are exempt from this subdivision:
 - (1) residents under age 18 or over age 65;
 - (2) persons hunting on licensed commercial shooting preserves; and
 - (3) resident disabled veterans with a license issued under section 97A.441, subdivision 6a.

Sec. 100. Minnesota Statutes 2006, section 97B.801, is amended to read:

97B.801 MINNESOTA MIGRATORY WATERFOWL STAMP REQUIRED.

(a) Except as provided in this section or section 97A.405, subdivision 2, a person required to possess a small game license may not take migratory waterfowl without:

~~(1) a Minnesota migratory waterfowl stamp in possession; and~~

~~(2) a migratory waterfowl stamp validation on the small game license when issued electronically.~~

(b) Residents under age 18 or over age 65; resident disabled veterans with a license issued under section 97A.441, subdivision 6a; and persons hunting on their own property are not required to possess a stamp ~~or a license~~ validation under this section.

Sec. 101. Minnesota Statutes 2006, section 97C.081, subdivision 3, is amended to read:

Subd. 3. **Contests requiring a permit.** (a) A person must have a permit from the commissioner to conduct a fishing contest that does not meet the criteria in subdivision 2. ~~Permits shall be issued without a fee. The commissioner shall charge a fee for the permit that recovers the costs of issuing the permit and of monitoring the activities allowed by the permit. The commissioner may waive the fee under this subdivision for a charitable organization. Notwithstanding section 16A.1283, the commissioner may, by written order published in the State Register, establish contest permit fees. The fees are not subject to the rulemaking provisions of chapter 14 and section 14.386 does not apply.~~

(b) If entry fees are over \$25 per person, or total prizes are valued at more than \$25,000, and if the applicant has either:

(1) not previously conducted a fishing contest requiring a permit under this subdivision; or

(2) ever failed to make required prize awards in a fishing contest conducted by the applicant, the commissioner may require the applicant to furnish the commissioner evidence of financial responsibility in the form of a surety bond or bank letter of credit in the amount of \$25,000.

(c) The permit fee for any individual contest may not exceed the following amounts:

(1) \$120 for an open water contest not exceeding 100 participants and without off-site weigh-in;

(2) \$400 for an open water contest with more than 100 participants and without off-site weigh-in;

(3) \$500 for an open water contest not exceeding 100 participants with off-site weigh-in;

(4) \$1,000 for an open water contest with more than 100 participants with off-site weigh-in; or

(5) \$120 for an ice fishing contest with more than 150 participants.

Sec. 102. Minnesota Statutes 2006, section 97C.355, subdivision 2, is amended to read:

Subd. 2. **License required.** A person may not take fish from a dark house or fish house that is left unattended on the ice overnight unless the house is licensed and has a license tag attached to the exterior in a readily visible location, except as provided in this subdivision. The commissioner must issue a tag with a dark house or fish house

license, marked with a number to correspond with the license and the year of issue. A dark house or fish house license is not required of a resident on boundary waters where the adjacent state does not charge a fee for the same activity.

Sec. 103. Minnesota Statutes 2006, section 103B.101, is amended by adding a subdivision to read:

Subd. 12. **Authority to issue penalty orders.** (a) The board may issue an order requiring violations to be corrected and administratively assessing monetary penalties of up to \$10,000 per violation for violations of this chapter and chapters 103C, 103D, 103E, 103F, and 103G, any rules adopted under those chapters, and any standards, limitations, or conditions established by the board.

(b) Administrative penalties issued under paragraph (a) may be appealed according to section 116.072, if the recipient of the penalty requests a hearing by notifying the commissioner in writing within 30 days after receipt of the order. For the purposes of this section, the terms "commissioner" and "agency" as used in section 116.072 mean the board. If a hearing is not requested within the 30-day period, the order becomes a final order not subject to further review.

(c) Administrative penalty orders issued under paragraph (a) may be enforced under section 116.072, subdivision 9. Penalty amounts must be remitted within 30 days of issuance of the order.

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

Sec. 104. **[103B.102] LOCAL WATER MANAGEMENT ACCOUNTABILITY AND OVERSIGHT.**

Subdivision 1. **Findings; improving accountability and oversight.** The legislature finds that a process is needed to monitor the performance and activities of local water management entities. The process should be preemptive so that problems can be identified early and systematically. Underperforming entities should be provided assistance and direction for improving performance in a reasonable time frame.

Subd. 2. **Definitions.** For the purposes of this section, "local water management entities" means watershed districts, soil and water conservation districts, metropolitan water management organizations, and counties operating separately or jointly in their role as local water management authorities under chapter 103B, 103C, 103D, or 103G and chapter 114D.

Subd. 3. **Evaluation and report.** The Board of Water and Soil Resources shall evaluate performance, financial, and activity information for each local water management entity. The board shall evaluate the entities' progress in accomplishing their adopted plans on a regular basis, but not less than once every five years. The board shall maintain a summary of local water management entity performance on the board's Web site. Beginning February 1, 2008, and annually thereafter, the board shall provide an analysis of local water management entity performance to the chairs of the house and senate committees having jurisdiction over environment and natural resources policy.

Subd. 4. **Corrective actions.** (a) In addition to other authorities, the Board of Water and Soil Resources may, based on its evaluation in subdivision 3, reduce, withhold, or redirect grants and other funding if the local water management entity has not corrected deficiencies as prescribed in a notice from the board within one year from the date of the notice.

(b) The board may defer a decision on a termination petition filed under section 103B.221, 103C.225, or 103D.271 for up to one year to conduct or update the evaluation under subdivision 3 or to communicate the results of the evaluation to petitioners or to local and state government agencies.

Sec. 105. Minnesota Statutes 2006, section 103C.321, is amended by adding a subdivision to read:

Subd. 6. **Credit card use.** The supervisors may authorize the use of a credit card by any soil and water conservation district officer or employee otherwise authorized to make a purchase on behalf of the soil and water conservation district. If a soil and water conservation district officer or employee makes a purchase by credit card that is not approved by the supervisors, the officer or employee is personally liable for the amount of the purchase. A purchase by credit card must otherwise comply with all statutes, rules, or soil and water conservation district policy applicable to soil and water conservation district purchases.

Sec. 106. Minnesota Statutes 2006, section 103D.325, is amended by adding a subdivision to read:

Subd. 4. **Credit card use.** The managers may authorize the use of a credit card by any watershed district officer or employee otherwise authorized to make a purchase on behalf of the watershed district. If a watershed district officer or employee makes a purchase by credit card that is not approved by the managers, the officer or employee is personally liable for the amount of the purchase. A purchase by credit card must otherwise comply with all statutes, rules, or watershed district policy applicable to watershed district purchases.

Sec. 107. Minnesota Statutes 2006, section 103E.021, subdivision 1, is amended to read:

Subdivision 1. **Spoil banks must be spread and grass-planted permanent vegetation established.** In any proceeding to establish, construct, improve, or do any work affecting a public drainage system under any law that appoints viewers to assess benefits and damages, the authority having jurisdiction over the proceeding shall order spoil banks to be spread consistent with the plan and function of the drainage system. The authority shall order that permanent grass, other than a noxious weed, be planted on the ~~banks ditch side slopes and on a strip that a~~ permanent strip of perennial vegetation approved by the drainage authority be established on each side of the ditch. Preference should be given to planting native species of a local ecotype. The approved perennial vegetation shall not impede future maintenance of the ditch. The permanent strips of perennial vegetation shall be 16-1/2 feet in width measured outward from the top edge of the constructed channel resulting from the proceeding, or to the crown of the leveled spoil bank, whichever is the greater, on each side of the top edge of the channel of the ditch, except for an action by a drainage authority that results only in a redetermination of benefits and damages, for which the required width shall be 16-1/2 feet. Drainage system rights-of-way for the acreage and additional property required for the planting permanent strips must be acquired by the authority having jurisdiction.

Sec. 108. Minnesota Statutes 2006, section 103E.021, subdivision 2, is amended to read:

Subd. 2. **Reseeding and harvesting grass perennial vegetation.** The authority having jurisdiction over the repair and maintenance of the drainage system shall supervise all necessary reseeded. The permanent ~~grass strips of perennial vegetation~~ must be maintained in the same manner as other drainage system repairs. Harvest of the grass vegetation from the grass permanent strip in a manner not harmful to the grass vegetation or the drainage system is the privilege of the fee owner or assigns. The county drainage inspector shall establish rules for the fee owner and assigns to harvest the grass vegetation.

Sec. 109. Minnesota Statutes 2006, section 103E.021, subdivision 3, is amended to read:

Subd. 3. **Agricultural practices prohibited.** Agricultural practices, other than those required for the maintenance of a permanent growth of ~~grass perennial vegetation~~, are not permitted on any portion of the property acquired for ~~planting~~ perennial vegetation.

Sec. 110. Minnesota Statutes 2006, section 103E.021, is amended by adding a subdivision to read:

Subd. 6. Incremental implementation of vegetated ditch buffer strips and side inlet controls. (a) Notwithstanding other provisions of this chapter requiring appointment of viewers and redetermination of benefits and damages, a drainage authority may implement permanent buffer strips of perennial vegetation approved by the drainage authority or side inlet controls, or both, adjacent to a public drainage ditch, where necessary to control erosion and sedimentation, improve water quality, or maintain the efficiency of the drainage system. Preference should be given to planting native species of a local ecotype. The approved perennial vegetation shall not impede future maintenance of the ditch. The permanent strips of perennial vegetation shall be 16-1/2 feet in width measured outward from the top edge of the existing constructed channel. Drainage system rights-of-way for the acreage and additional property required for the permanent strips must be acquired by the authority having jurisdiction.

(b) A project under this subdivision shall be implemented as a repair according to section 103E.705, except that the drainage authority may appoint an engineer to examine the drainage system and prepare an engineer's repair report for the project.

(c) Damages shall be determined by the drainage authority, or viewers, appointed by the drainage authority, according to section 103E.315, subdivision 8. A damages statement shall be prepared, including an explanation of how the damages were determined for each property affected by the project, and filed with the auditor or watershed district. Within 30 days after the damages statement is filed, the auditor or watershed district shall prepare property owners' reports according to section 103E.323, subdivision 1, clauses (1), (2), (6), (7), and (8), and mail a copy of the property owner's report and damages statement to each owner of property affected by the proposed project.

(d) After a damages statement is filed, the drainage authority shall set a time, by order, not more than 30 days after the date of the order, for a hearing on the project. At least ten days before the hearing, the auditor or watershed district shall give notice by mail of the time and location of the hearing to the owners of property and political subdivisions likely to be affected by the project.

(e) The drainage authority shall make findings and order the repairs to be made if the drainage authority determines from the evidence presented at the hearing and by the viewers and engineer, if appointed, that the repairs are necessary for the drainage system and the costs of the repairs are within the limitations of section 103E.705.

Sec. 111. **[103E.067] DITCH BUFFER STRIP ANNUAL REPORTING.**

The drainage authority shall annually submit a report to the Board of Water and Soil Resources for the calendar year including:

- (1) the number and types of actions for which viewers were appointed;
- (2) the number of miles of buffer strips established according to section 103E.021;
- (3) the number of drainage system inspections conducted; and
- (4) the number of violations of section 103E.021 identified and enforcement actions taken.

Sec. 112. Minnesota Statutes 2006, section 103E.315, subdivision 8, is amended to read:

Subd. 8. **Extent of damages.** Damages to be paid may include:

(1) the fair market value of the property required for the channel of an open ditch and the permanent ~~grass~~ strip of perennial vegetation under section 103E.021;

- (2) the diminished value of a farm due to severing a field by an open ditch;
- (3) loss of crop production during drainage project construction; ~~and~~
- (4) the diminished productivity or land value from increased overflow; and
- (5) costs to restore a perennial vegetative cover or structural practice existing under a federal or state conservation program adjacent to the permanent drainage system right-of-way and damaged by the drainage project.

Sec. 113. Minnesota Statutes 2006, section 103E.321, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** The viewers' report must show, in tabular form, for each lot, 40-acre tract, and fraction of a lot or tract under separate ownership that is benefited or damaged:

- (1) a description of the lot or tract, under separate ownership, that is benefited or damaged;
- (2) the names of the owners as they appear on the current tax records of the county and their addresses;
- (3) the number of acres in each tract or lot;
- (4) the number and value of acres added to a tract or lot by the proposed drainage of public waters;
- (5) the damage, if any, to riparian rights;
- (6) the damages paid for the permanent ~~grass strip~~ of perennial vegetation under section 103E.021;
- (7) the total number and value of acres added to a tract or lot by the proposed drainage of public waters, wetlands, and other areas not currently being cultivated;
- (8) the number of acres and amount of benefits being assessed for drainage of areas which before the drainage benefits could be realized would require a public waters work permit to work in public waters under section 103G.245 to excavate or fill a navigable water body under United States Code, title 33, section 403, or a permit to discharge into waters of the United States under United States Code, title 33, section 1344;
- (9) the number of acres and amount of benefits being assessed for drainage of areas that would be considered conversion of a wetland under United States Code, title 16, section 3821, if the area was placed in agricultural production;
- (10) the amount of right-of-way acreage required; and
- (11) the amount that each tract or lot will be benefited or damaged.

Sec. 114. Minnesota Statutes 2006, section 103E.701, is amended by adding a subdivision to read:

Subd. 7. **Restoration; disturbance or destruction by repair.** If a drainage system repair disturbs or destroys a perennial vegetative cover or structural practice existing under a federal or state conservation program adjacent to the permanent drainage system right-of-way, the practice must be restored according to the applicable practice plan or as determined by the drainage authority, if a practice plan is not available. Restoration costs shall be paid by the drainage system.

Sec. 115. Minnesota Statutes 2006, section 103E.705, subdivision 1, is amended to read:

Subdivision 1. **Inspection.** After the construction of a drainage system has been completed, the drainage authority shall maintain the drainage system that is located in its jurisdiction, including ~~grass~~ the permanent strips of perennial vegetation under section 103E.021, and provide the repairs necessary to make the drainage system efficient. The drainage authority shall have the drainage system inspected on a regular basis by an inspection committee of the drainage authority or a drainage inspector appointed by the drainage authority. Open drainage ditches shall be inspected at a minimum of every five years when no violation of section 103E.021 is found and annually when a violation of section 103E.021 is found, until one year after the violation is corrected.

Sec. 116. Minnesota Statutes 2006, section 103E.705, subdivision 2, is amended to read:

Subd. 2. **Grass Permanent strip of perennial vegetation inspection and compliance notice.** (a) The drainage authority having jurisdiction over a drainage system must inspect the drainage system for violations of section 103E.021. If an inspection committee of the drainage authority or a drainage inspector determines that permanent ~~grass~~ strips of perennial vegetation are not being maintained in compliance with section 103E.021, a compliance notice must be sent to the property owner.

(b) The notice must state:

(1) the date the ditch was inspected;

(2) the persons making the inspection;

(3) that spoil banks are to be spread in a manner consistent with the plan and function of the drainage system and that the drainage system has acquired a grass permanent strip ~~+6 1/2 feet in width or to the crown of the spoil bank, whichever is greater of perennial vegetation, according to section 103E.021;~~

(4) the violations of section 103E.021;

(5) the measures that must be taken by the property owner to comply with section 103E.021 and the date when the property must be in compliance; and

(6) that if the property owner does not comply by the date specified, the drainage authority will perform the work necessary to bring the area into compliance with section 103E.021 and charge the cost of the work to the property owner.

(c) If a property owner does not bring an area into compliance with section 103E.021 as provided in the compliance notice, the inspection committee or drainage inspector must notify the drainage authority.

(d) This subdivision applies to property acquired under section 103E.021.

Sec. 117. Minnesota Statutes 2006, section 103E.705, subdivision 3, is amended to read:

Subd. 3. **Drainage inspection report.** For each drainage system that the board designates and requires the drainage inspector to examine, the drainage inspector shall make a drainage inspection report in writing to the board after examining a drainage system, designating portions that need repair or maintenance of ~~grass~~ the permanent strips of perennial vegetation and the location and nature of the repair or maintenance. The board shall consider the drainage inspection report at its next meeting and may repair all or any part of the drainage system as provided under this chapter. The ~~grass~~ permanent strips of perennial vegetation must be maintained in compliance with section 103E.021.

Sec. 118. Minnesota Statutes 2006, section 103E.728, subdivision 2, is amended to read:

Subd. 2. **Additional assessment for agricultural practices on grass permanent strip of perennial vegetation.** (a) The drainage authority may, after notice and hearing, charge an additional assessment on property that has agricultural practices on or otherwise violates provisions related to the permanent grass strip of perennial vegetation acquired under section 103E.021.

(b) The drainage authority may determine the cost of the repair per mile of open ditch on the ditch system. Property that is in violation of the grass requirement shall be assessed a cost of 20 percent of the repair cost per open ditch mile multiplied by the length of open ditch in miles on the property in violation.

(c) After the amount of the additional assessment is determined and applied to the repair cost, the balance of the repair cost may be apportioned pro rata as provided in subdivision 1.

Sec. 119. **[103F.518] REINVEST IN MINNESOTA CLEAN ENERGY PROGRAM.**

Subdivision 1. **Establishment of program.** (a) The board, in consultation with the technical committee established in subdivision 11, shall establish and administer a reinvest in Minnesota (RIM) clean energy program that is in addition to the program under section 103F.515. Selection of land for the clean energy program must be based on its potential benefits for bioenergy crop production, water quality, soil health, reduction of chemical inputs, soil carbon storage, biodiversity, and wildlife habitat.

(b) For the purposes of this section, "diverse native prairie" means a prairie planted from a mix of local Minnesota native prairie species. A selection from all available native prairie species may be made so as to match species appropriate to local site conditions.

Subd. 2. **Eligible land.** Eligible land under this section must:

(1) be owned by the landowner, or a parent or other blood relative of the landowner, for at least one year before the date of application;

(2) be at least five acres in size;

(3) not be currently set aside, enrolled, or diverted under another federal or state government program; and

(4) have been in agricultural use, as defined in section 17.81, subdivision 4, or have been set aside, enrolled, or diverted under another federal or state program for at least two of the last five years before the date of application.

Subd. 3. **Designation of project areas.** The board shall develop a process to designate defined project areas. The designation process shall prioritize projects that include coordinated cooperation of a cellulosic biofuel facility or a bioenergy production facility, target impaired waters, or support other state or local natural resource plans, goals, or objectives.

Subd. 4. **Easements.** The board may acquire, or accept by gift or donation, easements on eligible land. An easement may be permanent or of limited duration. An easement of limited duration may not be acquired if it is for a period less than 20 years. The negotiation and acquisition of easements authorized by this section are exempt from the contractual provisions of chapters 16B and 16C.

Subd. 5. **Nature of property rights acquired.** (a) An easement must prohibit:

(1) agricultural crop production, unless approved by the board for energy production purposes; and

(2) spraying with chemicals, except as necessary to comply with noxious weed control laws, emergency pest control necessary to protect public health, or as needed to establish a productive planting as determined by the technical committee under subdivision 11.

(b) An easement is subject to the terms of the agreement provided in subdivision 6.

(c) Agricultural crop production and harvest are limited to native, perennial bioenergy crops. Harvest shall occur outside of bird nesting season.

(d) An easement must allow repairs, improvements, and inspections necessary to maintain public drainage systems provided the easement area is restored to the condition required by the terms of the easement.

(e) An easement may allow nonnative perennial prairie or pasture established by September 1, 2007, that meet the other objectives outlined in subdivision 7.

(f) An easement may allow grazing of livestock only if practiced under a plan, approved by the board, that protects water quality, wildlife habitat, and biodiversity.

Subd. 6. **Agreements by landowner.** The board may enroll eligible land in the reinvest in Minnesota clean energy program by signing an agreement in recordable form with a landowner in which the landowner agrees:

(1) to convey to the state an easement that is not subject to any prior title, lien, or encumbrance;

(2) to seed the land subject to the easement, as specified in the agreement, at seeding rates determined by the board, or carry out other long-term capital improvements approved by the board; and

(3) that the easement duration may be lengthened through mutual agreement with the board.

Subd. 7. **Payments for easements.** The board must develop a tiered payment system for easements partially based on the benefits of the bioenergy crop production for water quality, soil health, reduction in chemical inputs, soil carbon storage, biodiversity, and wildlife habitat using cash rent or a similar system as may be determined by the board. The payment system must provide that the highest per-acre payment is for diverse native prairie and perennials.

Subd. 8. **Easement renewal.** When an easement of limited duration expires, a new easement and agreement for an additional period of not less than 20 years may be acquired by agreement of the board and the landowner under the terms of this section. The board may adjust payment rates as a result of renewing an agreement and easement only after examining the condition of the established plantings, conservation practices, and land values.

Subd. 9. **Correction of easement boundary lines.** To correct errors in legal descriptions for easements that affect the ownership interest in the state and adjacent landowners, the board may, in the name of the state, with the approval of the attorney general, convey, without consideration, interests of the state necessary to correct legal descriptions of boundaries. The conveyance must be by quitclaim deed or release in a form approved by the attorney general.

Subd. 10. **Enforcement and damages.** (a) A landowner who violates the term of an easement or agreement under this section, or induces, assists, or allows another to do so, is liable to the state for treble damages if the trespass is willful, but liable for double damages only if the trespass is not willful. The amount of damages is the amount needed to make the state whole or the amount the landowner has gained due to the violation, whichever is greater.

(b) Upon the request of the board, the attorney general may commence an action for specific performances, injunctive relief, damages, including attorney fees, and any other appropriate relief to enforce this section in district court in the county where all or part of the violation is alleged to have been committed, or where the landowner resides or has a principal place of business.

Subd. 11. **Technical committee.** To ensure that public benefits, including water quality, soil health, reduction of chemical inputs, soil carbon storage, biodiversity, and wildlife habitat are secured along with bioenergy crop production, the Board of Water and Soil Resources shall appoint a technical committee consisting of one representative from the Departments of Agriculture, Natural Resources, and Commerce and the Pollution Control Agency; two farm organizations; one sustainable agriculture farmer organization; three rural economic development organizations; three environmental organizations; and three conservation or wildlife organizations. The board and technical committee shall consult with private sector organizations and University of Minnesota researchers involved in biomass establishment and bioenergy or biofuel conversion. The technical committee is to develop program guidelines and standards, as appropriate to ensure that reinvest in Minnesota clean energy program contracts provide public benefits commensurate with the public investment. The technical committee shall review and make recommendations on the guidelines and standards every five years.

Sec. 120. Minnesota Statutes 2006, section 103G.222, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 121. Minnesota Statutes 2006, section 103G.222, subdivision 3, is amended to read:

Subd. 3. **Wetland replacement siting.** (a) Siting wetland replacement must follow this priority order:

(1) on site or in the same minor watershed as the affected wetland;

(2) in the same watershed as the affected wetland;

(3) in the same county as the affected wetland;

(4) for replacement by wetland banking, in the same wetland bank service area as the impacted wetland, except that impacts in a 50 to 80 percent area must be replaced in a 50 to 80 percent area and impacts in a less than 50 percent area must be replaced in a less than 50 percent area;

(5) for project specific replacement, in an adjacent watershed or county to the affected wetland, or for replacement by wetland banking, in an adjacent wetland bank service area, except that impacts in a 50 to 80 percent area must be replaced in a 50 to 80 percent area and impacts in a less than 50 percent area must be replaced in a less than 50 percent area; and

~~(5) (6) statewide, only for wetlands affected in greater than 80 percent areas and~~ for public transportation projects, except that wetlands affected in less than 50 percent areas must be replaced in less than 50 percent areas, and wetlands affected in the seven-county metropolitan area must be replaced at a ratio of two to one in: (i) the affected county or, (ii) in another of the seven metropolitan counties, or (iii) in one of the major watersheds that are wholly or partially within the seven-county metropolitan area, but at least one to one must be replaced within the seven-county metropolitan area.

(b) Notwithstanding paragraph (a), siting wetland replacement in greater than 80 percent areas may follow the priority order under this paragraph: (1) by wetland banking after evaluating on-site replacement and replacement within the watershed; (2) replaced in an adjacent wetland bank service area if wetland bank credits are not reasonably available in the same wetland bank service area as the affected wetland, as determined by a comprehensive inventory approved by the board; and (3) statewide.

(c) Notwithstanding paragraph (a), siting wetland replacement in the seven-county metropolitan area must follow the priority order under this paragraph: (1) in the affected county; (2) in another of the seven metropolitan counties; or (3) in one of the major watersheds that are wholly or partially within the seven-county metropolitan area, but at least one to one must be replaced within the seven-county metropolitan area.

(d) The exception in paragraph (a), clause ~~(5)~~ (6), does not apply to replacement completed using wetland banking credits established by a person who submitted a complete wetland banking application to a local government unit by April 1, 1996.

~~(e)~~ (e) When reasonable, practicable, and environmentally beneficial replacement opportunities are not available in siting priorities listed in paragraph (a), the applicant may seek opportunities at the next level.

~~(d)~~ (f) For the purposes of this section, "reasonable, practicable, and environmentally beneficial replacement opportunities" are defined as opportunities that:

(1) take advantage of naturally occurring hydrogeomorphological conditions and require minimal landscape alteration;

(2) have a high likelihood of becoming a functional wetland that will continue in perpetuity;

(3) do not adversely affect other habitat types or ecological communities that are important in maintaining the overall biological diversity of the area; and

(4) are available and capable of being done after taking into consideration cost, existing technology, and logistics consistent with overall project purposes.

~~(e)~~ (g) Regulatory agencies, local government units, and other entities involved in wetland restoration shall collaborate to identify potential replacement opportunities within their jurisdictional areas.

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

Sec. 122. Minnesota Statutes 2006, section 103G.2241, subdivision 1, is amended to read:

Subdivision 1. **Agricultural activities.** ~~(a)~~ A replacement plan for wetlands is not required for:

(1) activities in a wetland that was planted with annually seeded crops, was in a crop rotation seeding of pasture grass or legumes, or was required to be set aside to receive price support or other payments under United States Code, title 7, sections 1421 to 1469, in six of the last ten years prior to January 1, 1991;

~~(2) activities in a wetland that is or has been enrolled in the federal conservation reserve program under United States Code, title 16, section 3831, that:~~

~~(i) was planted with annually seeded crops, was in a crop rotation seeding, or was required to be set aside to receive price support or payment under United States Code, title 7, sections 1421 to 1469, in six of the last ten years prior to being enrolled in the program; and~~

~~(ii) has not been restored with assistance from a public or private wetland restoration program;~~

~~(3) activities in a wetland that has received a commenced drainage determination provided for by the federal Food Security Act of 1985, that was made to the county Agricultural Stabilization and Conservation Service office prior to September 19, 1988, and a ruling and any subsequent appeals or reviews have determined that drainage of the wetland had been commenced prior to December 23, 1985;~~

~~(4)~~ (2) activities in a type 1 wetland on agricultural pasture land that remains in the same use, except for bottomland hardwood type 1 wetlands, and activities in a type 2 or type 6 wetland that is less than two acres in size and located on agricultural pasture land that remains in the same use;

(3) activities in a wetland conducted as part of normal farming practices. For purposes of this clause, "normal farming practices" means farming, silvicultural, grazing, and ranching activities such as plowing, seeding, cultivating, and harvesting for the production of feed, food, and fiber products, but does not include activities that result in the draining of wetlands;

(4) soil and water conservation practices approved by the soil and water conservation district, after review by the Technical Evaluation Panel;

(5) aquaculture activities including pond excavation and construction and maintenance of associated access roads and dikes authorized under, and conducted in accordance with, a permit issued by the United States Army Corps of Engineers under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344, but not including construction or expansion of buildings;

(6) wild rice production activities, including necessary diking and other activities authorized under a permit issued by the United States Army Corps of Engineers under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344; or

~~(7) normal agricultural practices to control noxious or secondary weeds as defined by rule of the commissioner of agriculture, in accordance with applicable requirements under state and federal law, including established best management practices; and~~

~~(8) (7) agricultural activities in a wetland that is on agricultural land:~~

~~(i) annually enrolled in the federal Agriculture Improvement and Reform Act of 1996 and is subject to United States Code, title 16, sections 3821 to 3823, in effect on January 1, 2000; or~~

~~(ii) that is subject to subsequent federal farm program restrictions that meet minimum state standards under this chapter and sections 103A.202 and 103B.3355 and that have been approved by the Board of Water and Soil Resources, the commissioners of natural resources and agriculture, and the Pollution Control Agency.~~

~~(b) Land enrolled in a federal farm program under paragraph (a), clause (8), is eligible for easement participation for those acres not already compensated under a federal program.~~

~~(c) The exemption under paragraph (a), clause (4), may be expanded to additional acreage, including types 1, 2, and 6 wetlands that are part of a larger wetland system, when the additional acreage is part of a conservation plan approved by the local soil and water conservation district, the additional draining or filling is necessary for efficient operation of the farm, the hydrology of the larger wetland system is not adversely affected, and wetlands other than types 1, 2, and 6 are not drained or filled.~~

Sec. 123. Minnesota Statutes 2006, section 103G.2241, subdivision 2, is amended to read:

Subd. 2. **Drainage.** (a) For the purposes of this subdivision, "public drainage system" means a drainage system as defined in section 103E.005, subdivision 12, and any ditch or tile lawfully connected to the drainage system.

(b) A replacement plan is not required for draining of type 1 wetlands, or up to five acres of type 2 or 6 wetlands, in an unincorporated area on land that has been assessed drainage benefits for a public drainage system, provided that:

(1) during the 20-year period that ended January 1, 1992:

(i) there was an expenditure made from the drainage system account for the public drainage system;

(ii) the public drainage system was repaired or maintained as approved by the drainage authority; or

(iii) no repair or maintenance of the public drainage system was required under section 103E.705, subdivision 1, as determined by the public drainage authority; and

(2) the wetlands are not drained for conversion to:

(i) platted lots;

(ii) planned unit, commercial, or industrial developments; or

(iii) any development with more than one residential unit per 40 acres, except for parcels subject to local zoning standards that allow for family members to establish an additional residence on the same 40 acres.

If wetlands drained under this paragraph are converted to uses prohibited under clause (2) during the ten-year period following drainage, the wetlands must be replaced under section 103G.222.

(c) A replacement plan is not required for draining or filling of wetlands, except for draining types 3, 4, and 5 wetlands that have been in existence for more than 25 years, resulting from maintenance and repair of existing public drainage systems.

(d) A replacement plan is not required for draining or filling of wetlands, except for draining wetlands that have been in existence for more than 25 years, resulting from maintenance and repair of existing drainage systems other than public drainage systems.

~~(e) A replacement plan is not required for draining or filling of wetlands resulting from activities conducted as part of a public drainage system improvement project that received final approval from the drainage authority before July 1, 1991, and after July 1, 1986, if:~~

~~(1) the approval remains valid;~~

~~(2) the project remains active; and~~

~~(3) no additional drainage will occur beyond that originally approved.~~

(e) A replacement plan is not required for draining agricultural land that: (1) was planted with annually seeded crops before July 5, except for crops that are normally planted after that date, in eight out of the ten most recent years prior to the impact; (2) was in a crop rotation seeding of pasture grass, cover crop, or legumes, or was fallow for a crop production purpose, in eight out of the ten most recent years prior to the impact; or (3) was enrolled in a state or federal land conservation program and met the requirements of clause (1) or (2) before enrollment.

(f) The public drainage authority may, as part of the repair, install control structures, realign the ditch, construct dikes along the ditch, or make other modifications as necessary to prevent drainage of the wetland.

(g) Wetlands of all types that would be drained as a part of a public drainage repair project are eligible for the permanent wetlands preserve under section 103F.516. The board shall give priority to acquisition of easements on types 3, 4, and 5 wetlands that have been in existence for more than 25 years on public drainage systems and other wetlands that have the greatest risk of drainage from a public drainage repair project.

Sec. 124. Minnesota Statutes 2006, section 103G.2241, subdivision 3, is amended to read:

Subd. 3. **Federal approvals.** A replacement plan for wetlands is not required for:

~~(1) activities exempted from federal regulation under United States Code, title 33, section 1344(f), as in effect on January 1, 1991;~~

~~(2) activities authorized under, and conducted in accordance with, an applicable general permit issued by the United States Army Corps of Engineers under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344, except the nationwide permit in Code of Federal Regulations, title 33, section 330.5, paragraph (a), clauses (14), limited to when a new road crosses a wetland, and (26), as in effect on January 1, 1991; or~~

~~(3) activities authorized under the federal Clean Water Act, section 404, or the Rivers and Harbors Act, section 10, regulations that meet minimum state standards under this chapter and sections 103A.202 and 103B.3355 and that have been approved by the Board of Water and Soil Resources, the commissioners of natural resources and agriculture, and the Pollution Control Agency.~~

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

Sec. 125. Minnesota Statutes 2006, section 103G.2241, subdivision 6, is amended to read:

Subd. 6. **Utilities; public works.** (a) A replacement plan for wetlands is not required for:

~~(1) placement, maintenance, repair, enhancement, or replacement of utility or utility type service if:~~

~~(i) the impacts of the proposed project on the hydrologic and biological characteristics of the wetland have been avoided and minimized to the extent possible; and~~

~~(ii) the proposed project significantly modifies or alters less than one half acre of wetlands;~~

~~(2) activities associated with routine maintenance of utility and pipeline rights of way, provided the activities do not result in additional intrusion into the wetland;~~

~~(3) alteration of a wetland associated with the operation, maintenance, or repair of an interstate pipeline within all existing or acquired interstate pipeline rights of way;~~

~~(4) emergency repair and normal maintenance and repair of existing public works, provided the activity does not result in additional intrusion of the public works into the wetland and does not result in the draining or filling, wholly or partially, of a wetland;~~

~~(5) normal maintenance and minor repair of structures causing no additional intrusion of an existing structure into the wetland, and maintenance and repair of private crossings that do not result in the draining or filling, wholly or partially, of a wetland; or~~

~~(6) repair and updating of existing individual sewage treatment systems as necessary to comply with local, state, and federal regulations.~~

(1) new placement or maintenance, repair, enhancement, or replacement of existing utility or utility-type service, including pipelines, if:

(i) the direct and indirect impacts of the proposed project have been avoided and minimized to the extent possible; and

(ii) the proposed project significantly modifies or alters less than one-half acre of wetlands;

(2) activities associated with operation, routine maintenance, or emergency repair of existing utilities and public work structures, including pipelines, provided the activities do not result in additional wetland intrusion or additional draining or filling of a wetland either wholly or partially; or

(3) repair and updating of existing individual sewage treatment systems necessary to comply with local, state, and federal regulations.

(b) For maintenance, repair, and replacement, the local government unit may issue a seasonal or annual exemption certification or the utility may proceed without local government unit certification if the utility is carrying out the work according to approved best management practices. Work of an emergency nature may proceed as necessary and any drain or fill activities shall be addressed with the local government unit after the emergency work has been completed.

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

Sec. 126. Minnesota Statutes 2006, section 103G.2241, subdivision 9, is amended to read:

Subd. 9. **De minimis.** (a) Except as provided in paragraphs (b) and (c), a replacement plan for wetlands is not required for draining or filling the following amounts of wetlands as part of a project:

(1) 10,000 square feet of type 1, 2, 6, or 7 wetland, excluding white cedar and tamarack wetlands, outside of the shoreland wetland protection zone in a greater than 80 percent area;

(2) 5,000 square feet of type 1, 2, 6, or 7 wetland, excluding white cedar and tamarack wetlands, outside of the shoreland wetland protection zone in a 50 to 80 percent area, except within the 11-county metropolitan area;

(3) 2,000 square feet of type 1, 2, or 6 wetland, outside of the shoreland wetland protection zone in a less than 50 percent area, except within the 11-county metropolitan area;

(4) ~~400~~ 100 square feet of wetland types not listed in clauses (1) to (3) outside of the building setback zone of the shoreland wetland protection zones in all counties; ~~or~~

(5) 400 square feet of ~~type 1, 2, 3, 4, 5, 6, 7, or 8~~ wetland types listed in clauses (1) to (3), in beyond the building setback zone, as defined in the local shoreland management ordinance, but within the shoreland wetland protection zone, except that, In a greater than 80 percent area, the local government unit may increase the de minimis amount up to 1,000 square feet ~~in the shoreland protection zone in areas beyond the building setback~~ if the wetland is isolated and is determined to have no direct surficial connection to the public water. To the extent that a local shoreland management ordinance is more restrictive than this provision, the local shoreland ordinance applies;

(6) up to 20 square feet of wetland, regardless of type or location;

(7) 2,500 square feet of type 1, 2, 6, or 7 wetland, excluding white cedar and tamarack wetlands, outside of the shoreland wetland protection zone in a 50 to 80 percent area within the 11-county metropolitan area; or

(8) 1,000 square feet of type 1, 2, or 6 wetland, outside of the shoreland wetland protection zone in a less than 50 percent area within the 11-county metropolitan area.

For purposes of this paragraph, the 11-county metropolitan area consists of the counties of Anoka, Carver, Chisago, Dakota, Hennepin, Isanti, Ramsey, Scott, Sherburne, Washington, and Wright.

(b) The amounts listed in paragraph (a), clauses (1) to ~~(5)~~ (8), may not be combined on a project.

(c) This exemption no longer applies to a landowner's portion of a wetland when the cumulative area drained or filled of the landowner's portion since January 1, 1992, is the greatest of:

(1) the applicable area listed in paragraph (a), if the landowner owns the entire wetland;

(2) five percent of the landowner's portion of the wetland; or

(3) 400 square feet.

(d) This exemption may not be combined with another exemption in this section on a project.

(e) Property may not be divided to increase the amounts listed in paragraph (a).

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

Sec. 127. Minnesota Statutes 2006, section 103G.2241, subdivision 11, is amended to read:

Subd. 11. **Exemption conditions.** (a) A person conducting an activity in a wetland under an exemption in subdivisions 1 to 10 shall ensure that:

(1) appropriate erosion control measures are taken to prevent sedimentation of the water;

(2) the activity does not block fish passage in a watercourse; and

(3) the activity is conducted in compliance with all other applicable federal, state, and local requirements, including best management practices and water resource protection requirements established under chapter 103H.

(b) An activity is exempt if it qualifies for any one of the exemptions, even though it may be indicated as not exempt under another exemption.

(c) Persons proposing to conduct an exempt activity are encouraged to contact the local government unit or the local government unit's designee for advice on minimizing wetland impacts.

(d) The board shall develop rules that address the application and implementation of exemptions and that provide for estimates and reporting of exempt wetland impacts, including those in section 103G.2241, subdivisions 2, 6, and 9.

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

Sec. 128. Minnesota Statutes 2006, section 103G.2242, subdivision 2, is amended to read:

Subd. 2. **Evaluation.** (a) Questions concerning the public value, location, size, or type of a wetland shall be submitted to and determined by a Technical Evaluation Panel after an on-site inspection. The Technical Evaluation Panel shall be composed of a technical professional employee of the board, a technical professional employee of the local soil and water conservation district or districts, a technical professional with expertise in water resources management appointed by the local government unit, and a technical professional employee of the Department of Natural Resources for projects affecting public waters or wetlands adjacent to public waters. The panel shall use the "United States Army Corps of Engineers Wetland Delineation Manual" (January 1987), including updates, supplementary guidance, and replacements, if any, "Wetlands of the United States" (United States Fish and Wildlife Service Circular 39, 1971 edition), and "Classification of Wetlands and Deepwater Habitats of the United States" (1979 edition). The panel shall provide the wetland determination and recommendations on other technical matters to the local government unit that must approve a replacement plan, wetland banking plan, exemption determination, no-loss determination, or wetland boundary or type determination and may recommend approval or denial of the plan. The authority must consider and include the decision of the Technical Evaluation Panel in their approval or denial of a plan or determination.

(b) Persons conducting wetland or public waters boundary delineations or type determinations are exempt from the requirements of chapter 326. ~~By January 15, 2001, the board, in consultation with the Minnesota Association of Professional Soil Scientists, the University of Minnesota, and the Wetland Delineators' Association, shall submit a plan for a professional wetland delineator certification program to the legislature. The board may develop a professional wetland delineator certification program.~~

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

Sec. 129. Minnesota Statutes 2006, section 103G.2242, subdivision 2a, is amended to read:

Subd. 2a. **Wetland boundary or type determination.** (a) A landowner may apply for a wetland boundary or type determination from the local government unit. The landowner applying for the determination is responsible for submitting proof necessary to make the determination, including, but not limited to, wetland delineation field data, observation well data, topographic mapping, survey mapping, and information regarding soils, vegetation, hydrology, and groundwater both within and outside of the proposed wetland boundary.

(b) A local government unit that receives an application under paragraph (a) may seek the advice of the Technical Evaluation Panel as described in subdivision 2, and, if necessary, expand the Technical Evaluation Panel. The local government unit may delegate the decision authority for wetland boundary or type determinations ~~with the zoning administrator~~ to designated staff, or establish other procedures it considers appropriate.

(c) The local government unit decision must be made in compliance with section 15.99. Within ten calendar days of the decision, the local government unit decision must be mailed to the landowner, members of the Technical Evaluation Panel, the watershed district or watershed management organization, if one exists, and individual members of the public who request a copy.

(d) Appeals of decisions made by designated local government staff must be made to the local government unit. Notwithstanding any law to the contrary, a ruling on an appeal must be made by the local government unit within 30 days from the date of the filing of the appeal.

(e) The local government unit decision is valid for three years unless the Technical Evaluation Panel determines that natural or artificial changes to the hydrology, vegetation, or soils of the area have been sufficient to alter the wetland boundary or type.

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

Sec. 130. Minnesota Statutes 2006, section 103G.2242, subdivision 9, is amended to read:

Subd. 9. **Appeal.** (a) Appeal of a replacement plan, exemption, wetland banking, wetland boundary or type determination, ~~or no-loss decision, or restoration order~~ may be obtained by mailing a petition and payment of a filing fee ~~of \$200~~, which shall be retained by the board to defray administrative costs, to the board within 30 days after the postmarked date of the mailing specified in subdivision 7. If appeal is not sought within 30 days, the decision becomes final. ~~The local government unit may require the petitioner to post a letter of credit, cashier's check, or cash in an amount not to exceed \$500. If the petition for hearing is accepted, the amount posted must be returned to the petitioner.~~ Appeal may be made by:

- (1) the wetland owner;
- (2) any of those to whom notice is required to be mailed under subdivision 7; or
- (3) 100 residents of the county in which a majority of the wetland is located.

(b) Within 30 days after receiving a petition, the board shall decide whether to grant the petition and hear the appeal. The board shall grant the petition unless the board finds that:

(1) the appeal is meritless, trivial, or brought solely for the purposes of delay;

(2) the petitioner has not exhausted all local administrative remedies;

(3) expanded technical review is needed;

(4) the local government unit's record is not adequate; or

(5) the petitioner has not posted a letter of credit, cashier's check, or cash if required by the local government unit.

(c) In determining whether to grant the appeal, the board shall also consider the size of the wetland, other factors in controversy, any patterns of similar acts by the local government unit or petitioner, and the consequences of the delay resulting from the appeal.

(d) All appeals must be heard by the committee for dispute resolution of the board, and a decision made within 60 days of filing the local government unit's record and the written briefs submitted for the appeal. The decision must be served by mail on the parties to the appeal, and is not subject to the provisions of chapter 14. A decision whether to grant a petition for appeal and a decision on the merits of an appeal must be considered the decision of an agency in a contested case for purposes of judicial review under sections 14.63 to 14.69.

(e) Notwithstanding section 16A.1283, the board shall establish a fee schedule to defray the administrative costs of appeals made to the board under this subdivision. Fees established under this authority shall not exceed \$1,000. Establishment of the fee is not subject to the rulemaking process of chapter 14 and section 14.386 does not apply.

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

Sec. 131. Minnesota Statutes 2006, section 103G.2242, subdivision 12, is amended to read:

Subd. 12. **Replacement credits.** (a) No public or private wetland restoration, enhancement, or construction may be allowed for replacement unless specifically designated for replacement and paid for by the individual or organization performing the wetland restoration, enhancement, or construction, and is completed prior to any draining or filling of the wetland.

(b) Paragraph (a) does not apply to a wetland whose owner has paid back with interest the individual or organization restoring, enhancing, or constructing the wetland.

(c) Notwithstanding section 103G.222, subdivision 1, paragraph ~~(h)~~ (i), the following actions, and others established in rule, that are consistent with criteria in rules adopted by the board in conjunction with the commissioners of natural resources and agriculture, are eligible for replacement credit as determined by the local government unit, including enrollment in a statewide wetlands bank:

(1) reestablishment of permanent native, noninvasive vegetative cover on a wetland on agricultural land that was planted with annually seeded crops, was in a crop rotation seeding of pasture grasses or legumes, or was in a land retirement program during the past ten years;

(2) buffer areas of permanent native, noninvasive vegetative cover established or preserved on upland adjacent to replacement wetlands;

(3) wetlands restored for conservation purposes under terminated easements or contracts; and

(4) water quality treatment ponds constructed to pretreat storm water runoff prior to discharge to wetlands, public waters, or other water bodies, provided that the water quality treatment ponds must be associated with an ongoing or proposed project that will impact a wetland and replacement credit for the treatment ponds is based on the replacement of wetland functions and on an approved stormwater management plan for the local government.

(d) Notwithstanding section 103G.222, subdivision 1, paragraphs ~~(e)~~ (f) and ~~(f)~~ (g), the board may establish by rule different replacement ratios for restoration projects with exceptional natural resource value.

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

Sec. 132. Minnesota Statutes 2006, section 103G.2242, subdivision 15, is amended to read:

Subd. 15. **Fees paid to board.** All fees established in ~~subdivision~~ subdivisions 9 and 14 must be paid to the Board of Water and Soil Resources ~~and credited to the general fund~~ to be used for the purpose of administration of the wetland bank and to process appeals under section 103G.2242, subdivision 9.

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

Sec. 133. Minnesota Statutes 2006, section 103G.2243, subdivision 2, is amended to read:

Subd. 2. **Plan contents.** A comprehensive wetland protection and management plan may:

(1) provide for classification of wetlands in the plan area based on:

(i) an inventory of wetlands in the plan area;

(ii) an assessment of the wetland functions listed in section 103B.3355, using a methodology chosen by the Technical Evaluation Panel from one of the methodologies established or approved by the board under that section; and

(iii) the resulting public values;

(2) vary application of the sequencing standards in section 103G.222, subdivision 1, paragraph (b), for projects based on the classification and criteria set forth in the plan;

(3) vary the replacement standards of section 103G.222, subdivision 1, paragraphs ~~(e)~~ (f) and ~~(f)~~ (g), based on the classification and criteria set forth in the plan, for specific wetland impacts provided there is no net loss of public values within the area subject to the plan, and so long as:

(i) in a 50 to 80 percent area, a minimum acreage requirement of one acre of replaced wetland for each acre of drained or filled wetland requiring replacement is met within the area subject to the plan; and

(ii) in a less than 50 percent area, a minimum acreage requirement of two acres of replaced wetland for each acre of drained or filled wetland requiring replacement is met within the area subject to the plan, except that replacement for the amount above a 1:1 ratio can be accomplished as described in section 103G.2242, subdivision 12; and

(4) in a greater than 80 percent area, allow replacement credit, based on the classification and criteria set forth in the plan, for any project that increases the public value of wetlands, including activities on adjacent upland acres; and.

~~(5) in a greater than 80 percent area, based on the classification and criteria set forth in the plan, expand the application of the exemptions in section 103G.2241, subdivision 1, paragraph (a), clause (4), to also include nonagricultural land, provided there is no net loss of wetland values.~~

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

Sec. 134. Minnesota Statutes 2006, section 103G.235, is amended to read:

103G.235 RESTRICTIONS ON ACCESS TO PUBLIC WATERS WETLANDS.

Subdivision 1. **Wetlands adjacent to roads.** To protect the public health or safety, local units of government may by ordinance restrict public access to public waters wetlands from municipality, county, or township roads that abut public waters wetlands.

Subd. 2. **Privately restored or created wetlands.** When a landowner creates a new wetland or restores a formerly existing wetland on private land that is adjacent to public land or a public road right-of-way, there is no public access to the created or restored wetland if posted by the landowner.

Sec. 135. Minnesota Statutes 2006, section 103G.301, subdivision 2, is amended to read:

Subd. 2. **Permit application fees.** (a) A permit application fee to defray the costs of receiving, recording, and processing the application must be paid for a permit authorized under this chapter and for each request to amend or transfer an existing permit.

(b) The fee for a project appropriating water in excess of 100 million gallons per year must be assessed to recover the reasonable costs of preparing and processing the permit, including costs for environmental review. Fees collected under this paragraph must be credited to an account in the natural resources fund and are appropriated to the commissioner for fiscal years 2008 and 2009.

~~(b)~~ (c) The fee to apply for a permit to appropriate water, other than a permit subject to the fee under paragraph (b); a permit to construct or repair a dam that is subject to dam safety inspection; or a state general permit or to apply for the state water bank program is \$150. The application fee for a permit to work in public waters or to divert waters for mining must be at least \$150, but not more than \$1,000, according to a schedule of fees adopted under section 16A.1285.

Sec. 136. Minnesota Statutes 2006, section 115.55, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to sections 115.55 to 115.56.

(b) "Advisory committee" means the Advisory Committee on Individual Sewage Treatment Systems established under the individual sewage treatment system rules. The advisory committee must be appointed to ensure geographic representation of the state and include elected public officials.

(c) "Applicable requirements" means:

(1) local ordinances that comply with the individual sewage treatment system rules, as required in subdivision 2; or

(2) in areas not subject to the ordinances described in clause (1), the individual sewage treatment system rules.

(d) "City" means a statutory or home rule charter city.

(e) "Commissioner" means the commissioner of the Pollution Control Agency.

(f) "Dwelling" means a building or place used or intended to be used by human occupants as a single-family or two-family unit.

(g) "Individual sewage treatment system" or "system" means a sewage treatment system, or part thereof, ~~serving a dwelling, other establishment, or group thereof,~~ that uses subsurface soil treatment and disposal, or a holding tank, serving a dwelling, other establishment, or a group thereof.

(h) "Individual sewage treatment system professional" means an inspector, installer, site evaluator or designer, or pumper.

(i) "Individual sewage treatment system rules" means rules adopted by the agency that establish minimum standards and criteria for the design, location, installation, use, and maintenance of individual sewage treatment systems.

(j) "Inspector" means a person who inspects individual sewage treatment systems for compliance with the applicable requirements.

(k) "Installer" means a person who constructs or repairs individual sewage treatment systems.

(l) "Local unit of government" means a township, city, or county.

(m) "Performance-based system" means a system that is designed specifically for a site and the environmental conditions on that site and designed to adequately protect the public health and the environment and provide long-term performance. At a minimum, a performance based system must ensure that applicable water quality standards are met in both ground and surface water that ultimately receive the treated wastewater.

(n) "Pumper" means a person who maintains components of individual sewage treatment systems including, but not limited to, septic, aerobic, and holding tanks.

~~(n)~~ (o) "Seasonal dwelling" means a dwelling that is occupied or used for less than 180 days per year and less than 120 consecutive days.

~~(o)~~ (p) "Septic system tank" means any covered receptacle designed, constructed, and installed as part of an individual sewage treatment system.

~~(p)~~ (q) "Site evaluator or designer" means a person who:

(1) investigates soils and site characteristics to determine suitability, limitations, and sizing requirements; and

(2) designs individual sewage treatment systems.

~~(q)~~ (r) "Straight-pipe system" means a sewage disposal system that includes toilet waste and transports raw or partially settled sewage directly to a lake, a stream, a drainage system, or ground surface.

Sec. 137. Minnesota Statutes 2006, section 115.55, subdivision 2, is amended to read:

Subd. 2. **Local ordinances.** (a) All counties ~~that did not adopt ordinances by May 7, 1994, or that do not have ordinances,~~ must adopt ordinances that comply with revisions to the individual sewage treatment system rules by January 1, 1999, unless all towns and cities in the county have adopted such ordinances within two years of the final

adoption by the agency. County ordinances must apply to all areas of the county other than cities or towns that have adopted ordinances that comply with this section and are as strict as the applicable county ordinances. ~~Any ordinance adopted by a local unit of government before May 7, 1994, to regulate individual sewage treatment systems must be in compliance with the individual sewage treatment system rules by January 1, 1998.~~

(b) A copy of each ordinance adopted under this subdivision must be submitted to the commissioner upon adoption.

(c) A local unit of government must make available to the public upon request a written list of any differences between its ordinances and rules adopted under this section.

Sec. 138. Minnesota Statutes 2006, section 115.55, subdivision 3, is amended to read:

Subd. 3. **Rules.** (a) The agency shall adopt rules containing minimum standards and criteria for the design, location, installation, use, and maintenance of individual sewage treatment systems. The rules must include:

- (1) how the agency will ensure compliance under subdivision 2;
- (2) how local units of government shall enforce ordinances under subdivision 2, including requirements for permits and inspection programs;
- (3) how the advisory committee will participate in review and implementation of the rules;
- (4) provisions for ~~alternative nonstandard~~ systems and performance-based systems;
- (5) provisions for handling and disposal of effluent;
- (6) provisions for system abandonment; and
- (7) procedures for variances, including the consideration of variances based on cost and variances that take into account proximity of a system to other systems.

(b) The agency shall consult with the advisory committee before adopting rules under this subdivision.

(c) Notwithstanding the repeal of the agency rule under which the commissioner has established a list of warrantied individual sewage treatment systems, the warranties for all systems so listed as of the effective date of the repeal shall continue to be valid for the remainder of the warranty period.

(d) The rules required in paragraph (a) must also address the following:

- (1) a definition of redoximorphic features and other criteria that can be used by system designers and inspectors;
- (2) direction on the interpretation of observed soil features that may be redoximorphic and their relation to zones of seasonal saturation; and
- (3) procedures on how to resolve professional disagreements on seasonally saturated soils.

These rules must be in place by March 31, 2006.

Sec. 139. Minnesota Statutes 2006, section 115.55, is amended by adding a subdivision to read:

Subd. 12. **Advisory committee; county individual sewage treatment system management plan.** (a) A county may adopt an individual sewage treatment system management plan that describes how the county plans on carrying out individual sewage treatment system needs. The commissioner of the Pollution Control Agency shall form an advisory committee to determine what the plans should address. The advisory committee shall be made up of representatives of the Association of Minnesota Counties, Pollution Control Agency, Board of Water and Soil Resources, Department of Health, and other public agencies or local units of government that have an interest in individual sewage treatment systems.

(b) The advisory committee shall advise the agency on the standards, management, monitoring, and reporting requirements for performance-based systems.

Sec. 140. Minnesota Statutes 2006, section 116C.92, is amended to read:

116C.92 COORDINATION OF ACTIVITIES.

Subdivision 1. **State coordinating organization.** The Environmental Quality Board is designated the state coordinating organization for state and federal regulatory activities relating to genetically engineered organisms.

Subd. 2. **Notice of nationwide action.** The board shall notify interested parties if a permit to release genetically engineered wild rice is issued anywhere in the United States. For purposes of this subdivision, "interested parties" means:

(1) the state's wild rice industry;

(2) the legislature;

(3) federally recognized tribes within Minnesota; and

(4) individuals who request to be notified.

Sec. 141. Minnesota Statutes 2006, section 116C.94, subdivision 1, is amended to read:

Subdivision 1. **General authority.** (a) Except as provided in paragraph (b), the board shall adopt rules consistent with sections 116C.91 to 116C.96 that require an environmental assessment worksheet and otherwise comply with chapter 116D and rules adopted under it for a proposed release and a permit for a release. The board may place conditions on a permit and may deny, modify, suspend, or revoke a permit.

(b) The board shall adopt rules that require an environmental impact statement and otherwise comply with chapter 116D and rules adopted under it for a proposed release and a permit for a release of genetically engineered wild rice. The board may place conditions on the permit and may deny, modify, suspend, or revoke the permit.

Sec. 142. Minnesota Statutes 2006, section 116C.97, subdivision 2, is amended to read:

Subd. 2. **Federal oversight.** (a) If the board determines, upon its own volition or at the request of any person, that a federal program exists for regulating the release of certain genetically engineered organisms and the federal oversight under the program is adequate to protect human health or the environment, then any person may release such genetically engineered organisms after obtaining the necessary federal approval and without obtaining a state release permit or a significant environmental permit or complying with the other requirements of sections 116C.91 to 116C.96 and the rules of the board adopted pursuant to section 116C.94.

(b) If the board determines the federal program is adequate to meet only certain requirements of sections 116C.91 to 116C.96 and the rules of the board adopted pursuant to section 116C.94, the board may exempt such releases from those requirements.

(c) A person proposing a release for which a federal authorization is required may apply to the board for an exemption from the board's permit or to a state agency with a significant environmental permit for the proposed release for an exemption from the agency's permit. The proposer must file with the board or state agency a written request for exemption with a copy of the federal application and the information necessary to determine if there is a potential for significant environmental effects under chapter 116D and rules adopted under it. The board or state agency shall give public notice of the request in the first available issue of the EQB Monitor and shall provide an opportunity for public comment on the environmental review process consistent with chapter 116D and rules adopted under it. The board or state agency may grant the exemption if the board or state agency finds that the federal authorization issued is adequate to meet the requirements of chapter 116D and rules adopted under it and any other requirement of the board's or state agency's authority regarding the release of genetically engineered organisms. The board or state agency must grant or deny the exemption within 45 days after the receipt of the written request and the information required by the board or state agency.

(d) This subdivision does not apply to genetically engineered organisms for which an environmental impact statement is required under sections 116C.91 to 116C.96.

Sec. 143. **[144.995] DEFINITIONS; ENVIRONMENTAL HEALTH TRACKING AND BIOMONITORING.**

(a) For purposes of sections 144.995 to 144.998, the terms in this section have the meanings given.

(b) "Advisory panel" means the Environmental Health Tracking and Biomonitoring Advisory Panel established under section 144.998.

(c) "Biomonitoring" means the process by which chemicals and their metabolites are identified and measured within a biospecimen.

(d) "Biospecimen" means a sample of human fluid, serum, or tissue that is reasonably available as a medium to measure the presence and concentration of chemicals or their metabolites in a human body.

(e) "Commissioner" means the commissioner of the Department of Health.

(f) "Community" means geographically or nongeographically based populations that may participate in the biomonitoring program. A "nongeographical community" includes, but is not limited to, populations that may share a common chemical exposure through similar occupations, populations experiencing a common health outcome that may be linked to chemical exposures, populations that may experience similar chemical exposures because of comparable consumption, lifestyle, product use, and subpopulations that share ethnicity, age, or gender.

(g) "Department" means the Department of Health.

(h) "Designated chemicals" means those chemicals that are known to, or strongly suspected of, adversely impacting human health or development, based upon scientific, peer-reviewed animal, human, or in vitro studies, and baseline human exposure data, and consists of chemical families or metabolites that are included in the federal Centers for Disease Control and Prevention studies that are known collectively as the National Reports on Human Exposure to Environmental Chemicals Program and any substances specified by the commissioner after receiving recommendations under section 144.998, subdivision 3, clause (6).

(i) "Environmental hazard" means a chemical or other substance for which scientific, peer-reviewed studies of humans, animals, or cells have demonstrated that the chemical is known or reasonably anticipated to adversely impact human health.

(j) "Environmental health tracking" means collection, integration, analysis, and dissemination of data on human exposures to chemicals in the environment and on diseases potentially caused or aggravated by those chemicals.

Sec. 144. **[144.996] ENVIRONMENTAL HEALTH TRACKING; BIOMONITORING.**

Subdivision 1. **Environmental health tracking.** In cooperation with the commissioner of the Pollution Control Agency, the commissioner shall establish an environmental health tracking program to:

(1) coordinate data collection with the Pollution Control Agency, Department of Agriculture, University of Minnesota, and any other relevant state agency and work to promote the sharing of and access to health and environmental databases to develop an environmental health tracking system for Minnesota, consistent with applicable data practices laws;

(2) facilitate the dissemination of aggregate public health tracking data to the public and researchers in accessible format;

(3) develop a strategic plan that includes a mission statement, the identification of core priorities for research and epidemiologic surveillance, and the identification of internal and external stakeholders, and a work plan describing future program development and addressing issues having to do with compatibility with the Centers for Disease Control and Prevention's National Environmental Public Health Tracking Program;

(4) develop written data sharing agreements as needed with the Pollution Control Agency, Department of Agriculture, and other relevant state agencies and organizations, and develop additional procedures as needed to protect individual privacy;

(5) organize, analyze, and interpret available data, in order to:

(i) characterize statewide and localized trends and geographic patterns of population-based measures of chronic diseases including, but not limited to, cancer, respiratory diseases, reproductive problems, birth defects, neurologic diseases, and developmental disorders;

(ii) characterize statewide and localized trends and geographic patterns in the occurrence of environmental hazards and exposures;

(iii) assess the feasibility of integrating disease rate data with indicators of exposure to the selected environmental hazards such as biomonitoring data, and other health and environmental data;

(iv) incorporate newly collected and existing health tracking and biomonitoring data into efforts to identify communities with elevated rates of chronic disease, higher likelihood of exposure to environmental hazards, or both;

(v) analyze occurrence of environmental hazards, exposures, and diseases with relation to socioeconomic status, race, and ethnicity;

(vi) develop and implement targeted plans to conduct more intensive health tracking and biomonitoring among communities; and

(vii) work with the Pollution Control Agency, the Department of Agriculture, and other relevant state agency personnel and organizations to develop, implement, and evaluate preventive measures to reduce elevated rates of diseases and exposures identified through activities performed under sections 144.995 to 144.998; and

(6) submit a biennial report to the chairs and ranking members of the committees with jurisdiction over environment and health by January 15, beginning January 15, 2009, on the status of environmental health tracking activities and related research programs, with recommendations for a comprehensive environmental public health tracking program.

Subd. 2. Biomonitoring. The commissioner shall:

(1) conduct biomonitoring of communities on a voluntary basis by collecting and analyzing biospecimens, as appropriate, to assess environmental exposures to designated chemicals;

(2) conduct biomonitoring of pregnant women and minors on a voluntary basis, when scientifically appropriate;

(3) communicate findings to the public, and plan ensuing stages of biomonitoring and disease tracking work to further develop and refine the integrated analysis;

(4) share analytical results with the advisory panel and work with the panel to interpret results, communicate findings to the public, and plan ensuing stages of biomonitoring work; and

(5) submit a biennial report to the chairs and ranking members of the committees with jurisdiction over environment and health by January 15, beginning January 15, 2009, on the status of the biomonitoring program and any recommendations for improvement.

Subd. 3. Health data. Data collected under the biomonitoring program are health data under section 13.3805.

Sec. 145. [144.997] BIOMONITORING PILOT PROGRAM.

Subdivision 1. **Pilot program.** With advice from the advisory panel, and after the program guidelines in subdivision 4 are developed, the commissioner shall implement a biomonitoring pilot program. The program shall collect one biospecimen from each of the voluntary participants. The biospecimen selected must be the biospecimen that most accurately represents body concentration of the chemical of interest. Each biospecimen from the voluntary participants must be analyzed for one type or class of related chemicals. The commissioner shall determine the chemical or class of chemicals to which community members were most likely exposed. The program shall collect and assess biospecimens in accordance with the following:

(1) 30 voluntary participants from each of three communities that the commissioner identifies as likely to have been exposed to a designated chemical;

(2) 100 voluntary participants from each of two communities:

(i) that the commissioner identifies as likely to have been exposed to arsenic; and

(ii) that the commissioner identifies as likely to have been exposed to mercury; and

(3) 100 voluntary participants from each of two communities that the commissioner identifies as likely to have been exposed to perfluorinated chemicals, including perfluorobutanoic acid.

Subd. 2. **Base program.** (a) By January 15, 2008, the commissioner shall submit a report on the results of the biomonitoring pilot program to the chairs and ranking members of the committees with jurisdiction over health and environment.

(b) Following the conclusion of the pilot program, the commissioner shall:

(1) work with the advisory panel to assess the usefulness of continuing biomonitoring among members of communities assessed during the pilot program and to identify other communities and other designated chemicals to be assessed via biomonitoring;

(2) work with the advisory panel to assess the pilot program, including but not limited to the validity and accuracy of the analytical measurements and adequacy of the guidelines and protocols;

(3) communicate the results of the pilot program to the public; and

(4) after consideration of the findings and recommendations in clauses (1) and (2), and within the appropriations available, develop and implement a base program.

Subd. 3. **Participation.** (a) Participation in the biomonitoring program by providing biospecimens is voluntary and requires written, informed consent. Minors may participate in the program if a written consent is signed by the minor's parent or legal guardian. The written consent must include the information required to be provided under this subdivision to all voluntary participants.

(b) All participants shall be evaluated for the presence of the designated chemical of interest as a component of the biomonitoring process. Participants shall be provided with information and fact sheets about the program's activities and its findings. Individual participants shall, if requested, receive their complete results. Any results provided to participants shall be subject to the Department of Health Institutional Review Board protocols and guidelines. When either physiological or chemical data obtained from a participant indicate a significant known health risk, program staff experienced in communicating biomonitoring results shall consult with the individual and recommend follow-up steps, as appropriate. Program administrators shall receive training in administering the program in an ethical, culturally sensitive, participatory, and community-based manner.

Subd. 4. **Program guidelines.** (a) The commissioner, in consultation with the advisory panel, shall develop:

(1) protocols or program guidelines that address the science and practice of biomonitoring to be utilized and procedures for changing those protocols to incorporate new and more accurate or efficient technologies as they become available. The commissioner and the advisory panel shall be guided by protocols and guidelines developed by the Centers for Disease Control and Prevention and the National Biomonitoring Program;

(2) guidelines for ensuring the privacy of information; informed consent; follow-up counseling and support; and communicating findings to participants, communities, and the general public. The informed consent used for the program must meet the informed consent protocols developed by the National Institutes of Health;

(3) educational and outreach materials that are culturally appropriate for dissemination to program participants and communities. Priority shall be given to the development of materials specifically designed to ensure that parents are informed about all of the benefits of breastfeeding so that the program does not result in an unjustified fear of toxins in breast milk, which might inadvertently lead parents to avoid breastfeeding. The materials shall communicate relevant scientific findings; data on the accumulation of pollutants to community health; and the required responses by local, state, and other governmental entities in regulating toxicant exposures;

(4) a training program that is culturally sensitive specifically for health care providers, health educators, and other program administrators;

(5) a designation process for state and private laboratories that are qualified to analyze biospecimens and report the findings; and

(6) a method for informing affected communities and local governments representing those communities concerning biomonitoring activities and for receiving comments from citizens concerning those activities.

(b) The commissioner may enter into contractual agreements with health clinics, community-based organizations, or experts in a particular field to perform any of the activities described under this section.

Sec. 146. **[144.998] ENVIRONMENTAL HEALTH TRACKING AND BIOMONITORING ADVISORY PANEL.**

Subdivision 1. **Creation.** The commissioner shall establish the Environmental Health Tracking and Biomonitoring Advisory Panel. The commissioner shall appoint, from the panel's membership, a chair. The panel shall meet as often as it deems necessary but, at a minimum, on a quarterly basis. Members of the panel shall serve without compensation but shall be reimbursed for travel and other necessary expenses incurred through performance of their duties. Members appointed by the commissioner are appointed for a three-year term and may be reappointed. Legislative appointees serve at the pleasure of the appointing authority.

Subd. 2. **Members.** (a) The commissioner shall appoint eight members, none of whom may be lobbyists registered under chapter 10A, who have backgrounds or training in designing, implementing, and interpreting health tracking and biomonitoring studies or in related fields of science, including epidemiology, biostatistics, environmental health, laboratory sciences, occupational health, industrial hygiene, toxicology, and public health, including:

(1) at least two scientists representative of each of the following:

(i) nongovernmental organizations with a focus on environmental health, environmental justice, children's health, or on specific chronic diseases; and

(ii) statewide business organizations; and

(2) at least one scientist who is a representative of the University of Minnesota.

(b) Two citizen panel members meeting the scientific qualifications in paragraph (a) shall be appointed, one by the speaker of the house and one by the senate majority leader.

(c) In addition, one representative each shall be appointed by the commissioners of the Pollution Control Agency and the Department of Agriculture, and by the commissioner of health to represent the department's Health Promotion and Chronic Disease Division.

Subd. 3. **Duties.** The advisory panel shall make recommendations to the commissioner and the legislature on:

(1) priorities for health tracking;

(2) priorities for biomonitoring that are based on sound science and practice, and that will advance the state of public health in Minnesota;

- (3) specific chronic diseases to study under the environmental health tracking system;
 - (4) specific environmental hazard exposures to study under the environmental health tracking system, with the agreement of at least nine of the advisory panel members;
 - (5) specific communities and geographic areas on which to focus environmental health tracking and biomonitoring efforts;
 - (6) specific chemicals to study under the biomonitoring program, with the agreement of at least nine of the advisory panel members; in making these recommendations, the panel may consider the following criteria:
 - (i) the degree of potential exposure to the public or specific subgroups, including, but not limited to, occupational;
 - (ii) the likelihood of a chemical being a carcinogen or toxicant based on peer-reviewed health data, the chemical structure, or the toxicology of chemically related compounds;
 - (iii) the limits of laboratory detection for the chemical, including the ability to detect the chemical at low enough levels that could be expected in the general population;
 - (iv) exposure or potential exposure to the public or specific subgroups;
 - (v) the known or suspected health effects resulting from the same level of exposure based on peer-reviewed scientific studies;
 - (vi) the need to assess the efficacy of public health actions to reduce exposure to a chemical;
 - (vii) the availability of a biomonitoring analytical method with adequate accuracy, precision, sensitivity, specificity, and speed;
 - (viii) the availability of adequate biospecimen samples; or
 - (ix) other criteria that the panel may agree to; and
 - (7) other aspects of the design, implementation, and evaluation of the environmental health tracking and biomonitoring system, including, but not limited to:
 - (i) identifying possible community partners and sources of additional public or private funding;
 - (ii) developing outreach and educational methods and materials; and
 - (iii) disseminating environmental health tracking and biomonitoring findings to the public.
- Subd. 4. **Liability.** No member of the panel shall be held civilly or criminally liable for an act or omission by that person if the act or omission was in good faith and within the scope of the member's responsibilities under sections 144.995 to 144.998.

Sec. 147. Minnesota Statutes 2006, section 219.99, is amended to read:

219.99 RAILROAD PRAIRIE RIGHT-OF-WAY; BEST MANAGEMENT PRACTICES.

The commissioner of natural resources shall conduct a field review of railroad rights-of-way to identify native prairie. The priority will be to identify and conduct a field review of any surveys which have been conducted previously, whether by public or private persons, of native prairies within railroad rights-of-way in this state. In cooperation with railroad companies, the commissioner shall identify management practices used to control vegetation along railroad rights-of-way. The commissioner shall then assess the impact of those management practices on the prairie lands within the railroad rights-of-way. Based on that assessment, the commissioner and railroad companies shall jointly develop voluntary best management practices for prairie lands within railroad rights-of-way. The commissioner shall, to the extent feasible, work with private individuals and groups to cause to be erected markers at either end of each native prairie within a railroad right-of-way.

Sec. 148. Minnesota Statutes 2006, section 282.04, subdivision 1, is amended to read:

Subdivision 1. **Timber sales; land leases and uses.** (a) The county auditor may sell timber upon any tract that may be approved by the natural resources commissioner. The sale of timber shall be made for cash at not less than the appraised value determined by the county board to the highest bidder after not less than one week's published notice in an official paper within the county. Any timber offered at the public sale and not sold may thereafter be sold at private sale by the county auditor at not less than the appraised value thereof, until the time as the county board may withdraw the timber from sale. The appraised value of the timber and the forestry practices to be followed in the cutting of said timber shall be approved by the commissioner of natural resources.

(b) Payment of the full sale price of all timber sold on tax-forfeited lands shall be made in cash at the time of the timber sale, except in the case of oral or sealed bid auction sales, the down payment shall be no less than 15 percent of the appraised value, and the balance shall be paid prior to entry. In the case of auction sales that are partitioned and sold as a single sale with predetermined cutting blocks, the down payment shall be no less than 15 percent of the appraised price of the entire timber sale which may be held until the satisfactory completion of the sale or applied in whole or in part to the final cutting block. The value of each separate block must be paid in full before any cutting may begin in that block. With the permission of the county contract administrator the purchaser may enter unpaid blocks and cut necessary timber incidental to developing logging roads as may be needed to log other blocks provided that no timber may be removed from an unpaid block until separately scaled and paid for. If payment is provided as specified in this paragraph as security under paragraph (a) and no cutting has taken place on the contract, the county auditor may credit the security provided, less any down payment required for an auction sale under this paragraph, to any other contract issued to the contract holder by the county under this chapter to which the contract holder requests in writing that it be credited, provided the request and transfer is made within the same calendar year as the security was received.

(c) The county board may ~~require final settlement on the basis of a scale of cut products~~ sell any timber, including biomass, as appraised or scaled. Any parcels of land from which timber is to be sold by scale of cut products shall be so designated in the published notice of sale under paragraph (a), in which case the notice shall contain a description of the parcels, a statement of the estimated quantity of each species of timber, and the appraised price of each species of timber for 1,000 feet, per cord or per piece, as the case may be. In those cases any bids offered over and above the appraised prices shall be by percentage, the percent bid to be added to the appraised price of each of the different species of timber advertised on the land. The purchaser of timber from the parcels shall pay in cash at the time of sale at the rate bid for all of the timber shown in the notice of sale as estimated to be standing on the land, and in addition shall pay at the same rate for any additional amounts which the final scale shows to have been cut or was available for cutting on the land at the time of sale under the terms of the sale. Where the final scale of cut products shows that less timber was cut or was available for cutting under terms of the sale than was originally paid for, the excess payment shall be refunded from the forfeited tax sale fund upon the claim of the

purchaser, to be audited and allowed by the county board as in case of other claims against the county. No timber, except hardwood pulpwood, may be removed from the parcels of land or other designated landings until scaled by a person or persons designated by the county board and approved by the commissioner of natural resources. Landings other than the parcel of land from which timber is cut may be designated for scaling by the county board by written agreement with the purchaser of the timber. The county board may, by written agreement with the purchaser and with a consumer designated by the purchaser when the timber is sold by the county auditor, and with the approval of the commissioner of natural resources, accept the consumer's scale of cut products delivered at the consumer's landing. No timber shall be removed until fully paid for in cash. Small amounts of timber not exceeding \$3,000 in appraised valuation may be sold for not less than the full appraised value at private sale to individual persons without first publishing notice of sale or calling for bids, provided that in case of a sale involving a total appraised value of more than \$200 the sale shall be made subject to final settlement on the basis of a scale of cut products in the manner above provided and not more than two of the sales, directly or indirectly to any individual shall be in effect at one time.

(d) As directed by the county board, the county auditor may lease tax-forfeited land to individuals, corporations or organized subdivisions of the state at public or private sale, and at the prices and under the terms as the county board may prescribe, for use as cottage and camp sites and for agricultural purposes and for the purpose of taking and removing of hay, stumpage, sand, gravel, clay, rock, marl, and black dirt from the land, and for garden sites and other temporary uses provided that no leases shall be for a period to exceed ten years; provided, further that any leases involving a consideration of more than \$12,000 per year, except to an organized subdivision of the state shall first be offered at public sale in the manner provided herein for sale of timber. Upon the sale of any leased land, it shall remain subject to the lease for not to exceed one year from the beginning of the term of the lease. Any rent paid by the lessee for the portion of the term cut off by the cancellation shall be refunded from the forfeited tax sale fund upon the claim of the lessee, to be audited and allowed by the county board as in case of other claims against the county.

(e) As directed by the county board, the county auditor may lease tax-forfeited land to individuals, corporations, or organized subdivisions of the state at public or private sale, at the prices and under the terms as the county board may prescribe, for the purpose of taking and removing for use for road construction and other purposes tax-forfeited stockpiled iron-bearing material. The county auditor must determine that the material is needed and suitable for use in the construction or maintenance of a road, tailings basin, settling basin, dike, dam, bank fill, or other works on public or private property, and that the use would be in the best interests of the public. No lease shall exceed ten years. The use of a stockpile for these purposes must first be approved by the commissioner of natural resources. The request shall be deemed approved unless the requesting county is notified to the contrary by the commissioner of natural resources within six months after receipt of a request for approval for use of a stockpile. Once use of a stockpile has been approved, the county may continue to lease it for these purposes until approval is withdrawn by the commissioner of natural resources.

(f) The county auditor, with the approval of the county board is authorized to grant permits, licenses, and leases to tax-forfeited lands for the depositing of stripping, lean ores, tailings, or waste products from mines or ore milling plants, upon the conditions and for the consideration and for the period of time, not exceeding 15 years, as the county board may determine. The permits, licenses, or leases are subject to approval by the commissioner of natural resources.

(g) Any person who removes any timber from tax-forfeited land before said timber has been scaled and fully paid for as provided in this subdivision is guilty of a misdemeanor.

(h) The county auditor may, with the approval of the county board, and without first offering at public sale, grant leases, for a term not exceeding 25 years, for the removal of peat and for the production or removal of farm-grown closed-loop biomass as defined in section 216B.2424, subdivision 1, or short-rotation woody crops from tax-forfeited lands upon the terms and conditions as the county board may prescribe. Any lease for the removal of peat,

farm-grown closed-loop biomass, or short-rotation woody crops from tax-forfeited lands must first be reviewed and approved by the commissioner of natural resources if the lease covers 320 or more acres. No lease for the removal of peat, farm-grown closed-loop biomass, or short-rotation woody crops shall be made by the county auditor pursuant to this section without first holding a public hearing on the auditor's intention to lease. One printed notice in a legal newspaper in the county at least ten days before the hearing, and posted notice in the courthouse at least 20 days before the hearing shall be given of the hearing.

(i) Notwithstanding any provision of paragraph (c) to the contrary, the St. Louis County auditor may, at the discretion of the county board, sell timber to the party who bids the highest price for all the several kinds of timber, as provided for sales by the commissioner of natural resources under section 90.14. Bids offered over and above the appraised price need not be applied proportionately to the appraised price of each of the different species of timber.

(j) In lieu of any payment or deposit required in paragraph (b), as directed by the county board and under terms set by the county board, the county auditor may accept an irrevocable bank letter of credit in the amount equal to the amount otherwise determined in paragraph (b). If an irrevocable bank letter of credit is provided under this paragraph, at the written request of the purchaser, the county may periodically allow the bank letter of credit to be reduced by an amount proportionate to the value of timber that has been harvested and for which the county has received payment. The remaining amount of the bank letter of credit after a reduction under this paragraph must not be less than 20 percent of the value of the timber purchased. If an irrevocable bank letter of credit or cash deposit is provided for the down payment required in paragraph (b), and no cutting of timber has taken place on the contract for which a letter of credit has been provided, the county may allow the transfer of the letter of credit to any other contract issued to the contract holder by the county under this chapter to which the contract holder requests in writing that it be credited.

Sec. 149. **[325E.385] PRODUCTS CONTAINING POLYBROMINATED DIPHENYL ETHER.**

Subdivision 1. **Definitions.** For the purposes of sections 325E.386 to 325E.388, the terms in this section have the meanings given them.

Subd. 2. **Commercial decabromodiphenyl ether.** "Commercial decabromodiphenyl ether" means the chemical mixture of decabromodiphenyl ether, including associated polybrominated diphenyl ether impurities not intentionally added.

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of the Pollution Control Agency.

Subd. 4. **Manufacturer.** "Manufacturer" means any person, firm, association, partnership, corporation, governmental entity, organization, or joint venture that produces a product containing polybrominated diphenyl ethers or an importer or domestic distributor of a noncombustible product containing polybrominated diphenyl ethers.

Subd. 5. **Polybrominated diphenyl ethers or PBDE's.** "Polybrominated diphenyl ethers" or "PBDE's" means chemical forms that consist of diphenyl ethers bound with bromine atoms. Polybrominated diphenyl ethers include, but are not limited to, the three primary forms of the commercial mixtures known as pentabromodiphenyl ether, octabromodiphenyl ether, and decabromodiphenyl ether.

Subd. 6. **Retailer.** "Retailer" means a person who offers a product for sale at retail through any means, including, but not limited to, remote offerings such as sales outlets, catalogs, or the Internet, but does not include a sale that is a wholesale transaction with a distributor or a retailer.

Subd. 7. **Used product.** "Used product" means any product that has been previously owned, purchased, or sold in commerce. Used product does not include any product manufactured after January 1, 2008.

Sec. 150. **[325E.386] PRODUCTS CONTAINING CERTAIN POLYBROMINATED DIPHENYL ETHERS BANNED; EXEMPTIONS.**

Subdivision 1. **Penta- and octabromodiphenyl ethers.** Except as provided in subdivision 3, beginning January 1, 2008, a person may not manufacture, process, or distribute in commerce a product or flame-retardant part of a product containing more than one-tenth of one percent of pentabromodiphenyl ether or octabromodiphenyl ether by mass.

Subd. 2. **Exemptions.** The following products containing polybrominated diphenyl ethers are exempt from subdivision 1 and section 325E.387, subdivision 2:

(1) the sale or distribution of any used transportation vehicle with component parts containing polybrominated diphenyl ethers;

(2) the sale or distribution of any used transportation vehicle parts or new transportation vehicle parts manufactured before January 1, 2008, that contain polybrominated diphenyl ethers;

(3) the manufacture, sale, repair, distribution, maintenance, refurbishment, or modification of equipment containing polybrominated diphenyl ethers and used primarily for military or federally funded space program applications. This exemption does not cover consumer-based goods with broad applicability;

(4) the sale or distribution by a business, charity, public entity, or private party of any used product containing polybrominated diphenyl ethers;

(5) the manufacture, sale, or distribution of new carpet cushion made from recycled foam containing more than one-tenth of one percent polybrominated diphenyl ether;

(6) medical devices; or

(7) the manufacture, sale, repair, distribution, maintenance, refurbishment, or modification of telecommunications equipment containing polybrominated diphenyl ethers used by entities eligible to hold authorization in the Public Safety Pool under Code of Federal Regulations, title 47, part 90.

In-state retailers in possession of products on January 1, 2008, that are banned for sale under subdivision 1 may exhaust their stock through sales to the public. Nothing in this section restricts the ability of a manufacturer, importer, or distributor from transporting products containing polybrominated diphenyl ethers through the state, or storing such products in the state for later distribution outside the state.

Sec. 151. **[325E.387] REVIEW OF DECABROMODIPHENYL ETHER.**

Subdivision 1. **Commissioner duties.** The commissioner in consultation with the commissioners of health and public safety shall review uses of commercial decabromodiphenyl ether, availability of technically feasible and safer alternatives, fire safety, and any evidence regarding the potential harm to public health and the environment posed by commercial decabromodiphenyl ether and the alternatives. The commissioner must consult with key stakeholders. The commissioner must also review the findings from similar state and federal agencies and must report their findings and recommendations to the appropriate committees of the legislature no later than January 15, 2008.

Subd. 2. **State procurement.** By January 1, 2008, the commissioner of administration shall make available for purchase and use by all state agencies equipment, supplies, and other products that do not contain polybrominated diphenyl ethers, unless exempted under section 325E.386, subdivision 2.

Sec. 152. **[325E.388] PENALTIES.**

A manufacturer who violates sections 325E.386 to 325E.388 is subject to a civil penalty not to exceed \$1,000 for each violation in the case of a first offense. A manufacturer is subject to a civil penalty not to exceed \$5,000 for each repeat offense. Penalties collected under this section must be deposited in an account in the special revenue fund and are appropriated in fiscal years 2008 and 2009 to the commissioner to implement and enforce this section.

Sec. 153. Minnesota Statutes 2006, section 394.23, is amended to read:

394.23 COMPREHENSIVE PLAN.

The board has the power and authority to prepare and adopt by ordinance, a comprehensive plan. A comprehensive plan or plans when adopted by ordinance must be the basis for official controls adopted under the provisions of sections 394.21 to 394.37. The commissioner of natural resources must provide the natural heritage data from the county biological survey, if available, to each county for use in the comprehensive plan.

Sec. 154. Minnesota Statutes 2006, section 462.353, subdivision 2, is amended to read:

Subd. 2. **Studies and reports.** In exercising its powers under subdivision 1, a municipality may collect and analyze data, prepare maps, charts, tables, and other illustrations and displays, and conduct necessary studies. A municipality may publicize its purposes, suggestions, and findings on planning matters, may distribute reports thereon, and may advise the public on the planning matters within the scope of its duties and objectives. The commissioner of natural resources must provide the natural heritage data from the county biological survey, if available, to each municipality for use in the comprehensive plan.

Sec. 155. Laws 2003, chapter 128, article 1, section 167, subdivision 1, as amended by Laws 2005, First Special Session chapter 1, article 2, section 152, is amended to read:

Subdivision 1. **Forest classification status review.** (a) By December 31, 2006, the commissioner of natural resources shall complete a review of the forest classification status of all state forests classified as managed or limited, all forest lands under the authority of the commissioner as defined in Minnesota Statutes, section 89.001, subdivision 13, and lands managed by the commissioner under Minnesota Statutes, section 282.011. The review must be conducted on a forest-by-forest and area-by-area basis in accordance with the process and criteria under Minnesota Rules, part 6100.1950. Except as provided in paragraph (d), after each forest is reviewed, the commissioner must change ~~its~~ the status of the lands within each forest to limited or closed, and. The commissioner may classify portions of a limited forest as closed. The commissioner must also provide a similar status for each of the other areas subject to review under this section after each individual review is completed.

(b) If the commissioner determines on January 1, 2005, that the review required under this section cannot be completed by December 31, 2006, the completion date for the review shall be extended to December 31, 2008. By January 15, 2005, the commissioner shall report to the chairs of the legislative committees with jurisdiction over natural resources policy and finance regarding the status of the process required by this section.

(c) Until December 31, 2010, the state forests and areas subject to review under this section are exempt from Minnesota Statutes, section 84.777, unless an individual forest or area has been classified as limited or closed.

(d) Notwithstanding the restrictions in paragraph (a), and Minnesota Statutes, section 84.777, subdivision 1, all forest lands under the authority of the commissioner as defined in Minnesota Statutes, section 89.001, subdivision 13, and lands managed by the commissioner under Minnesota Statutes, section 282.011, that are north of U.S. Highway 2 shall maintain their present classification unless the commissioner reclassifies the lands under Minnesota Rules, part 6100.1950. The commissioner shall provide for seasonal trail closures when conditions warrant them. By December 31, 2008, the commissioner shall complete the review and designate trails on forest lands north of Highway 2 as provided in this section.

Sec. 156. Laws 2003, chapter 128, article 1, section 169, is amended to read:

Sec. 169. **CONTINUOUS TRAIL DESIGNATION.**

(a) The commissioner of natural resources shall locate, plan, design, map, construct, designate, and sign a new trail for use by all-terrain vehicles and off-highway motorcycles of not less than 70 continuous miles in length on any land owned by the state or in cooperation with any county on land owned by that county or on a combination of any of these lands. This new trail shall be ready for use by ~~April 1, 2007~~ June 30, 2009.

(b) All funding for this new trail shall come from the all-terrain vehicle dedicated account and is appropriated each year as needed.

(c) This new trail shall have at least two areas of access complete with appropriate parking for vehicles and trailers and enough room for loading and unloading all-terrain vehicles. Some existing trails, that are strictly all-terrain vehicle trails, and are not inventoried forest roads, may be incorporated into the design of this new all-terrain vehicle trail. This new trail may be of a continuous loop design and shall provide for spurs to other all-terrain vehicle trails as long as those spurs do not count toward the 70 continuous miles of this new all-terrain vehicle trail. Four rest areas shall be provided along the way.

Sec. 157. Laws 2006, chapter 236, article 1, section 21, is amended to read:

Sec. 21. **EXCHANGE OF TAX-FORFEITED LAND; PRIVATE SALE; ITASCA COUNTY.**

(a) For the purpose of a land exchange for use in connection with a proposed steel mill in Itasca County referenced in Laws 1999, chapter 240, article 1, section 8, subdivision 3, title examination and approval of the land described in paragraph (b) shall be undertaken as a condition of exchange of the land for class B land, and shall be governed by Minnesota Statutes, section 94.344, subdivisions 9 and 10, and the provisions of this section. Notwithstanding the evidence of title requirements in Minnesota Statutes, section 94.344, subdivisions 9 and 10, the county attorney shall examine one or more title reports or title insurance commitments prepared or underwritten by a title insurer licensed to conduct title insurance business in this state, regardless of whether abstracts were created or updated in the preparation of the title reports or commitments. The opinion of the county attorney, and approval by the attorney general, shall be based on those title reports or commitments.

(b) The land subject to this section is located in Itasca County and is described as:

(1) Sections 3, 4, 7, 10, 14, 15, 16, 17, 18, 20, 21, 22, 23, 26, 28, and 29, Township 56 North, Range 22 West;

(2) Sections 3, 4, 9, 10, 13, and 14, Township 56 North, Range 23 West;

(3) Section 30, Township 57 North, Range 22 West; and

(4) Sections 25, 26, 34, 35, and 36, Township 57 North, Range 23 West.

(c) Riparian land given in exchange by Itasca County for the purpose of the steel mill referenced in paragraph (a), is exempt from the restrictions imposed by Minnesota Statutes, section 94.342, subdivision 3.

(d) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Itasca County may sell, by private sale, any land received in exchange for the purpose of the steel mill referenced in paragraph (a), under the remaining provisions of Minnesota Statutes, chapter 282. The sale must be in a form approved by the attorney general.

(e) Notwithstanding Minnesota Statutes, section 284.28, subdivision 8, or any other law to the contrary, land acquired through an exchange under this section is exempt from payment of three percent of the sales price required to be collected by the county auditor at the time of sale for deposit in the state treasury.

Sec. 158. **RELIEF PAYMENTS FOR TIMBER SALE PERMITS.**

(a) Notwithstanding Minnesota Statutes, section 90.161, 90.173, 90.211, or other law to the contrary, the commissioner of natural resources shall provide payment to permittees with eligible permits subject to the following limits and conditions:

(1) permittees will receive a payment equal to the lesser of \$2,250 or 60 percent of the 15 percent down payment required under Minnesota Statutes, section 90.14, for each eligible permit forfeited within 60 days following the effective date of this section; or

(2) permittees will receive a payment equal to 60 percent of the 15 percent down payment required under Minnesota Statutes, section 90.14, for each eligible permit the permittee commits to cut and close by the earlier of June 30, 2010, or when the permit expires. This commitment must be made within 60 days following the effective date of this section. Payment must be returned to the state for each permit for which the permittee fails to fulfill the commitment under this clause.

(b) Payments under paragraph (a) shall be mailed to permittees by August 31, 2007.

(c) An "eligible permit" means a state timber permit:

(1) that was issued on or after June 1, 2004, but before April 1, 2006; and

(2) for which there has been no harvesting, road building, or other on-the-ground actions taken.

(d) Permittees in default or trespass status are not eligible for payments under this section. A permittee may forfeit any number of complete permits, not to exceed 7,500 cords in total. Partial permits may not be forfeited to meet the 7,500-cord maximum.

(e) The commissioner shall reoffer the forfeited sales no later than January 31, 2008.

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

Sec. 159. **FOREST PROTECTION PLAN.**

Subdivision 1. **Task force plan.** (a) The Forest Resources Council shall create a task force to develop a plan to prepare the state for early detection, appropriate response, and educating the public regarding invasive pests that threaten the tree cover of Minnesota. The task force also may give advice on how to best promote forest diversity and the planting of trees to address environmental challenges with the state. The plan must address:

(1) current efforts to address forest pests, what geographic areas and property types have regular and active monitoring of forest pests, and gaps in the adequacy of the current oversight and detection system;

(2) how the state may establish a flexible, yet comprehensive, system of tree monitoring so that trees in all areas of Minnesota will be covered by active early pest detection efforts. In analyzing this, the task force shall consider possible roles for certified tree inspectors, volunteers, and state and local government;

(3) current storm damage response and how that might be improved for forest health and to minimize vulnerability to pest infection;

(4) the adequacy of the current response plan, the clarity of state and local roles and responsibilities, emergency communication plans, and the availability of needed funding for pest outbreak response and how to scale it up should a major outbreak be detected;

(5) recommendations for clear delineation of state and local roles in notifying property owners and enforcing remediation actions;

(6) the best approach to broad public education on the threats of new invasive tree pests, the expected response to an outbreak, the value of trees to our environment, and the promotion of a more diversified tree cover statewide; and

(7) an assessment of funding needs and options for the above activities and possible funding approaches to promote the planting of a more diverse tree cover, along with assisting in the costs of tree removal and replacement for public entities and property owners.

(b) A report and recommendations to the legislative committees with jurisdiction over natural resources and to the Legislative-Citizen Commission on Minnesota Resources shall be due on December 15, 2007.

Subd. 2. **Task force creation.** The chair of the Forest Resources Council and the commissioners of agriculture and natural resources shall jointly appoint the members of the task force, which shall include up to 15 members with representatives of the University of Minnesota; city, township, and county associations; commercial timber and forest industries of varying size; nursery and landscape architecture; arborists and certified tree inspectors; nonprofit organizations engaged in tree advocacy, planting, and education; master gardeners; and the Minnesota Shade Tree Advisory Council and a tribal representative recommended by the Indian Affairs Council.

Representatives of the Departments of Agriculture and Natural Resources shall serve as ex-officio members and assist the task force in its work.

Sec. 160. **ENDOCRINE DISRUPTOR REPORT.**

(a) The commissioner of the Pollution Control Agency, in consultation with the commissioner of agriculture, the commissioner of health, the commissioner of natural resources, the University of Minnesota, and the United States Environmental Protection Agency, shall prepare a report on strategies to address endocrine disruptors in waters of the state. The report shall include:

(1) a review of the current literature of known endocrine-disrupting compounds to determine which ones are most likely to be of significance to humans, fish, and wildlife in Minnesota;

(2) a review of scientific studies to determine whether these compounds have the potential to account for known effects on humans, fish, and wildlife in Minnesota;

(3) a review of the comparative risk posed by endocrine-disrupting compounds to the long-term viability of populations of fish and wildlife; and

(4) an evaluation of the practicability and the cost of prevention and remediation strategies for any endocrine-disrupting compounds found in clauses (1) and (2), as well as other potential endocrine disruptors.

(b) By January 15, 2008, the commissioner shall submit the report to the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources policy and finance.

Sec. 161. **EASEMENT REPORT REQUIRED.**

By January 1, 2008, the commissioner of natural resources must report to the house and senate committees with jurisdiction over environment and natural resources finance with proposed minimum legal and conservation standards that could be applied to conservation easements acquired with public money.

Sec. 162. **TAX-FORFEITED LANDS LEASE; ITASCA COUNTY.**

Notwithstanding Minnesota Statutes, section 282.04, or other law to the contrary, the Itasca County auditor may lease tax-forfeited land to a proposed steel mill in Itasca County for a period of 20 years, for use as a tailings basin and buffer area. A lease entered under this section is renewable.

Sec. 163. **WILD RICE STUDY.**

By February 15, 2008, the commissioner of natural resources must prepare a study for natural wild rice that includes:

- (1) the current location and estimated acreage and area of natural stands;
- (2) potential threats to natural stands, including, but not limited to, development pressure, water levels, pollution, invasive species, and genetically engineered strains; and
- (3) recommendations to the house and senate committees with jurisdiction over natural resources on protecting and increasing natural wild rice stands in the state.

In developing the study, the commissioner must contact and ask for comments from the state's wild rice industry, the commissioner of agriculture, local officials with significant areas of wild rice within their jurisdictions, tribal leaders within affected federally recognized tribes, and interested citizens.

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

Sec. 164. **CONSTRUCTION.**

Nothing in sections 139, 140, 141, and 162 affects, alters, or modifies the authorities, responsibilities, obligations, or powers of the state or any political subdivision thereof or any federally recognized tribe.

Sec. 165. **SEPTIC BEST PRACTICES ASSISTANCE.**

The commissioner of the Pollution Control Agency shall establish a database of best practices regarding the installation, management, and maintenance of individual sewage treatment systems. The database must be made available to any interested public or private party.

Sec. 166. **RULEMAKING.**

Within 90 days of the effective date of this section, the Board of Water and Soil Resources shall adopt rules that amend Minnesota Rules, chapter 8420, to incorporate statute changes and to address the related wetland exemption provisions in Minnesota Rules, parts 8420.0115 to 8420.0210, and the wetland replacement and banking provisions in Minnesota Rules, parts 8420.0500 to 8420.0760. These rules are exempt from the rulemaking provisions of

Minnesota Statutes, chapter 14, except that Minnesota Statutes, section 14.386, applies and the proposed rules must be submitted to the senate and house committees having jurisdiction over environment and natural resources at least 30 days prior to being published in the State Register. The amended rules are effective for two years from the date of publication in the State Register unless they are superseded by permanent rules.

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

Sec. 167. **GREENLEAF LAKE STATE RECREATION AREA.**

Subdivision 1. [85.013] [Subd. 11b.] Greenleaf Lake State Recreation Area. In addition to the lands designated under Laws 2003, First Special Session chapter 13, section 6, as amended by Laws 2004, chapter 262, article 2, section 10, the following lands are added to the Greenleaf Lake State Recreation Area:

(1) the West 1104.98 feet of Government Lot 4, Section 21, Township 118 North, Range 30 West, Meeker County, Minnesota; and

(2) that part of Government Lot 7 of Section 20, Township 118, Range 30, which lies south of the following described line and its extensions: said line commencing at the southwest corner of said Section 20; thence on an assumed bearing of North 08 degrees 22 minutes 44 seconds West, along the west line of said section, a distance of 1350.00 feet to the point of beginning of the line to be described; thence North 88 degrees 28 minutes 35 seconds East, a distance of 699 feet to the shoreline of Greenleaf Lake and said line terminating thereat; and Government Lot 8 of said section except the following described tract: said tract being that part of said Government Lot 8 lying east of the following described line: said line commencing at the southwest corner of said section; thence easterly, along the south line of said section, a distance of 734.60 feet to the point of beginning of the line to be described; thence north at a right angle, a distance of 100 feet and said line terminating thereat.

Subd. 2. Management. The commissioner of natural resources, in consultation with local elected officials and citizens of Meeker County and other interested stakeholders, shall develop a comprehensive management plan that provides for opportunities for outdoor recreation, as defined under Minnesota Statutes, section 86A.03, subdivision 3, in Greenleaf Lake State Recreation Area. The completed management plan shall serve as the master plan for purposes of Minnesota Statutes, section 86A.09.

Sec. 168. **VERMILLION HIGHLANDS WILDLIFE MANAGEMENT AREA.**

(a) The following area is established and designated as the Vermillion Highlands Wildlife Management Area, subject to the special permitted uses authorized in this section:

The approximately 2,840 acres owned by the University of Minnesota lying within the area legally described as approximately the southerly 3/4 of the Southwest 1/4 of Section 1, the Southeast 1/4 of Section 2, the East 1/2 of Section 10, Section 11, the West 1/2 of Section 12, Section 13, and Section 14, all in Township 114 North, Range 19 West, Dakota County.

(b) Notwithstanding Minnesota Statutes, section 86A.05, subdivision 8, paragraph (c), permitted uses in the Vermillion Highlands Wildlife Management Area include:

(1) education, outreach, and agriculture with the intent to eventually phase out agriculture leases and plant and restore native prairie;

(2) research by the University of Minnesota or other permitted researchers;

(3) hiking, hunting, fishing, trapping, and other compatible wildlife-related recreation of a natural outdoors experience, without constructing new hard surface trails or roads, and supporting management and improvements;

(4) designated trails for hiking, horseback riding, biking, and cross-country skiing and necessary trailhead support with minimal impact on the permitted uses in clause (3);

(5) shooting sports facilities for sporting clays, skeet, trapshooting, and rifle and pistol shooting, including sanctioned events and training for responsible handling and use of firearms;

(6) grant-in-aid snowmobile trails; and

(7) leases for small-scale farms to market vegetable farming.

(c) With the concurrence of representatives of the University of Minnesota and Dakota County, the commissioner of natural resources may, by posting or rule, restrict the permitted uses as follows:

(1) temporarily close areas or trails, by posting at the access points, to facilitate hunting. When temporarily closing trails under this clause, the commissioner shall avoid closing all trail loops simultaneously whenever practical; or

(2) limit other permitted uses to accommodate hunting and trapping after providing advance public notice. Research conducted by the university may not be limited unless mutually agreed by the commissioner and the University of Minnesota.

(d) Road maintenance within the wildlife management area shall be minimized, with the intent to abandon interior roads when no longer needed for traditional agriculture purposes.

(e) Money collected on leases from lands within the wildlife management area must be kept in a separate account and spent within the wildlife management area under direction of the representatives listed in paragraph (c). \$200,000 of this money may be transferred to the commissioner of natural resources for a master planning process and resource inventory of the land identified in Minnesota Statutes, section 137.50, subdivision 6, in order to provide needed prairie and wetland restoration. The commissioner must work with affected officials from the University of Minnesota and Dakota County to complete these requirements and inform landowners and lessees about the planning process.

(f) Notwithstanding Minnesota Statutes, sections 97A.061 and 477A.11, the state of Minnesota shall not provide payments in lieu of taxes for the lands described in paragraph (a).

Sec. 169. **INFORMATION SHARING.**

On or before August 1, 2007, the commissioner of health, the Pollution Control Agency, and the University of Minnesota are requested to jointly develop and sign a memorandum of understanding declaring their intent to share new and existing environmental hazard, exposure, and health outcome data, within applicable data privacy laws, and to cooperate and communicate effectively to ensure sufficient clarity and understanding of the data by divisions and offices within both departments. The signed memorandum of understanding shall be reported to the chairs and ranking members of the senate and house of representatives committees having jurisdiction over judiciary, environment, and health and human services.

Sec. 170. **REPEALER.**

(a) Minnesota Statutes 2006, sections 18G.16; and 89.51, subdivision 8, are repealed.

(b) Minnesota Statutes 2006, section 103G.2241, subdivision 8, is repealed the day following final enactment.

(c) Minnesota Statutes 2006, section 85.012, subdivision 24b, is repealed.

ARTICLE 2

ENERGY

Section 1. SUMMARY OF APPROPRIATIONS.

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

	<u>2008</u>	<u>2009</u>	<u>Total</u>
<u>General</u>	<u>\$37,870,000</u>	<u>\$29,459,000</u>	<u>\$67,329,000</u>
<u>Petroleum Tank Cleanup</u>	<u>1,084,000</u>	<u>1,084,000</u>	<u>2,168,000</u>
<u>Workers' Compensation</u>	<u>835,000</u>	<u>835,000</u>	<u>1,670,000</u>
<u>Special Revenue</u>	<u>7,725,000</u>	<u>7,725,000</u>	<u>15,450,000</u>
<u>Total</u>	<u>\$47,514,000</u>	<u>\$39,103,000</u>	<u>\$86,617,000</u>

Sec. 2. ENERGY FINANCE APPROPRIATIONS.

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

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

Sec. 3. DEPARTMENT OF COMMERCE.

<u>Subdivision 1. Total Appropriation</u>	<u>\$42,167,000</u>	<u>\$33,670,000</u>
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Appropriations by Fund

	<u>2008</u>	<u>2009</u>
<u>General</u>	<u>32,523,000</u>	<u>24,026,000</u>
<u>Petroleum Cleanup</u>	<u>1,084,000</u>	<u>1,084,000</u>

<u>APPROPRIATIONS</u>		
<u>Available for the Year</u>		
<u>Ending June 30</u>		
	<u>2008</u>	<u>2009</u>
<u>Workers' Compensation</u>	<u>835,000</u>	<u>835,000</u>
<u>Special Revenue</u>	<u>7,725,000</u>	<u>7,725,000</u>
<u>The amounts that may be spent for each purpose are specified in the following subdivisions.</u>		
Subd. 2. <u>Financial Examinations</u>	<u>6,489,000</u>	<u>6,637,000</u>
Subd. 3. <u>Petroleum Tank Release Cleanup Board</u>	<u>1,084,000</u>	<u>1,084,000</u>
<u>This appropriation is from the petroleum tank release cleanup fund.</u>		
Subd. 4. <u>Administrative Services</u>	<u>4,508,000</u>	<u>4,604,000</u>
Subd. 5. <u>Market Assurance</u>	<u>6,950,000</u>	<u>7,097,000</u>
<u>Appropriations by Fund</u>		
<u>General</u>	<u>6,115,000</u>	<u>6,262,000</u>
<u>Workers' Compensation</u>	<u>835,000</u>	<u>835,000</u>
Subd. 6. <u>Energy and Telecommunications</u>	<u>\$23,036,000</u>	<u>\$14,148,000</u>
<u>Appropriations by Fund</u>		
<u>General</u>	<u>15,411,000</u>	<u>6,523,000</u>
<u>Special Revenue</u>	<u>7,625,000</u>	<u>7,625,000</u>

The utility subject to Minnesota Statutes, section 116C.779, shall transfer \$7,625,000 in fiscal year 2008 and \$7,625,000 in fiscal year 2009 to the Department of Commerce on a schedule to be determined by the commissioner of commerce. The funds must be deposited in the special revenue fund and are appropriated to the commissioner for grants to promote renewable energy projects and community energy outreach and assistance. Of the amounts identified:

(1) \$500,000 each year for capital grants for on-farm biogas recovery facilities; eligible projects will be selected in coordination with the Department of Agriculture and the Pollution Control Agency;

APPROPRIATIONS
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Ending June 30
2008 **2009**

(2) \$500,000 each year to provide financial rebates to new solar electricity projects;

(3) \$625,000 each year for continued funding of community energy technical assistance and outreach on renewable energy and energy efficiency, as described in section 25. Of this amount, \$125,000 is for technical assistance in the metropolitan area;

(4) \$1,000,000 each year is for technical analysis and demonstration funding for automotive technology projects, with a special focus on plug-in hybrid electric vehicles and to study environmental-friendly manufacturing and assembly processes to identify ones that could employ workers formerly employed at the St. Paul Ford manufacturing plant and other large manufacturing facilities in Minnesota;

(5) \$750,000 in the first year is for the purpose of preparing the hydrogen road map and making grants under Minnesota Statutes, section 216B.813;

(6) \$2,000,000 in the first year is for deposit with the rural wind energy development revolving loan fund under Minnesota Statutes, section 216C.39;

(7) \$2,250,000 the first year and \$2,000,000 the second year are to provide competitive, cost-share grants to fund renewable energy research in Minnesota. These grants must be awarded by a three-member panel made up of the commissioners of commerce, pollution control, and agriculture, or their designees. Grant applications must be ranked and grants issued according to how well the applications meet state energy policy research goals established by the commissioners, the quality and experience of the research teams, the cross-interdisciplinary and cross-institutional nature of the research teams, and the ability of the research team to leverage nonstate funds; and

(8) \$3,000,000 the second year is for a grant to the Board of Regents of the University of Minnesota for the Initiative for Renewable Energy and the Environment. The grant is for the purposes set forth in Minnesota Statutes, section 216B.241, subdivision 6. The appropriation is available until spent. The budget for this grant to the Board of Regents of the University of Minnesota for the Initiative for Renewable Energy and the Environment is \$5,000,000 each year in the 2010-2011 fiscal biennium.

APPROPRIATIONS
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2008 **2009**

As a condition of this grant, beginning in the 2010-2011 biennium, the Initiative for Renewable Energy and the Environment must set aside at least 15 percent of the funds received annually under the grant for qualified projects conducted at a rural campus or experiment station. Any amount of the set aside funds that has not been awarded to a rural campus or experiment station at the end of the fiscal year must revert back to the initiative for its exclusive use.

\$1,500,000 the first year and \$1,500,000 the second year are for E85 cost-share grants. The commissioner may reimburse owners of gasoline service stations for up to 75 percent of the total cost of installing an E85 pump, including the tank and any related components, up to a maximum of \$15,000 per E85 pump. Notwithstanding Minnesota Statutes, section 16A.28, this appropriation is available until expended. Up to ten percent of the funds may be used for cost-share grants to convert or install underground tanks at retail gasoline service stations storing biodiesel fuel that is at least 99.9 percent biodiesel fuel by volume for on-site blending and for dispensing systems at retail gasoline service stations that dispense biodiesel fuel blends of at least ten percent biodiesel fuel by volume. In awarding grants, the commissioner of commerce must consult with the Minnesota Soybean Growers Association and may consult with other organizations deemed appropriate. This is a onetime appropriation.

\$4,500,000 the first year is for a onetime grant to the St. Paul Port Authority in part for a study related to a steam and electrical energy facility to supply energy to a customer using steam in a paper recycling operation.

The port authority shall convene and regularly involve a citizen advisory committee composed of members recommended by St. Paul district councils 11, 12, 13, and 14 and other members as appropriate to advise on the scope of the study. The citizen advisory committee must meet regularly throughout the course of the study and the development of recommendations. The citizen advisory committee shall have the right to include its separate recommendations as part of the port authority recommendations submitted at the public meeting and to the St. Paul City Council.

The study shall:

(1) assess the economic and technical feasibility of various fuel types to power the plant;

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Ending June 30
2008 **2009**

(2) provide a full description and analysis of each fuel type and their respective economic and noneconomic impacts;

(3) provide a full description and analysis of each fuel type and their respective environmental emissions, including carbon dioxide, and the cost of controlling those emissions that affect human health;

(4) describe public subsidies related to the production and use of each fuel type;

(5) describe potential energy efficiency improvement that can be made to the paper recycling operation and subsidies available for each improvement; and

(6) evaluate additional uses for the steam and electricity produced at the facility and the cost of infrastructure needed to implement the additional uses.

In addition, the grant may be used for environmental review, permitting, preliminary engineering, and development of total project cost estimates, including project design and engineering, other preliminary work, and a preliminary financing plan for the steam and electricity producing facility. The St. Paul Port Authority shall present the findings of its analysis and its preferred alternative for an eligible energy technology fuel mix in at least two public meetings that must be held in the area encompassing districts 11, 12, 13, and 14 in the city of St. Paul. "Eligible energy technology" has the meaning given in Minnesota Statutes, section 216B.1691, subdivision 1, except that it does not include mixed municipal solid waste as an eligible energy technology. The recommendation of the St. Paul Port Authority concerning its preferred alternative fuel mix must be based on the alternative that has the least environmental impact consistent with the economic viability and technical feasibility of the facility. Testimony shall be taken at the meetings from citizens who live in the affected communities. Resolutions concerning the facility from district councils 11, 12, 13, and 14 must be solicited by the city council. Construction of the facility may not be commenced unless and until the St. Paul City Council has adopted a resolution approving the construction after consideration of the findings of the port authority, resolutions from the district councils, and other public input. The appropriation does not cancel and is available until expended. Of this amount, \$500,000 is transferred to the Department of Natural Resources for the Ecological Services Division to prepare, authorize, and implement habitat restoration

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2008 **2009**

plans on public or private properties to fulfill ecological principles of restoration ecology, while providing roadside access to the byproduct of the management actions at no cost to the operator of a biomass-fueled cogeneration facility located in St. Paul. The division may provide grants or otherwise transfer some or all of these funds to other public or private entities to accomplish these purposes. If a higher value nonbiomass market is available for some of the byproduct of this management, the division is authorized to sell the material to that market, provided that all of the proceeds are spent for the further purposes of this appropriation. The nonbiomass market sales of material from this management cannot exceed 20 percent by weight of the total byproducts produced by all approved activities under this appropriation. The restoration activities shall take place on land located within 75 miles by road of the city of St. Paul. The division shall consult with the operator of the biomass facility and other appropriate parties regarding planned projects to be funded with this appropriation. The division shall report annually to the legislative policy and finance committees for natural resources and energy regarding the expenditures and results of the program. This appropriation does not cancel but is available until spent.

\$150,000 the first year is appropriated to the commissioner of commerce for grants for demonstration projects of electric vehicles with advanced transmission technologies incorporating, if feasible, batteries, converters, and other components developed in Minnesota. Funds may be expended under the grants only if grantees enter into agreements specifying that commercial production of these vehicles and components will, to the extent possible, take place in Minnesota.

(a) \$1,000,000 each year is to the Center for Rural Policy and Development at Minnesota State University at Mankato to make a grant to a nonprofit organization with experience dealing with energy and community wind issues to design and implement a rural wind energy development assistance program. This is a onetime only appropriation. The program must be designed to maximize rural economic development and stabilize rural community institutions, including hospitals and schools, by increasing the income of local residents and increasing local tax revenues. The grant may be disbursed in two installments. The program must provide assistance to rural entities seeking to develop wind energy electric generation projects and to sell the energy from the projects. Among other strategies, the program may consider combining rural entities and others into groups with the size and market power necessary for planning and developing significant rural wind energy projects.

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2008 **2009**

(b) The program must provide assistance by, among other things:

(1) providing legal, engineering, and financial services;

(2) identifying target communities with favorable wind resources, community interest, and local political support;

(3) providing assistance to reserve, obtain, and assure the maintenance over time of wind turbines;

(4) creating market opportunities for utilities to meet their renewable energy obligations through purchases of rural community wind;

(5) assisting in the negotiation of fair power purchase agreements;

(6) facilitating transmission interconnection and delivery of energy from rural and community wind projects; and

(7) lowering the market risk facing potential wind investors by supporting local wind development from start to finish.

The grantee must demonstrate an ability to sustain program functions with ongoing revenue from sources other than state funding and shall provide a 35 percent grant match in the first year. The grant must be awarded on a competitive basis. The center must use best practices regarding grant management functions, including selection and monitoring of the grantee, compliance review, and financial oversight. Grant management fees are limited to 2.5 percent of the grant.

(c) The commissioner of commerce shall monitor the activities of the rural wind energy development assistance program created under paragraphs (a) to (c). By November 1, 2008, the commissioner shall submit an evaluation of the program to the chairs of the house of representatives and senate committees with jurisdiction over energy policy and finance, including recommendations for legislative or administrative action to better achieve the program goals described in paragraph (a).

\$1,000,000 in fiscal year 2008 is for distribution to eligible households for home heating assistance during the 2007 calendar year. The commissioner must distribute funds to eligible households according to the formula developed for the distribution of the federal Low-Income Home Energy Assistance Program for fiscal year 2008. This appropriation is available until spent.

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2008 **2009**

\$3,250,000 the first year is for the renewable hydrogen initiative in Minnesota Statutes, section 216B.813, to fund the competitive grant program included in that section. The commissioner may use up to two percent of the competitive grant program appropriation for grant administration and to develop and implement the renewable hydrogen road map. This is a onetime appropriation and is available until expended.

\$50,000 the first year is a onetime appropriation for a comprehensive technical, economic, and environmental analysis of the benefits to be derived from greater use in this state of geothermal heat pump systems for heating and cooling air and heating water. The analysis must:

(1) estimate the extent of geothermal heat pump systems currently installed in this state in residential, commercial, and institutional buildings;

(2) estimate energy and economic savings of geothermal heat pump systems in comparison with fossil fuel-based heating and cooling systems, including electricity use, on a capital cost and life-cycle cost basis, for both newly constructed and retrofitted residential, commercial, and institutional buildings;

(3) compare the emission of pollutants and greenhouse gases from geothermal heat pump systems and fossil fuel-based heating and cooling systems;

(4) identify financial assistance available from state and federal sources and Minnesota utilities to defray the costs of installing geothermal heat pump systems;

(5) identify Minnesota firms currently manufacturing or installing the physical components of geothermal heat pump systems and estimate the economic development potential in this state if demand for such systems increases significantly;

(6) identify the barriers to more widespread adoption of geothermal heat pump systems in this state and suggest strategies to overcome those barriers; and

(7) make recommendations for legislative action.

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2008 **2009**

Not later than March 15, 2008, the commissioner shall submit the results of the analysis in a report to the chairs of the senate and house of representatives committees with primary jurisdiction over energy policy.

\$45,000 the first year is a onetime appropriation for a grant to Linden Hills Power and Light for preliminary engineering design work and other technical and legal services required for a community digester and neighborhood district heating and cooling system demonstration project in the Linden Hills neighborhood of Minneapolis. Funds may be expended upon a determination by the commissioner of commerce that the project is technically and economically feasible. A portion of the appropriation may be used to expand the scope of the project feasibility study to include portions of adjacent communities including St. Louis Park and Edina.

Subd. 7. Telecommunications Access Minnesota

100,000

100,000

\$100,000 the first year and \$100,000 the second year are for transfer to the commissioner of human services to supplement the ongoing operational expenses of the Minnesota Commission Serving Deaf and Hard-of-Hearing People. This appropriation is from the telecommunication access Minnesota fund, and is added to the commission's base.

Sec. 4. PUBLIC UTILITIES COMMISSION

\$5,347,000

\$5,433,000

Sec. 5. NEXTGEN ENERGY BOARD

By October 1 of 2007 and 2008, an entity receiving renewable development funds to conduct energy research under this article must present a research plan outlining the activities to be conducted with those funds, and any results from research completed with those funds during the previous year, to the NextGen Energy Board established under Minnesota Statutes, section 41A.05, for its review and comment.

Sec. 6. [16C.141] EMPLOYEE SUGGESTIONS; ENERGY SAVINGS INCENTIVE PROGRAM.

Subdivision 1. **Creation of program.** The commissioner of administration must implement a program using best practices and develop policies under which state employees may receive cash awards for making suggestions that result in documented cost savings to state agencies from reduced energy usage in state-owned buildings. The program must be structured to provide state employees an opportunity to receive a cash award for suggestions that are implemented and result in documented cost savings to state agencies from reduced energy use in state-owned buildings. The program must also include methods to document submissions of suggestions and energy and cost savings resulting from the implementation of employee suggestions.

Subd. 2. **Funding.** To the extent necessary to fund the program under this section, the commissioner of administration, with approval of the commissioner of finance, may transfer a portion of the documented cost savings resulting from a suggestion under this section from the general services revolving fund to an energy savings reward account. Money in the energy savings reward account is appropriated to the commissioner for purposes of making cash rewards and paying the commissioner's incentive program developments costs and administrative expenses under this section.

Subd. 3. **Report to legislature.** The commissioner of administration shall report to the chairs of the senate and house of representatives committees with jurisdiction over energy policy by January 1, 2008, on the development of the incentive program, and by January 15 each year thereafter on the implementation of this section, including the ideas submitted and energy savings realized.

Subd. 4. **Minnesota State Colleges and Universities.** This section does not apply to the Minnesota State Colleges and Universities, except to the extent the Board of Trustees of the Minnesota State Colleges and Universities provides that the section does apply.

Subd. 5. **Repeal.** This section is repealed July 1, 2009.

Sec. 7. Minnesota Statutes 2006, section 116C.775, is amended to read:

116C.775 SHIPMENT PRIORITIES; ~~RAIRIE ISLAND~~ NUCLEAR PLANTS.

If a storage or disposal site becomes available outside of the state to accept high-level nuclear waste stored at Prairie Island or Monticello, the waste contained in dry casks shall be shipped to that site before the shipment of any waste from the spent nuclear fuel storage pool. Once waste is shipped that was contained in a cask, the cask must be decommissioned and not used for further storage.

Sec. 8. Minnesota Statutes 2006, section 116C.777, is amended to read:

116C.777 SITE.

The spent fuel contents of dry casks located on Prairie Island must be moved immediately upon the availability of another site for storage of the spent fuel that is not located on Prairie Island or at Monticello.

Sec. 9. Minnesota Statutes 2006, section 116C.779, subdivision 1, is amended to read:

Subdivision 1. **Renewable development account.** (a) The public utility that owns the Prairie Island nuclear generating plant must transfer to a renewable development account \$16,000,000 annually each year the plant is in operation, and \$7,500,000 each year the plant is not in operation if ordered by the commission pursuant to paragraph ~~(e)~~ (d). The fund transfer must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island for any part of a year. Funds in the account may be expended only for development of renewable energy sources. Preference must be given to development of renewable energy source projects located within the state. The utility that owns a nuclear generating plant is eligible to apply for renewable development fund grants. The utility's proposals must be evaluated by the renewable development fund board in a manner consistent with that used to evaluate other renewable development fund project proposals.

(b) The public utility that owns the Monticello nuclear generating plant must transfer to the renewable development account \$350,000 each year for each dry cask containing spent fuel that is located at the Monticello nuclear power plant for each year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered by the commission pursuant to paragraph (d). The fund transfer must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at Monticello for any part of a year.

~~(b)~~ (c) Expenditures from the account may only be made after approval by order of the Public Utilities Commission upon a petition by the public utility.

~~(e)~~ (d) After discontinuation of operation of the Prairie Island nuclear plant or the Monticello nuclear plant and each year spent nuclear fuel is stored in dry cask at the ~~Prairie Island discontinued~~ facility, the commission shall require the public utility to pay \$7,500,000 for the discontinued Prairie Island facility and \$5,250,000 for the discontinued Monticello facility for any year in which the commission finds, by the preponderance of the evidence, that the public utility did not make a good faith effort to remove the spent nuclear fuel stored at ~~Prairie Island the facility~~ to a permanent or interim storage site out of the state. This determination shall be made at least every two years.

Sec. 10. **[173.0851] STATE ENERGY CITY.**

The city of Elk River is designated as a state energy city.

Sec. 11. **[216B.091] MONTHLY REPORTS.**

(a) Each public utility must report the following data on residential customers to the commission monthly, in a format determined by the commission:

(1) number of customers;

(2) number and total amount of accounts past due;

(3) average customer past due amount;

(4) total revenue received from the low-income home energy assistance program and other sources contributing to the bills of low-income persons;

(5) average monthly bill;

(6) total sales revenue;

(7) total write-offs due to uncollectible bills;

(8) number of disconnection notices mailed;

(9) number of accounts disconnected for nonpayment;

(10) number of accounts reconnected to service; and

(11) number of accounts that remain disconnected, grouped by the duration of disconnection, as follows:

(i) 1-30 days;

(ii) 31-60 days; and

(iii) more than 60 days.

(b) Monthly reports for October through April must also include the following data:

(1) number of cold weather protection requests;

(2) number of payment arrangement requests received and granted;

(3) number of right to appeal notices mailed to customers;

(4) number of reconnect request appeals withdrawn;

(5) number of occupied heat-affected accounts disconnected for 24 hours or more for electric and natural gas service separately;

(6) number of occupied non-heat-affected accounts disconnected for 24 hours or more for electric and gas service separately;

(7) number of customers granted cold weather rule protection;

(8) number of customers disconnected who did not request cold weather rule protection; and

(9) number of customers disconnected who requested cold weather rule protection.

(c) The data reported under paragraphs (a) and (b) is presumed to be accurate upon submission and must be made available through the commission's electronic filing system.

Sec. 12. **[216B.0951] PROPANE PREPURCHASE PROGRAM.**

Subdivision 1. **Establishment.** The commissioner of commerce shall operate, or contract to operate, a propane fuel prepurchase fuel program. The commissioner may contract at any time of the year to purchase the lesser of one-third of the liquid propane fuel consumed by low-income home energy assistance program recipients during the previous heating season or the amount that can be purchased with available funds. The propane fuel prepurchase program must be available statewide through each local agency that administers the energy assistance program. The commissioner may decide to limit or not engage in prepurchasing if the commissioner finds that there is a reasonable likelihood that prepurchasing will not provide fuel-cost savings.

Subd. 2. **Hedge account.** The commissioner may establish a hedge account with realized program savings due to prepurchasing. The account must be used to compensate program recipients an amount up to the difference in cost for fuel provided to the recipient if winter-delivered fuel prices are lower than the prepurchase or summer-fill price. No more than ten percent of the aggregate prepurchase program savings may be used to establish the hedge account.

Subd. 3. **Report.** The Department of Commerce shall issue a report by June 30, 2008, made available electronically on its Web site and in print upon request, that contains the following information:

(1) the cost per gallon of prepurchased fuel;

(2) the total gallons of fuel prepurchased;

(3) the average cost of propane each month between October and the following April;

(4) the number of energy assistance program households receiving prepurchased fuel; and

(5) the average savings accruing or benefit increase provided to energy assistance households.

Sec. 13. **[216B.096] COLD WEATHER RULE; PUBLIC UTILITIES.**

Subdivision 1. **Scope.** This section applies only to residential customers of a utility.

Subd. 2. **Definitions.** (a) The terms used in this section have the meanings given them in this subdivision.

(b) "Cold weather period" means the period from October 15 through April 15 of the following year.

(c) "Customer" means a residential customer of a utility.

(d) "Disconnection" means the involuntary loss of utility heating service as a result of a physical act by a utility to discontinue service. Disconnection includes installation of a service or load limiter or any device that limits or interrupts utility service in any way.

(e) "Household income" means the combined income, as defined in section 290A.03, subdivision 3, of all residents of the customer's household, computed on an annual basis. Household income does not include any amount received for energy assistance.

(f) "Reasonably timely payment" means payment within five working days of agreed-upon due dates.

(g) "Reconnection" means the restoration of utility heating service after it has been disconnected.

(h) "Summary of rights and responsibilities" means a commission-approved notice that contains, at a minimum, the following:

(1) an explanation of the provisions of subdivision 5;

(2) an explanation of no-cost and low-cost methods to reduce the consumption of energy;

(3) a third-party notice;

(4) ways to avoid disconnection;

(5) information regarding payment agreements;

(6) an explanation of the customer's right to appeal a determination of income by the utility and the right to appeal if the utility and the customer cannot arrive at a mutually acceptable payment agreement; and

(7) a list of names and telephone numbers for county and local energy assistance and weatherization providers in each county served by the utility.

(i) "Third-party notice" means a commission-approved notice containing, at a minimum, the following information:

(1) a statement that the utility will send a copy of any future notice of proposed disconnection of utility heating service to a third party designated by the residential customer;

(2) instructions on how to request this service; and

(3) a statement that the residential customer should contact the person the customer intends to designate as the third-party contact before providing the utility with the party's name.

(j) "Utility" means a public utility as defined in section 216B.02, and a cooperative electric association electing to be a public utility under section 216B.026. Utility also means a municipally owned gas or electric utility for nonresident consumers of the municipally owned utility and a cooperative electric association when a complaint in connection with utility heating service during the cold weather period is filed under section 216B.17, subdivision 6 or 6a.

(k) "Utility heating service" means natural gas or electricity used as a primary heating source, including electricity service necessary to operate gas heating equipment, for the customer's primary residence.

(l) "Working days" means Mondays through Fridays, excluding legal holidays. The day of receipt of a personally served notice and the day of mailing of a notice shall not be counted in calculating working days.

Subd. 3. **Utility obligations before cold weather period.** Each year, between September 1 and October 15, each utility must provide all customers, personally or by first class mail, a summary of rights and responsibilities. The summary must also be provided to all new residential customers when service is initiated.

Subd. 4. **Notice before disconnection during cold weather period.** Before disconnecting utility heating service during the cold weather period, a utility must provide, personally or by first class mail, a commission-approved notice to a customer, in easy-to-understand language, that contains, at a minimum, the date of the scheduled disconnection, the amount due, and a summary of rights and responsibilities.

Subd. 5. **Cold weather rule.** (a) During the cold weather period, a utility may not disconnect and must reconnect utility heating service of a customer whose household income is at or below 50 percent of the state median income if the customer enters into and makes reasonably timely payments under a mutually acceptable payment agreement with the utility that is based on the financial resources and circumstances of the household; provided that, a utility may not require a customer to pay more than ten percent of the household income toward current and past utility bills for utility heating service.

(b) A utility may accept more than ten percent of the household income as the payment arrangement amount if agreed to by the customer.

(c) The customer or a designated third party may request a modification of the terms of a payment agreement previously entered into if the customer's financial circumstances have changed or the customer is unable to make reasonably timely payments.

(d) The payment agreement terminates at the expiration of the cold weather period unless a longer period is mutually agreed to by the customer and the utility.

Subd. 6. **Verification of income.** (a) In verifying a customer's household income, a utility may:

(1) accept the signed statement of a customer that the customer is income eligible;

(2) obtain income verification from a local energy assistance provider or a government agency;

(3) consider one or more of the following:

(i) the most recent income tax return filed by members of the customer's household;

(ii) for each employed member of the customer's household, paycheck stubs for the last two months or a written statement from the employer reporting wages earned during the preceding two months;

(iii) documentation that the customer receives a pension from the Department of Human Services, the Social Security Administration, the Veteran's Administration, or other pension provider;

(iv) a letter showing the customer's dismissal from a job or other documentation of unemployment; or

(v) other documentation that supports the customer's declaration of income eligibility.

(b) A customer who receives energy assistance benefits under any federal, state, or county government programs in which eligibility is defined as household income at or below 50 percent of state median income is deemed to be automatically eligible for protection under this section and no other verification of income may be required.

Subd. 7. **Prohibitions and requirements.** (a) This subdivision applies during the cold weather period.

(b) A utility may not charge a deposit or delinquency charge to a customer who has entered into a payment agreement or a customer who has appealed to the commission under subdivision 8.

(c) A utility may not disconnect service during the following periods:

(1) during the pendency of any appeal under subdivision 8;

(2) earlier than ten working days after a utility has deposited in first class mail, or seven working days after a utility has personally served, the notice required under subdivision 4 to a customer in an occupied dwelling;

(3) earlier than ten working days after the utility has deposited in first class mail the notice required under subdivision 4 to the recorded billing address of the customer, if the utility has reasonably determined from an on-site inspection that the dwelling is unoccupied;

(4) on a Friday, unless the utility makes personal contact with, and offers a payment agreement consistent with this section to the customer;

(5) on a Saturday, Sunday, holiday, or the day before a holiday;

(6) when utility offices are closed;

(7) when no utility personnel are available to resolve disputes, enter into payment agreements, accept payments, and reconnect service; or

(8) when commission offices are closed.

(d) A utility may not discontinue service until the utility investigates whether the dwelling is actually occupied. At a minimum, the investigation must include one visit by the utility to the dwelling during normal working hours. If no contact is made and there is reason to believe that the dwelling is occupied, the utility must attempt a second contact during nonbusiness hours. If personal contact is made, the utility representative must provide notice required under subdivision 4 and, if the utility representative is not authorized to enter into a payment agreement, the telephone number the customer can call to establish a payment agreement.

(e) Each utility must reconnect utility service if, following disconnection, the dwelling is found to be occupied and the customer agrees to enter into a payment agreement or appeals to the commission because the customer and the utility are unable to agree on a payment agreement.

Subd. 8. Disputes; customer appeals. (a) A utility must provide the customer and any designated third party with a commission-approved written notice of the right to appeal:

(1) a utility determination that the customer's household income is more than 50 percent of state median household income; or

(2) when the utility and customer are unable to agree on the establishment or modification of a payment agreement.

(b) A customer's appeal must be filed with the commission no later than seven working days after the customer's receipt of a personally served appeal notice, or within ten working days after the utility has deposited a first class mail appeal notice.

(c) The commission must determine all customer appeals on an informal basis, within 20 working days of receipt of a customer's written appeal. In making its determination, the commission must consider one or more of the factors in subdivision 6.

(d) Notwithstanding any other law, following an appeals decision adverse to the customer, a utility may not disconnect utility heating service for seven working days after the utility has personally served a disconnection notice, or for ten working days after the utility has deposited a first class mail notice. The notice must contain, in easy-to-understand language, the date on or after which disconnection will occur, the reason for disconnection, and ways to avoid disconnection.

Subd. 8a. Cooperative and municipal disputes. Complaints in connection with utility heating service during the cold weather period filed against a municipal or a cooperative electric association with the commission under section 216B.17, subdivision 6 or 6a, are governed by section 216B.097.

Subd. 9. Customers above 50 percent of state median income. During the cold weather period, a customer whose household income is above 50 percent of state median income:

(1) has the right to a payment agreement that takes into consideration any extenuating circumstances of the household; and

(2) may not be disconnected and must be reconnected if the customer makes timely payments under a payment agreement accepted by a utility.

Subdivision 7, paragraph (b), does not apply to customers whose household income is above 50 percent of state median income.

Subd. 10. Reporting. Annually on November 1, a utility must electronically file with the commission a report, in a format specified by the commission, specifying the number of utility heating service customers whose service is disconnected or remains disconnected for nonpayment as of October 1 and October 15. If customers remain disconnected on October 15, a utility must file a report each week between November 1 and the end of the cold weather period specifying:

(1) the number of utility heating service customers that are or remain disconnected from service for nonpayment; and

(2) the number of utility heating service customers that are reconnected to service each week. The utility may discontinue weekly reporting if the number of utility heating service customers that are or remain disconnected reaches zero before the end of the cold weather period.

The data reported under this subdivision are presumed to be accurate upon submission and must be made available through the commission's electronic filing system.

Sec. 14. Minnesota Statutes 2006, section 216B.097, subdivision 1, is amended to read:

Subdivision 1. **Application; notice to residential customer.** (a) A municipal utility or a cooperative electric association must not disconnect ~~and must reconnect~~ the utility service of a residential customer during the period between October 15 and April 15 if the disconnection affects the primary heat source for the residential unit ~~when~~ and all of the following conditions are met:

~~(1) the customer has declared inability to pay on forms provided by the utility. For the purposes of this clause, a customer that is receiving energy assistance is deemed to have demonstrated an inability to pay;~~

~~(2) The household income of the customer is less than~~ at or below 50 percent of the state median household income. A municipal utility or cooperative electric association utility may (i) verify income on forms it provides or (ii) obtain

~~(3) verification of income may be conducted by from the local energy assistance provider or the utility, unless the. A customer is automatically eligible for protection against disconnection as a recipient of deemed to meet the income requirements of this clause if the customer receives any form of public assistance, including energy assistance, that uses an income eligibility in an amount threshold set at or below the income eligibility in clause (2) 50 percent of the state median household income;~~

~~(4) (2) A customer whose account is current for the billing period immediately prior to October 15 or who, at any time, enters into and makes reasonably timely payments under a payment schedule agreement that considers the financial resources of the household and is reasonably current with payments under the schedule; and~~

~~(5) the (3) A customer receives referrals to energy assistance programs, weatherization, conservation, or other programs likely to reduce the customer's energy bills.~~

(b) A municipal utility or a cooperative electric association must, between August 15 and October 15 of each year, notify all residential customers of the provisions of this section.

Sec. 15. Minnesota Statutes 2006, section 216B.097, subdivision 3, is amended to read:

Subd. 3. **Restrictions if disconnection necessary.** (a) If a residential customer must be involuntarily disconnected between October 15 and April 15 for failure to comply with ~~the provisions of~~ subdivision 1, the disconnection must not occur:

(1) on a Friday or on the day before a holiday, unless the customer declines to enter into a payment agreement offered that day in person or via personal contact by telephone by a municipal utility or cooperative electric association;

(2) on a weekend, holiday, or the day before a holiday;

(3) when utility offices are closed; or

(4) after the close of business on a day when disconnection is permitted, unless a field representative of a municipal utility or cooperative electric association who is authorized to enter into a payment agreement, accept payment, and continue service, offers a payment agreement to the customer.

Further, the disconnection must not occur until at least 20 days after the notice required in subdivision 2 has been mailed to the customer or 15 days after the notice has been personally delivered to the customer.

(b) If a customer does not respond to a disconnection notice, the customer must not be disconnected until the utility investigates whether the residential unit is actually occupied. If the unit is found to be occupied, the utility must immediately inform the occupant of the provisions of this section. If the unit is unoccupied, the utility must give seven days' written notice of the proposed disconnection to the local energy assistance provider before making a disconnection.

(c) If, prior to disconnection, a customer appeals a notice of involuntary disconnection, as provided by the utility's established appeal procedure, the utility must not disconnect until the appeal is resolved.

Sec. 16. Minnesota Statutes 2006, section 216B.098, subdivision 4, is amended to read:

Subd. 4. **Undercharges.** (a) A utility shall offer a payment agreement to customers who have been undercharged if no culpable conduct by the customer or resident of the customer's household caused the undercharge. The agreement must cover a period equal to the time over which the undercharge occurred or a different time period that is mutually agreeable to the customer and the utility, except that the duration of a payment agreement offered by a utility to a customer whose household income is at or below 50 percent of state median household income must consider the financial circumstances of the customer's household.

(b) No interest or delinquency fee may be charged under this as part of an undercharge agreement under this subdivision.

(c) If a customer inquiry or complaint results in the utility's discovery of the undercharge, the utility may bill for undercharges incurred after the date of the inquiry or complaint only if the utility began investigating the inquiry or complaint within a reasonable time after when it was made.

Sec. 17. Minnesota Statutes 2006, section 216B.812, subdivision 1, is amended to read:

Subdivision 1. **Early purchase and deployment of renewable hydrogen, fuel cells, and related technologies by the state.** (a) The Department of Commerce, in conjunction with the Department of Administration and the Pollution Control Agency, shall identify opportunities for demonstrating the use of deploying renewable hydrogen, fuel cells, and related technologies within state-owned facilities, vehicle fleets, and operations in ways that demonstrate their commercial performance and economics.

(b) The Department of Commerce shall recommend to the Department of Administration, ~~when feasible,~~ the purchase and ~~demonstration~~ deployment of hydrogen, fuel cells, and related technologies, when feasible, in ways that strategically contribute to realizing Minnesota's hydrogen economy goal as set forth in section 216B.8109, and which contribute to the following nonexclusive list of objectives:

- (1) provide needed performance data to the marketplace;
- (2) identify code and regulatory issues to be resolved;
- (3) foster economic development and job creation in the state;
- (4) raise public awareness of renewable hydrogen, fuel cells, and related technologies; or
- (5) reduce emissions of carbon dioxide and other pollutants.

(c) The Department of Commerce and the Pollution Control Agency shall also recommend to the Department of Administration changes to the state's procurement guidelines and contracts in order to facilitate the purchase and deployment of cost-effective renewable hydrogen, fuel cells, and related technologies by all levels of government.

Sec. 18. Minnesota Statutes 2006, section 216B.16, subdivision 10, is amended to read:

Subd. 10. **Intervenor ~~payment~~ compensation.** (a) A nonprofit organization or an individual granted formal intervenor status by the commission is eligible to receive compensation.

(b) The commission may order a utility to ~~pay all or a portion of a party's intervention~~ compensate all or part of an eligible intervenor's reasonable costs ~~not to exceed \$20,000 per intervenor in any proceeding of participation in a general rate case that comes before the commission~~ when the commission finds that the intervenor has materially assisted the commission's deliberation ~~and the intervenor has insufficient financial resources to afford the costs of intervention~~ and when a lack of compensation would present financial hardship to the intervenor. Compensation may not exceed \$50,000 for a single intervenor in any proceeding. For the purpose of this subdivision, "materially assisted" means that the intervenor's participation and presentation was useful and seriously considered, or otherwise substantially contributed to the commission's deliberations in the proceeding.

(c) In determining whether an intervenor has materially assisted the commission's deliberation, the commission must consider, among other factors, whether:

(1) the intervenor represented an interest that would not otherwise have been adequately represented;

(2) the evidence or arguments presented or the positions taken by the intervenor were an important factor in producing a fair decision;

(3) the intervenor's position promoted a public purpose or policy;

(4) the evidence presented, arguments made, issues raised, or positions taken by the intervenor would not have been a part of the record without the intervenor's participation; and

(5) the administrative law judge or the commission adopted, in whole or in part, a position advocated by the intervenor.

(d) In determining whether the absence of compensation would present financial hardship to the intervenor, the commission must consider:

(1) whether the costs presented in the intervenor's claim reflect reasonable fees for attorneys and expert witnesses and other reasonable costs; and

(2) the ratio between the costs of intervention and the intervenor's unrestricted funds.

(e) An intervenor seeking compensation must file a request and an affidavit of service with the commission, and serve a copy of the request on each party to the proceeding. The request must be filed 30 days after the later of (1) the expiration of the period within which a petition for rehearing, amendment, vacation, reconsideration, or reargument must be filed or (2) the date the commission issues an order following rehearing, amendment, vacation, reconsideration, or reargument.

(f) The compensation request must include:

(1) the name and address of the intervenor or representative of the nonprofit organization the intervenor is representing;

(2) proof of the organization's nonprofit, tax-exempt status;

(3) the name and docket number of the proceeding for which compensation is requested;

(4) a list of actual annual revenues and expenses of the organization the intervenor is representing for the preceding year and projected revenues, revenue sources, and expenses for the current year;

(5) the organization's balance sheet for the preceding year and a current monthly balance sheet;

(6) an itemization of intervenor costs and the total compensation request; and

(7) a narrative explaining why additional organizational funds cannot be devoted to the intervention.

(g) Within 30 days after service of the request for compensation, a party may file a response, together with an affidavit of service, with the commission. A copy of the response must be served on the intervenor and all other parties to the proceeding.

(h) Within 15 days after the response is filed, the intervenor may file a reply with the commission. A copy of the reply and an affidavit of service must be served on all other parties to the proceeding.

(i) If additional costs are incurred as a result of additional proceedings following the commission's initial order, the intervenor may file an amended request within 30 days after the commission issues an amended order. Paragraphs (e) to (h) apply to an amended request.

(j) The commission must issue a decision on intervenor compensation within 60 days of a filing by an intervenor.

(k) A party may request reconsideration of the commission's compensation decision within 30 days of the decision.

(l) If the commission issues an order requiring payment of intervenor compensation, the utility that was the subject of the proceeding must pay the compensation to the intervenor, and file with the commission proof of payment, within 30 days after the later of (1) the expiration of the period within which a petition for reconsideration of the commission's compensation decision must be filed or (2) the date the commission issues an order following reconsideration of its order on intervenor compensation.

Sec. 19. Minnesota Statutes 2006, section 216B.16, subdivision 15, is amended to read:

Subd. 15. **Low-income affordability programs.** (a) The commission ~~may~~ must consider ability to pay as a factor in setting utility rates and may establish affordability programs for low-income residential ratepayers in order to ensure affordable, reliable, and continuous service to low-income utility customers. By September 1, 2007, a public utility serving low-income residential ratepayers who use natural gas for heating must file an affordability program with the commission. For purposes of this subdivision, "low-income residential ratepayers" means ratepayers who receive energy assistance from the low-income home energy assistance program (LIHEAP).

~~(b) The purpose of the low income programs is to~~ Any affordability program the commission orders a utility to implement must:

(1) lower the percentage of income that participating low-income households devote to energy bills; to;

- (2) increase participating customer payments, and to over time by increasing the frequency of payments;
- (3) decrease or eliminate participating customer arrears;
- (4) lower the utility costs associated with customer account collection activities; and
- (5) coordinate the program with other available low-income bill payment assistance and conservation resources.

In ordering ~~low-income~~ affordability programs, the commission may require public utilities to file program evaluations, ~~including the coordination of other available low income bill payment and conservation resources and that measure~~ the effect of the affordability program on:

- (1) ~~reducing~~ the percentage of income that participating households devote to energy bills;
- (2) service disconnections; and
- (3) frequency of customer payment behavior payments, utility collection costs, arrearages, and bad debt.

(c) The commission must issue orders necessary to implement, administer, and evaluate affordability programs, and to allow a utility to recover program costs, including administrative costs, on a timely basis. The commission may not allow a utility to recover administrative costs, excluding start-up costs, in excess of five percent of total program costs, or program evaluation costs in excess of two percent of total program costs. The commission must permit deferred accounting, with carrying costs, for recovery of program costs incurred during the period between general rate cases.

(d) Public utilities may use information collected or created for the purpose of administering energy assistance to administer affordability programs.

Sec. 20. [216B.1637] RECOVERY OF CERTAIN LIMITED UTILITY GREENHOUSE GAS INFRASTRUCTURE COSTS.

A public utility that owns a nuclear power plant and a public utility furnishing gas service may file for recovery of investments and expenses associated with the replacement of cast iron natural gas distribution and service lines owned by the utility and to replace breakers that contain sodium hexafluoride in order to reduce the risk of greenhouse gases being released into the atmosphere. Upon a finding that the projects are consistent with the public interest and do not impose excessive costs on customers, the commission shall provide timely recovery of the utility's investment and expenses on any approved projects through a rate adjustment mechanism similar to that provided for transmission projects under section 216B.16, subdivision 7b, paragraphs (b) to (d).

Sec. 21. Minnesota Statutes 2006, section 216B.241, subdivision 6, is amended to read:

Subd. 6. **Renewable energy research.** (a) A public utility that owns a nuclear generation facility in the state shall spend five percent of the total amount that utility is required to spend under this section to support basic and applied research and demonstration activities at the University of Minnesota Initiative for Renewable Energy and the Environment for the development of renewable energy sources and technologies. The utility shall transfer the required amount to the University of Minnesota on or before July 1 of each year and that annual amount shall be deducted from the amount of money the utility is required to spend under this section. The University of Minnesota shall transfer at least ten percent of these funds to at least one rural campus or experiment station.

- (b) ~~Research~~ Activities funded under this subdivision ~~shall~~ may include, but are not limited to:

~~(1) development of environmentally sound production, distribution, and use of energy, chemicals, and materials from renewable sources;~~

~~(2) processing and utilization of agricultural and forestry plant products and other bio-based, renewable sources as a substitute for fossil fuel-based energy, chemicals, and materials using a variety of means including biocatalysis, biorefining, and fermentation;~~

~~(3) conversion of state wind resources to hydrogen for energy storage and transportation to areas of energy demand;~~

~~(4) improvements in scalable hydrogen fuel cell technologies; and~~

~~(5) production of hydrogen from bio-based, renewable sources; and sequestration of carbon.~~

(1) environmentally sound production of energy from a renewable energy source including biomass;

(2) environmentally sound production of hydrogen from biomass and any other renewable energy source for energy storage and energy utilization;

(3) development of energy conservation and efficient energy utilization technologies;

(4) energy storage technologies; and

(5) analysis of policy options to facilitate adoption of technologies that use or produce low-carbon renewable energy.

(c) Notwithstanding other law to the contrary, the utility may, but is not required to, spend more than two percent of its gross operating revenues from service provided in this state under this section or section 216B.2411.

(d) For the purposes of this subdivision:

(1) "renewable energy source: means hydro, wind, solar, biomass and geothermal energy, and microorganisms used as an energy source; and

(2) "biomass" means plant and animal material, agricultural and forest residues, mixed municipal solid waste, and sludge from wastewater treatment.

(e) This subdivision expires June 30, ~~2008~~ 2010.

Sec. 22. Minnesota Statutes 2006, section 216B.812, subdivision 2, is amended to read:

Subd. 2. **Pilot projects.** (a) In consultation with appropriate representatives from state agencies, local governments, universities, businesses, and other interested parties, the Department of Commerce shall report back to the legislature by November 1, 2005, and every two years thereafter, with a slate of proposed pilot projects that contribute to realizing Minnesota's hydrogen economy goal as set forth in section 216B.8109. The Department of Commerce must consider the following nonexclusive list of priorities in developing the proposed slate of pilot projects:

(1) ~~demonstrate~~ deploy "bridge" technologies such as hybrid-electric, off-road, and fleet vehicles running on hydrogen or fuels blended with hydrogen;

- (2) ~~develop~~ lead to cost-competitive, on-site renewable hydrogen production technologies;
- (3) demonstrate nonvehicle applications for hydrogen;
- (4) improve the cost and efficiency of hydrogen from renewable energy sources; and
- (5) improve the cost and efficiency of hydrogen production using direct solar energy without electricity generation as an intermediate step.

(b) For ~~all demonstrations~~ deployment projects that do not involve a demonstration component, individual system components of the technology ~~must~~ should, if feasible, meet commercial performance standards and systems modeling must be completed to predict commercial performance, risk, and synergies. In addition, the proposed pilots should meet as many of the following criteria as possible:

- (1) advance energy security;
- (2) capitalize on the state's native resources;
- (3) result in economically competitive infrastructure being put in place;
- (4) be located where it will link well with existing and related projects and be accessible to the public, now or in the future;
- (5) demonstrate multiple, integrated aspects of renewable hydrogen infrastructure;
- (6) include an explicit public education and awareness component;
- (7) be scalable to respond to changing circumstances and market demands;
- (8) draw on firms and expertise within the state where possible;
- (9) include an assessment of its economic, environmental, and social impact; and
- (10) serve other needs beyond hydrogen development.

Sec. 23. **[216B.813] MINNESOTA RENEWABLE HYDROGEN INITIATIVE.**

Subdivision 1. Road map. The Department of Commerce shall coordinate and administer directly or by contract the Minnesota renewable hydrogen initiative. If the department decides to contract for its duties under this section, it must contract with a nonpartisan, nonprofit organization within the state to develop the road map. The initiative may be run as a public-private partnership representing business, academic, governmental, and nongovernmental organizations. The initiative must oversee the development and implementation of a renewable hydrogen road map, including appropriate technology deployments, that achieve the hydrogen goal of section 216B.013. The road map should be compatible with the United States Department of Energy's National Hydrogen Energy Roadmap and be based on an assessment of marketplace economics and the state's opportunities in hydrogen, fuel cells, and related technologies, so as to capitalize on strengths. The road map should establish a vision, goals, general timeline, strategies for working with industry, and measurable milestones for achieving the state's renewable hydrogen goal. The road map should describe how renewable hydrogen and fuel cells fit in Minnesota's overall energy system, and should help foster a consistent, predictable, and prudent investment environment. The department must report to the legislature on the progress in implementing the road map by November 1 of each odd-numbered year.

Subd. 2. **Grants.** (a) The commissioner of commerce shall operate a competitive grant program for projects to assist the state in attaining its renewable hydrogen energy goals. The commissioner of commerce shall assemble an advisory committee made up of industry, university, government, and nongovernment organizations to:

(1) help identify the most promising technology deployment projects for public investment;

(2) advise on the technical specifications for those projects; and

(3) make recommendations on project grants.

(b) The commissioner shall give preference to project concepts included in the department's most recent biennial report: Strategic Demonstration Projects to Accelerate the Commercialization of Renewable Hydrogen and Related Technologies in Minnesota. Projects eligible for funding must combine one or more of the hydrogen production options listed in the department's report with an end use that has significant commercial potential, preferably high visibility, and relies on fuel cells or related technologies. Each funded technology deployment must include an explicit education and awareness-raising component, be compatible with the renewable hydrogen deployment criteria defined in section 216B.812, and receive 50 percent of its total cost from nonstate sources. The 50 percent requirement does not apply for recipients that are public institutions.

Sec. 24. Minnesota Statutes 2006, section 216C.051, subdivision 2, is amended to read:

Subd. 2. **Establishment.** (a) There is established a Legislative Electric Energy Task Force to study future electric energy sources and costs and to make recommendations for legislation for an environmentally and economically sustainable and advantageous electric energy supply.

(b) The task force consists of:

(1) ten members of the house of representatives including the chairs of the Environment and Natural Resources Committee and ~~Regulated Industries Subcommittee~~ the Energy Finance and Policy Division and eight members to be appointed by the speaker of the house, four of whom must be from the minority caucus; and

(2) ten members of the senate including the chairs of the Environment, Energy and Natural Resources Budget Division and ~~Jobs, Energy, and Community Development~~ Utilities, Technology and Communications committees and eight members to be appointed by the Subcommittee on Committees, four of whom must be from the minority caucus.

(c) The task force may employ staff, contract for consulting services, and may reimburse the expenses of persons requested to assist it in its duties other than state employees or employees of electric utilities. The director of the Legislative Coordinating Commission shall assist the task force in administrative matters. The task force shall elect cochair, one member of the house and one member of the senate from among the committee and subcommittee chairs named to the committee. The task force members from the house shall elect the house cochair, and the task force members from the senate shall elect the senate cochair.

Sec. 25. Minnesota Statutes 2006, section 216C.051, subdivision 9, is amended to read:

Subd. 9. **Expiration.** This section is repealed June 30, ~~2007~~ 2010.

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

Sec. 26. Minnesota Statutes 2006, section 216C.052, is amended by adding a subdivision to read:

Subd. 8a. **Manitoba Hydro information.** By January 1, 2008, and each year thereafter, the task force shall request the Manitoba Hydro-Electric Board to provide the following information for each community that is a signatory to the Northern Flood Agreement, including South Indian Lake:

(1) median household income and number of residents employed full time and part time;

(2) the number of outstanding claims filed against Manitoba Hydro by individuals and communities and the number of claims settled by Manitoba Hydro; and

(3) the amount of shoreline damaged by flooding and erosion and the amount of shoreline restored and cleaned.

For the purposes of this subdivision, "Northern Flood Agreement" means the agreement entered into by the Northern Flood Committee, Incorporated, the Manitoba Hydro-Electric Board, the province of Manitoba, and the government of Canada on December 16, 1977.

Sec. 27. **[216C.385] CLEAN ENERGY RESOURCE TEAMS.**

Subdivision 1. **Findings.** The legislature finds that community-based energy programs are an effective means of implementing improved energy practices including conservation, greater efficiency in energy use, and the production and use of renewable resources such as wind, solar, biomass, and biofuels. Further, community-based energy programs are found to be a public purpose for which public money may be spent.

Subd. 2. **Mission, organization, and membership.** The clean energy resource teams (CERT's) project is an innovative state, university, and nonprofit partnership that serves as a catalyst for community energy planning and projects. The mission of CERT's is to give citizens a voice in the energy planning process by connecting them with the necessary technical resources to identify and implement community-scale renewable energy and energy efficiency projects. In 2003, the Department of Commerce designated the CERT's project as a statewide collaborative venture and recognized six regional teams based on their geography: Central, Northeast, Northwest, Southeast, Southwest, and West-Central. Membership of CERT's may include but is not limited to representatives of utilities; federal, state, and local governments; small business; labor; senior citizens; academia; and other interested parties. The Department of Commerce may certify additional clean energy resource teams by regional geography, including teams in the Twin Cities metropolitan area.

Subd. 3. **Powers and duties.** In order to develop and implement community-based energy programs, a clean energy resource team may:

(1) analyze social and economic impacts caused by energy expenditures;

(2) analyze regional renewable and energy efficiency resources and opportunities;

(3) link community members and community energy projects to the knowledge and capabilities of the University of Minnesota, the State Energy Office, nonprofit organizations, and regional community members, among others;

(4) plan, set priorities for, provide technical assistance to, and catalyze local energy efficiency and renewable energy projects that help to meet state energy policy goals and maximize local economic development opportunities;

(5) provide a broad-based resource and communications network that links local, county, and regional energy efficiency and renewable energy project efforts around the state (both interregional and intraregional);

(6) seek, accept, and disburse grants and other aids from public or private sources for purposes authorized in this subdivision;

(7) provides a convening and networking function within CERT's regions to facilitate education, knowledge formation, and project replication; and

(8) exercise other powers and duties imposed on it by statute, charter, or ordinance.

Subd. 4. **Department assistance.** The commissioner, via the clean energy resource teams, may provide professional, technical, organizational, and financial assistance to regions and communities to develop and implement community energy programs and projects, within available resources.

Sec. 28. [216C.39] RURAL WIND ENERGY DEVELOPMENT REVOLVING LOAN FUND.

Subdivision 1. **Establishment.** A rural wind energy development revolving loan fund is established as an account in the special revenue fund in the state treasury. The commissioner of finance shall credit to the account the amounts authorized under this section and appropriations and transfers to the account. Earnings, such as interest, dividends, and any other earnings arising from fund assets, must be credited to the account.

Subd. 2. **Purpose.** The rural wind energy development revolving loan fund is created to provide financial assistance, through partnership with local owners and communities, in developing community wind energy projects that meet the specifications of section 216B.1612, subdivision 2, paragraph (f).

Subd. 3. **Expenditures.** Money in the fund is appropriated to the commissioner of commerce, and may be used to make loans to qualifying owners of wind energy projects, as defined in section 216B.1612, subdivision 2, paragraph (f), to assist in funding wind studies and transmission interconnection studies. The loans must be structured for repayment within 30 days after the project begins commercial operations or two years from the date the loan is issued, whichever is sooner. The commissioner may pay reasonable and actual costs of administering the loan program, not to exceed interest earned on fund assets.

Subd. 4. **Limitations.** A loan may not be approved for an amount exceeding \$100,000. This limit applies to all money loaned to a single project or single entity, whether paid to one or more qualifying owners and whether paid in one or more fiscal years.

Subd. 5. **Administration; eligible projects.** (a) Applications for a loan under this section must be made in a manner and on forms prescribed by the commissioner. Loans to eligible projects must be made in the order in which complete applications are received by the commissioner. Loan funds must be disbursed to an applicant within ten days of submission of a payment request by the applicant that demonstrates a payment due to the Midwest Independent System Operator. Interest payable on the loan amount may not exceed 1.5 percent per annum.

(b) A project is eligible for a loan under this program if:

(1) the project has completed an adequate interconnection feasibility study that indicates the project may be interconnected with system upgrades of less than ten percent of the estimated project costs;

(2) the project has a signed power purchase agreement with an electric utility or provides evidence that the project is under serious consideration for such an agreement by an electric utility;

(3) the ownership and structure of the project allows it to qualify as a community-based energy development (C-BED) project under section 216B.1612, and the developer commits to obtaining and maintaining C-BED status; and

(4) the commissioner has determined that sufficient funds are available to make a loan to the project.

Sec. 29. Minnesota Statutes 2006, section 216C.41, subdivision 3, is amended to read:

Subd. 3. **Eligibility window.** Payments may be made under this section only for:

(a) electricity generated from:

(1) ~~from~~ a qualified hydroelectric facility that is operational and generating electricity before December 31, 2009;

(2) ~~from~~ a qualified wind energy conversion facility that is operational and generating electricity before January 1, 2008; or

(3) ~~from~~ a qualified on-farm biogas recovery facility from July 1, 2001, through December 31, 2017; and

(b) gas generated from a qualified on-farm biogas recovery facility from July 1, 2007, through December 31, 2017.

Sec. 30. **PETROLEUM VIOLATION ESCROW FUNDS.**

(a) Petroleum violation escrow funds appropriated to the commissioner of commerce by Laws 1988, chapter 686, article 1, section 38, for state energy loan programs for schools, hospitals, and public buildings must be used for grants to kindergarten through grade 12 schools to develop energy conservation or renewable energy projects. A grant may not exceed \$500,000. The commissioner must endeavor to award grants throughout the regions of the state. No more than one grant may be awarded in a county, unless an insufficient number of applications is received from schools located in other counties to exhaust available funds.

(b) The commissioner of commerce must petition the federal Department of Energy for a waiver from any federal regulation that limits the proportion of federal funds expended on state energy programs that may be spent on energy efficiency.

(c) For purposes of this subdivision, "renewable energy" means wind, solar, hydroelectric with a capacity of less than 60 megawatts, geothermal, hydrogen, fuel cells made from renewable resources, herbaceous crops, agricultural crops, agricultural waste, and aquatic plant matter.

EFFECTIVE DATE. This section is effective the day after the commissioner of commerce receives the waiver described in paragraph (b).

Sec. 31. **UNIFORM CODES AND STANDARDS FOR HYDROGEN, FUEL CELLS, AND RELATED TECHNOLOGIES; RECOMMENDATIONS AND REPORT.**

(a) The commissioner of labor and industry, in consultation with the Department of Commerce and other relevant public and private interests, shall develop recommendations regarding the adoption of uniform codes and standards for hydrogen infrastructure, fuel cells, and related technologies, and report those recommendations to the legislature by December 31, 2008.

(b) The goal of the recommendations is to have all regulatory jurisdictions in the state have the same safety standards with regard to the production, storage, transportation, distribution, and use of hydrogen, fuel cells, and related technologies. The commissioner's recommendations must, without limitation, include:

(1) codes and standards that already exist for hydrogen, fuel cells, and related technologies, and how the state should formalize their use;

(2) codes and standards still under development by various official standard-making bodies;

(3) gaps between existing codes and standards, those under development, and those that may still be needed but are not yet being developed;

(4) the need for, and estimated cost of, additional education and training for emergency management and code officials;

(5) any changes needed to environmental and other permitting processes to accommodate the commercialization of hydrogen, fuel cells, and related technologies; and

(6) recommendations on appropriate codes and standards for educational and research institutions.

Sec. 32. **HYDROGEN REFUELING STATION GRANTS.**

In addition to the purposes specified in Laws 2005, chapter 97, article 13, section 4, for which the commissioner of commerce may make grants, the commissioner may make grants under that law for the purpose of developing, deploying, and encouraging commercially promising renewable hydrogen production systems and hydrogen end uses in partnership with industry. The authority of the commissioner to make grants and assessments under Laws 2005, chapter 97, article 13, section 4, continues until the authorized grants and assessments are made.

Sec. 33. **OFF-SITE RENEWABLE DISTRIBUTED GENERATION.**

The commissioner of commerce shall convene a broad group of interested stakeholders to evaluate the feasibility and potential for the interconnection and parallel operation of off-site renewable distributed generation in a manner consistent with Minnesota Statutes, sections 216B.37 to 216B.43, and shall issue recommendations to the chairs of the house of representatives and senate committees with jurisdiction over energy issues by February 1, 2008.

Sec. 34. **DEFINITIONS.**

For purposes of sections 32 to 34, the following definitions apply:

(1) "terrestrial carbon sequestration" means the long-term storage of carbon in soil and vegetation to prevent its collection in the atmosphere as carbon dioxide; and

(2) "geologic carbon sequestration" means injecting carbon dioxide into underground geologic formations where it can be stored for long periods of time to prevent its escape to the atmosphere.

Sec. 35. **TERRESTRIAL CARBON SEQUESTRATION ACTIVITIES.**

Subdivision 1. **Study; scope.** The Board of Regents of the University of Minnesota is requested to conduct a study assessing the potential capacity for carbon sequestration in Minnesota's terrestrial systems. The study must:

(1) conduct a statewide inventory and construct a database of lands across several land types, such as forests, agricultural lands, peatlands, and wetlands, that have the potential to sequester significant quantities of carbon and of lands that currently contain large stocks of carbon that are at risk of being emitted to the atmosphere as a result of changes in land use and climate;

(2) quantify the ability of various land use practices, such as the growth of different species of crops, grasses, and trees, to sequester carbon and their impacts on other ecological services of value, including air and water quality, biodiversity, and wildlife habitat;

(3) identify a network of benchmark monitoring sites to measure the impact of long-term, large-scale factors, such as changes in climate, carbon dioxide levels, and land use, on the terrestrial carbon sequestration capacity of various land types, to improve understanding of carbon-terrestrial interactions and dynamics;

(4) identify long-term demonstration projects to measure the impact of deliberate sequestration practices, including the establishment of biofuel production systems, on forest, agricultural, wetland, and prairie ecosystems; and

(5) evaluate current state policies and programs that affect the levels of terrestrial sequestration on public and private lands and identify gaps and recommend policy changes to increase sequestration rates.

Subd. 2. **Coordination of terrestrial carbon sequestration activities.** Planning and implementation of the study described in subdivision 1 will be coordinated by the Minnesota Terrestrial Carbon Sequestration Initiative, a task force consisting of representatives from the University of Minnesota, the Department of Agriculture, the Board of Water and Soil Resources, the Department of Commerce, the Department of Natural Resources, and the Pollution Control Agency and agricultural, forestry, conservation, and business stakeholders.

Subd. 3. **Contracting.** The University of Minnesota may contract with another party to perform any of the tasks listed in subdivision 1.

Subd. 4. **Report.** The commissioner of natural resources must submit a report with the results of the study to the senate and house committees with jurisdiction over environmental and energy policies no later than February 1, 2008.

Sec. 36. GEOLOGIC CARBON SEQUESTRATION ASSESSMENT.

Subdivision 1. **Study; scope.** (a) The Minnesota Geological Survey shall conduct a study assessing the potential capacity for geologic carbon sequestration in the Midcontinent Rift system in Minnesota. The study must assess the potential of porous and permeable sandstone layers deeper than one kilometer below the surface that are capped by less permeable shale and must identify potential risks to carbon storage, such as areas of low permeability in injection zones, low storage capacity, and potential seal failure. The study must identify the most promising formations and geographic areas for physical analysis of carbon sequestration potential. The study must review geologic maps, published reports and surveys, and any relevant unpublished raw data with respect to attributes that are pertinent for the long-term sequestration of carbon in geologic formations, in particular, those that bear on formation injectivity, capacity, and seal effectiveness. The study must examine the following characteristics of key sedimentary units within the Midcontinent Rift system in Minnesota:

(1) likely depth, temperature, and pressure;

(2) physical properties, including the ability to contain and transmit fluids;

(3) the type of rocks present;

(4) structure and geometry, including folds and faults; and

(5) hydrogeology, including water chemistry and water flow.

(b) The commissioner of natural resources, in consultation with the Minnesota Geological Survey, shall contract for a study to estimate the properties of the Midcontinent Rift system in Minnesota, as described in paragraph (a), clauses (1) to (5), through the use of computer models developed for similar geologic formations located outside of Minnesota which have been studied in greater detail.

Subd. 2. **Consultation.** The Minnesota Geological Survey shall consult with the Minnesota Mineral Coordinating Committee, established in Minnesota Statutes, section 93.0015, in planning and implementing the study design.

Subd. 3. **Report.** The commissioner of natural resources must submit a report with the results of the study to the senate and house committees with jurisdiction over environmental and energy policies no later than February 1, 2008.

Sec. 37. **ST. PAUL PORT AUTHORITY.**

Notwithstanding Minnesota Statutes, section 465.717, the St. Paul Port Authority may create a not-for-profit corporation for purposes of owning or operating, or both, a steam and electricity producing facility to be located in St. Paul that uses primarily fuel from an eligible energy technology as defined in Minnesota Statutes, section 216B.1691, subdivision 1, except that it does not include mixed municipal solid waste as an eligible energy technology. Steam produced by the facility may be used by a customer in a paper recycling operation. Nothing in this section authorizes or prohibits the retail sale of energy produced by the facility to other retail customers.

Sec. 38. **BIOFUEL PERMITTING REPORT.**

By January 15, 2008, the Pollution Control Agency, the commissioner of natural resources, and the Environmental Quality Board shall report to the house of representatives and senate committees and divisions with jurisdiction over agriculture and environment policy and budget on the process to issue permits for biofuel production facilities. The report shall include:

- (1) information on the timing of the permits and measures taken to improve the timing of the permitting process;
- (2) recommended changes to statutes, rules, procedures, or fees to improve the biofuel facility permitting process and reduce the groundwater needed for production; and
- (3) other information or analysis that may be helpful in understanding or improving the biofuel production facility permitting process.

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

Sec. 39. **WINONA COUNTY; ELECTRIC POWER PLANT.**

The county of Winona may own, construct, acquire, purchase, issue bonds and certificates of indebtedness for, maintain, and operate a wind energy conversion system, or a portion of a wind energy conversion system, within its corporate limits, and may sell the output from that facility at wholesale on such terms and conditions as the county board deems is in the best interests of the public. With respect to any wind energy conversion system, or any portion of a wind energy conversion system, the county may exercise the powers granted to a municipal power agency and to a city under Minnesota Statutes, sections 453.52, subdivisions 1, 6, 7, and 9 to 13; 453.54, subdivisions 1, 2, 4 to 6, 10, 11, 14, 15, and 17 to 21; 453.55; 453.57; 453.58, subdivisions 2, 3, and 4; 453.59; 453.60; 453.61; and 453.62, except that output from that wind energy conversion system may not be sold or distributed at retail or provided for end use by the county. Minnesota Statutes, section 453.58, subdivision 3, does not give the county the authority to enter into contracts with a municipal power agency for the purchase, sale, exchange, or transmission of electric energy and other services.

EFFECTIVE DATE. This section is effective the day after the governing body of the county of Winona and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 40. **APPLICATION OF RULES.**

Minnesota Rules, parts 7831.0100; 7831.0200; 7831.0300; 7831.0400; 7831.0500; 7831.0600; 7831.0700; and 7831.0800, do not apply to a general rate case for a gas or electric utility held before the commission. The Public Utilities Commission shall timely adopt rules to conform with this section and Minnesota Statutes, section 216B.16, subdivision 10, as amended by this act, under the exempt rule procedures of Minnesota Statutes, section 14.388, subdivision 1, clause (3).

Sec. 41. **REVISOR'S INSTRUCTION.**

The revisor of statutes must change the reference from "216B.095" to "216B.096" wherever found in Minnesota Rules, chapter 7820.

Sec. 42. **REPEALER.**

(a) Minnesota Statutes 2006, section 216B.095, is repealed.

(b) Minnesota Rules, parts 7820.1500; 7820.1600; 7820.1700; 7820.1750; 7820.1800; 7820.1900; 7820.2000; 7820.2100; 7820.2150; 7820.2200; and 7820.2300, are repealed.

Sec. 43. **EFFECTIVE DATE.**

Sections 13, 39, and 40 are effective September 1, 2008.

ARTICLE 3

COMMERCE

Section 1. Minnesota Statutes 2006, section 13.712, is amended by adding a subdivision to read:

Subd. 3. **Vehicle protection product warrantors.** Financial information provided to the commissioner of commerce by vehicle protection product warrantors is classified under section 59C.05, subdivision 3.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 2. Minnesota Statutes 2006, section 45.011, subdivision 1, is amended to read:

Subdivision 1. **Scope.** As used in chapters 45 to 83, 155A, 332, 332A, 345, and 359, and sections 325D.30 to 325D.42, 326.83 to 326.991, and 386.61 to 386.78, unless the context indicates otherwise, the terms defined in this section have the meanings given them.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 3. **[45.24] LICENSE TECHNOLOGY FEES.**

(a) The commissioner may establish and maintain an electronic licensing database system for license origination, renewal, and tracking the completion of continuing education requirements by individual licensees who have continuing education requirements, and other related purposes.

(b) The commissioner shall pay for the cost of operating and maintaining the electronic database system described in paragraph (a) through a technology surcharge imposed upon the fee for license origination and renewal, for individual licenses that require continuing education.

(c) The surcharge permitted under paragraph (b) shall be up to \$40 for each two-year licensing period, except as otherwise provided in paragraph (f), and shall be payable at the time of license origination and renewal.

(d) The Commerce Department technology account is hereby created as an account in the special revenue fund.

(e) The commissioner shall deposit the surcharge permitted under this section in the account created in paragraph (d), and funds in the account are appropriated to the commissioner in the amounts needed for purposes of this section.

(f) The commissioner shall temporarily reduce or suspend the surcharge as necessary if the balance in the account created in paragraph (d) exceeds \$2,000,000 as of the end of any calendar year and shall increase or decrease the surcharge as necessary to keep the fund balance at an adequate level but not in excess of \$2,000,000.

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

Sec. 4. Minnesota Statutes 2006, section 46.04, subdivision 1, is amended to read:

Subdivision 1. **General.** The commissioner of commerce, referred to in chapters 46 to 59A, and ~~sections 332.12 to 332.29~~ chapter 332A, as the commissioner, is vested with all the powers, authority, and privileges which, prior to the enactment of Laws 1909, chapter 201, were conferred by law upon the public examiner, and shall take over all duties in relation to state banks, savings banks, trust companies, savings associations, and other financial institutions within the state which, prior to the enactment of chapter 201, were imposed upon the public examiner. The commissioner of commerce shall exercise a constant supervision, either personally or through the examiners herein provided for, over the books and affairs of all state banks, savings banks, trust companies, savings associations, credit unions, industrial loan and thrift companies, and other financial institutions doing business within this state; and shall, through examiners, examine each financial institution at least once every 24 calendar months. In satisfying this examination requirement, the commissioner may accept reports of examination prepared by a federal agency having comparable supervisory powers and examination procedures. With the exception of industrial loan and thrift companies which do not have deposit liabilities and licensed regulated lenders, it shall be the principal purpose of these examinations to inspect and verify the assets and liabilities of each and so far investigate the character and value of the assets of each institution as to determine with reasonable certainty that the values are correctly carried on its books. Assets and liabilities shall be verified in accordance with methods of procedure which the commissioner may determine to be adequate to carry out the intentions of this section. It shall be the further purpose of these examinations to assess the adequacy of capital protection and the capacity of the institution to meet usual and reasonably anticipated deposit withdrawals and other cash commitments without resorting to excessive borrowing or sale of assets at a significant loss, and to investigate each institution's compliance with applicable laws and rules. Based on the examination findings, the commissioner shall make a determination as to whether the institution is being operated in a safe and sound manner. None of the above provisions limits the commissioner in making additional examinations as deemed necessary or advisable. The commissioner shall investigate the methods of operation and conduct of these institutions and their systems of accounting, to ascertain whether these methods and systems are in accordance with law and sound banking principles. The commissioner may make requirements as to records as deemed necessary to facilitate the carrying out of the commissioner's duties and to properly protect the public interest. The commissioner may examine, or cause to be examined by these examiners, on oath, any officer, director, trustee, owner, agent, clerk, customer, or depositor of any financial institution touching the affairs and business thereof, and may issue, or cause to be issued by the examiners, subpoenas, and administer, or cause to be administered by the examiners, oaths. In case of any refusal to obey any subpoena issued under the commissioner's direction, the refusal may at once be reported to the district court of the district in which the bank or other financial institution is located, and this court shall enforce obedience to these

subpoenas in the manner provided by law for enforcing obedience to subpoenas of the court. In all matters relating to official duties, the commissioner of commerce has the power possessed by courts of law to issue subpoenas and cause them to be served and enforced, and all officers, directors, trustees, and employees of state banks, savings banks, trust companies, savings associations, and other financial institutions within the state, and all persons having dealings with or knowledge of the affairs or methods of these institutions, shall afford reasonable facilities for these examinations, make returns and reports to the commissioner of commerce as the commissioner may require; attend and answer, under oath, the commissioner's lawful inquiries; produce and exhibit any books, accounts, documents, and property as the commissioner may desire to inspect, and in all things aid the commissioner in the performance of duties.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 5. Minnesota Statutes 2006, section 46.05, is amended to read:

46.05 SUPERVISION OVER FINANCIAL INSTITUTIONS.

Every state bank, savings bank, trust company, savings association, debt management services provider, and other financial institutions shall be at all times under the supervision and subject to the control of the commissioner of commerce. If, and whenever in the performance of duties, the commissioner finds it necessary to make a special investigation of any financial institution under the commissioner's supervision, and other than a complete examination, the commissioner shall make a charge therefor to include only the necessary costs thereof. Such a fee shall be payable to the commissioner on the commissioner's making a request for payment.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 6. Minnesota Statutes 2006, section 46.131, subdivision 2, is amended to read:

Subd. 2. **Assessment authority.** Each bank, trust company, savings bank, savings association, regulated lender, industrial loan and thrift company, credit union, motor vehicle sales finance company, ~~debt prorating agency~~ management services provider and insurance premium finance company organized under the laws of this state or required to be administered by the commissioner of commerce shall pay into the state treasury its proportionate share of the cost of maintaining the Department of Commerce.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 7. Minnesota Statutes 2006, section 47.19, is amended to read:

47.19 CORPORATION MAY BE MEMBER OR STOCKHOLDER OF FEDERAL AGENCY.

Any corporation is hereby empowered and authorized to become a member of, or stockholder in, any such agency, and to that end to purchase stock in, or securities of, or deposit money with, such agency and/or to comply with any other conditions of membership or credit; to borrow money from such agency upon such rates of interest, not exceeding the contract rate of interest in this state, and upon such terms and conditions as may be agreed upon by such corporation and such agency, for the purpose of making loans, paying withdrawals, paying maturities, paying debts, and for any other purpose not inconsistent with the objects of the corporation; provided, that the aggregate amount of the indebtedness, so incurred by such corporation, which shall be outstanding at any time shall not exceed 25 ~~35~~ percent of the then total assets of the corporation; to assign, pledge and hypothecate its bonds, mortgages or other assets; and, in case of savings associations, to repledge with such agency the shares of stock in such association which any owner thereof may have pledged as collateral security, without obtaining the consent thereunto of such owner, as security for the repayment of the indebtedness so created by such corporation and as evidenced by its note or other evidence of indebtedness given for such borrowed money; and to do any and all things which shall or may be necessary or convenient in order to comply with and to obtain the benefits of the provisions of any act of Congress creating such agency, or any amendments thereto.

Sec. 8. Minnesota Statutes 2006, section 47.59, subdivision 6, is amended to read:

Subd. 6. **Additional charges.** (a) For purposes of this subdivision, "financial institution" includes a person described in subdivision 4, paragraph (a). In addition to the finance charges permitted by this section, a financial institution may contract for and receive the following additional charges that may be included in the principal amount of the loan or credit sale unpaid balances:

(1) official fees and taxes;

(2) charges for insurance as described in paragraph (b);

(3) with respect to a loan or credit sale contract secured by real estate, the following "closing costs," if they are bona fide, reasonable in amount, and not for the purpose of circumvention or evasion of this section:

(i) fees or premiums for title examination, abstract of title, title insurance, surveys, or similar purposes;

(ii) fees for preparation of a deed, mortgage, settlement statement, or other documents, if not paid to the financial institution;

(iii) escrows for future payments of taxes, including assessments for improvements, insurance, and water, sewer, and land rents;

(iv) fees for notarizing deeds and other documents;

(v) appraisal and credit report fees; and

(vi) fees for determining whether any portion of the property is located in a flood zone and fees for ongoing monitoring of the property to determine changes, if any, in flood zone status;

(4) a delinquency charge on a payment, including the minimum payment due in connection with open-end credit, not paid in full on or before the tenth day after its due date in an amount not to exceed five percent of the amount of the payment or \$5.20, whichever is greater;

(5) for a returned check or returned automatic payment withdrawal request, an amount not in excess of the service charge limitation in section 604.113, except that, on a loan transaction that is a consumer small loan as defined in section 47.60, subdivision 1, paragraph (a), in which cash is advanced in exchange for a personal check, the civil penalty provisions of section 604.113, subdivision 2, paragraph (b), may not be demanded or assessed against the borrower; and

(6) charges for other benefits, including insurance, conferred on the borrower that are of a type that is not for credit.

(b) An additional charge may be made for insurance written in connection with the loan or credit sale contract, which may be included in the principal amount of the loan or credit sale unpaid balances:

(1) with respect to insurance against loss of or damage to property, or against liability arising out of the ownership or use of property, if the financial institution furnishes a clear, conspicuous, and specific statement in writing to the borrower setting forth the cost of the insurance if obtained from or through the financial institution and stating that the borrower may choose the person through whom the insurance is to be obtained;

(2) with respect to credit insurance or mortgage insurance providing life, accident, health, or unemployment coverage, if the insurance coverage is not required by the financial institution, and this fact is clearly and conspicuously disclosed in writing to the borrower, and the borrower gives specific, dated, and separately signed affirmative written indication of the borrower's desire to do so after written disclosure to the borrower of the cost of the insurance; and

(3) with respect to the vendor's single interest insurance, but only (i) to the extent that the insurer has no right of subrogation against the borrower; and (ii) to the extent that the insurance does not duplicate the coverage of other insurance under which loss is payable to the financial institution as its interest may appear, against loss of or damage to property for which a separate charge is made to the borrower according to clause (1); and (iii) if a clear, conspicuous, and specific statement in writing is furnished by the financial institution to the borrower setting forth the cost of the insurance if obtained from or through the financial institution and stating that the borrower may choose the person through whom the insurance is to be obtained.

(c) In addition to the finance charges and other additional charges permitted by this section, a financial institution may contract for and receive the following additional charges in connection with open-end credit, which may be included in the principal amount of the loan or balance upon which the finance charge is computed:

(1) annual charges, not to exceed \$50 per annum, payable in advance, for the privilege of opening and maintaining open-end credit;

(2) charges for the use of an automated teller machine;

(3) charges for any monthly or other periodic payment period in which the borrower has exceeded or, except for the financial institution's dishonor would have exceeded, the maximum approved credit limit, in an amount not in excess of the service charge permitted in section 604.113;

(4) charges for obtaining a cash advance in an amount not to exceed the service charge permitted in section 604.113; and

(5) charges for check and draft copies and for the replacement of lost or stolen credit cards.

(d) In addition to the finance charges and other additional charges permitted by this section, a financial institution may contract for and receive a onetime loan administrative fee not exceeding \$25 in connection with closed-end credit, which may be included in the principal balance upon which the finance charge is computed. This paragraph applies only to closed-end credit in an original principal amount of \$4,320 or less. The determination of an original principal amount must exclude the administrative fee contracted for and received according to this paragraph.

Sec. 9. Minnesota Statutes 2006, section 47.60, subdivision 2, is amended to read:

Subd. 2. **Authorization, terms, conditions, and prohibitions.** (a) In lieu of the interest, finance charges, or fees in any other law, a consumer small loan lender may charge the following:

(1) on any amount up to and including \$50, a charge of \$5.50 may be added;

(2) on amounts in excess of \$50, but not more than \$100, a charge may be added equal to ten percent of the loan proceeds plus a \$5 administrative fee;

(3) on amounts in excess of \$100, but not more than \$250, a charge may be added equal to seven percent of the loan proceeds with a minimum of \$10 plus a \$5 administrative fee;

(4) for amounts in excess of \$250 and not greater than the maximum in subdivision 1, paragraph (a), a charge may be added equal to six percent of the loan proceeds with a minimum of \$17.50 plus a \$5 administrative fee.

(b) The term of a loan made under this section shall be for no more than 30 calendar days.

(c) After maturity, the contract rate must not exceed 2.75 percent per month of the remaining loan proceeds after the maturity date calculated at a rate of 1/30 of the monthly rate in the contract for each calendar day the balance is outstanding.

(d) No insurance charges or other charges must be permitted to be charged, collected, or imposed on a consumer small loan except as authorized in this section.

(e) On a loan transaction in which cash is advanced in exchange for a personal check, a return check charge may be charged as authorized by section 604.113, subdivision 2, paragraph (a). The civil penalty provisions of section 604.113, subdivision 2, paragraph (b), may not be demanded or assessed against the borrower.

(f) A loan made under this section must not be repaid by the proceeds of another loan made under this section by the same lender or related interest. The proceeds from a loan made under this section must not be applied to another loan from the same lender or related interest. No loan to a single borrower made pursuant to this section shall be split or divided and no single borrower shall have outstanding more than one loan with the result of collecting a higher charge than permitted by this section or in an aggregate amount of principal exceed at any one time the maximum of \$350.

Sec. 10. Minnesota Statutes 2006, section 47.62, subdivision 1, is amended to read:

Subdivision 1. **General authority.** Any person may establish and maintain one or more electronic financial terminals. Any financial institution may provide for its customers the use of an electronic financial terminal by entering into an agreement with any person who has established and maintains one or more electronic financial terminals if that person authorizes use of the electronic financial terminal to all financial institutions on a nondiscriminatory basis pursuant to section 47.64. ~~Electronic financial terminals to be established and maintained in this state by financial institutions located in states other than Minnesota must file a notification to the commissioner as required in this section. The notification may be in the form lawfully required by the state regulator responsible for the examination and supervision of that financial institution. If there is no such requirement, then notification must be in the form required by this section for Minnesota financial institutions.~~

Sec. 11. Minnesota Statutes 2006, section 47.75, subdivision 1, is amended to read:

Subdivision 1. **Retirement, health savings, and medical savings accounts.** (a) A commercial bank, savings bank, savings association, credit union, or industrial loan and thrift company may act as trustee or custodian:

(1) under the Federal Self-Employed Individual Tax Retirement Act of 1962, as amended;

(2) of a medical savings account under the Federal Health Insurance Portability and Accountability Act of 1996, as amended;

(3) of a health savings account under the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, as amended; and

(4) under the Federal Employee Retirement Income Security Act of 1974, as amended.

(b) The trustee or custodian may accept the trust funds if the funds are invested only in savings accounts or time deposits in the commercial bank, savings bank, savings association, credit union, or industrial loan and thrift company, except that health savings accounts may also be invested in transaction accounts. Health savings accounts invested in transaction accounts shall not be subject to the restrictions in section 48.512, subdivision 3. All funds held in the fiduciary capacity may be commingled by the financial institution in the conduct of its business, but individual records shall be maintained by the fiduciary for each participant and shall show in detail all transactions engaged under authority of this subdivision.

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

Sec. 12. Minnesota Statutes 2006, section 48.15, subdivision 4, is amended to read:

Subd. 4. **Retirement, health savings, and medical savings accounts.** (a) A state bank may act as trustee or custodian:

(1) of a self-employed retirement plan under the Federal Self-Employed Individual Tax Retirement Act of 1962, as amended;

(2) of a medical savings account under the Federal Health Insurance Portability and Accountability Act of 1996, as amended;

(3) of a health savings account under the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, as amended; and

(4) of an individual retirement account under the Federal Employee Retirement Income Security Act of 1974, as amended, if the bank's duties as trustee or custodian are essentially ministerial or custodial in nature and the funds are invested only (i) in the bank's own savings or time deposits, except that health savings accounts may also be invested in transaction accounts. Health savings accounts invested in transaction accounts shall not be subject to the restrictions in section 48.512, subdivision 3; or (ii) in any other assets at the direction of the customer if the bank does not exercise any investment discretion, invest the funds in collective investment funds administered by it, or provide any investment advice with respect to those account assets.

(b) Affiliated discount brokers may be utilized by the bank acting as trustee or custodian for self-directed IRAs, if specifically authorized and directed in appropriate documents. The relationship between the affiliated broker and the bank must be fully disclosed. Brokerage commissions to be charged to the IRA by the affiliated broker should be accurately disclosed. Provisions should be made for disclosure of any changes in commission rates prior to their becoming effective. The affiliated broker may not provide investment advice to the customer.

(c) All funds held in the fiduciary capacity may be commingled by the financial institution in the conduct of its business, but individual records shall be maintained by the fiduciary for each participant and shall show in detail all transactions engaged under authority of this subdivision.

(d) The authority granted by this section is in addition to, and not limited by, section 47.75.

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

Sec. 13. Minnesota Statutes 2006, section 58.04, subdivision 1, is amended to read:

Subdivision 1. **Residential mortgage originator licensing requirements.** (a) ~~Beginning August 1, 1999,~~ No person shall act as a residential mortgage originator, or make residential mortgage loans without first obtaining a license from the commissioner according to the licensing procedures provided in this chapter.

(b) A licensee must be either a partnership, limited liability partnership, association, limited liability company, corporation, or other form of business organization, and must have and maintain at all times one of the following: approval as a mortgagee by either the federal Department of Housing and Urban Development or the Federal National Mortgage Association; a minimum net worth, net of intangibles, of at least \$250,000; or a surety bond or irrevocable letter of credit in the amount of \$50,000. Net worth, net of intangibles, must be calculated in accordance with generally accepted accounting principles.

(c) The following persons are exempt from the residential mortgage originator licensing requirements:

- ~~(1) an employee of one mortgage originator licensee or one person holding a certificate of exemption;~~
- ~~(2) a person licensed as a real estate broker under chapter 82 who is not licensed to another real estate broker;~~
- ~~(3) an individual real estate licensee who is licensed to a real estate broker as described in clause (2) if:~~
 - ~~(i) the individual licensee acts only under the name, authority, and supervision of the broker to whom the licensee is licensed;~~
 - ~~(ii) the broker to whom the licensee is licensed obtains a certificate of exemption according to section 58.05, subdivision 2;~~
 - ~~(iii) the broker does not collect an advance fee for its residential mortgage related activities; and~~
 - ~~(iv) the residential mortgage origination activities are incidental to the real estate licensee's primary activities as a real estate broker or salesperson;~~
- ~~(4) an individual licensed as a property/casualty or life/health insurance agent under chapter 60K if:~~
 - ~~(i) the insurance agent acts on behalf of only one residential mortgage originator, which is in compliance with chapter 58;~~
 - ~~(ii) the insurance agent has entered into a written contract with the mortgage originator under the terms of which the mortgage originator agrees to accept responsibility for the insurance agent's residential mortgage-related activities;~~
 - ~~(iii) the insurance agent obtains a certificate of exemption under section 58.05, subdivision 2; and~~
 - ~~(iv) the insurance agent does not collect an advance fee for the insurance agent's residential mortgage-related activities;~~
- ~~(5)~~ (1) a person who is not in the business of making residential mortgage loans and who makes no more than three such loans, with its own funds, during any 12-month period;
- ~~(6)~~ (2) a financial institution as defined in section 58.02, subdivision 10;
- ~~(7)~~ (3) an agency of the federal government, or of a state or municipal government;
- ~~(8)~~ (4) an employee or employer pension plan making loans only to its participants;
- ~~(9)~~ (5) a person acting in a fiduciary capacity, such as a trustee or receiver, as a result of a specific order issued by a court of competent jurisdiction; or
- ~~(10)~~ (6) a person exempted by order of the commissioner.

Sec. 14. Minnesota Statutes 2006, section 58.05, is amended to read:

58.05 EXEMPTIONS FROM LICENSE.

Subdivision 1. **Exempt person.** An exempt person as defined by section 58.04, subdivision 1, paragraph ~~(b)~~ (c), and subdivision 2, paragraph (b), is exempt from the licensing requirements of this chapter, but is subject to all other provisions of this chapter.

Subd. 3. **Certificate of exemption.** A person must obtain a certificate of exemption from the commissioner to qualify as an exempt person under section 58.04, subdivision 1, paragraph ~~(b) (c)~~, ~~as a real estate broker under clause (2), an insurance agent under clause (4),~~ a financial institution under clause ~~(6) (2)~~, or by order of the commissioner under clause ~~(10) (6)~~; or under section 58.04, subdivision 2, paragraph (b), as a financial institution under clause ~~(4) (3)~~, or by order of the commissioner under clause ~~(8) (7)~~.

Sec. 15. Minnesota Statutes 2006, section 58.06, subdivision 2, is amended to read:

Subd. 2. **Application contents.** (a) The application must contain the name and complete business address or addresses of the license applicant. ~~If~~ The license applicant ~~is~~ must be a partnership, limited liability partnership, association, limited liability company, corporation, or other form of business organization, and the application must contain the names and complete business addresses of each partner, member, director, and principal officer. The application must also include a description of the activities of the license applicant, in the detail and for the periods the commissioner may require.

(b) An applicant must submit one of the following:

(1) evidence which shows, to the commissioner's satisfaction, that either the federal Department of Housing and Urban Development or the Federal National Mortgage Association has approved the applicant as a mortgagee;

(2) a surety bond or irrevocable letter of credit in the amount of not less than \$50,000 in a form approved by the commissioner, issued by an insurance company or bank authorized to do so in this state. The bond or irrevocable letter of credit must be available for the recovery of expenses, fines, and fees levied by the commissioner under this chapter and for losses incurred by borrowers. The bond or letter of credit must be submitted with the license application, and evidence of continued coverage must be submitted with each renewal. Any change in the bond or letter of credit must be submitted for approval by the commissioner within ten days of its execution; or

(3) a copy of the applicant's most recent audited financial statement, including balance sheet, statement of income or loss, statements of changes in shareholder equity, and statement of changes in financial position. Financial statements must be as of a date within 12 months of the date of application.

(c) The application must also include all of the following:

~~(a)~~ (1) an affirmation under oath that the applicant:

~~(1) will maintain competent staff and adequate staffing levels, through direct employees or otherwise, to meet the requirements of this chapter;~~ (i) is in compliance with the requirements of section 58.125;

(ii) will maintain a perpetual roster of individuals employed as residential mortgage originators, including employees and independent contractors, which includes the date that mandatory initial education was completed. In addition, the roster must be made available to the commissioner on demand, within three business days of the commissioner's request;

~~(2)~~ (iii) will advise the commissioner of any material changes to the information submitted in the most recent application within ten days of the change;

~~(3)~~ (iv) will advise the commissioner in writing immediately of any bankruptcy petitions filed against or by the applicant or licensee;

~~(4) is financially solvent;~~ (v) will maintain at all times either a net worth, net of intangibles, of at least \$250,000 or a surety bond or irrevocable letter of credit in the amount of at least \$50,000;

~~(5)~~ (vi) complies with federal and state tax laws; and

~~(6)~~ (vii) complies with sections 345.31 to 345.60, the Minnesota unclaimed property law; ~~and~~

~~(7) is, or that a person in control of the license applicant is, at least 18 years of age;~~

~~(b)~~ (2) information as to the mortgage lending, servicing, or brokering experience of the applicant and persons in control of the applicant;

~~(c)~~ (3) information as to criminal convictions, excluding traffic violations, of persons in control of the license applicant;

~~(d)~~ (4) whether a court of competent jurisdiction has found that the applicant or persons in control of the applicant have engaged in conduct evidencing gross negligence, fraud, misrepresentation, or deceit in performing an act for which a license is required under this chapter;

~~(e)~~ (5) whether the applicant or persons in control of the applicant have been the subject of: an order of suspension or revocation, cease and desist order, or injunctive order, or order barring involvement in an industry or profession issued by this or another state or federal regulatory agency or by the Secretary of Housing and Urban Development within the ten-year period immediately preceding submission of the application; and

~~(f)~~ (6) other information required by the commissioner.

Sec. 16. Minnesota Statutes 2006, section 58.06, is amended by adding a subdivision to read:

Subd. 3. **Waiver.** The commissioner may, for good cause shown, waive any requirement of this section with respect to an initial license application or to permit a license applicant to submit substituted information in its license application in lieu of the information required by this section.

Sec. 17. Minnesota Statutes 2006, section 58.08, subdivision 3, is amended to read:

Subd. 3. **Exemption.** ~~Subdivisions 1 and Subdivision 2 do~~ does not apply to mortgage originators or mortgage servicers who are approved as seller/servicers by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation.

Sec. 18. Minnesota Statutes 2006, section 58.10, subdivision 1, is amended to read:

Subdivision 1. **Amounts.** The following fees must be paid to the commissioner:

(1) for an initial residential mortgage originator license, ~~\$850~~ \$2,125, \$50 of which is credited to the consumer education account in the special revenue fund;

(2) for a renewal license, ~~\$450~~ \$1,125, \$50 of which is credited to the consumer education account in the special revenue fund;

(3) for an initial residential mortgage servicer's license, \$1,000;

(4) for a renewal license, \$500; and

(5) for a certificate of exemption, \$100.

Sec. 19. **[58.115] EXAMINATIONS.**

The commissioner has under this chapter the same powers with respect to examinations that the commissioner has under section 46.04, including the authority to charge for the direct costs of the examination, including travel and per diem expenses.

Sec. 20. **[58.126] EDUCATION REQUIREMENT.**

No individual shall engage in residential mortgage origination or make residential mortgage loans, whether as an employee or independent contractor, before the completion of 15 hours of educational training which has been approved by the commissioner, and covering state and federal laws concerning residential mortgage lending.

EFFECTIVE DATE. This section is effective March 1, 2008.

Sec. 21. **[59C.01] SHORT TITLE.**

This chapter may be cited as the Vehicle Protection Product Act.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 22. **[59C.02] DEFINITIONS.**

Subdivision 1. **Terms.** For purposes of this chapter, the terms defined in subdivisions 2 to 11 have the meanings given them.

Subd. 2. **Administrator.** "Administrator" means a third party other than the warrantor who is designated by the warrantor to be responsible for the administration of vehicle protection product warranties.

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

Subd. 4. **Department.** "Department" means the Department of Commerce.

Subd. 5. **Incidental costs.** "Incidental costs" means expenses specified in the warranty incurred by the warranty holder related to the failure of the vehicle protection product to perform as provided in the warranty. Incidental costs may include, without limitation, insurance policy deductibles, rental vehicle charges, the difference between the actual value of the stolen vehicle at the time of theft and the cost of a replacement vehicle, sales taxes, registration fees, transaction fees, and mechanical inspection fees.

Subd. 6. **Service contract.** "Service contract" means a contract or agreement as regulated under chapter 59B.

Subd. 7. **Vehicle protection product.** "Vehicle protection product" means a vehicle protection device, system, or service that:

(1) is installed on or applied to a vehicle;

(2) is designed to prevent loss or damage to a vehicle from a specific cause; and

(3) includes a written warranty.

For purposes of this section, vehicle protection product includes, without limitation, alarm systems; body part marking products; steering locks; window etch products; pedal and ignition locks; fuel and ignition kill switches; and electronic, radio, and satellite tracking devices.

Subd. 8. Vehicle protection product warranty or warranty. "Vehicle protection product warranty" or "warranty" means, for the purposes of this chapter, a written agreement by a warrantor that provides if the vehicle protection product fails to prevent loss or damage to a vehicle from a specific cause, that the warranty holder must be paid specified incidental costs by the warrantor as a result of the failure of the vehicle protection product to perform pursuant to the terms of the warranty.

Subd. 9. Vehicle protection product warrantor or warrantor. "Vehicle protection product warrantor" or "warrantor," for the purposes of this chapter, means a person who is contractually obligated to the warranty holder under the terms of the vehicle protection product warranty agreement. Warrantor does not include an authorized insurer providing a warranty reimbursement insurance policy.

Subd. 10. Warranty holder. "Warranty holder," for the purposes of this chapter, means the person who purchases a vehicle protection product or who is a permitted transferee.

Subd. 11. Warranty reimbursement insurance policy. "Warranty reimbursement insurance policy" means a policy of insurance that is issued to the vehicle protection product warrantor to provide reimbursement to, or to pay on behalf of, the warrantor all covered contractual obligations incurred by the warrantor under the terms and conditions of the insured vehicle protection product warranties sold by the warrantor.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 23. [59C.03] SCOPE AND EXEMPTIONS.

(a) No vehicle protection product may be sold or offered for sale in this state unless the seller, warrantor, and administrator, if any, comply with the provisions of this chapter.

(b) Vehicle protection product warrantors and related vehicle protection product sellers and warranty administrators complying with this chapter are not required to comply with and are not subject to any other provision of chapters 59B to 72A, except that section 72A.20, subdivision 38, shall apply to vehicle protection product warranties in the same manner it applies to service contracts.

(c) Service contract providers who do not sell vehicle protection products are not subject to the requirements of this chapter and sales of vehicle protection products are exempt from the requirements of chapter 59B.

(d) Warranties, indemnity agreements, and guarantees that are not provided as a part of a vehicle protection product are not subject to the provisions of this chapter.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 24. **[59C.04] REGISTRATION AND FILING REQUIREMENTS OF WARRANTORS.**

Subdivision 1. **General requirement.** A person may not operate as a warrantor or represent to the public that the person is a warrantor unless the person is registered with the department on a form prescribed by the commissioner.

Subd. 2. **Registration records.** A registrant shall file a warrantor registration record annually and shall update it within 30 days of any change. A registration record must contain the following information:

(1) the warrantor's name, any fictitious names under which the warrantor does business in the state, principal office address, and telephone number;

(2) the name and address of the warrantor's agent for service of process in the state if other than the warrantor;

(3) the names of the warrantor's executive officer or officers directly responsible for the warrantor's vehicle protection product business;

(4) the name, address, and telephone number of any administrators designated by the warrantor to be responsible for the administration of vehicle protection product warranties in this state;

(5) a copy of the warranty reimbursement insurance policy or policies or other financial information required by section 59C.05;

(6) a copy of each warranty the warrantor proposes to use in this state; and

(7) a statement indicating under which provision of section 59C.05 the warrantor qualifies to do business in this state as a warrantor.

Subd. 3. **Registration fee.** The commissioner may charge each registrant a reasonable fee to offset the cost of processing the registration and maintaining the records in an amount of \$250 annually. The information in subdivision 2, clauses (1) and (2), must be made available to the public.

Subd. 4. **Renewal.** The registrant will have 30 days to complete the renewal of the registration before the commissioner suspends the registration.

Subd. 5. **Exception.** An administrator or person who sells or solicits a sale of a vehicle protection product but who is not a warrantor shall not be required to register as a warrantor or be licensed under the insurance laws of this state to sell vehicle protection products.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 25. **[59C.05] FINANCIAL RESPONSIBILITY.**

Subdivision 1. **General requirements.** No vehicle protection product may be sold, or offered for sale in this state unless the warrantor meets either the requirements of subdivision 2 or 3 in order to ensure adequate performance under the warranty. No other financial security requirements or financial standards for warrantors is required.

Subd. 2. **Warranty reimbursement insurance policy.** The vehicle protection product warrantor shall be insured under a warranty reimbursement insurance policy issued by an insurer authorized to do business in this state which provides that:

(1) the insurer will pay to, or on behalf of the warrantor, 100 percent of all sums that the warrantor is legally obligated to pay according to the warrantor's contractual obligations under the warrantor's vehicle protection product warranty;

(2) a true and correct copy of the warranty reimbursement insurance policy has been filed with the commissioner by the warrantor; and

(3) the policy contains the provision required in section 59C.06.

Subd. 3. **Network or stockholder's equity.** (1) The vehicle protection product warrantor, or its parent company in accordance with clause (2), shall maintain a net worth or stockholders' equity of \$50,000,000; and

(2) the warrantor shall provide the commissioner with a copy of the warrantor's or the warrantor's parent company's most recent Form 10-K or Form 20-F filed with the Securities and Exchange Commission within the last calendar year or, if the warrantor does not file with the Securities and Exchange Commission, a copy of the warrantor or the warrantor's parent company's audited financial statements that shows a net worth of the warrantor or its parent company of at least \$50,000,000. If the warrantor's parent company's Form 10-K, Form 20-F, or audited financial statements are filed to meet the warrantor's financial stability requirement, then the parent company shall agree to guarantee the obligations of the warrantor relating to warranties issued by the warrantor in this state. The financial information provided to the commissioner under this paragraph is trade secret information for purposes of section 13.37.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 26. **[59C.06] WARRANTY REIMBURSEMENT POLICY REQUIREMENTS.**

No warranty reimbursement insurance policy may be issued, sold, or offered for sale in this state unless the policy meets the following conditions:

(1) the policy states that the issuer of the policy will reimburse, or pay on behalf of the vehicle protection product warrantor, all covered sums that the warrantor is legally obligated to pay, or will provide all service that the warrantor is legally obligated to perform according to the warrantor's contractual obligations under the provisions of the insured warranties sold by the warrantor;

(2) the policy states that in the event payment due under the terms of the warranty is not provided by the warrantor within 60 days after proof of loss has been filed according to the terms of the warranty by the warranty holder, the warranty holder may file directly with the warranty reimbursement insurance company for reimbursement;

(3) the policy provides that a warranty reimbursement insurance company that insures a warranty is deemed to have received payment of the premium if the warranty holder paid for the vehicle protection product and the insurer's liability under the policy shall not be reduced or relieved by a failure of the warrantor, for any reason, to report the issuance of a warranty to the insurer; and

(4) the policy has the following provisions regarding cancellation of the policy:

(i) the issuer of a reimbursement insurance policy shall not cancel the policy until a notice of cancellation in writing has been mailed or delivered to the commissioner and each insured warrantor;

(ii) the cancellation of a reimbursement insurance policy shall not reduce the issuer's responsibility for vehicle protection products sold prior to the date of cancellation; and

(iii) in the event an insurer cancels a policy that a warrantor has filed with the commissioner, the warrantor shall do either of the following:

(A) file a copy of a new policy with the commissioner, before the termination of the prior policy, providing no lapse in coverage following the termination of the prior policy; or

(B) discontinue offering warranties as of the termination date of the policy until a new policy becomes effective and is accepted by the commissioner.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 27. [59C.07] DISCLOSURE TO WARRANTY HOLDER.

A vehicle protection product warranty must not be sold or offered for sale in this state unless the warranty:

(1) states, "The obligations of the warrantor to the warranty holder are guaranteed under a warranty reimbursement insurance policy" if the warrantor elects to meet its financial responsibility obligations under section 59C.05, subdivision 2, or states "The obligations of the warrantor under this warranty are backed by the full faith and credit of the warrantor" if the warrantor elects to meet its financial responsibility obligations under section 59C.05, subdivision 3;

(2) states that in the event a warranty holder must make a claim against a party other than the warranty reimbursement insurance policy issuer, the warranty holder is entitled to make a direct claim against the insurer upon the failure of the warrantor to pay any claim or meet any obligation under the terms of the warranty within 60 days after proof of loss has been filed with the warrantor, if the warrantor elects to meet its financial responsibility obligations under section 59C.05, subdivision 2;

(3) states the name and address of the issuer of the warranty reimbursement insurance policy, and this information need not be preprinted on the warranty form, but may be added to or stamped on the warranty, if the warrantor elects to meet its financial responsibility obligations under section 59C.05, subdivision 2;

(4) identifies the warrantor, the seller, and the warranty holder;

(5) sets forth the total purchase price and the terms under which it is to be paid, however, the purchase price is not required to be preprinted on the vehicle protection product warranty and may be negotiated with the consumer at the time of sale;

(6) sets forth the procedure for making a claim, including a telephone number;

(7) specifies the payments or performance to be provided under the warranty including payments for incidental costs expressed as either a fixed amount specified in the warranty or sales agreement or by the use of a formula itemizing specific incidental costs incurred by the warranty holder, the manner of calculation or determination of payments or performance, and any limitations, exceptions, or exclusions;

(8) sets forth all of the obligations and duties of the warranty holder such as the duty to protect against any further damage to the vehicle, the obligation to notify the warrantor in advance of any repair, or other similar requirements, if any;

(9) sets forth any terms, restrictions, or conditions governing transferability and cancellation of the warranty, if any; and

(10) contains a disclosure that reads substantially as follows: "This agreement is a product warranty and is not insurance."

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 28. **[59C.08] PROHIBITED ACTS.**

(a) Unless licensed as an insurance company, a vehicle protection product warrantor shall not use in its name, contracts, or literature, any of the words "insurance," "casualty," "surety," "mutual," or any other words descriptive of the insurance, casualty, or surety business or deceptively similar to the name or description of any insurance or surety corporation, or any other vehicle protection product warrantor. A warrantor may use the term "guaranty" or similar word in the warrantor's name.

(b) A vehicle protection product seller or warrantor may not require as a condition of financing that a retail purchaser of a motor vehicle purchase a vehicle protection product.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 29. **[59C.09] RECORD KEEPING.**

(a) All vehicle protection product warrantors shall keep accurate accounts, books, and records concerning transactions regulated under this chapter.

(b) A vehicle protection product warrantor's accounts, books, and records must include:

(1) copies of all vehicle protection product warranties;

(2) the name and address of each warranty holder; and

(3) the dates, amounts, and descriptions of all receipts, claims, and expenditures.

(c) A vehicle protection product warrantor shall retain all required accounts, books, and records pertaining to each warranty holder for at least two years after the specified period of coverage has expired. A warrantor discontinuing business in this state shall maintain its records until it furnishes the commissioner satisfactory proof that it has discharged all obligations to warranty holders in this state.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 30. **[59C.10] COMMISSIONER'S POWERS AND DUTIES.**

Subdivision 1. **Examination and compliance powers.** The commissioner may conduct examinations of warrantors, administrators, or other persons to enforce this chapter and protect warranty holders in this state. Upon request of the commissioner, a warrantor shall make available to the commissioner all accounts, books, and records concerning vehicle protection products sold by the warrantor and transactions regulated under this chapter that are necessary to enable the commissioner to reasonably determine compliance or noncompliance with this chapter.

Subd. 2. **Enforcement authority.** The commissioner may take action that is necessary or appropriate to enforce the provisions of this chapter and the commissioner's rules and orders and to protect warranty holders in this state. The commissioner has the enforcement authority in chapter 45 available to enforce the provisions of the chapter and the rules adopted pursuant to it.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 31. **[59C.12] APPLICABILITY.**

This chapter applies to all vehicle protection products sold or offered for sale on or after the effective date of this chapter. The failure of any person to comply with this chapter before its effective date is not admissible in any court proceeding, administrative proceeding, arbitration, or alternative dispute resolution proceeding and may not otherwise be used to prove that the action of any person or the affected vehicle protection product was unlawful or otherwise improper. The adoption of this chapter does not imply that a vehicle protection product warranty was insurance before the effective date of this chapter. Nothing in this section may be construed to require the application of the penalty provisions where this section is not applicable.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 32. **[60K.365] PRODUCER TRAINING REQUIREMENTS FOR LONG-TERM CARE INSURANCE PRODUCTS.**

(a) An individual may not sell, solicit, or negotiate long-term care insurance unless the individual is licensed as an insurance producer for accident and health or sickness insurance or life insurance and has completed an initial training course and ongoing training every 24 months thereafter. The training must meet the requirements of paragraph (b).

(b) The initial training course required by this section must be no less than eight hours, and the ongoing training courses required by this section must be no less than four hours every 24 months. The courses must be approved by the commissioner and may be approved as continuing education courses under section 60K.56. The courses must consist of topics related to long-term care insurance, long-term care services, and qualified state long-term care insurance partnership programs, including, but not limited to:

(1) state and federal regulations and requirements and the relationship between qualified state long-term care insurance partnership programs and other public and private coverage of long-term care services, including Medicaid/Minnesota medical assistance;

(2) available long-term care services and providers;

(3) changes or improvements in long-term care services or providers;

(4) alternatives to the purchase of private long-term care insurance;

(5) the effect of inflation on benefits and the importance of inflation protection; and

(6) consumer suitability standards and guidelines.

The training required by this section must not include training that is insurer or company product specific or that includes any sales or marketing information, materials, or training, other than those required by state or federal law.

(c) Insurers shall obtain verification that a producer has received the training required by this section before a producer is permitted to sell, solicit, or negotiate the insurer's long-term care insurance products. Insurers shall maintain records verifying that the producer has received the training contained in this section and make that verification available to the commissioner upon request.

(d) The satisfaction of these initial training requirements in any state shall be deemed to satisfy the initial training requirements of this section.

(e) Nonresident producers selling partnership policies shall be expected to demonstrate knowledge about unique aspects of the Minnesota medical assistance system. An insurer offering partnership products in Minnesota shall maintain records verifying that its nonresident producers have attained the required training and make that verification available to the commissioner upon request.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment; producers have until January 1, 2008, to complete the initial training course.

Sec. 33. Minnesota Statutes 2006, section 60K.55, subdivision 2, is amended to read:

Subd. 2. **Licensing fees.** (a) In addition to fees provided for examinations and the technology surcharge required under paragraph (d), each insurance producer licensed under this chapter shall pay to the commissioner a fee of:

(1) \$50 for an initial life, accident and health, property, or casualty license issued to an individual insurance producer, and a fee of \$50 for each renewal;

(2) \$50 for an initial variable life and variable annuity license issued to an individual insurance producer, and a fee of \$50 for each renewal;

(3) \$50 for an initial personal lines license issued to an individual insurance producer, and a fee of \$50 for each renewal;

(4) \$50 for an initial limited lines license issued to an individual insurance producer, and a fee of \$50 for each renewal;

(5) \$200 for an initial license issued to a business entity, and a fee of \$200 for each renewal; and

(6) \$500 for an initial surplus lines license, and a fee of \$500 for each renewal.

(b) Initial licenses issued under this chapter are valid for a period not to exceed 24 months and expire on October 31 of the renewal year assigned by the commissioner. Each renewal insurance producer license is valid for a period of 24 months. Licensees who submit renewal applications postmarked or delivered on or before October 15 of the renewal year may continue to transact business whether or not the renewal license has been received by November 1. Licensees who submit applications postmarked or delivered after October 15 of the renewal year must not transact business after the expiration date of the license until the renewal license has been received.

(c) All fees are nonreturnable, except that an overpayment of any fee may be refunded upon proper application.

(d) In addition to the fees required under paragraph (a), individual insurance producers shall pay, for each initial license and renewal, a technology surcharge of up to \$40 under section 45.24, unless the commissioner has adjusted the surcharge as permitted under that section.

EFFECTIVE DATE. This section is effective August 31, 2007.

Sec. 34. Minnesota Statutes 2006, section 80A.28, subdivision 1, is amended to read:

Subdivision 1. **Registration or notice filing fee.** (a) There shall be a filing fee of \$100 for every application for registration or notice filing. There shall be an additional fee of one-tenth of one percent of the maximum aggregate offering price at which the securities are to be offered in this state, and the maximum combined fees shall not exceed \$300.

(b) When an application for registration is withdrawn before the effective date or a preeffective stop order is entered under section 80A.13, subdivision 1, all but the \$100 filing fee shall be returned. If an application to register securities is denied, the total of all fees received shall be retained.

(c) Where a filing is made in connection with a federal covered security under section 18(b)(2) of the Securities Act of 1933, there is a fee of \$100 for every initial filing. If the filing is made in connection with redeemable securities issued by an open end management company or unit investment trust, as defined in the Investment Company Act of 1940, there is an additional annual fee of 1/20 of one percent of the maximum aggregate offering price at which the securities are to be offered in this state during the notice filing period. The fee must be paid at the time of the initial filing and thereafter in connection with each renewal no later than July 1 of each year and must be sufficient to cover the shares the issuer expects to sell in this state over the next 12 months. If during a current notice filing the issuer determines it is likely to sell shares in excess of the shares for which fees have been paid to the commissioner, the issuer shall submit an amended notice filing to the commissioner under section 80A.122, subdivision 1, clause (3), together with a fee of 1/20 of one percent of the maximum aggregate offering price of the additional shares. Shares for which a fee has been paid, but which have not been sold at the time of expiration of the notice filing, may not be sold unless an additional fee to cover the shares has been paid to the commissioner as provided in this section and section 80A.122, subdivision 4a. If the filing is made in connection with redeemable securities issued by such a company or trust, there is no maximum fee for securities filings made according to this paragraph. If the filing is made in connection with any other federal covered security under Section 18(b)(2) of the Securities Act of 1933, there is an additional fee of one-tenth of one percent of the maximum aggregate offering price at which the securities are to be offered in this state, and the combined fees shall not exceed \$300. Beginning with fiscal year 2001 and continuing each fiscal year thereafter, as of the last day of each fiscal year, the commissioner shall determine the total amount of all fees that were collected under this paragraph in connection with any filings made for that fiscal year for securities of an open-end investment company on behalf of a security that is a federal covered security pursuant to section 18(b)(2) of the Securities Act of 1933. To the extent the total fees collected by the commissioner in connection with these filings exceed ~~\$25,000,000~~ \$25,600,000 in a fiscal year, the commissioner shall refund, on a pro rata basis, to all persons who paid any fees for that fiscal year, the amount of fees collected by the commissioner in excess of ~~\$25,000,000~~ \$25,600,000. No individual refund is required of amounts of \$100 or less for a fiscal year.

Sec. 35. Minnesota Statutes 2006, section 80A.65, subdivision 1, is amended to read:

Subdivision 1. **Registration or notice filing fee.** (a) There shall be a filing fee of \$100 for every application for registration or notice filing. There shall be an additional fee of one-tenth of one percent of the maximum aggregate offering price at which the securities are to be offered in this state, and the maximum combined fees shall not exceed \$300.

(b) When an application for registration is withdrawn before the effective date or a preeffective stop order is entered under section 80A.54, all but the \$100 filing fee shall be returned. If an application to register securities is denied, the total of all fees received shall be retained.

(c) Where a filing is made in connection with a federal covered security under section 18(b)(2) of the Securities Act of 1933, there is a fee of \$100 for every initial filing. If the filing is made in connection with redeemable securities issued by an open end management company or unit investment trust, as defined in the Investment Company Act of 1940, there is an additional annual fee of 1/20 of one percent of the maximum aggregate offering price at which the securities are to be offered in this state during the notice filing period. The fee must be paid at the time of the initial filing and thereafter in connection with each renewal no later than July 1 of each year and must be sufficient to cover the shares the issuer expects to sell in this state over the next 12 months. If during a current notice filing the issuer determines it is likely to sell shares in excess of the shares for which fees have been paid to the administrator, the issuer shall submit an amended notice filing to the administrator under section 80A.50, together with a fee of 1/20 of one percent of the maximum aggregate offering price of the additional shares. Shares

for which a fee has been paid, but which have not been sold at the time of expiration of the notice filing, may not be sold unless an additional fee to cover the shares has been paid to the administrator as provided in this section and section 80A.50. If the filing is made in connection with redeemable securities issued by such a company or trust, there is no maximum fee for securities filings made according to this paragraph. If the filing is made in connection with any other federal covered security under Section 18(b)(2) of the Securities Act of 1933, there is an additional fee of one-tenth of one percent of the maximum aggregate offering price at which the securities are to be offered in this state, and the combined fees shall not exceed \$300. Beginning with fiscal year 2001 and continuing each fiscal year thereafter, as of the last day of each fiscal year, the administrator shall determine the total amount of all fees that were collected under this paragraph in connection with any filings made for that fiscal year for securities of an open-end investment company on behalf of a security that is a federal covered security pursuant to section 18(b)(2) of the Securities Act of 1933. To the extent the total fees collected by the administrator in connection with these filings exceed ~~\$25,000,000~~ \$25,600,000 in a fiscal year, the administrator shall refund, on a pro rata basis, to all persons who paid any fees for that fiscal year, the amount of fees collected by the administrator in excess of ~~\$25,000,000~~ \$25,600,000. No individual refund is required of amounts of \$100 or less for a fiscal year.

Sec. 36. Minnesota Statutes 2006, section 82.24, subdivision 1, is amended to read:

Subdivision 1. **Amounts.** The following fees shall be paid to the commissioner:

- (a) a fee of \$150 for each initial individual broker's license, and a fee of \$100 for each renewal thereof;
- (b) a fee of \$70 for each initial salesperson's license, and a fee of \$40 for each renewal thereof;
- (c) a fee of \$85 for each initial real estate closing agent license, and a fee of \$60 for each renewal thereof;
- (d) a fee of \$150 for each initial corporate, limited liability company, or partnership license, and a fee of \$100 for each renewal thereof;
- (e) a fee for payment to the education, research and recovery fund in accordance with section 82.43;
- (f) a fee of \$20 for each transfer;
- (g) a fee of \$50 for license reinstatement; ~~and~~
- (h) a fee of \$20 for reactivating a corporate, limited liability company, or partnership license without land; and
- (i) in addition to the fees required under this subdivision, individual licensees under clauses (a) and (b) shall pay, for each initial license and renewal, a technology surcharge of up to \$40 under section 45.24, unless the commissioner has adjusted the surcharge as permitted under that section.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies to new licensees effective September 1, 2007.

Sec. 37. Minnesota Statutes 2006, section 82.24, subdivision 4, is amended to read:

Subd. 4. **Deposit of fees.** Unless otherwise provided by this chapter, all fees collected under this chapter shall be deposited in the state treasury. The technology surcharge shall be deposited as required under section 45.24.

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

Sec. 38. Minnesota Statutes 2006, section 82B.09, subdivision 1, is amended to read:

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

- (1) \$150 for each initial individual real estate appraiser's license; and
- (2) \$100 for each renewal.

(b) In addition to the fees required under this subdivision, individual real estate appraisers shall pay a technology surcharge of up to \$40 under section 45.24, unless the commissioner has adjusted the surcharge as permitted under that section.

EFFECTIVE DATE. This section is effective June 30, 2007.

Sec. 39. Minnesota Statutes 2006, section 118A.03, subdivision 2, is amended to read:

Subd. 2. **In lieu of surety bond.** The following are the allowable forms of collateral in lieu of a corporate surety bond:

- (1) United States government Treasury bills, Treasury notes, Treasury bonds;
- (2) issues of United States government agencies and instrumentalities as quoted by a recognized industry quotation service available to the government entity;
- (3) general obligation securities of any state or local government with taxing powers which is rated "A" or better by a national bond rating service, or revenue obligation securities of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service;
- (4) ~~unrated~~ general obligation securities of a local government with taxing powers may be pledged as collateral against funds deposited by that same local government entity;
- (5) irrevocable standby letters of credit issued by Federal Home Loan Banks to a municipality accompanied by written evidence that the bank's public debt is rated "AA" or better by Moody's Investors Service, Inc., or Standard & Poor's Corporation; and
- (6) time deposits that are fully insured by any federal agency.

Sec. 40. Minnesota Statutes 2006, section 239.101, subdivision 3, is amended to read:

Subd. 3. **Petroleum inspection fee.** (a) An inspection fee is imposed (1) on petroleum products when received by the first licensed distributor, and (2) on petroleum products received and held for sale or use by any person when the petroleum products have not previously been received by a licensed distributor. The petroleum inspection fee is \$1 for every 1,000 gallons received. The commissioner of revenue shall collect the fee. The revenue from 81 cents of the fee is appropriated to the commissioner of commerce for the cost of operations of the Division of Weights and Measures, petroleum supply monitoring, and ~~the oil burner retrofit program~~ to make grants to providers of low-income weatherization services to install renewable energy equipment in households that are eligible for weatherization assistance under Minnesota's weatherization assistance program state plan. The remainder of the fee must be deposited in the general fund.

(b) The commissioner of revenue shall credit a person for inspection fees previously paid in error or for any material exported or sold for export from the state upon filing of a report as prescribed by the commissioner of revenue.

(c) The commissioner of revenue may collect the inspection fee along with any taxes due under chapter 296A.

Sec. 41. **[325E.027] DISCRIMINATION PROHIBITION.**

(a) No dealer or distributor of liquid propane gas or number 1 or number 2 fuel oil who has signed a low-income home energy assistance program vendor agreement with the department of commerce may refuse to deliver liquid propane gas or number 1 or number 2 fuel oil to any person located within the dealer's or distributor's normal delivery area who receives direct grants under the low-income home energy assistance program if:

(1) the person has requested delivery;

(2) the dealer or distributor has product available;

(3) the person requesting delivery is capable of making full payment at the time of delivery; and

(4) the person is not in arrears regarding any previous fuel purchase from that dealer or distributor.

(b) A dealer or distributor making delivery to a person receiving direct grants under the low-income home energy assistance program may not charge that person any additional costs or fees that would not be charged to any other customer and must make available to that person any discount program on the same basis as the dealer or distributor makes available to any other customer.

Sec. 42. Minnesota Statutes 2006, section 325E.311, subdivision 6, is amended to read:

Subd. 6. **Telephone solicitation.** "Telephone solicitation" means any voice communication over a telephone line for the purpose of encouraging the purchase or rental of, or investment in, property, goods, or services, whether the communication is made by a live operator, through the use of an automatic dialing-announcing device as defined in section 325E.26, subdivision 2, or by other means. Telephone solicitation does not include communications:

(1) to any residential subscriber with that subscriber's prior express invitation or permission; or

(2) by or on behalf of any person or entity with whom a residential subscriber has a prior or current business or personal relationship.

Telephone solicitation also does not include communications if the caller is identified by a caller identification service and the call is:

(i) by or on behalf of an organization that is identified as a nonprofit organization under state or federal law, unless the organization is a debt management services provider defined in section 332A.02;

(ii) by a person soliciting without the intent to complete, and who does not in fact complete, the sales presentation during the call, but who will complete the sales presentation at a later face-to-face meeting between the solicitor who makes the call and the prospective purchaser; or

(iii) by a political party as defined under section 200.02, subdivision 6.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 43. Minnesota Statutes 2006, section 325N.01, is amended to read:

325N.01 DEFINITIONS.

The definitions in paragraphs (a) to (h) apply to sections 325N.01 to 325N.09.

(a) "Foreclosure consultant" means any person who, directly or indirectly, makes any solicitation, representation, or offer to any owner to perform for compensation or who, for compensation, performs any service which the person in any manner represents will in any manner do any of the following:

- (1) stop or postpone the foreclosure sale;
- (2) obtain any forbearance from any beneficiary or mortgagee;
- (3) assist the owner to exercise the right of reinstatement provided in section 580.30;
- (4) obtain any extension of the period within which the owner may reinstate the owner's obligation;
- (5) obtain any waiver of an acceleration clause contained in any promissory note or contract secured by a mortgage on a residence in foreclosure or contained in the mortgage;
- (6) assist the owner in foreclosure or loan default to obtain a loan or advance of funds;
- (7) avoid or ameliorate the impairment of the owner's credit resulting from the recording of a notice of default or the conduct of a foreclosure sale; or
- (8) save the owner's residence from foreclosure.

(b) A foreclosure consultant does not include any of the following:

- (1) a person licensed to practice law in this state when the person renders service in the course of his or her practice as an attorney-at-law;
- (2) a person licensed as a debt ~~prorater under sections 332.12 to 332.29~~ management services provider under chapter 332A, when the person is acting as a debt ~~prorater~~ management services provider as defined in ~~these sections that chapter~~ chapter 332A;
- (3) a person licensed as a real estate broker or salesperson under chapter 82 when the person engages in acts whose performance requires licensure under that chapter unless the person is engaged in offering services designed to, or purportedly designed to, enable the owner to retain possession of the residence in foreclosure;
- (4) a person licensed as an accountant under chapter 326A when the person is acting in any capacity for which the person is licensed under those provisions;
- (5) a person or the person's authorized agent acting under the express authority or written approval of the Department of Housing and Urban Development or other department or agency of the United States or this state to provide services;
- (6) a person who holds or is owed an obligation secured by a lien on any residence in foreclosure when the person performs services in connection with this obligation or lien if the obligation or lien did not arise as the result of or as part of a proposed foreclosure reconveyance;

(7) any person or entity doing business under any law of this state, or of the United States relating to banks, trust companies, savings and loan associations, industrial loan and thrift companies, regulated lenders, credit unions, insurance companies, or a mortgagee which is a United States Department of Housing and Urban Development approved mortgagee and any subsidiary or affiliate of these persons or entities, and any agent or employee of these persons or entities while engaged in the business of these persons or entities;

(8) a person licensed as a residential mortgage originator or servicer pursuant to chapter 58, when acting under the authority of that license or a foreclosure purchaser as defined in section 325N.10;

(9) a nonprofit agency or organization that offers counseling or advice to an owner of a home in foreclosure or loan default if they do not contract for services with for-profit lenders or foreclosure purchasers; and

(10) a judgment creditor of the owner, to the extent that the judgment creditor's claim accrued prior to the personal service of the foreclosure notice required by section 580.03, but excluding a person who purchased the claim after such personal service.

(c) "Foreclosure reconveyance" means a transaction involving:

(1) the transfer of title to real property by a foreclosed homeowner during a foreclosure proceeding, either by transfer of interest from the foreclosed homeowner or by creation of a mortgage or other lien or encumbrance during the foreclosure process that allows the acquirer to obtain title to the property by redeeming the property as a junior lienholder; and

(2) the subsequent conveyance, or promise of a subsequent conveyance, of an interest back to the foreclosed homeowner by the acquirer or a person acting in participation with the acquirer that allows the foreclosed homeowner to possess the real property following the completion of the foreclosure proceeding, which interest includes, but is not limited to, an interest in a contract for deed, purchase agreement, option to purchase, or lease.

(d) "Person" means any individual, partnership, corporation, limited liability company, association, or other group, however organized.

(e) "Service" means and includes, but is not limited to, any of the following:

(1) debt, budget, or financial counseling of any type;

(2) receiving money for the purpose of distributing it to creditors in payment or partial payment of any obligation secured by a lien on a residence in foreclosure;

(3) contacting creditors on behalf of an owner of a residence in foreclosure;

(4) arranging or attempting to arrange for an extension of the period within which the owner of a residence in foreclosure may cure the owner's default and reinstate his or her obligation pursuant to section 580.30;

(5) arranging or attempting to arrange for any delay or postponement of the time of sale of the residence in foreclosure;

(6) advising the filing of any document or assisting in any manner in the preparation of any document for filing with any bankruptcy court; or

(7) giving any advice, explanation, or instruction to an owner of a residence in foreclosure, which in any manner relates to the cure of a default in or the reinstatement of an obligation secured by a lien on the residence in foreclosure, the full satisfaction of that obligation, or the postponement or avoidance of a sale of a residence in foreclosure, pursuant to a power of sale contained in any mortgage.

(f) "Residence in foreclosure" means residential real property consisting of one to four family dwelling units, one of which the owner occupies as his or her principal place of residence, and against which there is an outstanding notice of pendency of foreclosure, recorded pursuant to section 580.032, or against which a summons and complaint has been served under chapter 581.

(g) "Owner" means the record owner of the residential real property in foreclosure at the time the notice of pendency was recorded, or the summons and complaint served.

(h) "Contract" means any agreement, or any term in any agreement, between a foreclosure consultant and an owner for the rendition of any service as defined in paragraph (e).

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 44. Minnesota Statutes 2006, section 332.54, subdivision 7, is amended to read:

Subd. 7. **Fees.** The fee for a credit services organization's registration is ~~\$100~~ \$1,000 for issuance or renewal for each location of business.

EFFECTIVE DATE; APPLICATION. This section is effective July 1, 2007, and applies to registrations issued or renewed on or after that date.

Sec. 45. **[332A.02] DEFINITIONS.**

Subdivision 1. **Scope.** Unless a different meaning is clearly indicated by the context, for the purposes of this chapter the terms defined in this section have the meanings given them.

Subd. 2. **Accreditation.** "Accreditation" means certification as an accredited credit counseling provider by the Council on Accreditation.

Subd. 3. **Attorney general.** "Attorney general" means the attorney general of the state of Minnesota.

Subd. 4. **Commissioner.** "Commissioner" means commissioner of commerce.

Subd. 5. **Controlling or affiliated party.** "Controlling or affiliated party" means any person directly or indirectly controlling, controlled by, or under common control with another person.

Subd. 6. **Debt management services agreement.** "Debt management services agreement" means the written contract between the debt management services provider and the debtor.

Subd. 7. **Debt management services plan.** "Debt management services plan" means the debtor's individualized package of debt management services set forth in the debt management services agreement.

Subd. 8. **Debt management services provider.** "Debt management services provider" means any person offering or providing debt management services to a debtor domiciled in this state, regardless of whether or not a fee is charged for the services and regardless of whether the person maintains a physical presence in the state. This term does not include services performed by the following when engaged in the regular course of their respective businesses and professions:

(1) attorneys at law, escrow agents, accountants, broker-dealers in securities;

(2) state or national banks, trust companies, savings associations, title insurance companies, insurance companies, and all other lending institutions duly authorized to transact business in Minnesota, provided no fee is charged for the service;

(3) persons who, as employees on a regular salary or wage of an employer not engaged in the business of debt management, perform credit services for their employer;

(4) public officers acting in their official capacities and persons acting as a debt management services provider pursuant to court order;

(5) any person while performing services incidental to the dissolution, winding up, or liquidation of a partnership, corporation, or other business enterprise;

(6) the state, its political subdivisions, public agencies, and their employees;

(7) credit unions and collection agencies, provided no fee is charged for the service;

(8) "qualified organizations" designated as representative payees for purposes of the Social Security and Supplemental Security Income Representative Payee System and the federal Omnibus Budget Reconciliation Act of 1990, Public Law 101-508;

(9) accelerated mortgage payment providers. "Accelerated mortgage payment providers" are persons who, after satisfying the requirements of sections 332.30 to 332.303, receive funds to make mortgage payments to a lender or lenders, on behalf of mortgagors, in order to exceed regularly scheduled minimum payment obligations under the terms of the indebtedness. The term does not include: (i) persons or entities described in clauses (1) to (8); (ii) mortgage lenders or servicers, industrial loan and thrift companies, or regulated lenders under chapter 56; or (iii) persons authorized to make loans under section 47.20, subdivision 1. For purposes of this clause and sections 332.30 to 332.303, "lender" means the original lender or that lender's assignee, whichever is the current mortgage holder;

(10) trustees, guardians, and conservators; and

(11) debt settlement providers.

Subd. 9. **Debt management services.** "Debt management services" means the provision of any one or more of the following services in connection with debt incurred primarily for personal, family, or household services:

(1) managing the financial affairs of an individual by distributing income or money to the individual's creditors;

(2) receiving funds for the purpose of distributing the funds among creditors in payment or partial payment of obligations of a debtor; or

(3) adjusting, prorating, pooling, or liquidating the indebtedness of a debtor. Any person so engaged or holding out as so engaged is deemed to be engaged in the provision of debt management services regardless of whether or not a fee is charged for such services.

Subd. 10. **Debtor.** "Debtor" means the person for whom the debt prorating service is performed.

Subd. 11. **Person.** "Person" means any individual, firm, partnership, association, or corporation.

Subd. 12. **Registrant.** "Registrant" means any person registered by the commissioner pursuant to this chapter and, where used in conjunction with an act or omission required or prohibited by this chapter, shall mean any person performing debt management services.

Subd. 13. **Debt settlement provider.** "Debt settlement provider" means any person engaging in or holding out as engaging in the business of negotiating, adjusting, or settling debt incurred primarily for personal, family, or household purposes without holding or receiving the debtor's funds or personal property and without paying the debtor's funds to, or distributing the debtor's property among, creditors. The term shall not include persons listed in subdivision 8, clauses (1) to (10).

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 46. **[332A.03] REQUIREMENT OF REGISTRATION.**

On or after August 1, 2007, it is unlawful for any person, whether or not located in this state, to operate as a debt management services provider or provide debt management services, including but not limited to offering, advertising, or executing or causing to be executed any debt management services or debt management services agreement, except as authorized by law without first becoming registered as provided in this chapter. A person who possesses a valid license as a debt prorater that was issued by the commissioner before August 1, 2007, is deemed to be registered as a debt management services provider until the date the debt prorater license expires, at which time the licensee must obtain a renewal as a debt management services provider in compliance with this chapter. Debt proraters who were not required to be licensed as debt proraters before August 1, 2007, may continue to provide debt management services without complying with this chapter to those debtors who entered into a contract to participate in a debt management plan before August 1, 2007, except that the debt prorater must comply with section 332A.13, subdivision 2.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 47. **[332A.04] REGISTRATION.**

Subdivision 1. **Form.** Application for registration to operate as a debt management services provider in this state must be made in writing to the commissioner, under oath, in the form prescribed by the commissioner, and must contain:

- (1) the full name of each principal of the entity applying;
- (2) the address, which must not be a post office box, and the telephone number and, if applicable, e-mail address, of the applicant;
- (3) identification of the trust account required under section 332A.13;
- (4) consent to the jurisdiction of the courts of this state;
- (5) the name and address of the registered agent authorized to accept service of process on behalf of the applicant or appointment of the commissioner as the applicant's agent for purposes of accepting service of process;
- (6) disclosure of:
 - (i) whether any controlling or affiliated party has ever been convicted of a crime or found civilly liable for an offense involving moral turpitude, including forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, conspiracy to defraud, or any other similar offense or violation, or any violation of a federal or state law or regulation in connection with activities relating to the rendition of debt management services or involving any consumer fraud, false advertising, deceptive trade practices, or similar consumer protection law;

(ii) any judgments, private or public litigation, tax liens, written complaints, administrative actions, or investigations by any government agency against the applicant or any officer, director, manager, or shareholder owning more than five percent interest in the applicant, unresolved or otherwise, filed or otherwise commenced within the preceding ten years;

(iii) whether the applicant or any person employed by the applicant has had a record of having defaulted in the payment of money collected for others, including the discharge of debts through bankruptcy proceedings; and

(iv) whether the applicant's license or registration to provide debt management services in any other state has ever been revoked or suspended;

(7) a copy of the applicant's standard debt management services agreement that the applicant intends to execute with debtors;

(8) proof of accreditation; and

(9) any other information and material as the commissioner may require.

Subd. 2. **Term and scope of registration.** The registration must remain in full force and effect for one year or until it is surrendered by the registrant or revoked or suspended by the commissioner. The registration is limited solely to the business of providing debt management services.

Subd. 3. **Fees.** The registration application must be accompanied by payment of \$1,000 as a registration fee.

Subd. 4. **Bond.** The registration application must be accompanied by payment of the premium for a surety bond in which the applicant shall be the obligor, in a sum to be determined by the commissioner but not less than \$5,000, and in which an insurance company, which is duly authorized by the state of Minnesota to transact the business of fidelity and surety insurance, shall be a surety. However, the commissioner may accept a deposit in cash, or securities that may legally be purchased by savings banks or for trust funds of an aggregate market value equal to the bond requirement, in lieu of the surety bond. The cash or securities must be deposited with the commissioner of finance. The commissioner may also require a fidelity bond in an appropriate amount covering employees of any applicant. Each branch office or additional place of business in this state of an applicant must be bonded as provided in this subdivision. In determining the bond amount necessary for the maintenance of any office, whether it is a surety bond, fidelity bond, or both, the commissioner shall consider the financial responsibility, experience, character, and general fitness of the debt management services provider and its operators and owners; the volume of business handled or proposed to be handled; the location of the office and the geographical area served or proposed to be served; and other information the commissioner may deem pertinent based upon past performance, previous examinations, annual reports, and manner of business conducted in other states.

Subd. 5. **Condition of bond.** The bond must run to the state of Minnesota for the use of the state and of any person or persons who may have a cause of action against the obligor arising out of the obligor's activities as a debt management services provider to a debtor domiciled in this state. The bond must be conditioned that the obligor will not commit any fraudulent act and will faithfully conform to and abide by the provisions of this chapter and of all rules lawfully made by the commissioner under this chapter and pay to the state and to any such person or persons any and all money that may become due or owing to the state or to such person or persons from the obligor under and by virtue of this chapter.

Subd. 6. **Right of action on bond.** If the registrant has failed to account to a debtor or distribute to the debtor's creditors the amounts required by this chapter and the debt management services agreement between the debtor and registrant, the debtor or the debtor's legal representative or receiver, the commissioner, or the attorney general, shall have, in addition to all other legal remedies, a right of action in the name of the debtor on the bond or the security given under this section, for loss suffered by the debtor, not exceeding the face amount of the bond or security, and without the necessity of joining the registrant in the suit or action.

Subd. 7. **Registrant list.** The commissioner must maintain a list of registered debt management services providers. The list must be made available to the public in written form upon request and on the Department of Commerce Web site.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 48. **[332A.05] NONASSIGNMENT OF REGISTRATION.**

A registration must not be transferred or assigned without the consent of the commissioner.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 49. **[332A.06] RENEWAL OF REGISTRATION.**

Each year, each registrant under the provisions of this chapter must, not more than 60 nor less than 30 days before its registration is to expire, apply to the commissioner for renewal of its registration on a form prescribed by the commissioner. The application must be signed by the registrant under penalty of perjury, contain current information on all matters required in the original application, and be accompanied by a payment of \$250. The registrant must maintain a continuous surety bond that satisfies the requirements of section 332A.04, subdivision 4, provided that the commissioner may require a different amount that is at least equal to the largest amount that has accrued in the registrant's trust account during the previous year. The renewal is effective for one year.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 50. **[332A.07] OTHER DUTIES OF REGISTRANT.**

Subdivision 1. **Requirement to update information.** A registrant must update any information required by this chapter provided in its original or renewal application not later than 90 days after the date the events precipitating the update occurred.

Subd. 2. **Inspection of debtor of registration.** Each registrant must maintain a copy of its registration in its files. The registrant must allow a debtor, upon request, to inspect the registration.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 51. **[332A.08] DENIAL OF REGISTRATION.**

The commissioner, with notice to the applicant by certified mail sent to the address listed on the application, may deny an application for a registration upon finding that the applicant:

(1) has submitted an application required under section 332A.04 that contains incorrect, misleading, incomplete, or materially untrue information. An application is incomplete if it does not include all the information required in section 332A.04;

(2) has failed to pay any fee or pay or maintain any bond required by this chapter, or failed to comply with any order, decision, or finding of the commissioner made under and within the authority of this chapter;

(3) has violated any provision of this chapter or any rule or direction lawfully made by the commissioner under and within the authority of this chapter;

(4) or any controlling or affiliated party has ever been convicted of a crime or found civilly liable for an offense involving moral turpitude, including forgery, embezzlement, obtaining money under false pretenses, larceny, extortion, conspiracy to defraud, or any other similar offense or violation, or any violation of a federal or state law or regulation in connection with activities relating to the rendition of debt management services or any consumer fraud, false advertising, deceptive trade practices, or similar consumer protection law;

(5) has had a registration or license previously revoked or suspended in this state or any other state or the applicant or licensee has been permanently or temporarily enjoined by any court of competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of the debt management services provider business; or any controlling or affiliated party has been an officer, director, manager, or shareholder owning more than a ten percent interest in a debt management services provider whose registration has previously been revoked or suspended in this state or any other state, or who has been permanently or temporarily enjoined by any court of competent jurisdiction from engaging in or continuing any conduct or practice involving any aspect of the debt management services provider business;

(6) has made any false statement or representation to the commissioner;

(7) is insolvent;

(8) refuses to fully comply with an investigation or examination of the debt management services provider by the commissioner;

(9) has improperly withheld, misappropriated, or converted any money or properties received in the course of doing business;

(10) has failed to have a trust account with an actual cash balance equal to or greater than the sum of the escrow balances of each debtor's account;

(11) has defaulted in making payments to creditors on behalf of debtors as required by agreements between the provider and debtor; or

(12) has used fraudulent, coercive, or dishonest practices, or demonstrated incompetence, untrustworthiness, or financial irresponsibility in this state or elsewhere.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 52. **[332A.09] SUSPENDING, REVOKING, OR REFUSING TO RENEW REGISTRATION.**

Subdivision 1. **Procedure.** The commissioner may revoke, suspend, or refuse to renew any registration issued under this chapter, or may levy a civil penalty under section 45.027, or any combination of actions, if the debt management services provider or any controlling or affiliated person has committed any act or omission for which the commissioner could have refused to issue an initial registration or renew an existing registration. Revocation of or refusal to renew a registration must be upon notice and hearing as prescribed in the Administrative Procedure Act, sections 14.57 to 14.69. The notice must set a time for hearing before the commissioner not less than 20 nor more than 30 days after service of the notice, provided the registrant may waive the 20-day minimum. The commissioner may, in the notice, suspend the registration for a period not to exceed 60 days. Unless the notice states that the registration is suspended, pending the determination of the main issue, the registrant may continue to transact business until the final decision of the commissioner. If the registration is suspended, the commissioner shall hold a hearing and render a final determination within ten days of a request by the registrant. If the commissioner fails to do so, the suspension shall terminate and be of no force or effect.

Subd. 2. **Notification of interested persons.** After the notice and hearing required in subdivision 1, upon issuing an order suspending or revoking a registration or refusing to renew a registration, the commissioner may notify all individuals who have contracts with the affected registrant and all creditors who have agreed to a debt management services plan that the registration has been revoked and that the order is subject to appeal.

Subd. 3. **Receiver for funds of sanctioned registrant.** When an order is issued revoking or refusing to renew a registration, the commissioner may apply for, and the district court must appoint, a receiver to temporarily or permanently receive the assets of the registrant pending a final determination of the validity of the order.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 53. **[332A.10] WRITTEN DEBT MANAGEMENT SERVICES AGREEMENT.**

Subdivision 1. **Written agreement required.** A debt management services provider may not perform any debt management services or receive any money related to a debt management services plan until the provider has obtained a debt management services agreement that contains all terms of the agreement between the debt management services provider and the debtor. A debt management services agreement must be in writing, dated, and signed by the debt management services provider and the debtor. The registrant must furnish the debtor with a copy of the signed contract upon execution.

Subd. 2. **Actions prior to written agreement.** No person may provide debt management services for a debtor unless the person first has:

(1) provided the debtor individualized counseling and educational information that, at a minimum, addresses managing household finances, managing credit and debt, budgeting, and personal savings strategies;

(2) prepared in writing and provided to the debtor, in a form that the debtor may keep, an individualized financial analysis and a proposed debt management services plan listing the debtor's known debts with specific recommendations regarding actions the debtor should take to reduce or eliminate the amount of the debts, including written disclosure that debt management services are not suitable for all debtors and that there are other ways, including bankruptcy, to deal with indebtedness;

(3) made a determination supported by an individualized financial analysis that the debtor can reasonably meet the requirements of the proposed debt management services plan and that there is a net tangible benefit to the debtor of entering into the proposed debt management services plan; and

(4) prepared, in a form the debtor may keep, a written list identifying all known creditors of the debtor that the provider reasonably expects to participate in the plan and the creditors, including secured creditors, that the provider reasonably expects not to participate.

Subd. 3. **Required terms.** (a) Each debt management services agreement must contain the following terms, which must be disclosed prominently and clearly in bold print on the front page of the agreement, segregated by bold lines from all other information on the page:

(1) the fee amount to be paid by the debtor and whether the initial fee amount is refundable or nonrefundable;

(2) the monthly fee amount or percentage to be paid by the debtor; and

(3) the total amount of fees reasonably anticipated to be paid by the debtor over the term of the agreement.

(b) Each debt management services agreement must also contain the following:

(1) a disclosure that if the amount of debt owed is increased by interest, late fees, over the limit fees, and other amounts imposed by the creditors, the length of the debt management services agreement will be extended and remain in force and that the total dollar charges agreed upon may increase at the rate agreed upon in the original contract agreement;

(2) a prominent statement describing the terms upon which the debtor may cancel the contract as set forth in section 332A.11;

(3) a detailed description of all services to be performed by the debt management services provider for the debtor;

(4) the debt management services provider's refund policy; and

(5) the debt management services provider's principal business address and the name and address of its agent in this state authorized to receive service of process.

Subd. 4. **Prohibited terms.** The following terms shall not be included in the debt management services agreement:

(1) a hold harmless clause;

(2) a confession of judgment, or a power of attorney to confess judgment against the debtor or appear as the debtor in any judicial proceeding;

(3) a waiver of the right to a jury trial, if applicable, in any action brought by or against a debtor;

(4) an assignment of or an order for payment of wages or other compensation for services;

(5) a provision in which the debtor agrees not to assert any claim or defense arising out of the debt management services agreement;

(6) a waiver of any provision of this chapter or a release of any obligation required to be performed on the part of the debt management services provider; or

(7) a mandatory arbitration clause.

Subd. 5. **New debt management services agreements; modification of existing agreements.** (a) Separate and additional debt management services agreements that comply with this chapter may be entered into by the debt management services provider and the debtor provided that no additional initial fee may be charged by the debt management services provider.

(b) Any modification of an existing debt management services agreement, including any increase in the number or amount of debts included in the debt management service, must be in writing and signed by both parties. No fees, charges, or other consideration may be demanded from the debtor for the modification, other than an increase in the amount of the monthly maintenance fee established in the original debt management services agreement.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 54. **[332A.11] RIGHT TO CANCEL.**

Subdivision 1. **Debtor's right to cancel.** A debtor has the right to cancel the debt management services agreement without cause at any time upon ten days' written notice to the debt management services provider. In the event of cancellation, the debt management services provider must, within ten days of the cancellation, notify the debtor's creditors of the cancellation and provide a refund of all unexpended funds paid by or for the debtor to the debt management services provider.

Subd. 2. **Notice of debtor's right to cancel.** A debt management services agreement must contain, on its face, in an easily readable typeface immediately adjacent to the space for signature by the debtor, the following notice: "Right To Cancel: You have the right to cancel this contract at any time on ten days' written notice."

Subd. 3. **Automatic termination.** Upon the payment of all listed debts and fees, the debt management services agreement must automatically terminate, and all unexpended funds paid by or for the debtor to the debt management services provider must be immediately returned to the debtor.

Subd. 4. **Debt management services provider's right to cancel.** A debt management services provider may cancel a debt management services agreement with good cause upon 30 days' written notice to the debtor. Within ten days after the cancellation, the debt management services provider must: (1) notify the debtor's creditors of the cancellation; and (2) return to the debtor all unexpended funds paid by or for the debtor.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 55. **[332A.12] BOOKS, RECORDS, AND INFORMATION.**

Subdivision 1. **Records retention.** Every registrant must keep, and use in the registrant's business, such books, accounts, and records, including electronic records, as will enable the commissioner to determine whether the registrant is complying with this chapter and of the rules, orders, and directives adopted by the commissioner under this chapter. Every registrant must preserve such books, accounts, and records for at least six years after making the final entry on any transaction recorded therein. Examinations of the books, records, and method of operations conducted under the supervision of the commissioner shall be done at the cost of the registrant. The cost must be assessed as determined under section 46.131.

Subd. 2. **Statements to debtors.** Each registrant must maintain and must make available records and accounts that will enable each debtor to ascertain the amounts paid to the creditors of the debtor. A statement showing amounts received from the debtor, disbursements to each creditor, amounts which any creditor has agreed to accept as payment in full for any debt owed the creditor by the debtor, charges deducted by the registrant, and such other information as the commissioner may prescribe, must be furnished by the registrant to the debtor at least monthly and, in addition, upon any cancellation or termination of the contract. In addition to the statements required by this subdivision, each debtor must have reasonable access, without cost, by electronic or other means, to information in the registrant's files applicable to the debtor. These statements, records, and accounts must otherwise remain confidential except for duly authorized state and government officials, the commissioner, the attorney general, the debtor, and the debtor's representative and designees. Each registrant must prepare and retain in the file of each debtor a written analysis of the debtor's income and expenses to substantiate that the plan of payment is feasible and practicable.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 56. **[332A.13] FEES, PAYMENTS, AND CONSENT OF CREDITORS.**

Subdivision 1. **Origination fee.** The registrant may charge a nonrefundable origination fee of not more than \$50, which may be retained by the registrant from the initial amount paid by the debtor to the registrant.

Subd. 2. **Monthly maintenance fee.** The registrant may charge a periodic fee for account maintenance or other purposes, but only if the fee is reasonable for the services provided and does not exceed the lesser of 15 percent of the monthly payment amount or \$75.

Subd. 3. **Additional fees unauthorized.** A registrant may not impose any fee or other charge or receive any funds or other payment other than the initial fee or monthly maintenance fee authorized by this section.

Subd. 4. **Amount of periodic payments retained.** The registrant may retain as payment for the fees authorized by this section no more than 15 percent of any periodic payment made to the registrant by the debtor. The remaining 85 percent must be disbursed to listed creditors under and in accordance with the debt management services agreement. No fees or charges may be received or retained by the registrant for any handling of recurring payments. Recurring payments include current rent, mortgage, utility, telephone, maintenance as defined in section 518.27, child support, insurance premiums, and such other payments as the commissioner may by rule prescribe.

Subd. 5. **Advance payments.** No fees or charges may be received or retained for any payments by the debtor made more than the following number of days in advance of the date specified in the debt management services agreement on which they are due: (1) 42 days in the case of contracts requiring monthly payments; (2) 15 days in the case of agreements requiring biweekly payments; or (3) seven days in the case of agreements requiring weekly payments. For those agreements which do not require payments in specified amounts, a payment is deemed an advance payment to the extent it exceeds twice the average regular payment previously made by the debtor under that contract. This subdivision does not apply when the debtor intends to use the advance payments to satisfy future payment of obligations due within 30 days under the contract. This subdivision supersedes any inconsistent provision of this chapter.

Subd. 6. **Consent of creditors.** A registrant must actively seek to obtain the consent of all creditors to the debt management services plan set forth in the debt management services agreement. Consent by a creditor may be express and in writing, or may be evidenced by acceptance of a payment made under the debt management services plan set forth in the contract. The registrant must notify the debtor within ten days after any failure to obtain the required consent and of the debtor's right to cancel without penalty. The notice must be in a form as the commissioner shall prescribe. Nothing contained in this section is deemed to require the return of any origination fee and any fees earned by the registrant prior to cancellation or default.

Subd. 7. **Withdrawal of creditor.** Whenever a creditor withdraws from a debt management services plan, or refuses to participate in a debt management services plan, the registrant must promptly notify the debtor of the withdrawal or refusal. In no case may this notice be provided more than 15 days after the debt management services provider learns of the creditor's decision to withdraw from or refuse to participate in a plan. This notice must include the identity of the creditor withdrawing from the plan, the amount of the monthly payment to that creditor, and the right of the debtor to cancel the agreement under section 332A.11.

Subd. 8. **Payments held in trust.** The registrant must maintain a separate trust account and deposit in the account all payments received from the moment that they are received, except that the registrant may commingle the payment with the registrant's own property or funds, but only to the extent necessary to ensure the maintenance of a minimum balance if the financial institution at which the trust account is held requires a minimum balance to avoid the assessment of fees or penalties for failure to maintain a minimum balance. All disbursements, whether to the debtor or to the creditors of the debtor, or to the registrant, must be made from such account.

Subd. 9. **Timely payment of creditors.** The registrant must disburse any funds paid by or on behalf of a debtor to creditors of the consumer within 42 days after receipt of the funds, or earlier if necessary to comply with the due date in the agreement between the debtor and the creditor, unless the reasonable payment of one or more of the debtor's obligations requires that the funds be held for a longer period so as to accumulate a sum certain, or where the debtor's payment is returned for insufficient funds or other reason that makes the withholding of such payments in the net interest of the debtor.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 57. **[332A.14] PROHIBITIONS.**

A registrant shall not:

- (1) purchase from a creditor any obligation of a debtor;
- (2) use, threaten to use, seek to have used, or seek to have threatened the use of any legal process, including but not limited to garnishment and repossession of personal property, against any debtor while the debt management services agreement between the registrant and the debtor remains executory;
- (3) advise a debtor to stop paying a creditor until a debt management services plan is in place;
- (4) require as a condition of performing debt management services the purchase of any services, stock, insurance, commodity, or other property or any interest therein either by the debtor or the registrant;
- (5) compromise any debts unless the prior written approval of the debtor has been obtained to such compromise and unless such compromise inures solely to the benefit of the debtor;
- (6) receive from any debtor as security or in payment of any fee a promissory note or other promise to pay or any mortgage or other security, whether as to real or personal property;
- (7) lend money or provide credit to any debtor if any interest or fee is charged, or directly or indirectly collect any fee for referring, advising, procuring, arranging, or assisting a consumer in obtaining any extension of credit or other debtor service from a lender or debt management services provider;
- (8) structure a debt management services agreement that would result in negative amortization of any debt in the plan;
- (9) engage in any unfair, deceptive, or unconscionable act or practice in connection with any service provided to any debtor;
- (10) offer, pay, or give any material cash fee, gift, bonus, premium, reward, or other compensation to any person for referring any prospective customer to the registrant or for enrolling a debtor in a debt management services plan, or provide any other incentives for employees or agents of the debt management services provider to induce debtors to enter into a debt management services plan;
- (11) receive any cash, fee, gift, bonus, premium, reward, or other compensation from any person other than the debtor or a person on the debtor's behalf in connection with activities as a registrant, provided that this paragraph does not apply to a registrant which is a bona fide nonprofit corporation duly organized under chapter 317A or under the similar laws of another state;

(12) enter into a contract with a debtor unless a thorough written budget analysis indicates that the debtor can reasonably meet the requirements of the financial adjustment plan and will be benefited by the plan;

(13) in any way charge or purport to charge or provide any debtor credit insurance in conjunction with any contract or agreement involved in the debt management services plan;

(14) operate or employ a person who is an employee or owner of a collection agency or process-serving business; or

(15) solicit, demand, collect, require, or attempt to require payment of a sum that the registrant states, discloses, or advertises to be a voluntary contribution from the debtor.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 58. **[332A.16] ADVERTISEMENT OF DEBT MANAGEMENT SERVICES PLANS.**

No debt management services provider may make false, deceptive, or misleading statements or omissions about the rates, terms, or conditions of an actual or proposed debt management services plan or its debt management services, or create the likelihood of consumer confusion or misunderstanding regarding its services, including but not limited to the following:

(1) represent that the debt management services provider is a nonprofit, not-for-profit, or has similar status or characteristics if some or all of the debt management services will be provided by a for-profit company that is a controlling or affiliated party to the debt management services provider; or

(2) make any communication that gives the impression that the debt management services provider is acting on behalf of a government agency.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 59. **[332A.17] DEBT MANAGEMENT SERVICES AGREEMENT RESCISSION.**

Any debtor has the right to rescind any debt management services agreement with a debt management services provider that commits a material violation of this chapter. On rescission, all fees paid to the debt management services provider or any other person other than creditors of the debtor must be returned to the debtor entering into the debt management services agreement within ten days of rescission of the debt management services agreement.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 60. **[332A.18] ENFORCEMENT; REMEDIES.**

Subdivision 1. **Violation a deceptive practice.** A violation of any of the provisions of this chapter is considered an unfair or deceptive trade practice under section 8.31, subdivision 1. A private right of action under section 8.31 by an aggrieved debtor is in the public interest.

Subd. 2. **Private right of action.** (a) A debt management services provider who fails to comply with any of the provisions of this chapter is liable under this section in an individual action for the sum of (i) actual, incidental, and consequential damages sustained by the debtor as a result of the failure; and (ii) statutory damages of up to \$1,000.

(b) A debt management services provider who fails to comply with any of the provisions of this chapter is liable to the named plaintiffs under this section in a class action for the amount that each named plaintiff could recover under paragraph (a), clause (i), and to the other class members for such amount as the court may allow.

(c) In determining the amount of statutory damages, the court shall consider, among other relevant factors:

(1) the frequency, nature, and persistence of noncompliance;

(2) the extent to which the noncompliance was intentional; and

(3) in the case of a class action, the number of debtors adversely affected.

(d) A plaintiff or class successful in a legal or equitable action under this section is entitled to the costs of the action, plus reasonable attorney fees.

Subd. 3. **Injunctive relief.** A debtor may sue a debt management services provider for temporary or permanent injunctive or other appropriate equitable relief to prevent violations of any provision of this chapter. A court must grant injunctive relief on a showing that the debt management services provider has violated any provision of this chapter, or in the case of a temporary injunction, on a showing that the debtor is likely to prevail on allegations that the debt management services provider violated any provision of this chapter.

Subd. 4. **Remedies cumulative.** The remedies provided in this section are cumulative and do not restrict any remedy that is otherwise available. The provisions of this chapter are not exclusive and are in addition to any other requirements, rights, remedies, and penalties provided by law.

Subd. 5. **Public enforcement.** The attorney general shall enforce this chapter under section 8.31.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 61. **[332A.19] INVESTIGATION.**

At any reasonable time, the commissioner may examine the books and records of every registrant and of any person engaged in the business of providing debt management services as defined in section 332A.02. The commissioner once during any calendar year may require the submission of an audit prepared by a certified public accountant of the books and records of each registrant. If the registrant has, within one year previous to the commissioner's demand, had an audit prepared for some other purpose, this audit may be submitted to satisfy the requirement of this section. The commissioner may investigate any complaint concerning violations of this chapter and may require the attendance and sworn testimony of witnesses and the production of documents.

EFFECTIVE DATE. This section is effective January 1, 2008.

Sec. 62. **LICENSE RENEWAL EXTENSION.**

The July 31, 2007, renewal date for mortgage originators is extended to October 30, 2007, because of the changes to the licensing requirements made by this article.

Sec. 63. **DELAYED LICENSE RENEWAL DATE FOR REAL ESTATE BROKERS AND SALESPERSONS.**

The June 30, 2007, renewal date for licenses of real estate brokers and salespersons is extended to August 31, 2007, due to the technology surcharge created in this act.

Sec. 64. **REPEALER.**

(a) Minnesota Statutes 2006, sections 46.043; 47.62, subdivision 5; and 58.08, subdivision 1, are repealed.

(b) Minnesota Statutes 2006, sections 332.12; 332.13; 332.14; 332.15; 332.16; 332.17; 332.18; 332.19; 332.20; 332.21; 332.22; 332.23; 332.24; 332.25; 332.26; 332.27; 332.28; and 332.29, are repealed effective January 1, 2008."

Delete the title and insert:

"A bill for an act relating to state government; appropriating money for environment, natural resources, energy, and commerce; modifying provisions related to agency service requirements, land acquisition, authorized sales, railroad prairie right-of-ways, county and municipality comprehensive plans, off-highway vehicles, prairie plant seed production, invasive species, state recreation areas, canoe routes, timber sales, mineral payments, wetlands, individual sewage treatment systems, and genetically engineered organisms; providing for venison donation, plant and tree pest control, community forest management, penalty orders, and local water management oversight; modifying disposition of certain revenue; modifying definitions; authorizing and requiring rulemaking; modifying certain license requirements; modifying and establishing certain fees and surcharges; modifying and creating certain accounts and funds; extending sunset of provisions related to sustainable forest resources and the Mineral Coordinating Committee; modifying authority of watershed district managers and soil and water conservation district supervisors; providing for ditch buffers, a clean energy program, environmental health tracking and biomonitoring, regulation of polybrominated diphenyl ethers, classification of state forests, trail designation, forest protection, and lease of certain tax-forfeited land; exempting certain exchanged land from the tax-forfeited land assurance fee; establishing a wildlife management area; designating state energy city; creating energy savings incentive and propane prepurchase programs; modifying provisions for nuclear waste storage, public utilities, cold weather rule, renewable energy research and production incentives, hydrogen energy, the Legislative Electric Energy Task Force, and energy planning; providing for intervenor compensation, low-income affordability programs, clean resource teams, hydrogen refueling station grants, and carbon sequestration studies; providing for certain power producing facilities in St. Paul and Winona; modifying or adding provisions relating to vehicle protection products, debt management services, long-term care insurance training, financial institutions, securities regulation, mortgage originators, and low-income weatherization and energy assistance programs; requiring studies and reports; providing civil penalties; amending Minnesota Statutes 2006, sections 10A.01, subdivision 35; 13.712, by adding a subdivision; 15.99, subdivision 3; 16A.531, subdivision 1a; 17.4984, subdivision 1; 18G.03, by adding a subdivision; 18G.11; 45.011, subdivision 1; 46.04, subdivision 1; 46.05; 46.131, subdivision 2; 47.19; 47.59, subdivision 6; 47.60, subdivision 2; 47.62, subdivision 1; 47.75, subdivision 1; 48.15, subdivision 4; 58.04, subdivision 1; 58.05; 58.06, subdivision 2, by adding a subdivision; 58.08, subdivision 3; 58.10, subdivision 1; 60K.55, subdivision 2; 80A.28, subdivision 1; 80A.65, subdivision 1; 82.24, subdivisions 1, 4; 82B.09, subdivision 1; 84.025, subdivision 9; 84.026, subdivision 1; 84.027, by adding a subdivision; 84.0272, by adding a subdivision; 84.0855, subdivisions 1, 2; 84.777; 84.780; 84.922, subdivisions 1a, 5; 84.927, subdivision 2; 84.963; 84D.02, by adding a subdivision; 84D.03, subdivision 1; 84D.12, subdivisions 1, 3; 84D.13, subdivision 7; 84D.14; 85.013, by adding a subdivision; 85.054, by adding a subdivision; 85.32, subdivision 1; 86B.706, subdivision 2; 88.01, by adding a subdivision; 88.79, subdivisions 1, 2; 88.82; 89.001, subdivision 8, by adding subdivisions; 89.01, subdivisions 1, 2, 4; 89.22, subdivision 2; 89.51, subdivisions 1, 6, 9; 89.52; 89.53; 89.54; 89.55; 89.56, subdivisions 1, 3; 89.57; 89.58; 89.59; 89.60; 89.61; 89A.11; 90.161, by adding a subdivision; 93.0015, subdivision 3; 93.22, subdivision 1; 97A.045, by adding a subdivision; 97A.055, subdivision 4; 97A.065, by adding a subdivision; 97A.133, by adding a subdivision; 97A.205; 97A.405, subdivision 2; 97A.411, subdivision 1; 97A.451, subdivision 3a; 97A.465, by adding subdivisions; 97A.473, subdivisions 3, 5; 97A.475, subdivisions 3, 7, 11, 12, by adding a subdivision; 97A.485, subdivision 7; 97B.601, subdivision 3; 97B.715, subdivision 1; 97B.801; 97C.081, subdivision 3; 97C.355, subdivision 2; 103B.101, by adding a subdivision; 103C.321, by adding a subdivision; 103D.325, by adding a subdivision; 103E.021, subdivisions 1, 2, 3, by adding a subdivision; 103E.315, subdivision 8; 103E.321, subdivision 1; 103E.701, by adding a subdivision; 103E.705, subdivisions 1, 2, 3; 103E.728,

subdivision 2; 103G.222, subdivisions 1, 3; 103G.2241, subdivisions 1, 2, 3, 6, 9, 11; 103G.2242, subdivisions 2, 2a, 9, 12, 15; 103G.2243, subdivision 2; 103G.235; 103G.301, subdivision 2; 115.55, subdivisions 1, 2, 3, by adding a subdivision; 116C.775; 116C.777; 116C.779, subdivision 1; 116C.92; 116C.94, subdivision 1; 116C.97, subdivision 2; 118A.03, subdivision 2; 216B.097, subdivisions 1, 3; 216B.098, subdivision 4; 216B.16, subdivisions 10, 15; 216B.241, subdivision 6; 216B.812, subdivisions 1, 2; 216C.051, subdivisions 2, 9; 216C.052, by adding a subdivision; 216C.41, subdivision 3; 219.99; 239.101, subdivision 3; 282.04, subdivision 1; 325E.311, subdivision 6; 325N.01; 332.54, subdivision 7; 394.23; 462.353, subdivision 2; Laws 2003, chapter 128, article 1, sections 167, subdivision 1, as amended; 169; Laws 2006, chapter 236, article 1, section 21; proposing coding for new law in Minnesota Statutes, chapters 16C; 17; 45; 58; 60K; 84; 84D; 85; 89; 97B; 103B; 103E; 103F; 144; 173; 216B; 216C; 325E; proposing coding for new law as Minnesota Statutes, chapters 59C; 332A; repealing Minnesota Statutes 2006, sections 18G.16; 46.043; 47.62, subdivision 5; 58.08, subdivision 1; 85.012, subdivision 24b; 89.51, subdivision 8; 103G.2241, subdivision 8; 216B.095; 332.12; 332.13; 332.14; 332.15; 332.16; 332.17; 332.18; 332.19; 332.20; 332.21; 332.22; 332.23; 332.24; 332.25; 332.26; 332.27; 332.28; 332.29; Minnesota Rules, parts 7820.1500; 7820.1600; 7820.1700; 7820.1750; 7820.1800; 7820.1900; 7820.2000; 7820.2100; 7820.2150; 7820.2200; 7820.2300."

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

Senate Conferees: ELLEN R. ANDERSON, DENNIS R. FREDERICKSON, TOM SAXHAUG, SATVEER S. CHAUDHARY AND PATRICIA TORRES RAY.

House Conferees: JEAN WAGENIUS, BILL HILTY, RICK HANSEN, DAVID DILL AND DENNIS OZMENT.

Wagenius moved that the report of the Conference Committee on S. F. No. 2096 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

Hoppe was excused for the remainder of today's session.

S. F. No. 2096, A bill for an act relating to state government; appropriating money for environmental, natural resources, and energy purposes; establishing and modifying certain programs; modifying rulemaking authority; providing for accounts, assessments, and fees; amending Minnesota Statutes 2006, sections 84.025, subdivision 9; 84.026, subdivision 1; 84.027, by adding a subdivision; 84.0855, subdivisions 1, 2; 84.780; 84.922, subdivisions 1a, 5; 84.927, subdivision 2; 84D.03, subdivision 1; 84D.12, subdivisions 1, 3; 84D.13, subdivision 7; 85.32, subdivision 1; 86B.415, subdivisions 1, 2, 3, 4, 5, 7; 86B.706, subdivision 2; 89A.11; 93.0015, subdivision 3; 97A.045, by adding a subdivision; 97A.055, subdivision 4; 97A.065, by adding a subdivision; 97A.405, subdivision 2; 97A.411, subdivision 1; 97A.451, subdivision 3a; 97A.465, by adding subdivisions; 97A.473, subdivisions 3, 5; 97A.475, subdivisions 3, 7, 11, 12, by adding a subdivision; 97B.601, subdivision 3; 97B.715, subdivision 1; 97B.801; 97C.081, subdivision 3; 97C.355, subdivision 2; 116C.779, subdivision 1; 216B.812, subdivisions 1, 2; 216C.051, subdivision 9; Laws 2003, chapter 128, article 1, section 169; proposing coding for new law in Minnesota Statutes, chapters 84; 84D; 89; 103F; 144; 216B; 216C; 325E; repealing Minnesota Statutes 2006, section 93.2236.

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 97 yeas and 30 nays as follows:

Those who voted in the affirmative were:

Abeler	Dittrich	Howes	Madore	Paulsen	Thissen
Anderson, S.	Dominguez	Huntley	Mahoney	Paymar	Tillberry
Anzelc	Doty	Jaros	Mariani	Peterson, A.	Tschumper
Atkins	Eken	Johnson	Marquart	Peterson, S.	Urdahl
Benson	Faust	Juhnke	Masin	Poppe	Wagenius
Berns	Fritz	Kahn	McFarlane	Ruth	Walker
Bigham	Gardner	Kalin	McNamara	Ruud	Ward
Bly	Greiling	Knuth	Moe	Sailer	Wardlow
Brown	Hamilton	Koenen	Morgan	Scalze	Welti
Brynaert	Hansen	Kranz	Morrow	Sertich	Westrom
Bunn	Hausman	Laine	Mullery	Simon	Winkler
Carlson	Haws	Lenczewski	Murphy, E.	Slawik	Spk. Kelliher
Clark	Hilstrom	Lesch	Murphy, M.	Slocum	
Cornish	Hilty	Liebling	Nelson	Smith	
Davnie	Hornstein	Lieder	Norton	Solberg	
Dean	Hortman	Lillie	Otremba	Swails	
Dill	Hosch	Loeffler	Ozment	Thao	

Those who voted in the negative were:

Beard	Eastlund	Gottwalt	Lanning	Peppin	Simpson
Brod	Emmer	Gunther	Magnus	Rukavina	Sviggum
Buesgens	Erickson	Hackbarth	Nornes	Seifert	Tingelstad
DeLaForest	Finstad	Heidgerken	Olin	Severson	Wollschlager
Dettmer	Garofalo	Kohls	Olson	Shimanski	Zellers

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

Madam Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

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 Senate has appointed as such committee:

Senators Langseth, Skoe and Kubly.

Said House File is herewith returned to the House.

COLLEEN PACHECO, Second Assistant Secretary of the Senate

CALENDAR FOR THE DAY

Sertich moved that the remaining bills on the Calendar for the Day be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Hansen moved that his name be stricken as an author on H. F. No. 330. The motion prevailed.

Tschumper moved that the name of Kalin be added as an author on H. F. No. 1469. The motion prevailed.

Marquart moved that the name of Nornes be added as an author on H. F. No. 2433. The motion prevailed.

Seifert moved that the name of Nornes be added as an author on H. F. No. 2463. The motion prevailed.

**ANNOUNCEMENT FROM THE COMMITTEE ON RULES AND
LEGISLATIVE ADMINISTRATION**

Pursuant to rules 1.21 and 1.22, the Committee on Rules and Legislative Administration specified Tuesday, May 1, 2007, as the date after which the 5:00 p.m. deadline no longer applies to the designation of bills to be placed on the Calendar for the Day and to the announcement of the intention to request that bills be placed on the Fiscal Calendar.

ADJOURNMENT

Sertich moved that when the House adjourns today it adjourn until 12:30 p.m., Monday, May 7, 2007. The motion prevailed.

Sertich moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:30 p.m., Monday, May 7, 2007.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives

