

STATE OF MINNESOTA

EIGHTY-FIFTH SESSION — 2008

 ONE HUNDRED TWELFTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, MAY 7, 2008

The House of Representatives convened at 11:00 a.m. and was called to order by Frank Moe, Speaker pro tempore.

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

A quorum was present.

The Chief Clerk proceeded to read the Journal of the preceding day. Scalze 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. 3056 and H. F. No. 3625, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Hansen moved that the rules be so far suspended that S. F. No. 3056 be substituted for H. F. No. 3625 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3140 and H. F. No. 3224, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Gunther moved that the rules be so far suspended that S. F. No. 3140 be substituted for H. F. No. 3224 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 3594 and H. F. No. 3888, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Atkins moved that the rules be so far suspended that S. F. No. 3594 be substituted for H. F. No. 3888 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, 2008

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

Dear Speaker Kelliher:

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

H. F. No. 3657, relating to Carver County; making the library board advisory to the county board.

H. F. No. 2837, relating to optometrist; changing practice and licensing provisions.

H. F. No. 3066, relating to elections; providing for the establishment of precinct caucus dates by the appropriate political party; requiring notice to the secretary of state.

Sincerely,

TIM PAWLENTY
Governor

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

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2008 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S. F. No.</i>	<i>H. F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2008</i>	<i>Date Filed 2008</i>
2775		253	10:18 a.m. May 1	May 1
2939		254	10:19 a.m. May 1	May 1
3174		256	11:05 a.m. May 1	May 1
3331		257	10:16 a.m. May 1	May 1
2996		258	11:07 a.m. May 1	May 1
3455		259	11:08 a.m. May 1	May 1
3098		260	11:10 a.m. May 1	May 1
	3657	261	11:12 a.m. May 1	May 1
	2837	262	11:13 a.m. May 1	May 1
	3066	263	11:14 a.m. May 1	May 1

Sincerely,

MARK RITCHIE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 5, 2008

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

Dear Speaker Kelliher:

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

H. F. No. 3477, relating to manufactured housing; providing for regulation of lending practices and default; providing notices and remedies.

H. F. No. 4075, relating to agriculture; providing for control of bovine tuberculosis in certain areas; appropriating money.

Sincerely,

TIM PAWLENTY
Governor

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

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

The Honorable James P. Metzen
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2008 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S. F. No.</i>	<i>H. F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2008</i>	<i>Date Filed 2008</i>
3443		265	3:35 p.m. May 4	May 4
2796		266	3:38 p.m. May 4	May 4
2948		267	10:42 a.m. May 5	May 5

3256	268	3:37 p.m. May 4	May 4
3137	269	3:39 p.m. May 4	May 4
2576	270	3:34 p.m. May 4	May 4
2988	271	3:37 p.m. May 4	May 4
3372	272	3:33 p.m. May 4	May 4
	3477	3:40 p.m. May 4	May 4
	4075	10:12 a.m. May 5	May 5

Sincerely,

MARK RITCHIE
Secretary of State

REPORTS OF STANDING COMMITTEES AND DIVISIONS

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

H. F. No. 863, A bill for an act relating to air pollution; requiring adoption of emission standards for motor vehicles; providing for updates as necessary to comply with the Clean Air Act; requiring reports and a study; amending Minnesota Statutes 2006, section 116.07, subdivision 2.

Reported the same back with the following amendments:

Page 2, lines 28 and 31, delete "section" and insert "paragraph"

Page 6, after line 29, insert:

"Sec. 4. **APPROPRIATION.**

\$134,000 is appropriated to the Pollution Control Agency from the environmental fund for fiscal year 2009 for the study, rulemaking, and related costs of this act.

Sec. 5. **DUPLICATE APPROPRIATIONS.**

Unless another act explicitly provides otherwise, appropriations and transfers made in this act and other acts must be implemented only once even if the provision or a similar provision with the same fiscal effect in the same fiscal year is included in another act. This section applies to laws enacted in the 2008 regular session."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "appropriating money;"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2554, A bill for an act proposing an amendment to the Minnesota Constitution, article IV, section 12; adding a provision to allow the legislature or presiding officers to call a special session.

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

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 2748, A bill for an act relating to health; requiring the administrative services unit to apportion the amount necessary to purchase medical professional liability insurance coverage and authorizing fees to be adjusted to compensate for the apportioned amount; appropriating money; amending Minnesota Statutes 2006, section 214.40, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, after line 7, insert:

"Section 1. **[62R.09] RURAL HEALTH COOPERATIVE CONTRACT OVERSIGHT.**

Subdivision 1. **Review and approval; monitoring.** (a) The commissioner shall establish criteria and procedures to review and authorize contracts and business or financial arrangements under section 62R.06, subdivision 1. All contracts and business or financial arrangements must be submitted on an application for approval to the commissioner. The commissioner shall not deny any application unless the commissioner determines that the proposed arrangement is likely to result in higher health care costs or diminished access to or quality of health care than would occur in the competitive marketplace. The cost of developing the criteria and procedures, as determined by the commissioner and notwithstanding section 16A.1283, shall be paid by health provider cooperatives operating under this chapter.

(b) Within 30 days after receiving an application, the commissioner may request additional information that is necessary to complete the review required under this section. If the commissioner does not request additional information and does not act within 60 days after receipt of an application, the application shall be deemed approved if the commissioner does not act within 60 days of receiving the additional information.

(c) The commissioner may condition approval of a proposed arrangement on a modification of all or part of the arrangement to eliminate any restriction on competition that is not reasonably related to the goals of improving health care access or quality. The commissioner may also establish conditions for approval that are reasonably necessary to protect against abuses of private economic power and to ensure that the arrangement has oversight by the state.

(d) The commissioner shall monitor arrangements approved under this section to ensure that the arrangement remains in compliance with the conditions of approval. The commissioner may revoke an approval upon a finding that the arrangement is not in substantial compliance with the terms of the application or the conditions of approval.

Subd. 2. **Applications.** Applications for approval under this section must describe the proposed arrangement in detail. The application must include: the identities of all the parties to the arrangement; the intent of the arrangement; the expected outcome of the arrangement; and an explanation of how the arrangement will improve access or quality of care. The commissioner may ask the attorney general to comment on an application, but the

application and any information obtained by the commissioner under this section is not admissible in any proceeding brought by the attorney general based on antitrust law. Data on providers collected under this section are private data on individuals or nonpublic data, as defined in section 13.02.

Subd. 3. **Application fee.** When submitting an application to the commissioner, a health care cooperative shall pay a fee of \$2,000 for the commissioner's cost of reviewing and monitoring the arrangement.

Subd. 4. **Appropriation.** Money received by the commissioner under this section shall be deposited into a revolving fund and is appropriated to the commissioner of health for the purpose of administering this section."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "establishing oversight for rural health cooperative;"

Correct the title numbers accordingly

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

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 3082, A bill for an act relating to retirement; various retirement plans; adding two employment positions to the correctional state employees retirement plan; including certain departments of the Rice Memorial Hospital in Willmar and the Worthington Regional Hospital in privatized public employee retirement coverage; providing for the potential dissolution of the Minnesota Post Retirement Investment Fund; increasing teacher retirement plan reemployed annuitant earnings limitations; temporarily exempting Metropolitan Airports Commission police officers from reemployed annuitant earnings limits; mandating joint and survivor optional annuities rather than single life annuities as basic annuity form; making various changes in retirement plan administrative provisions; clarifying general state employee retirement plan alternative coverage elections by certain unclassified state employees retirement program participants; clarifying direct state aid for the teacher retirement associations; clarifying the handling of unclaimed retirement accounts in the individual retirement account plan; providing for a study of certain Minnesota State Colleges and Universities System tenure track faculty members; modifying the manner in which official actuarial work for public pension plans is performed; allowing pension plans greater latitude in setting salary and payroll assumptions; extending amortization target dates for various retirement plans; making the number and identity of tax-sheltered annuity vendors a mandatory bargaining item for school districts and their employees; allowing a certain firefighter relief association certain benefit increases; allowing security broker-dealers to directly hold local pension plan assets; increasing upmost flexible service pension maximum amounts for volunteer firefighters; creating a voluntary statewide volunteer firefighter retirement plan advisory board within the Public Employees Retirement Association; allowing various retirement plans to accept labor union retired member dues deduction authorizations; authorizing various prior service credit purchases; authorizing certain service credit and coverage transfers; authorizing a disability benefit application to be rescinded; authorizing a retirement coverage termination; providing an additional benefit to certain injured Minneapolis bomb squad officers; allowing certain Independent School District No. 625 school board members to make back defined contribution retirement plan contributions; revising post-2009 additional amortization state aid allocations; modifying PERA-P&F duty disability benefit amounts; authorizing a PERA prior military service credit purchase;

revising the administrative duties of the board and the executive director of the Minnesota State Retirement System; increasing pension commission membership; appropriating money; amending Minnesota Statutes 2006, sections 3.85, subdivision 3; 6.67; 11A.18, subdivision 9, by adding subdivisions; 16A.055, subdivision 5; 43A.346, subdivisions 4, 5, 6, 7; 69.011, subdivision 1; 123B.02, subdivision 15; 352.03, subdivisions 4, 5; 352.12, subdivision 2; 352.22, subdivision 10; 352.931, subdivision 1; 352.97; 352.98, subdivisions 1, 2, 3, 4, 5; 352D.075, subdivision 2a; 353.01, subdivisions 10, 11a, by adding a subdivision; 353.27, by adding a subdivision; 353.30, subdivision 3; 353.33, subdivision 5; 353.656, subdivision 2; 353D.05, subdivision 2; 353D.12, subdivision 4; 353E.07, subdivision 7; 354.05, subdivision 37; 354.33, subdivision 5; 354.44, subdivision 5; 354A.12, subdivision 3a; 354A.31, subdivision 3; 354B.20, by adding a subdivision; 354B.25, subdivision 5, by adding a subdivision; 354C.165; 356.20, subdivisions 1, 2, 3, 4, 4a; 356.214, subdivisions 1, 3, by adding a subdivision; 356.215, subdivisions 1, 2, 3, 8, 11, 18; 356.24, subdivision 1; 356.41; 356.46, as amended; 356.47, subdivision 3; 356.551, subdivision 2; 356.611, subdivision 2, by adding a subdivision; 356A.06, subdivisions 1, 7, 8b; 356B.10, subdivision 3; 363A.36, subdivision 1; 383B.914, subdivision 7; 423A.02, subdivision 1b; 424A.001, subdivision 6, by adding a subdivision; 424A.02, subdivisions 3, 7, 9; 424A.05, subdivision 3; 518.003, subdivision 8; Minnesota Statutes 2007 Supplement, sections 43A.346, subdivisions 1, 2; 352.01, subdivision 2a; 352.017, subdivision 2; 352.91, subdivision 3d; 352.955, subdivisions 3, 5; 352D.02, subdivisions 1, 3; 353.01, subdivision 2b; 353.0161, subdivision 2; 353.27, subdivision 14; 353.32, subdivision 1a; 353.656, subdivision 1; 353.657, subdivision 2a; 353F.02, subdivision 4; 354.096, subdivision 2; 354.72, subdivision 2; 354A.12, subdivision 3c; 354C.12, subdivision 4; 356.96, subdivision 1; 422A.06, subdivision 8; Laws 2002, chapter 392, article 2, section 4; Laws 2006, chapter 271, article 5, section 5; proposing coding for new law in Minnesota Statutes, chapters 11A; 352; 353D; 353F; 354; 354C; 356; 423A; repealing Minnesota Statutes 2006, sections 352.96; 354.44, subdivision 6a; 354.465; 354.51, subdivision 4; 354.55, subdivisions 2, 3, 6, 12, 15; 354A.091, subdivisions 1a, 1b; 354A.12, subdivision 3a; 355.629; 356.214, subdivision 2; 356.215, subdivision 2a; Minnesota Statutes 2007 Supplement, section 354A.12, subdivisions 3b, 3c; Laws 1965, chapter 592, sections 3, as amended; 4, as amended; Laws 1967, chapter 575, sections 2, as amended; 3; 4; Laws 1969, chapter 352, section 1, subdivisions 3, 4, 5, 6; Laws 1969, chapter 526, sections 3; 4; 5, as amended; 7, as amended; Laws 1971, chapter 140, sections 2, as amended; 3, as amended; 4, as amended; 5, as amended; Laws 1971, chapter 214, section 1, subdivisions 1, 2, 3, 4, 5; Laws 1973, chapter 304, section 1, subdivisions 3, 4, 5, 6, 7, 8, 9; Laws 1973, chapter 472, section 1, as amended; Laws 1975, chapter 185, section 1; Laws 1985, chapter 261, section 37, as amended; Laws 1991, chapter 125, section 1; Laws 2005, First Special Session chapter 8, article 1, section 23; Minnesota Rules, parts 7905.0100; 7905.0200; 7905.0300; 7905.0400; 7905.0500; 7905.0600; 7905.0700; 7905.0800; 7905.0900; 7905.1000; 7905.1100; 7905.1200; 7905.1300; 7905.1400; 7905.1500; 7905.1600; 7905.1700; 7905.1800; 7905.1900; 7905.2000; 7905.2100; 7905.2200; 7905.2300; 7905.2400; 7905.2450; 7905.2500; 7905.2560; 7905.2600; 7905.2700; 7905.2800; 7905.2900.

Reported the same back with the following amendments:

Page 45, after line 21, insert:

"Sec. 22. Minnesota Statutes 2006, section 353.64, subdivision 11, is amended to read:

Subd. 11. **Pension coverage for certain tribal police officers exercising state arrest powers.** (a) The governing body of a tribal police department which is exercising state arrest powers under section 626.90, 626.91, 626.92, or 626.93 may request by resolution to the executive director that its police officers be considered public employees under section 353.01, subdivision 2, be considered a police officer under section 353.64, subdivision 1, and become members of the public employees police and fire retirement plan and that the tribal police department be considered a governmental subdivision under section 353.01, subdivision 6.

~~(b) The executive director of the association must approve the request by a tribal police department under paragraph (a) if a ruling made by the federal Internal Revenue Service provides that:~~

~~(1) the tribal police department is an agency or instrumentality of the state of Minnesota for purposes of enforcing state law; and~~

~~(2) contributions made by the tribal police department to a retirement plan on behalf of employees of the tribal police department are contributions to a governmental plan within the meaning of section 414(d) of the federal Internal Revenue Code.~~

(e) (b) Following the approval of the request by the executive director, the head of the police department or that person's designee must immediately report for membership in the police and fire fund a person who is employed as a full-time or part-time police officer in a position that meets the conditions in sections 353.01, subdivision 2a, and 353.64, subdivisions 1 and 2. The police department head or that person's designee must deduct the employee contributions from the salary of each eligible police officer as required by section 353.65, subdivision 2, and make the employer contributions required by section 353.65, subdivision 3. The head of the police department or that person's designee must meet the reporting requirements in section 353.65, subdivision 4.

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

Renumber the sections in sequence

Correct the title numbers accordingly

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

The report was adopted.

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

H. F. No. 3380, A bill for an act relating to human services; revising requirements for county-based purchasing for state health care programs; amending Minnesota Statutes 2007 Supplement, section 256B.69, subdivision 4; Laws 2005, First Special Session chapter 4, article 8, section 84, as amended.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2007 Supplement, section 256B.69, subdivision 4, is amended to read:

Subd. 4. **Limitation of choice.** (a) The commissioner shall develop criteria to determine when limitation of choice may be implemented in the experimental counties. The criteria shall ensure that all eligible individuals in the county have continuing access to the full range of medical assistance services as specified in subdivision 6.

(b) The commissioner shall exempt the following persons from participation in the project, in addition to those who do not meet the criteria for limitation of choice:

(1) persons eligible for medical assistance according to section 256B.055, subdivision 1;

(2) persons eligible for medical assistance due to blindness or disability as determined by the Social Security Administration or the state medical review team, unless:

- (i) they are 65 years of age or older; or
 - (ii) they reside in Itasca County or they reside in a county in which the commissioner conducts a pilot project under a waiver granted pursuant to section 1115 of the Social Security Act;
 - (3) recipients who currently have private coverage through a health maintenance organization;
 - (4) recipients who are eligible for medical assistance by spending down excess income for medical expenses other than the nursing facility per diem expense;
 - (5) recipients who receive benefits under the Refugee Assistance Program, established under United States Code, title 8, section 1522(e);
 - (6) children who are both determined to be severely emotionally disturbed and receiving case management services according to section 256B.0625, subdivision 20, except children who are eligible for and who decline enrollment in an approved preferred integrated network under section 245.4682;
 - (7) adults who are both determined to be seriously and persistently mentally ill and received case management services according to section 256B.0625, subdivision 20;
 - (8) persons eligible for medical assistance according to section 256B.057, subdivision 10; and
 - (9) persons with access to cost-effective employer-sponsored private health insurance or persons enrolled in a non-Medicare individual health plan determined to be cost-effective according to section 256B.0625, subdivision 15.
- Children under age 21 who are in foster placement may enroll in the project on an elective basis. Individuals excluded under clauses (1), (6), and (7) may choose to enroll on an elective basis. The commissioner may enroll recipients in the prepaid medical assistance program for seniors who are (1) age 65 and over, and (2) eligible for medical assistance by spending down excess income.
- (c) The commissioner may allow persons with a one-month spenddown who are otherwise eligible to enroll to voluntarily enroll or remain enrolled, if they elect to prepay their monthly spenddown to the state.
 - (d) The commissioner may require those individuals to enroll in the prepaid medical assistance program who otherwise would have been excluded under paragraph (b), clauses (1), (3), and (8), and under Minnesota Rules, part 9500.1452, subpart 2, items H, K, and L.
 - (e) Before limitation of choice is implemented, eligible individuals shall be notified and after notification, shall be allowed to choose only among demonstration providers. The commissioner may assign an individual with private coverage through a health maintenance organization, to the same health maintenance organization for medical assistance coverage, if the health maintenance organization is under contract for medical assistance in the individual's county of residence. After initially choosing a provider, the recipient is allowed to change that choice only at specified times as allowed by the commissioner. If a demonstration provider ends participation in the project for any reason, a recipient enrolled with that provider must select a new provider but may change providers without cause once more within the first 60 days after enrollment with the second provider.
 - (f) An infant born to a woman who is eligible for and receiving medical assistance and who is enrolled in the prepaid medical assistance program shall be retroactively enrolled to the month of birth in the same managed care plan as the mother once the child is enrolled in medical assistance unless the child is determined to be excluded from enrollment in a prepaid plan under this section.

(g) For an eligible individual under the age of 65, in the absence of a specific managed care plan choice by the individual, the commissioner shall assign the individual to the county-based purchasing health plan in Olmsted, Winona, Houston, Fillmore, and Mower Counties, if the individual resides in one of these counties. For an eligible individual over the age of 65, the commissioner shall make this default assignment upon the county-based purchasing plan entering into a contract with the commissioner to serve this population and receiving federal approval as a special needs plan.

Sec. 2. **STATEMENT OF COSTS; APPROPRIATION.**

By June 1, 2009, the commissioner of human services shall submit to Olmsted County an itemized statement of costs incurred by the Department of Human Services for necessary changes to the department's computer system to implement new Minnesota Statutes, section 256B.69, subdivision 4, paragraph (g), along with a bill for the amount of these costs, up to \$18,000. By June 30, 2009, Olmsted County must remit to the commissioner the amount billed. The amount received by the commissioner must be deposited in the state treasury and credited to a special account and is appropriated to the commissioner as reimbursement for the costs billed."

Delete the title and insert:

"A bill for an act relating to human services; revising requirements for county-based purchasing for state health care programs; appropriating money; amending Minnesota Statutes 2007 Supplement, section 256B.69, subdivision 4."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 3796, A bill for an act relating to state government; proposing an amendment to the Minnesota Constitution, article III, by adding a section; article IV, section 9; article V, section 4; establishing a council to prescribe salaries for legislators and constitutional officers; abolishing the compensation council; amending Minnesota Statutes 2006, sections 15A.083, subdivision 6a; 43A.17, subdivision 9; 116S.03, subdivision 1; 352.029, subdivision 2a; 353.017, subdivision 7; 354.41, subdivision 4a; 480A.02, subdivision 7; repealing Minnesota Statutes 2006, section 15A.082.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **CONSTITUTIONAL AMENDMENT PROPOSED.**

An amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, article IV, section 9, will read:

Sec. 9. The ~~compensation salary~~ of senators and representatives shall be prescribed by law. ~~No increase of compensation shall take effect during the period for which the members of the existing house of representatives may have been elected.~~ a council consisting of the following members: one person who is not a judge from each congressional district appointed by the chief justice of the Supreme Court, and one member from each congressional district appointed by the governor. Half of the members appointed by the governor and half of the members appointed by the chief justice must belong to the political party that has the most members in the legislature. Half of the members appointed by the governor and half of the members appointed by the chief justice must belong to the

political party that has the second-most members in the legislature. However, if Minnesota has an odd number of congressional districts, the smallest possible majority of the members appointed by the governor and the smallest possible majority of members appointed by the chief justice must belong to the political party that has the most members in the legislature, and the remaining members must belong to the political party that has the second-most members in the legislature. None of the members of the council may be legislators. Membership terms and removal and compensation of members shall be as provided by law. The council must prescribe salaries by March 31 of each odd-numbered year, with any changes in salary to take effect on July 1 of that year. Other items of compensation for legislators shall be determined as provided by law.

Sec. 2. **SCHEDULE AND QUESTION.**

The proposed amendment must be submitted to the people at the 2008 general election. The question submitted must be:

"Shall the Minnesota Constitution be amended to remove legislators' ability to set their own salaries, and instead establish a citizens-only council to prescribe salaries for legislators?"

Yes
No"

Sec. 3. Minnesota Statutes 2006, section 15A.082, subdivision 1, is amended to read:

Subdivision 1. **Creation.** A An Executive and Judicial Compensation Council is created each ~~even-numbered~~ odd-numbered year to assist the legislature in establishing the compensation of constitutional officers, ~~members of the legislature~~, justices of the Supreme Court, judges of the Court of Appeals and district court, and the heads of state and metropolitan agencies included in section 15A.0815.

Sec. 4. Minnesota Statutes 2006, section 15A.082, subdivision 2, is amended to read:

Subd. 2. **Membership.** The Executive and Judicial Compensation Council consists of 16 members: two members of the house of representatives appointed by the speaker of the house of representatives; two members of the senate appointed by the majority leader of the senate; one member of the house of representatives appointed by the minority leader of the house of representatives; one member of the senate appointed by the minority leader of the senate; two nonjudges appointed by the chief justice of the Supreme Court; and one member from each congressional district appointed by the governor, of whom no more than four may belong to the same political party. Appointments must be made ~~by October 1 after the first Monday in January and before January 15.~~ The compensation and removal of members appointed by the governor or the chief justice shall be as provided in section 15.059, subdivisions 3 and 4. The Legislative Coordinating Commission shall provide the council with administrative and support services.

Sec. 5. Minnesota Statutes 2006, section 15A.082, subdivision 3, is amended to read:

Subd. 3. **Submission of recommendations.** (a) By ~~May 1~~ March 31 in each odd-numbered year, the Executive and Judicial Compensation Council shall submit to the speaker of the house of representatives and the president of the senate salary recommendations for constitutional officers, ~~legislators~~, justices of the Supreme Court, and judges of the Court of Appeals and district court. The recommended salary for each office must take effect on the first Monday in January of the next odd-numbered year, with no more than one adjustment, to take effect on January 1 of the year after that. The salary recommendations for ~~legislators~~, judges, and constitutional officers take effect if an appropriation of money to pay the recommended salaries is enacted after the recommendations are submitted and before their effective date. Recommendations may be expressly modified or rejected. ~~The salary recommendations for legislators are subject to additional terms that may be adopted according to section 3.099, subdivisions 1 and 3.~~

(b) The council shall also submit to the speaker of the house of representatives and the president of the senate recommendations for the salary ranges of the heads of state and metropolitan agencies, to be effective retroactively from January 1 of that year if enacted into law. The recommendations shall include the appropriate group in section 15A.0815 to which each agency head should be assigned and the appropriate limitation on the maximum range of the salaries of the agency heads in each group, expressed as a percentage of the salary of the governor.

Sec. 6. **EFFECTIVE DATE.**

Sections 3 to 5 are effective January 1, 2009, if the constitutional amendment proposed in section 1 is adopted by the voters."

Delete the title and insert:

"A bill for an act relating to state government; proposing an amendment to the Minnesota Constitution, article IV, section 9; authorizing a council to establish salaries for legislators; changing the composition of the Citizen Compensation Council; amending Minnesota Statutes 2006, section 15A.082, subdivisions 1, 2, 3."

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

The report was adopted.

Carlson from the Committee on Finance to which was referred:

S. F. No. 2833, A bill for an act relating to health; requiring public pools and spas to be equipped with anti-entrapment devices or systems; appropriating money; amending Minnesota Statutes 2006, sections 144.1222, subdivision 1a, by adding subdivisions; 157.16, as amended; 157.20, subdivisions 1, 2a.

Reported the same back with the following amendments:

Page 1, line 8, delete "of this act"

Page 2, line 14, delete "1c" and insert "1b"

Page 2, line 20, delete "1d" and insert "1c"

Page 2, line 29, delete "or"

Page 2, line 30, delete the period and insert "; or"

Page 2, after line 30, insert:

"(4) any other system determined by the commissioner to be equally effective as, or better than, the systems listed in this paragraph at preventing or eliminating the risk of injury or death associated with pool drainage systems."

Page 3, line 7, delete "1e" and insert "1d"

Page 3, after line 14, insert:

"Sec. 6. Minnesota Statutes 2006, section 144.1222, is amended by adding a subdivision to read:

Subd. 1e. **Study.** By January 15, 2009, the commissioner of health shall report to the chairs and ranking minority members of the legislative committees and divisions having jurisdiction over the regulation of public pools and spas: the number of public pools and spas under license in the state of Minnesota, the type of ownership of public pools under license in the state, the type of drains at all licensed public pools and spas as reported by owners/licensees, and general observations from the department regarding implementation of the law. Also, the department shall report on the estimated economic impact and costs of the installation of a second main drain and cover."

Page 4, line 9, delete "part" and insert "chapter" and after the period, insert "The commissioner shall convene a group of stakeholders to address the exceptions for public swimming pools and make recommendations to the legislature by December 15, 2010."

Page 4, line 11, delete "1d" and insert "1c" and delete "1e" and insert "1d"

Page 9, line 26, delete "10" and insert "11" and delete "11 and 12" and insert "12 and 13"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 863, 2554 and 3380 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 3056, 3140 and 3594 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Ozment; Atkins; Bigham; Smith; Fritz; Kahn; Slocum; Dominguez; Murphy, E.; Thao; Walker; Hausman; Clark; Cornish and Gunther introduced:

H. F. No. 4231, A bill for an act relating to firefighters; adding duties to the Board of Firefighter Standards and Training; authorizing rulemaking; creating licensing standards; appropriating money; amending Minnesota Statutes 2006, sections 299F.012, subdivision 2; 299N.01; 299N.02, as amended; proposing coding for new law in Minnesota Statutes, chapter 299N.

The bill was read for the first time and referred to the Committee on Public Safety and Civil Justice.

Beard introduced:

H. F. No. 4232, A bill for an act relating to environment; establishing the Minnesota River Basin Commission with taxing authority; appropriating money; amending Minnesota Statutes 2006, sections 103D.205, subdivision 3; 275.066; Minnesota Statutes 2007 Supplement, section 103B.102, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 103B.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Swails, Bunn and Bigham introduced:

H. F. No. 4233, A bill for an act relating to capital improvements; appropriating money for a veterans memorial in Woodbury; authorizing the sale and issuance of state bonds.

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

Mullery introduced:

H. F. No. 4234, A bill for an act relating to mortgage lending; requiring retention of records of mortgage loans; requiring periodic reports to the commissioner of commerce; providing for a delay of mortgage foreclosure sales under certain circumstances; proposing coding for new law in Minnesota Statutes, chapters 58; 580.

The bill was read for the first time and referred to the Committee on Public Safety and Civil Justice.

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 Speaker pro tempore Sertich.

REPORT FROM THE COMMITTEE ON RULES AND
LEGISLATIVE ADMINISTRATION

Sertich from the Committee on Rules and Legislative Administration, pursuant to rule 1.21, designated the following bills to be placed on the Supplemental Calendar for the Day for Wednesday, May 7, 2008:

S. F. Nos. 3193 and 100; H. F. Nos. 1724 and 3783; and S. F. Nos. 2468 and 2965.

Wagenius was excused between the hours of 1:30 p.m. and 2:10 p.m.

CALENDAR FOR THE DAY

S. F. No. 3096 was reported to the House.

Kalin moved to amend S. F. No. 3096, the second engrossment, as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 3669, the first engrossment:

"Section 1. **16B.321** **DEFINITIONS.**

Subdivision 1. **Scope.** For the purpose of this section and section 16B.322, the terms defined in this section have the meanings given them.

Subd. 2. **Energy improvement project.** "Energy improvement project" means:

(1) a project to improve energy efficiency in a building or facility, including the design, acquisition, installation, construction, and commissioning of equipment or improvements to a building or facility owned or operated by a state agency, and training of building or facility staff necessary to properly operate and maintain the equipment or improvements; or

(2) a project to design, acquire, install, construct, and commission equipment or products to utilize solar, wind, geothermal, biomass, or other alternative energy sources in heating, cooling, or providing electricity for a building or facility owned or operated by a state agency and training of building or facility staff necessary to properly operate and maintain the equipment or improvements.

Subd. 3. **Energy project study.** "Energy project study" means a technical and financial study of one or more energy improvement projects, including:

(1) an analysis of historical energy consumption and cost data;

(2) a description of existing equipment, structural elements, operating characteristics, and other conditions affecting energy use;

(3) a description of the proposed energy improvement projects;

(4) a detailed budget for the proposed project; and

(5) calculations sufficient to demonstrate the expected energy and operational cost savings and reduction in fossil-fuel use.

Subd. 4. **Financing agreement.** "Financing agreement" means a tax-exempt lease-purchase agreement entered into by the commissioner of administration and a financial institution under a standard project financing agreement offered under section 16B.322, subdivision 4.

Subd. 5. **State agency.** "State agency" means any state officer, employee, board, commission, authority, department, or other agency of the executive branch of state government.

Sec. 2. **[16B.322] ENERGY IMPROVEMENT FINANCING PROGRAM FOR STATE GOVERNMENT.**

Subdivision 1. **Commissioner's authority and duties; state agency authority.** The commissioner shall administer this section. A state agency may enter into contracts for the purposes of this section with the commissioner and participating financial institutions. All technical services and construction contracts must be executed through the appropriate procurement procedure in chapters 16B, 16C, and other applicable law.

Subd. 2. **Program eligibility; voluntary program participation; targeted technical services.** A state agency may elect to participate in the program. The commissioner may prioritize and target technical services offered under subdivision 3 to state agencies with state buildings or facilities that the commissioner determines offer the greatest potential to improve energy efficiency or reduce use of fossil-fuel energy.

Subd. 3. **Target technical services.** The commissioner may require full or partial reimbursement of costs for technical services provided to a state agency, subject to terms and conditions specified and agreed to by contract prior to the delivery of technical services. The commissioner of commerce may transfer up to \$1,000,000 of the appropriation in Laws 1988, chapter 686, article 1, section 38, to the commissioner of administration for the purposes of this section.

Subd. 4. **Financing agreement.** The commissioner shall solicit proposals from private financial institutions and may enter into a financing agreement with one or more financial institutions. The term of the financing agreement must not exceed 15 years from the date of final completion of the energy improvement project. The financing agreement is assignable to the state agency operating or managing the state building or facility improved by the energy improvement project. The proceeds from the financing agreement are appropriated to the commissioner and may be used for the purposes of this section and are available until spent.

Subd. 5. **Qualifying energy improvement projects.** The commissioner may approve an energy improvement project and enter into a financing agreement if the commissioner determines that:

(1) the project and financing agreement have been approved by the governing body or head of the state agency that operates or manages the state building or facility to be improved;

(2) the project is technically and economically feasible;

(3) the state agency that operates or manages the state building or facility has made adequate provision for the operation and maintenance of the project;

(4) if an energy efficiency improvement, the project has a substantial likelihood to result in a positive cash flow in each year the financing agreement is in effect; and

(5) if a renewable energy improvement, the project has a substantial likelihood to reduce use of fossil-fuel energy.

Subd. 6. **Program costs.** Program costs incurred by the commissioner or a state agency that are not reimbursed or paid directly under a financing agreement may be paid with funds made available to the commissioner under section 216C.43, subdivision 10.

Sec. 3. Minnesota Statutes 2007 Supplement, section 216B.241, is amended by adding a subdivision to read:

Subd. 9. **Coordination with utility conservation improvement programs.** The contractor selected by the commissioner in subdivision 2 shall ensure that the local government makes use of all applicable conservation improvement programs provided by utilities providing electric or natural gas service. Consistent with direction from the commissioner, a utility may count the savings resulting from its energy improvement projects under sections 16B.322 and 216C.43 towards the utility's energy-saving goal under section 216B.241, subdivision 1c.

Sec. 4. Minnesota Statutes 2006, section 216C.09, is amended to read:

216C.09 COMMISSIONER DUTIES.

(a) The commissioner shall:

(1) manage the department as the central repository within the state government for the collection of data on energy;

(2) prepare and adopt an emergency allocation plan specifying actions to be taken in the event of an impending serious shortage of energy, or a threat to public health, safety, or welfare;

(3) undertake a continuing assessment of trends in the consumption of all forms of energy and analyze the social, economic, and environmental consequences of these trends;

(4) carry out energy conservation measures as specified by the legislature and recommend to the governor and the legislature additional energy policies and conservation measures as required to meet the objectives of sections 216C.05 to 216C.30;

(5) collect and analyze data relating to present and future demands and resources for all sources of energy;

(6) evaluate policies governing the establishment of rates and prices for energy as related to energy conservation, and other goals and policies of sections 216C.05 to 216C.30, and make recommendations for changes in energy pricing policies and rate schedules;

(7) study the impact and relationship of the state energy policies to international, national, and regional energy policies;

(8) design and implement a state program for the conservation of energy; this program shall include but not be limited to, general commercial, industrial, and residential, and transportation areas; such program shall also provide for the evaluation of energy systems as they relate to lighting, heating, refrigeration, air conditioning, building design and operation, and appliance manufacturing and operation;

(9) inform and educate the public about the sources and uses of energy and the ways in which persons can conserve energy;

(10) dispense funds made available for the purpose of research studies and projects of professional and civic orientation, which are related to either energy conservation, resource recovery, or the development of alternative energy technologies which conserve nonrenewable energy resources while creating minimum environmental impact;

(11) charge other governmental departments and agencies involved in energy-related activities with specific information gathering goals and require that those goals be met;

(12) design a comprehensive program for the development of indigenous energy resources. The program shall include, but not be limited to, providing technical, informational, educational, and financial services and materials to persons, businesses, municipalities, and organizations involved in the development of solar, wind, hydropower, peat, fiber fuels, biomass, and other alternative energy resources. The program shall be evaluated by the alternative energy technical activity; and

(13) dispense loans, grants, or other financial aid from money received from litigation or settlement of alleged violations of federal petroleum-pricing regulations made available to the department for that purpose. ~~The commissioner shall adopt rules under chapter 14 for this purpose.~~

(b) Further, the commissioner may participate fully in hearings before the Public Utilities Commission on matters pertaining to rate design, cost allocation, efficient resource utilization, utility conservation investments, small power production, cogeneration, and other rate issues. The commissioner shall support the policies stated in section 216C.05 and shall prepare and defend testimony proposed to encourage energy conservation improvements as defined in section 216B.241.

Sec. 5. **[216C.42] DEFINITIONS.**

Subdivision 1. Scope. For the purpose of this section and section 216C.43, the terms defined in this section have the meanings given them.

Subd. 2. Energy improvement project. "Energy improvement project" means a project to improve energy efficiency in a building or facility, including the design, acquisition, installation, and commissioning of equipment or improvements to a building or facility, and training of building or facility staff necessary to properly operate and maintain the equipment or improvements.

Subd. 3. Energy project study. "Energy project study" means a technical and financial study of one or more energy improvement projects, including:

(1) an analysis of historical energy consumption and cost data;

(2) a description of existing equipment, structural elements, operating characteristics, and other conditions affecting energy use;

(3) a description of the proposed energy improvement projects;

(4) a detailed budget for the proposed project; and

(5) calculations sufficient to demonstrate the expected energy savings.

Subd. 4. Financing agreement. "Financing agreement" means a tax-exempt lease-purchase agreement entered into by a local government and a financial institution under a standard project financing agreement offered under section 216C.43, subdivision 6.

Subd. 5. Local government. "Local government" means a Minnesota county, statutory or home rule charter city, town, school district, or any combination of those units operating under an agreement to exercise powers jointly.

Subd. 6. Program. "Program" means the energy improvement financing program for local governments authorized by section 216C.43.

Subd. 7. Supplemental cash flow agreement. "Supplemental cash flow agreement" means an agreement by the commissioner to lend funds to a local government up to an amount necessary to ensure that the cumulative payments made by the local government under a financing agreement minus the amount loaned by the commissioner do not exceed the actual energy and operating cost savings attributable to the energy improvement project for the term of the supplemental cash flow agreement.

Sec. 6. **[216C.43] ENERGY IMPROVEMENT FINANCING PROGRAM FOR LOCAL GOVERNMENT.**

Subdivision 1. Commissioner's authority and duties; local government authority. The commissioner shall administer this section. A local government may enter into contracts for the purposes of this section with the commissioner, the primary contractor, other contracted technical service providers, and participating financial institutions.

Subd. 2. Program eligibility; voluntary program participation; targeted technical services. A local government may elect to participate in the program. The commissioner may prioritize and target technical services offered under subdivision 5 to public entities that the commissioner determines offer the greatest potential for cost-effective energy improvement projects.

Subd. 3. Primary contractor for technical, financial, and program management services. The commissioner may enter into a contract for the delivery of technical services, financial management, marketing, and administrative services necessary for implementation of the program.

Subd. 4. Targeted technical services. The commissioner shall offer technical services to targeted public entities to conduct energy project studies. The commissioner may contract with one or more qualified technical service providers to conduct energy project studies for targeted public entities. The commissioner may require full or partial reimbursement of costs for technical services provided to a local government, subject to terms and conditions specified and agreed to by contract prior to the delivery of technical services. A local government may independently procure technical services to conduct an energy project study, but the energy project study must be reviewed and approved by the commissioner to qualify an energy improvement project for a financing agreement under subdivision 6 or a supplemental cash flow agreement under subdivision 7.

Subd. 5. Participation of technical service providers statewide. Program activities must be implemented to encourage statewide participation of engineers, architects, energy auditors, contractors, and other technical service providers. The commissioner may provide training on energy project study requirements and procedures to technical service providers.

Subd. 6. Standard project financing agreement. The commissioner shall solicit proposals from private financial institutions and may enter into a standard project financing agreement with one or more financial institutions. A standard project financing agreement must specify terms and conditions uniformly available to all participating public entities for financing to implement energy improvement projects under this section. A local government may choose to finance an energy improvement project by means other than a standard project financing agreement, but a supplemental cash flow agreement under subdivision 7 must not be offered unless the commissioner determines that the other financing means creates no greater potential obligation under a supplemental cash flow agreement than would be created through a standard project financing agreement.

Subd. 7. Supplemental cash flow agreement. (a) The commissioner shall offer a supplemental cash flow agreement to a participating local government for qualifying energy improvement projects. The term of a supplemental cash flow agreement may not exceed 15 years. Terms and conditions of a supplemental cash flow agreement must be agreed to by contract prior to a local government entering into a financing agreement.

(b) A supplemental cash flow agreement contract must include, but is not limited to:

(1) specification of methods and procedures to measure and verify energy cost savings;

(2) obligations of the local government to operate and maintain the energy improvements;

(3) procedures to modify the supplemental cash flow agreement if the local government modifies operating characteristics of its building or facility in a manner that adversely affects energy cost savings;

(4) interest charged on the loan, which may not exceed the interest on the related financial agreement; and

(5) procedures for resolution of disputes.

Subd. 8. Qualifying energy improvement projects. A local government may submit to the commissioner, on a form prescribed by the commissioner, an application for a financing agreement authorization and supplemental cash flow agreement for energy improvement projects. The commissioner shall approve an energy improvement project for a supplemental cash flow agreement and authorize eligibility for a financing agreement if the commissioner determines that:

(1) the application has been approved by the governing body or agency head of the local government;

(2) the project is technically and economically feasible;

(3) the local government has made adequate provision for the operation and maintenance of the project;

(4) the project has a substantial likelihood to result in a positive cash flow in each year the financing agreement is in effect; and

(5) adequate funds will be available to the commissioner to fulfill the supplemental cash flow agreement.

Subd. 9. Program costs. Program costs incurred by the commissioner or a public entity that are not direct costs to implement energy improvement projects may be paid with program funds appropriated under subdivision 10.

Subd. 10. Funding; appropriation; receipts. Petroleum violation escrow funds appropriated to the commissioner by Laws 1988, chapter 686, article 1, section 38, for state energy loan programs for schools, hospitals, and public buildings, and reappropriated by Laws 2007, chapter 57, article 2, section 30, are appropriated to the commissioner for the purposes of this section and are available until spent. The commissioner may transfer up to \$1,000,000 of this appropriation to the commissioner of administration for the purposes of section 16B.322.

Sec. 7. REPORT; GREEN STAR AWARD EXPANSION.

The Pollution Control Agency and the Office of Energy Security in the Department of Commerce shall, in collaboration with the clean energy resource teams (CERT's), submit a report by February 2, 2009, to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over energy policy that makes recommendations regarding how to expand eligibility to receive the Green Star award, described in Minnesota Statutes, section 114C.25, to include cities and communities that take action to help meet the state's greenhouse gas emissions reduction goals established in Minnesota Statutes, section 216H.02, subdivision 1. The report must address, at a minimum, the following issues:

(1) the criteria for actions cities and communities must take in order to receive a Green Star award;

(2) what entity or entities would issue the award;

(3) the length of time during which the award may be displayed;

(4) existing state financial and technical assistance available to communities and cities to assist them to reduce greenhouse gas emissions;

(5) sources of additional funding needed to implement the program; and

(6) any other issues that need to be resolved in order to implement the program.

Sec. 8. **REPEALER.**

Laws 2007, chapter 57, article 2, section 30, is repealed.

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

Delete the title and insert:

"A bill for an act relating to energy; creating program for government energy improvement investments; requiring a report; appropriating money; amending Minnesota Statutes 2006, section 216C.09; Minnesota Statutes 2007 Supplement, section 216B.241, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 16B; 216C; repealing Laws 2007, chapter 57, article 2, section 30."

The motion prevailed and the amendment was adopted.

Pelowski was excused between the hours of 1:55 p.m. and 2:40 p.m.

Poppe was excused between the hours of 2:00 p.m. and 2:40 p.m.

Kalin moved to amend S. F. No. 3096, the second engrossment, as amended, as follows:

Page 7, line 13, delete "shall" and insert "may"

The motion prevailed and the amendment was adopted.

Gunther moved to amend S. F. No. 3096, the second engrossment, as amended, as follows:

Page 8, after line 17, insert:

"Subd. 11. **Finding required.** This section may not be implemented until the commissioner of finance determines that private capital is insufficient to finance the energy improvements eligible to be made under this section."

A roll call was requested and properly seconded.

The question was taken on the Gunther amendment and the roll was called.

Pursuant to rule 2.05, Speaker pro tempore Sertich excused Ruud from voting on the Gunther amendment to S. F. No. 3096, as amended.

There were 48 yeas and 82 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Erhardt	Holberg	McNamara	Severson
Anderson, B.	DeLaForest	Erickson	Hoppe	Nornes	Shimanski
Anderson, S.	Demmer	Finstad	Howes	Olson	Simpson
Beard	Dettmer	Garofalo	Kohls	Peppin	Smith
Berns	Dittrich	Gottwalt	Kranz	Peterson, N.	Tingelstad
Brod	Drazkowski	Gunther	Lanning	Ruth	Wardlow
Buesgens	Eastlund	Hackbarth	Magnus	Scalze	Westrom
Cornish	Emmer	Hamilton	McFarlane	Seifert	Zellers

Those who voted in the negative were:

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

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

Eastlund moved to amend S. F. No. 3096, the second engrossment, as amended, as follows:

Page 3, line 14, delete "has a substantial likelihood to" and insert "must"

Page 3, line 15, after "flow" insert "of at least ten percent" and after "effect" insert "and reduce energy usage by at least ten percent"

Page 3, line 16, delete "has a substantial likelihood to" and insert "must"

A roll call was requested and properly seconded.

The question was taken on the Eastlund amendment and the roll was called.

Pursuant to rule 2.05, Speaker pro tempore Sertich excused Ruud from voting on the Eastlund amendment to S. F. No. 3096, as amended.

There were 49 yeas and 82 nays as follows:

Those who voted in the affirmative were:

Abeler	DeLaForest	Finstad	Kohls	Peppin	Tschumper
Anderson, B.	Demmer	Garofalo	Kranz	Ruth	Wardlow
Anderson, S.	Dettmer	Gottwalt	Lanning	Scalze	Westrom
Beard	Dittrich	Gunther	Magnus	Seifert	Zellers
Berns	Drazkowski	Hackbarth	McFarlane	Severson	
Brod	Eastlund	Hamilton	McNamara	Shimanski	
Brown	Emmer	Holberg	Nornes	Simpson	
Buesgens	Erickson	Hoppe	Olson	Smith	
Dean	Faust	Howes	Paulsen	Tingelstad	

Those who voted in the negative were:

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

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

S. F. No. 3096, A bill for an act relating to energy; creating programs for government energy conservation investments; removing rulemaking requirement for certain loan and grant programs; establishing microenergy loan program; authorizing issuance of state revenue bonds; modifying provision allowing guaranteed energy savings contracts; requiring a report; appropriating money; amending Minnesota Statutes 2006, section 216C.09; Minnesota Statutes 2007 Supplement, section 471.345, subdivision 13; proposing coding for new law in Minnesota Statutes, chapters 16B; 216C; repealing Laws 2007, chapter 57, article 2, section 30.

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.

Pursuant to rule 2.05, Speaker pro tempore Sertich excused Ruud from voting on final passage of S. F. No. 3096, as amended.

There were 103 yeas and 28 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, B.	Dettmer	Finstad	Holberg	Nornes	Shimanski
Buesgens	Drazkowski	Garofalo	Hoppe	Olson	Simpson
Cornish	Eastlund	Gottwalt	Howes	Peppin	Zellers
DeLaForest	Emmer	Gunther	Kohls	Seifert	
Demmer	Erickson	Hackbarth	Lanning	Severson	

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

The Speaker assumed the Chair.

H. F. No. 3539 was reported to the House.

Gottwalt offered an amendment to H. F. No. 3539, the second engrossment.

POINT OF ORDER

Thissen raised a point of order pursuant to rule 3.21 that the Gottwalt amendment was not in order. The Speaker ruled the point of order well taken and the Gottwalt amendment out of order.

H. F. No. 3539, A bill for an act relating to health; providing an exception to hospital construction moratorium; amending Minnesota Statutes 2006, section 144.551, subdivision 1.

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

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 8 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Brynaert	Hosch	Loeffler	Murphy, M.
Davnie	Lesch	Murphy, E.	Ruud

The bill was passed and its title agreed to.

H. F. No. 3783 was reported to the House.

Abeler, Lesch, Tingelstad, DeLaForest, Davnie and Murphy, E., moved to amend H. F. No. 3783, the first engrossment, as follows:

Page 6, after line 33, insert:

"Sec. 10. Minnesota Statutes 2006, section 62A.15, is amended by adding a subdivision to read:

Subd. 3b. **Acupuncture services.** All benefits provided by a policy or contract referred to in subdivision 1 relating to expenses for acupuncture services that are provided by a physician must also include acupuncture treatment and services of a licensed acupuncture practitioner to the extent that the acupuncture services and treatment are within the scope of acupuncture practitioner licensure.

This subdivision is intended to provide equal access to benefits for insureds and subscribers who choose to directly obtain treatment for illness or injury from a licensed acupuncture practitioner, as long as the treatment falls within the scope of practice of the licensed acupuncture practitioner.

This subdivision is not intended to change or add to the benefits provided for in these policies or contracts.

Sec. 11. Minnesota Statutes 2006, section 62A.15, subdivision 4, is amended to read:

Subd. 4. **Denial of benefits.** (a) No carrier referred to in subdivision 1 may, in the payment of claims to employees in this state, deny benefits payable for services covered by the policy or contract if the services are lawfully performed by a licensed chiropractor, licensed optometrist, or a registered nurse meeting the requirements of subdivision 3a, or a licensed acupuncture practitioner.

(b) When carriers referred to in subdivision 1 make claim determinations concerning the appropriateness, quality, or utilization of chiropractic health care for Minnesotans, any of these determinations that are made by health care professionals must be made by, or under the direction of, or subject to the review of licensed doctors of chiropractic.

(c) When a carrier referred to in subdivision 1 makes a denial of payment claim determination concerning the appropriateness, quality, or utilization of acupuncture services for individuals in this state performed by a licensed acupuncture practitioner, a denial of payment claim determination that is made by a health professional must be made by, under the direction of, or subject to the review of a licensed acupuncture practitioner.

Sec. 12. **[62D.107] EQUAL ACCESS TO ACUPUNCTURE SERVICES.**

Subdivision 1. Coverage. All benefits provided by a health maintenance contract relating to expenses incurred for acupuncture services that are provided by a physician, must also include acupuncture treatment and services of a licensed acupuncture practitioner to the extent that the acupuncture services and treatment are within the scope of acupuncture practitioner licensure. This subdivision ensures equal access to benefits for enrollees who choose to directly obtain treatment for illness and injury from a licensed acupuncture practitioner, as long as the treatment falls within the scope of practice of the licensed acupuncture practitioner.

This subdivision is not intended to change or add to the benefits provided for in these policies or contracts.

Subd. 2. Denial of benefits. (a) In the payment of claims for enrollees in this state, no health maintenance organization may deny payment for acupuncture services covered by an enrollee's health maintenance contract if the services are lawfully performed by a licensed acupuncture practitioner.

(b) When a health maintenance organization makes a denial of payment claim determination concerning the appropriateness, quality, or utilization of acupuncture services for enrollees in this state performed by a licensed acupuncture practitioner, the determination must be made by, under the direction of, or subject to the review of a licensed acupuncture practitioner.

Sec. 13. Minnesota Statutes 2007 Supplement, section 62Q.101, is amended to read:

62Q.101 EVALUATION OF PROVIDER PERFORMANCE.

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

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

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

(b) This section does not apply to a health plan company's or vendor of risk management's legitimate investigation into suspected criminal fraud by a health care provider.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

H. F. No. 3783, A bill for an act relating to commerce; regulating insurance fees, coverages, contracts, filings, and forms; regulating financial planners, motor vehicle retail installment sales, service contracts, real estate appraisers, subdivided lands, domestic mutual insurance companies, and collection agencies; merging certain joint underwriting associations; making technical and clarifying changes; amending Minnesota Statutes 2006, sections 53C.01, subdivision 2; 59B.01; 59B.02, subdivision 11, by adding a subdivision; 59B.05, subdivision 5; 60A.71, subdivision 7; 61A.57; 62A.149, subdivision 1; 62A.152, subdivision 2; 62A.44, by adding a subdivision; 62E.10, subdivision 2; 62F.02, by adding a subdivision; 62M.02, subdivision 21; 62Q.47; 62Q.64; 62S.01, by adding subdivisions; 62S.13, subdivision 4; 62S.15; 62S.18, subdivision 2; 62S.20, subdivision 6, by adding subdivisions; 62S.26, subdivision 2; 62S.266, subdivisions 4, 10; 62S.29, by adding subdivisions; 65A.37; 66A.02, subdivision 4; 66A.07, subdivision 2, by adding a subdivision; 66A.41, subdivision 1; 67A.31, subdivision 2; 72A.51, subdivision 2; 79A.06, subdivision 5; 79A.22, subdivisions 3, 4; 79A.23, subdivision 2; 82B.23, subdivision 1; 83.25, by adding a subdivision; Minnesota Statutes 2007 Supplement, sections 61A.257, subdivision 1; 62A.30, subdivision 2; 62S.23, subdivision 1; 72A.52, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 62S; 332; repealing Minnesota Statutes 2006, sections 62A.149, subdivision 2; 65B.29; Laws 2006, chapter 255, section 26.

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 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

Mullery	Ozment	Rukavina	Simon	Tillberry	Westrom
Murphy, E.	Paulsen	Ruth	Simpson	Tingelstad	Winkler
Murphy, M.	Paymar	Ruud	Slawik	Tschumper	Wollschlager
Nelson	Pelowski	Sailer	Slocum	Urdahl	Zellers
Nornes	Peppin	Scalze	Smith	Wagenius	Spk. Kelliher
Norton	Peterson, A.	Seifert	Solberg	Walker	
Olin	Peterson, N.	Sertich	Swails	Ward	
Olson	Peterson, S.	Severson	Thao	Wardlow	
Otremba	Poppe	Shimanski	Thissen	Welti	

The bill was passed and its title agreed to.

S. F. No. 100 was reported to the House.

Kahn moved to amend S. F. No. 100, the unofficial engrossment, as follows:

Page 1, line 15, delete everything after the first comma

Page 1, line 16, delete everything before "including" and after "transplantation," insert "and embryos created for reproduction purposes that are in excess of clinical need and voluntarily donated for research" and delete "approved" and insert "embryonic stem cell research oversight committee"

Page 1, line 17, delete everything before the period

Page 2, line 18, before the period, insert ", and transferring the cloned embryo into a woman for gestation and birth"

The motion prevailed and the amendment was adopted.

Dean moved to amend S. F. No. 100, the unofficial engrossment, as amended, as follows:

Delete everything after the enacting clause and insert:

"Section 1. **[137.45] STEM CELL RESEARCH.**

The University of Minnesota may spend state-appropriated funds on stem cell research.

Sec. 2. **[145.427] HUMAN PLURIPOTENT STEM CELL RESEARCH.**

(a) The policy of the state of Minnesota is to support basic and applied research to develop techniques for the isolation, derivation, production, or testing of stem cells, including pluripotent stem cells that have the flexibility of embryonic stem cells, whether or not they have an embryonic source, that may result in improved understanding of, or treatments for, diseases and other adverse health conditions, provided that the isolation, derivation, production, or testing of such cells will not involve the following:

(1) creation of a human embryo or embryos for research purposes; or

(2) destruction or discarding of, or risk of injury to, a human embryo or embryos.

(b) The commissioner of health shall issue guidelines that:

(1) provide guidance concerning the next steps required for additional research, which shall include a determination of the extent to which specific techniques may require additional animal research to ensure that any research involving human cells using these techniques would clearly be consistent with the standards established in paragraph (a);

(2) prioritize research with the greatest potential for near-term clinical benefit;

(3) consistent with standards established under paragraph (a), take into account techniques outlined by the President's Council on Bioethics and any other appropriate techniques and research; and

(4) in the case of research involving stem cells from a naturally dead embryo, require assurances from grant applicants that no alteration of the time, methods, or procedures used to create, maintain, or intervene in the development of a human embryo was made solely for the purposes of deriving the stem cells.

(c) For the purposes of this section, the following terms have the meanings given:

(1) "Naturally dead" means having naturally and irreversibly lost the capacity for integrated cellular division, growth, and differentiation that is characteristic of an organism, even if some cells of the former organism may be alive in a disorganized state.

(2) "Human embryo or embryos" means any organism, not protected as a human subject under Code of Federal Regulations, title 45, part 46, as of the date of enactment of this section, that is derived by fertilization, parthenogenesis, cloning, or any other means from one or more human gametes or human diploid cells.

(3) "Risk of injury" means subjecting a human embryo or embryos to risk of injury or death greater than that allowed for research on fetuses in utero under Code of Federal Regulations, title 45, section 46.204(b), and in the guidelines issued pursuant to paragraph (b).

Sec. 3. **STATE AMNIOTIC AND PLACENTAL STEM CELL BANK.**

The commissioner of health shall conduct a study to recommend an optimal structure for an amniotic and placental stem cell bank program and to address pertinent issues to maximize the potential of such technology, including collection, storage, standards setting, information sharing, distribution, reimbursement, research, and outcome measures. In conducting this study, the Department of Health should receive input from relevant experts including the existing operators of tissue bank programs and biomedical research programs. By January 15, 2009, the commissioner of health shall report the findings of this study to the legislature."

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Dean amendment and the roll was called. There were 65 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Abeler	Berns	Dean	Dill	Eastlund	Finstad
Anderson, B.	Brod	DeLaForest	Dittrich	Emmer	Fritz
Anderson, S.	Buesgens	Demmer	Doty	Erickson	Garofalo
Beard	Cornish	Dettmer	Drazkowski	Faust	Gottwalt

Gunther	Hosch	Magnus	Otremba	Ruth	Tingelstad
Hackbarth	Howes	Marquart	Ozment	Scalze	Urdahl
Hamilton	Juhnke	McFarlane	Paulsen	Seifert	Ward
Haws	Koenen	McNamara	Pelowski	Severson	Wardlow
Heidgerken	Kohls	Murphy, M.	Peppin	Shimanski	Westrom
Holberg	Lanning	Nornes	Peterson, N.	Simpson	Zellers
Hoppe	Lenczewski	Olin	Poppe	Smith	

Those who voted in the negative were:

Anzelc	Eken	Johnson	Mahoney	Peterson, A.	Thissen
Atkins	Erhardt	Kahn	Mariani	Peterson, S.	Tillberry
Benson	Gardner	Kalin	Masin	Rukavina	Tschumper
Bigham	Greiling	Knuth	Moe	Ruud	Wagenius
Bly	Hansen	Kranz	Morgan	Sailer	Walker
Brown	Hausman	Laine	Morrow	Sertich	Walti
Brynaert	Hilstrom	Lesch	Mullery	Simon	Winkler
Bunn	Hilty	Liebling	Murphy, E.	Slawik	Wollschlager
Carlson	Hornstein	Lieder	Nelson	Slocum	Spk. Kelliher
Clark	Hortman	Lillie	Norton	Solberg	
Davnie	Huntley	Loeffler	Olson	Swails	
Dominguez	Jaros	Madore	Paymar	Thao	

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

Severson moved to amend S. F. No. 100, the unofficial engrossment, as amended, as follows:

Page 2, after line 18, insert:

"Sec. 3. **REQUIRING ATTORNEY GENERAL TO RENDER LEGAL OPINION.**

Pursuant to Minnesota Statutes, section 8.05, the attorney general shall give a written opinion on the legality of the University of Minnesota and St. Cloud State University conducting research on embryonic stem cells."

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Severson amendment and the roll was called. There were 61 yeas and 73 nays as follows:

Those who voted in the affirmative were:

Abeler	Cornish	Draskowski	Gottwalt	Hoppe	Magnus
Anderson, B.	Dean	Eastlund	Gunther	Hosch	Marquart
Anderson, S.	DeLaForest	Emmer	Hackbarth	Howes	McFarlane
Beard	Demmer	Erickson	Hamilton	Koenen	McNamara
Berns	Dettmer	Finstad	Haws	Kohls	Murphy, M.
Brod	Dill	Fritz	Heidgerken	Lanning	Nornes
Buesgens	Doty	Garofalo	Holberg	Lenczewski	Olin

Olson	Pelowski	Seifert	Smith	Wardlow
Otremba	Peppin	Severson	Tingelstad	Westrom
Ozment	Peterson, N.	Shimanski	Urdahl	Zellers
Paulsen	Ruth	Simpson	Ward	

Those who voted in the negative were:

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

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

The Speaker called Thissen to the Chair.

Olson moved to amend S. F. No. 100, the unofficial engrossment, as amended, as follows:

Delete everything after the enacting clause and insert:

"Section 1. **[137.45] STEM CELL RESEARCH.**

The University of Minnesota may spend state-appropriated funds on stem cell research pursuant to section 145.427.

Sec. 2. **[145.427] STATE POLICY FOR STEM CELL RESEARCH.**

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

(b) "Human embryo" means a living organism of the species Homo sapiens at the earliest stages of development, including the single-celled stage, that is not located in a woman's body.

(c) "Risk of injury" means subjecting a human embryo to risk of injury or death greater than that allowed for research on fetuses in utero under section 46.204(b) of title 45, Code of Federal Regulations.

(d) "Asexual reproduction" means reproduction not initiated by the union of oocyte and sperm.

(e) "Human cloning" means human asexual reproduction accomplished by introducing nuclear material from one or more human somatic cells into a fertilized or unfertilized oocyte whose nuclear material has been removed or inactivated so as to produce a living organism, at any stage of development, that is genetically virtually identical to an existing or previously existing human organism.

(f) "Somatic cell" means a diploid cell obtained or derived from a living or deceased human body at any stage of development.

Subd. 2. **Research techniques.** (a) The State of Minnesota shall encourage and support basic and applied research to develop techniques for the isolation, derivation, production, testing, and human clinical use of stem cells that may result in improved understanding of or treatments for diseases and other adverse health conditions, including pluripotent stem cells that have the flexibility of embryonic stem cells, whether or not such pluripotent stem cells have an embryonic source, provided that such isolation, derivation, production, testing, or use will not involve the following:

(1) the creation of a human embryo for research purposes;

(2) the destruction of or discarding of, or risk of injury to, a living human embryo; or

(3) the use of any stem cell, the derivation or provision of which would be inconsistent with the standards established in clauses (1) or (2).

Researchers shall prioritize research with the greatest potential for near-term clinical benefit in human patients.

(b) By September 1, 2008, an approved institutional review board shall issue final guidelines implementing this section to ensure that any research, including any clinical trial, supported under this section meets the following requirements:

(1) is clearly consistent with the standards established in paragraph (a) if conducted using human cells, as demonstrated by animal trials or other substantial evidence; and

(2) is prioritized in terms of potential for near-term clinical benefit in human patients, as indicated by substantial evidence from basic research or by substantial clinical evidence, which may include, but is not limited to, evidence of improvement in one or more human patients suffering from illness or injury, as documented in reports by professional medical or scientific associations or in peer-reviewed medical or scientific literature.

(c) Nothing in this section shall be construed as altering the policy in effect on May 1, 2008, regarding the eligibility of stem cell lines for funding by the National Institutes of Health.

Subd. 3. **Prohibiting sale of fetal tissue.** No person may knowingly, for valuable consideration, purchase, sell, or otherwise transfer or obtain, or promote the sale or transfer of, embryonic or cadaveric fetal tissue for research purposes. For purposes of this subdivision, "valuable consideration" means financial gain or advantage.

Subd. 4. **Prohibition on cloning.** It shall be unlawful for any person or entity, public or private, to knowingly:

(1) perform or attempt to perform human cloning;

(2) participate in an attempt to perform human cloning;

(3) ship or receive for any purpose an embryo produced by human cloning or any product derived from such embryo; or

(4) ship or receive, in whole or in part, any oocyte, embryo, fetus, or human somatic cell, for the purpose of human cloning.

Subd. 5. **Importation.** It shall be unlawful for any person or entity, public or private, to knowingly bring into the state for any purpose an embryo produced by human cloning.

Subd. 6. **Scientific research.** Nothing in this section shall restrict areas of scientific research not specifically prohibited, including research in the use of nuclear transfer or other cloning techniques to produce molecules, DNA, cells other than human embryos, tissues, organs, plants, or animals other than humans.

Subd. 7. **Penalties.** Any person or entity that knowingly or recklessly violates any provision of this section is guilty of a felony.

Subd. 8. **Severability.** If any provision of this section or the application thereof to any person or circumstances is held unconstitutional, the remainder of this section and the application of such provision to other persons or circumstances shall not be affected thereby."

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Olson amendment and the roll was called. There were 60 yeas and 73 nays as follows:

Those who voted in the affirmative were:

Abeler	Dettmer	Garofalo	Howes	Nornes	Severson
Anderson, B.	Dill	Gottwalt	Juhnke	Olin	Shimanski
Anderson, S.	Doty	Gunther	Koenen	Olson	Simpson
Beard	Drazkowski	Hackbarth	Kohls	Otremba	Smith
Brod	Eastlund	Hamilton	Lanning	Ozment	Tingelstad
Buesgens	Emmer	Haws	Magnus	Pelowski	Urdahl
Cornish	Erickson	Heidgerken	Marquart	Peppin	Ward
Dean	Faust	Holberg	McFarlane	Peterson, N.	Wardlow
DeLaForest	Finstad	Hoppe	McNamara	Ruth	Westrom
Demmer	Fritz	Hosch	Murphy, M.	Seifert	Zellers

Those who voted in the negative were:

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

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

Hoppe was excused between the hours of 4:20 p.m. and 8:25 p.m.

S. F. No. 100, as amended, was read for the third time.

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:

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

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.

S. F. No. 100, A bill for an act relating to health; establishing state policy for stem cell research; providing criminal penalties; proposing coding for new law in Minnesota Statutes, chapters 137; 145.

The bill, as amended, was placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 71 yeas and 62 nays as follows:

Those who voted in the affirmative were:

Anzelc	Bly	Clark	Gardner	Hilty	Johnson
Atkins	Brown	Davnie	Greiling	Hornstein	Kahn
Benson	Brynaert	Dittrich	Hansen	Hortman	Kalin
Berns	Bunn	Dominguez	Hausman	Huntley	Knuth
Bigham	Carlson	Erhardt	Hilstrom	Jaros	Kranz

Laine	Madore	Mullery	Poppe	Slawik	Wagenius
Lenczewski	Mahoney	Murphy, E.	Rukavina	Slocum	Walker
Lesch	Mariani	Nelson	Ruud	Swails	Welti
Liebling	Masin	Norton	Sailer	Thao	Winkler
Lieder	Moe	Paymar	Scalze	Thissen	Wollschlager
Lillie	Morgan	Peterson, A.	Sertich	Tillberry	Spk. Kelliher
Loeffler	Morrow	Peterson, S.	Simon	Tschumper	

Those who voted in the negative were:

Abeler	Dill	Gottwalt	Kohls	Ozment	Solberg
Anderson, B.	Doty	Gunther	Lanning	Paulsen	Tingelstad
Anderson, S.	Drazkowski	Hackbarth	Magnus	Pelowski	Urdahl
Beard	Eastlund	Hamilton	Marquart	Peppin	Ward
Brod	Eken	Haws	McFarlane	Peterson, N.	Wardlow
Buesgens	Emmer	Heidgerken	McNamara	Ruth	Westrom
Cornish	Erickson	Holberg	Murphy, M.	Seifert	Zellers
Dean	Faust	Hosch	Nornes	Severson	
DeLaForest	Finstad	Howes	Olin	Shimanski	
Demmer	Fritz	Juhnke	Olson	Simpson	
Dettmer	Garofalo	Koenen	Otremba	Smith	

The bill was passed, as amended, 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.

S. F. No. 2468, A bill for an act relating to economic development; renaming Minnesota Technology, Inc. to Enterprise Minnesota, Inc.; updating provisions; making technical changes; expanding the Agricultural Utilization Research Institute's duties; amending Minnesota Statutes 2006, sections 116O.01; 116O.011; 116O.02, subdivision 6; 116O.03, subdivisions 1a, 7; 116O.04, subdivisions 1, 2; 116O.05, subdivisions 1, 2, 4; 116O.09, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 116O; repealing Minnesota Statutes 2006, sections 116O.06; 116O.07; 116O.071; 116O.072; 116O.08; 116O.091, subdivisions 1, 4, 5, 6; 116O.10; 116O.11; 116O.12; 116O.122.

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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Bigham	Clark	Dittrich	Erickson	Gunther
Anderson, B.	Bly	Cornish	Dominguez	Faust	Hackbarth
Anderson, S.	Brod	Davnie	Doty	Finstad	Hamilton
Anzelc	Brown	Dean	Drazkowski	Fritz	Hansen
Atkins	Brynaert	DeLaForest	Eastlund	Gardner	Hausman
Beard	Buesgens	Demmer	Eken	Garofalo	Haws
Benson	Bunn	Dettmer	Emmer	Gottwalt	Heidgerken
Berns	Carlson	Dill	Erhardt	Greiling	Hilstrom

Hilty	Kranz	McFarlane	Paulsen	Severson	Wagenius
Holberg	Laine	McNamara	Paymar	Shimanski	Walker
Hornstein	Lanning	Moe	Pelowski	Simon	Ward
Hortman	Lenczewski	Morgan	Peppin	Simpson	Wardlow
Hosch	Lesch	Morrow	Peterson, A.	Slawik	Welti
Howes	Liebling	Mullery	Peterson, N.	Slocum	Westrom
Huntley	Lieder	Murphy, E.	Peterson, S.	Smith	Winkler
Jaros	Lillie	Murphy, M.	Poppe	Solberg	Wollschlager
Johnson	Loeffler	Nelson	Rukavina	Swails	Zellers
Juhnke	Madore	Nornes	Ruth	Thao	Spk. Kelliher
Kahn	Magnus	Norton	Ruud	Thissen	
Kalin	Mahoney	Olin	Sailer	Tillberry	
Knuth	Mariani	Olson	Scalze	Tingelstad	
Koenen	Marquart	Otremba	Seifert	Tschumper	
Kohls	Masin	Ozment	Sertich	Urdahl	

The bill was passed and its title agreed to.

The Speaker resumed the Chair.

S. F. No. 3158, A bill for an act relating to commerce; requiring Explore Minnesota Tourism to study vacation rental lodging; creating definitions; requiring a report.

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 116 yeas and 17 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, B.	Buesgens	Emmer	Hackbarth	Olson	Severson
Berns	Drazkowski	Erickson	Hamilton	Ozment	Wardlow
Brod	Eastlund	Gottwalt	Holberg	Peppin	

The bill was passed and its title agreed to.

The Speaker called Juhnke to the Chair.

S. F. No. 3323 was reported to the House.

Loeffler and Dean offered an amendment to S. F. No. 3323.

POINT OF ORDER

Gottwalt raised a point of order pursuant to rule 3.21 that the Loeffler and Dean amendment was not in order. Speaker pro tempore Juhnke ruled the point of order well taken and the Loeffler and Dean amendment out of order.

S. F. No. 3323, A bill for an act relating to health; changing a provision for federally qualified health centers; amending Minnesota Statutes 2007 Supplement, section 145.9269, subdivision 2.

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

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 2 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Emmer Finstad

The bill was passed and its title agreed to.

Paulsen was excused between the hours of 5:10 p.m. and 8:25 p.m.

S. F. No. 2980, A bill for an act relating to insurance; homeowners; regulating flood insurance coverage; requiring disclosures of noncoverage; proposing coding for new law in Minnesota Statutes, chapter 65A.

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 87 yeas and 45 nays as follows:

Those who voted in the affirmative were:

Abeler	Doty	Huntley	Madore	Pelowski	Swails
Anzelc	Drazkowski	Jaros	Mahoney	Peterson, A.	Thao
Atkins	Eken	Johnson	Mariani	Peterson, N.	Thissen
Benson	Erhardt	Juhnke	Marquart	Peterson, S.	Tillberry
Bigham	Faust	Kahn	Masin	Poppe	Tschumper
Bly	Fritz	Kalin	McNamara	Rukavina	Urdahl
Brod	Gardner	Knuth	Moe	Ruud	Wagenius
Brown	Greiling	Koenen	Morrow	Sailer	Ward
Brynaert	Hausman	Laine	Mullery	Scalze	Welti
Carlson	Heidgerken	Lenczewski	Murphy, E.	Sertich	Winkler
Clark	Hilstrom	Lesch	Murphy, M.	Simon	Wollschlager
Cornish	Hilty	Liebling	Nelson	Slawik	Spk. Kelliher
Davnie	Hornstein	Lieder	Olin	Slocum	
Dill	Hortman	Lillie	Otremba	Smith	
Dominguez	Hosch	Loeffler	Paymar	Solberg	

Those who voted in the negative were:

Anderson, B.	Demmer	Gottwalt	Kohls	Olson	Tingelstad
Anderson, S.	Dettmer	Gunther	Kranz	Ozment	Walker
Beard	Dittrich	Hackbarth	Lanning	Peppin	Wardlow
Berns	Eastlund	Hamilton	Magnus	Ruth	Westrom
Buesgens	Emmer	Hansen	McFarlane	Seifert	Zellers
Bunn	Erickson	Haws	Morgan	Severson	
Dean	Finstad	Holberg	Nornes	Shimanski	
DeLaForest	Garofalo	Howes	Norton	Simpson	

The bill was passed and its title agreed to.

The Speaker resumed the Chair.

S. F. No. 2533, A bill for an act relating to gambling; clarifying definition of gambling device; repealing a provision relating to manufacture of gambling devices or components for shipment to other jurisdictions; amending Minnesota Statutes 2006, section 609.75, subdivision 4; repealing Minnesota Statutes 2006, section 349.40.

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 89 yeas and 42 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Abeler	Demmer	Garofalo	Howes	Nornes	Shimanski
Anderson, B.	Dettmer	Gottwalt	Kohls	Olson	Simpson
Beard	Drazkowski	Gunther	Lanning	Ozment	Tingelstad
Brod	Eastlund	Hackbarth	Lesch	Peppin	Urdahl
Buesgens	Emmer	Hamilton	Magnus	Ruth	Wardlow
Cornish	Erickson	Heidgerken	McFarlane	Seifert	Westrom
Dean	Finstad	Holberg	McNamara	Severson	Zellers

The bill was passed and its title agreed to.

S. F. No. 2795 was reported to the House.

Thissen moved to amend S. F. No. 2795, the first engrossment, as follows:

Page 2, line 4, after "in" insert "the"

The motion prevailed and the amendment was adopted.

Thissen moved to amend S. F. No. 2795, the first engrossment, as amended, as follows:

Page 11, line 18, delete everything after the period

Page 11, delete lines 19 to 21

Page 11, line 22, delete everything before the period

Page 13, delete lines 20 to 22

The motion prevailed and the amendment was adopted.

S. F. No. 2795, A bill for an act relating to real property; providing for conveyance of interests in real property by transfer on death deeds; clarifying acknowledgments made in a representative capacity; clarifying application of certain common law doctrine to registered land; eliminating obsolete language and making other technical and conforming changes; amending Minnesota Statutes 2006, sections 256B.15, subdivisions 1h, 1i; 272.12; 287.22; 508.02; 508.48; 508.52; 508.671, subdivision 1; 508A.02, subdivision 1; 508A.48; 508A.52; 524.2-702; 557.02; Minnesota Statutes 2007 Supplement, section 507.24, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 507.

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

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Hortman

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

There being no objection, the order of business reverted to Reports of Standing Committees and Divisions.

REPORTS OF STANDING COMMITTEES AND DIVISIONS

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

H. F. No. 4015, A bill for an act relating to metropolitan government; directing the Metropolitan Airports Commission to enforce certain covenants.

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

The report was adopted.

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

H. F. No. 4207, A bill for an act relating to certain state contracts; requiring full enforcement of certain agreements between the state and an airline company.

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

The report was adopted.

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

H. F. No. 4223, A bill for an act relating to local government; providing for municipal regulation of dogs in outdoor eating areas; establishing the Business Energy Accountability Act; modifying subordinate service district provisions; providing for transfer of certain drainage systems; providing for interim uses in zoning; modifying charter commission provisions; modifying title registrars' fees; modifying Minnesota Common Interest Ownership Act; modifying Minneapolis dedication fee provisions; amending Minnesota Statutes 2006, sections 365A.095; 394.26; 410.05, subdivision 5; 410.12, subdivision 7; 444.075, subdivision 3; 508.82, subdivision 1; 515B.1-116; Laws 2006, chapter 269, section 2; proposing coding for new law in Minnesota Statutes, chapters 157; 216C; 383B; 394.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 4015, 4207 and 4223 were read for the second time.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

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

H. F. No. 3493, A bill for an act relating to state government finance; disaster relief appropriations; providing for reimbursement to the state under certain conditions; amending Laws 2007, First Special Session chapter 2, article 1, sections 2; 4, subdivision 4.

COLLEEN J. PACHECO, Second 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. 3172, A bill for an act relating to elections; changing certain ballot delivery, election judge, mail election, special election and special primary, school district election, and postelection review procedures; authorizing continued use of certain applications; amending Minnesota Statutes 2006, sections 203B.06, subdivision 3; 203B.11, subdivision 4; 204B.21; 204B.46; 204D.19, subdivision 2; 204D.23, subdivision 2; 204D.27, by adding a subdivision; 205.075, by adding a subdivision; 205A.03, subdivision 1; 205A.06, subdivision 1a; 205A.10, subdivision 2; 205A.12, by adding a subdivision; 206.89, subdivision 5.

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.

COLLEEN J. PACHECO, Second Assistant Secretary of the Senate

Madam Speaker:

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

S. F. No. 3396.

COLLEEN J. PACHECO, Second Assistant Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 3396, A bill for an act relating to real property; providing for the Minnesota Subprime Borrower Relief Act of 2008; proposing coding for new law in Minnesota Statutes, chapter 583.

The bill was read for the first time.

Davnie moved that S. F. No. 3396 and H. F. No. 3612, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

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.

Hansen and Kranz were excused for the remainder of today's session.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

I hereby announce that the Senate 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. 3376, A bill for an act relating to human services; amending the MFIP work participation program; changing child care assistance provisions; changing the child care assistance sliding fee scale; establishing a child care advisory task force; requiring a mandated report; making technical changes; amending Minnesota Statutes 2006, sections 119B.011, subdivision 17; 119B.03, subdivisions 1, 6; 119B.09, subdivisions 1, 9; 119B.125, by adding a subdivision; 119B.21, subdivision 10; 256E.30, subdivision 1; 256E.35, subdivision 7; 256J.24, subdivision 5; 256J.39, by adding a subdivision; 256J.425, subdivision 1; 256J.521, subdivision 4; 256J.54, subdivisions 2, 5; 256J.545; Minnesota Statutes 2007 Supplement, sections 119B.12; 119B.125, subdivision 2; 119B.13, subdivisions 1, 7; 119B.21, subdivision 5; 119B.231, subdivision 5; 245C.08, subdivision 2; 256E.35, subdivision 2; 256J.20, subdivision 3; 256J.49, subdivision 13; 256J.626, subdivisions 3, 7; 256J.95, subdivision 3; repealing Minnesota Statutes 2006, section 256K.25.

The Senate has appointed as such committee:

Senators Torres Ray, Wergin and Berglin.

Said House File is herewith returned to the House.

COLLEEN J. PACHECO, Second Assistant Secretary of the Senate

Madam Speaker:

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

H. F. No. 3149, A bill for an act relating to the financing and operation of state and local government; making policy, technical, administrative, enforcement, collection, refund, clarifying, and other changes to income, franchise, property, sales and use, minerals, wheelage, mortgage, deed, and estate taxes, and other taxes and tax-related provisions; providing for homestead credit state refund; providing for aids to local governments; providing city foreclosure and deed grants; changing and providing property tax exemptions and credits; modifying job opportunity building zone program; modifying green acre eligibility requirements; providing aggregate resource preservation property tax law; providing seasonal recreational property tax deferral program; modifying eligibility for senior citizen tax deferral program; modifying transit taxing district; modifying levies, property valuation procedures, homestead provisions, property tax classes, and class rates; requiring levy limits under certain contingencies; providing for and modifying sales tax exemptions; exempting two-wheel, motorized vehicles from wheelage tax; abolishing the political contribution refund; providing exclusion from income for certain veterans' retirement benefits; providing credits; providing for additional financing of metropolitan area transit and paratransit capital expenditures; authorizing issuance of certain obligations; modifying provision governing bonding for county libraries; changing and authorizing powers, duties, and requirements of local governments and authorities and state departments or agencies; modifying, extending, and authorizing certain tax increment financing districts; authorizing and modifying local sales taxes; prohibiting the imposition of new local sales taxes; providing federal updates; changing accelerated sales tax; creating Surplus Lines Association of Minnesota; creating Iron Range revitalization account; changing provisions related to data practices and debt collection; requiring studies; providing appointments; appropriating money; amending Minnesota Statutes 2006, sections 13.51, subdivision 3; 13.585, subdivision 5; 16D.02, subdivisions 3, 6; 16D.04, subdivision 2, as amended; 60A.196; 163.051, subdivision 1; 168.012, subdivision 1, by adding a subdivision; 168.013, subdivision 1f; 168A.03, subdivision 1; 169.01, by adding a subdivision; 169.781, subdivision 1; 216B.1612, by adding a subdivision; 216B.1646; 270A.03, subdivision 7; 270A.08, subdivision 1; 270B.15; 270C.33, subdivision 5; 270C.56, subdivisions 1, as amended, 3; 270C.85, subdivision 2; 272.02, subdivisions 13, 20, 21, 27, 31, 38, 49, by adding subdivisions; 272.03, subdivision 3, by adding a subdivision; 273.11, subdivisions 1, 1a, 8, 14a, 14b, by adding subdivisions; 273.111, subdivisions 3, as amended, 4, 8, 9, 11, 11a, by adding a subdivision; 273.121, as amended; 273.124, subdivisions 1, 6, 13, as amended, 21; 273.128, subdivision 1, as amended; 273.13, subdivisions 23, as amended, 24, 25, as amended, 33, 34, as added; 273.1384, subdivisions 1, 2; 274.01, subdivision 3; 274.014, subdivision 3; 274.14; 275.025, subdivisions 1, 2; 275.065, subdivisions 1c, 6, 8, 9, 10, by adding subdivisions; 275.70, by adding a subdivision; 275.71; 276.04, subdivision 2, as amended; 282.08; 287.20, subdivisions 3a, 9, by adding a subdivision; 289A.12, by adding a subdivision; 289A.18, subdivision 1, as amended; 289A.19, subdivision 2, by adding a subdivision; 289A.20, subdivision 4, as amended; 289A.40, subdivision 1; 289A.50, subdivision 1; 289A.55, by adding a subdivision; 289A.60, subdivision 15, as amended, by adding a subdivision; 290.01, subdivisions 6, 6b, 19a, as amended, 29, by adding a subdivision; 290.06, by adding subdivisions; 290.068, subdivisions 1, 3, by adding subdivisions; 290.07, subdivision 1; 290.091, subdivision 2, as amended; 290.21, subdivision 4; 290.92, subdivisions 1, 26, 31, as added; 290A.03, subdivision 13; 290A.04, subdivisions 2h, 3, 4, by adding subdivisions; 290B.03, subdivision 1; 290B.04, subdivisions 1, 3, 4; 290B.05, subdivision 1; 290B.07; 291.03, subdivision 1; 295.50, subdivision 4; 295.52,

subdivision 4, as amended; 295.53, subdivision 4a; 296A.07, subdivision 4; 296A.08, subdivision 3; 296A.16, subdivision 2; 297A.61, subdivisions 22, 29; 297A.665, as amended; 297A.67, subdivision 7, as amended; 297A.70, subdivisions 2, 8; 297A.71, subdivision 23, by adding subdivisions; 297A.75; 297A.99, subdivision 1, as amended; 297A.995, subdivision 10, by adding subdivisions; 297B.01, subdivision 7, by adding a subdivision; 297B.03; 297F.01, subdivision 8; 297F.09, subdivision 10, as amended; 297F.21, subdivision 1; 297G.01, subdivision 9; 297G.09, subdivision 9, as amended; 297H.09; 297I.05, subdivision 12; 298.24, subdivision 1, as amended; 298.75, subdivisions 1, 2, 6, 7; 365A.095; 383A.80, subdivision 4; 383A.81, subdivisions 1, 2; 383B.80, subdivision 4; 383E.20; 429.101, subdivision 1; 469.033, subdivision 6; 469.040, subdivision 4; 469.174, subdivision 10b; 469.177, subdivision 1c, by adding a subdivision; 469.1813, subdivision 8; 469.312, by adding a subdivision; 469.319; 469.3201; 473.39, by adding a subdivision; 473.446, subdivisions 2, 8; 477A.011, subdivisions 34, 36, as amended, by adding subdivisions; 477A.0124, subdivision 5; 477A.013, subdivisions 1, 8, as amended, 9, as amended; 477A.03; Minnesota Statutes 2007 Supplement, sections 115A.1314, subdivision 2; 268.19, subdivision 1; 273.1231, subdivision 7, by adding a subdivision; 273.1232, subdivision 1; 273.1233, subdivisions 1, 3; 273.1234; 273.1235, subdivisions 1, 3; 273.124, subdivision 14; 273.1393; 275.065, subdivisions 1, 1a, 3; 290.01, subdivision 19b, as amended; 298.227; Laws 1991, chapter 291, article 8, section 27, subdivisions 3, as amended, 4, as amended; Laws 1995, chapter 264, article 5, section 46, subdivision 2; Laws 2003, chapter 127, article 10, section 31, subdivision 1; Laws 2006, chapter 259, article 10, section 14, subdivision 1; Laws 2008, chapter 154, article 2, section 11; article 3, section 7; article 9, sections 23; 24; proposing coding for new law in Minnesota Statutes, chapters 60A; 116J; 169; 216F; 273; 298; 373; 383C; 383D; 383E; 469; proposing coding for new law as Minnesota Statutes, chapter 290D; repealing Minnesota Statutes 2006, sections 10A.322, subdivision 4; 273.11, subdivision 14; 273.111, subdivision 6; 290.06, subdivision 23; 290.191, subdivision 4; 290A.04, subdivisions 2, 2b; 473.4461; 477A.014, subdivision 5; Minnesota Statutes 2007 Supplement, section 477A.014, subdivision 4; Laws 2005, First Special Session chapter 3, article 5, section 24; Minnesota Rules, parts 8031.0100, subpart 3; 8093.2100.

COLLEEN J. PACHECO, Second Assistant Secretary of the Senate

Lenczewski moved that the House refuse to concur in the Senate amendments to H. F. No. 3149, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Madam Speaker:

I hereby announce the following change in the membership of the Conference Committee on S. F. No. 2876:

The name of Limmer has been stricken, and the name of Dille has been added.

COLLEEN J. PACHECO, Second Assistant Secretary of the Senate

Madam Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 3096, A bill for an act relating to energy; creating programs for government energy conservation investments; removing rulemaking requirement for certain loan and grant programs; establishing microenergy loan program; authorizing issuance of state revenue bonds; modifying provision allowing guaranteed energy savings contracts; requiring a report; appropriating money; amending Minnesota Statutes 2006, section 216C.09; Minnesota Statutes 2007 Supplement, section 471.345, subdivision 13; proposing coding for new law in Minnesota Statutes, chapters 16B; 216C; repealing Laws 2007, chapter 57, article 2, section 30.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Dibble, Rosen and Anderson.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

COLLEEN J. PACHECO, Second Assistant Secretary of the Senate

Kalin moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 3096. 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. 3149:

Lenczewski, Marquart, Davnie, Hilstrom and Koenen.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2996

A bill for an act relating to public safety; allowing persons facing civil commitment as sexually dangerous persons or sexual psychopathic personalities to choose to be confined in correctional facilities while the petition is being adjudicated; addressing the cost of care for persons facing civil commitment; addressing access to certain data; modifying intensive supervised release provisions; modifying fireworks provisions; modifying registration requirements for predatory offenders; establishing a working group to review, assess, and make recommendations regarding the modification and application of controlled substance laws; providing for a report; requiring studies; amending Minnesota Statutes 2006, sections 13.851, by adding a subdivision; 243.166, subdivisions 1a, 3a, 4; 243.167, subdivision 2; 244.05, subdivision 6; 253B.045, subdivisions 1, 2, by adding a subdivision; 253B.185, subdivision 5; 299C.41, as added if enacted; 609.115, by adding a subdivision; 624.20, subdivision 1; 641.05; Minnesota Statutes 2007 Supplement, section 253B.185, subdivision 1b.

May 5, 2008

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. 2996 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. 2996 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 13.851, is amended by adding a subdivision to read:

Subd. 9. **Civil commitment of sexual offenders.** Data relating to the preparation of a petition to commit an individual as a sexual psychopathic personality or sexually dangerous person is governed by section 253B.185, subdivision 1b.

Sec. 2. Minnesota Statutes 2006, section 13.87, subdivision 3, is amended to read:

Subd. 3. **Internet access.** (a) The Bureau of Criminal Apprehension shall establish and maintain an Internet Web site containing public criminal history data by July 1, 2004.

(b) Notwithstanding section 13.03, subdivision 3, paragraph (a), the bureau may charge a fee for Internet access to public criminal history data provided through August 1, 2005. The fee may not exceed \$5 per inquiry or the amount needed to recoup the actual cost of implementing and providing Internet access, whichever is less. Fees collected must be deposited in the general fund as a nondedicated receipt.

(c) The Web site must include a notice to the subject of data of the right to contest the accuracy or completeness of data, as provided under section 13.04, subdivision 4, and provide a telephone number and address that the subject may contact for further information on this process.

(d) The Web site must include the effective date of data that is posted.

(e) The Web site must include a description of the types of criminal history data not available on the site, including arrest data, juvenile data, criminal history data from other states, federal data, data on convictions where 15 years have elapsed since discharge of the sentence, and other data that are not accessible to the public.

(f) A person who intends to access the Web site to obtain information regarding an applicant for employment, housing, or credit must disclose to the applicant the intention to do so. The Web site must include a notice that a person obtaining such access must notify the applicant when a background check using this Web site has been conducted.

(g) This subdivision does not create a civil cause of action on behalf of the data subject.

~~(h) This subdivision expires July 31, 2007.~~

EFFECTIVE DATE. This section is effective retroactively from July 31, 2007.

Sec. 3. Minnesota Statutes 2006, section 241.27, is amended by adding a subdivision to read:

Subd. 1a. **Marketing plan.** The commissioner of corrections, in consultation with the commissioner of employment and economic development, shall develop, implement, and maintain a formal marketing plan to attract private sector businesses and industries to employ inmate services through MINNCOR industries. The plan shall be reviewed and updated annually by the commissioner of corrections.

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 4. Minnesota Statutes 2006, section 241.301, is amended to read:

241.301 FINGERPRINTS OF INMATES, PAROLEES, AND PROBATIONERS FROM OTHER STATES.

The commissioner of corrections shall establish procedures so that whenever this state receives an inmate, parolee, or probationer from another state under sections 241.28 to 241.30 or ~~243.16~~ 243.1605, fingerprints and thumbprints of the inmate, parolee, or probationer are obtained and forwarded to the bureau of criminal apprehension.

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 5. Minnesota Statutes 2006, section 243.1606, subdivision 3, is amended to read:

Subd. 3. **Annual report.** By ~~January 15~~ March 1 of each year, the council shall report to the governor and the ~~legislature chairs and ranking minority members of the senate and house committees having jurisdiction over criminal justice policy~~ on its activities and the activities of the interstate commission and executive committee as described in section 243.1605 for the preceding year. The report also must include an assessment of how the interstate compact is functioning both within and without the state.

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 6. Minnesota Statutes 2006, section 243.166, subdivision 3a, is amended to read:

Subd. 3a. **Registration procedure when person lacks primary address.** (a) If a person leaves a primary address and does not have a new primary address, the person shall register with the law enforcement authority that has jurisdiction in the area where the person is staying within 24 hours of the time the person no longer has a primary address.

(b) Notwithstanding the time period for registration in paragraphs (a) and (c), a person with a primary address of a correctional facility who is scheduled to be released from the facility and who does not have a new primary address shall register with the law enforcement authority that has jurisdiction in the area where the person will be staying at least three days before the person is released from the correctional facility.

(c) A person who lacks a primary address shall register with the law enforcement authority that has jurisdiction in the area where the person is staying within 24 hours after entering the jurisdiction. Each time a person who lacks a primary address moves to a new jurisdiction without acquiring a new primary address, the person shall register with the law enforcement authority that has jurisdiction in the area where the person is staying within 24 hours after entering the jurisdiction.

~~(e)~~ (d) Upon registering under this subdivision, the person shall provide the law enforcement authority with all of the information the individual is required to provide under subdivision 4a. However, instead of reporting the person's primary address, the person shall describe the location of where the person is staying with as much specificity as possible.

~~(d)~~ (e) Except as otherwise provided in paragraph ~~(e)~~ (f), if a person continues to lack a primary address, the person shall report in person on a weekly basis to the law enforcement authority with jurisdiction in the area where the person is staying. This weekly report shall occur between the hours of 9:00 a.m. and 5:00 p.m. The person is not required to provide the registration information required under subdivision 4a each time the offender reports to an authority, but the person shall inform the authority of changes to any information provided under this subdivision or subdivision 4a and shall otherwise comply with this subdivision.

~~(e)~~ (f) If the law enforcement authority determines that it is impractical, due to the person's unique circumstances, to require a person lacking a primary address to report weekly and in person as required under paragraph ~~(d)~~ (e), the authority may authorize the person to follow an alternative reporting procedure. The authority shall consult with the person's corrections agent, if the person has one, in establishing the specific criteria of this alternative procedure, subject to the following requirements:

(1) the authority shall document, in the person's registration record, the specific reasons why the weekly in-person reporting process is impractical for the person to follow;

(2) the authority shall explain how the alternative reporting procedure furthers the public safety objectives of this section;

(3) the authority shall require the person lacking a primary address to report in person at least monthly to the authority or the person's corrections agent and shall specify the location where the person shall report. If the authority determines it would be more practical and would further public safety for the person to report to another law enforcement authority with jurisdiction where the person is staying, it may, after consulting with the other law enforcement authority, include this requirement in the person's alternative reporting process;

(4) the authority shall require the person to comply with the weekly, in-person reporting process required under paragraph ~~(d)~~ (e), if the person moves to a new area where this process would be practical;

(5) the authority shall require the person to report any changes to the registration information provided under subdivision 4a and to comply with the periodic registration requirements specified under paragraph ~~(f)~~ (g); and

(6) the authority shall require the person to comply with the requirements of subdivision 3, paragraphs (b) and (c), if the person moves to a primary address.

~~(f)~~ (g) If a person continues to lack a primary address and continues to report to the same law enforcement authority, the person shall provide the authority with all of the information the individual is required to provide under this subdivision and subdivision 4a at least annually, unless the person is required to register under subdivision 1b, paragraph (c), following commitment pursuant to a court commitment under section 253B.185 or a similar law of another state or the United States. If the person is required to register under subdivision 1b, paragraph (c), the person shall provide the law enforcement authority with all of the information the individual is required to report under this subdivision and subdivision 4a at least once every three months.

~~(g)~~ (h) A law enforcement authority receiving information under this subdivision shall forward registration information and changes to that information to the bureau within two business days of receipt of the information.

~~(h)~~ (i) For purposes of this subdivision, a person who fails to report a primary address will be deemed to be a person who lacks a primary address, and the person shall comply with the requirements for a person who lacks a primary address.

EFFECTIVE DATE. This section is effective August 1, 2008, and applies to predatory offenders required to register on or after that date.

Sec. 7. Minnesota Statutes 2006, section 243.166, subdivision 4, is amended to read:

Subd. 4. **Contents of registration.** (a) The registration provided to the corrections agent or law enforcement authority, must consist of a statement in writing signed by the person, giving information required by the bureau, a fingerprint card, and photograph of the person taken at the time of the person's release from incarceration or, if the person was not incarcerated, at the time the person initially registered under this section. The registration

information also must include a written consent form signed by the person allowing a treatment facility or residential housing unit or shelter to release information to a law enforcement officer about the person's admission to, or residence in, a treatment facility or residential housing unit or shelter. Registration information on adults and juveniles may be maintained together notwithstanding section 260B.171, subdivision 3.

(b) For persons required to register under subdivision 1b, paragraph (c), following commitment pursuant to a court commitment under section 253B.185 or a similar law of another state or the United States, in addition to other information required by this section, the registration provided to the corrections agent or law enforcement authority must include the person's offense history and documentation of treatment received during the person's commitment. This documentation is limited to a statement of how far the person progressed in treatment during commitment.

(c) Within three days of receipt, the corrections agent or law enforcement authority shall forward the registration information to the bureau. The bureau shall ascertain whether the person has registered with the law enforcement authority in the area of the person's primary address, if any, or if the person lacks a primary address, where the person is staying, as required by subdivision 3a. If the person has not registered with the law enforcement authority, the bureau shall send one copy to that authority.

(d) The corrections agent or law enforcement authority may require that a person required to register under this section appear before the agent or authority to be photographed. The agent or authority shall forward the photograph to the bureau.

(1) Except as provided in clause (2), the agent or authority shall require a person required to register under this section who is classified as a level III offender under section 244.052 to appear before the agent or authority at least every six months to be photographed.

(2) The requirements of this paragraph shall not apply during any period where the person to be photographed is: (i) committed to the commissioner of corrections and incarcerated, (ii) incarcerated in a regional jail or county jail, or (iii) committed to the commissioner of human services and receiving treatment in a secure treatment facility.

(e) During the period a person is required to register under this section, the following provisions apply:

(1) Except for persons registering under subdivision 3a, the bureau shall mail a verification form to the person's last reported primary address. This verification form must provide notice to the offender that, if the offender does not return the verification form as required, information about the offender may be made available to the public through electronic, computerized, or other accessible means. For persons who are registered under subdivision 3a, the bureau shall mail an annual verification form to the law enforcement authority where the offender most recently reported. The authority shall provide the verification form to the person at the next weekly meeting and ensure that the person completes and signs the form and returns it to the bureau. Notice is sufficient under this paragraph, if the verification form is sent by first class mail to the person's last reported primary address, or for persons registered under subdivision 3a, to the law enforcement authority where the offender most recently reported.

(2) The person shall mail the signed verification form back to the bureau within ten days after receipt of the form, stating on the form the current and last address of the person's residence and the other information required under subdivision 4a.

(3) In addition to the requirements listed in this section, a person who is assigned to risk level II or III under section 244.052, and who is no longer under correctional supervision for a registration offense, or a failure to register offense, but who resides, works, or attends school in Minnesota, shall have an annual in-person contact with a law enforcement authority as provided in this section. If the person resides in Minnesota, the annual in-person contact shall be with the law enforcement authority that has jurisdiction over the person's primary address or, if the person has no address, the location where the person is staying. If the person does not reside in Minnesota but

works or attends school in this state, the person shall have an annual in-person contact with the law enforcement authority or authorities with jurisdiction over the person's school or workplace. During the month of the person's birth date, the person shall report to the authority to verify the accuracy of the registration information and to be photographed. Within three days of this contact, the authority shall enter information as required by the bureau into the predatory offender registration database and submit an updated photograph of the person to the bureau's predatory offender registration unit.

(4) If the person fails to mail the completed and signed verification form to the bureau within ten days after receipt of the form, or if the person fails to report to the law enforcement authority during the month of the person's birth date, the person is in violation of this section.

(5) For any person who fails to mail the completed and signed verification form to the bureau within ten days after receipt of the form and who has been determined to be a risk level III offender under section 244.052, the bureau shall immediately investigate and notify local law enforcement authorities to investigate the person's location and to ensure compliance with this section. The bureau also shall immediately give notice of the person's violation of this section to the law enforcement authority having jurisdiction over the person's last registered address or addresses.

For persons required to register under subdivision 1b, paragraph (c), following commitment pursuant to a court commitment under section 253B.185 or a similar law of another state or the United States, the bureau shall comply with clause (1) at least four times each year. For persons who, under section 244.052, are assigned to risk level III and who are no longer under correctional supervision for a registration offense or a failure to register offense, the bureau shall comply with clause (1) at least two times each year. For all other persons required to register under this section, the bureau shall comply with clause (1) each year within 30 days of the anniversary date of the person's initial registration.

(f) When sending out a verification form, the bureau shall determine whether the person to whom the verification form is being sent has signed a written consent form as provided for in paragraph (a). If the person has not signed such a consent form, the bureau shall send a written consent form to the person along with the verification form. A person who receives this written consent form shall sign and return it to the bureau at the same time as the verification form.

EFFECTIVE DATE. This section is effective August 1, 2008, and applies to predatory offenders required to register on or after that date.

Sec. 8. Minnesota Statutes 2006, section 243.167, subdivision 2, is amended to read:

Subd. 2. **When required.** (a) In addition to the requirements of section 243.166, a person also shall register under section 243.166 if:

(1) the person is convicted of a crime against the person; and

(2) the person was previously convicted of or adjudicated delinquent for an offense listed in section 243.166, or a comparable offense in another state, but was not required to register for the offense because the registration requirements of that section did not apply to the person at the time the offense was committed or at the time the person was released from imprisonment.

(b) A person who was previously required to register in any state and who has completed the registration requirements of that state shall again register under section 243.166 if the person commits a crime against the person.

EFFECTIVE DATE. This section is effective August 1, 2008, and applies to persons who commit crimes against a person on or after that date.

Sec. 9. Minnesota Statutes 2006, section 253B.045, subdivision 1, is amended to read:

Subdivision 1. **Restriction.** Except when ordered by the court pursuant to a finding of necessity to protect the life of the proposed patient or others or as provided under subdivision 1a, no person subject to the provisions of this chapter shall be confined in a jail or correctional institution, except pursuant to chapter 242 or 244.

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

Sec. 10. Minnesota Statutes 2006, section 253B.045, is amended by adding a subdivision to read:

Subd. 1a. **Exception.** A person who is being petitioned for commitment under section 253B.185 and who is placed under a judicial hold order under section 253B.07, subdivision 2b or 7, may be confined at a Department of Corrections or a county correctional or detention facility, rather than a secure treatment facility, until a determination of the commitment petition as specified in this subdivision.

(a) A court may order that a person who is being petitioned for commitment under section 253B.185 be confined in a Department of Corrections facility pursuant to the judicial hold order under the following circumstances and conditions:

(1) The person is currently serving a sentence in a Department of Corrections facility and the court determines that the person has made a knowing and voluntary (i) waiver of the right to be held in a secure treatment facility and (ii) election to be held in a Department of Corrections facility. The order confining the person in the Department of Corrections facility shall remain in effect until the court vacates the order or the person's criminal sentence and conditional release term expire.

In no case may the person be held in a Department of Corrections facility pursuant only to this subdivision, and not pursuant to any separate correctional authority, for more than 210 days.

(2) A person who has elected to be confined in a Department of Corrections facility under this subdivision may revoke the election by filing a written notice of intent to revoke the election with the court and serving the notice upon the Department of Corrections and the county attorney. The court shall order the person transferred to a secure treatment facility within 15 days of the date that the notice of revocation was filed with the court, except that, if the person has additional time to serve in prison at the end of the 15-day period, the person shall not be transferred to a secure treatment facility until the person's prison term expires. After a person has revoked an election to remain in a Department of Corrections facility under this subdivision, the court may not adopt another election to remain in a Department of Corrections facility without the agreement of both parties and the Department of Corrections.

(3) Upon petition by the commissioner of corrections, after notice to the parties and opportunity for hearing and for good cause shown, the court may order that the person's place of confinement be changed from the Department of Corrections to a secure treatment facility.

(4) While at a Department of Corrections facility pursuant to this subdivision, the person shall remain subject to all rules and practices applicable to correctional inmates in the facility in which the person is placed including, but not limited to, the powers and duties of the commissioner of corrections under section 241.01, powers relating to use of force under section 243.52, and the right of the commissioner of corrections to determine the place of confinement in a prison, reformatory, or other facility.

(5) A person may not be confined in a Department of Corrections facility under this provision beyond the end of the person's executed sentence or the end of any applicable conditional release period, whichever is later. If a person confined in a Department of Corrections facility pursuant to this provision reaches the person's supervised release date and is subject to a period of conditional release, the period of conditional release shall commence on the

supervised release date even though the person remains in the Department of Corrections facility pursuant to this provision. At the end of the later of the executed sentence or any applicable conditional release period, the person shall be transferred to a secure treatment facility.

(6) Nothing in this section may be construed to establish a right of an inmate in a state correctional facility to participate in sex offender treatment. This section must be construed in a manner consistent with the provisions of section 244.03.

(b) The committing county may offer a person who is being petitioned for commitment under section 253B.185 and who is placed under a judicial hold order under section 253B.07, subdivision 2b or 7, the option to be held in a county correctional or detention facility rather than a secure treatment facility, under such terms as may be agreed to by the county, the commitment petitioner, and the commitment respondent. If a person makes such an election under this paragraph, the court hold order shall specify the terms of the agreement, including the conditions for revoking the election.

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

Sec. 11. Minnesota Statutes 2006, section 253B.045, subdivision 2, is amended to read:

Subd. 2. **Facilities.** Each county or a group of counties shall maintain or provide by contract a facility for confinement of persons held temporarily for observation, evaluation, diagnosis, treatment, and care. When the temporary confinement is provided at a regional treatment center, the commissioner shall charge the county of financial responsibility for the costs of confinement of persons hospitalized under section 253B.05, subdivisions 1 and 2, and section 253B.07, subdivision 2b, except that the commissioner shall bill the responsible health plan first. If the person has health plan coverage, but the hospitalization does not meet the criteria in subdivision 6 or section 62M.07, 62Q.53, or 62Q.535, the county is responsible. When a person is temporarily confined in a Department of Corrections facility solely under subdivision 1a, and not based on any separate correctional authority: (1) the commissioner of corrections may charge the county of financial responsibility for the costs of confinement; and (2) the Department of Human Services shall use existing appropriations to fund all remaining nonconfinement costs. The funds received by the commissioner for the confinement and nonconfinement costs are appropriated to the department for these purposes. "County of financial responsibility" means the county in which the person resides at the time of confinement or, if the person has no residence in this state, the county which initiated the confinement. The charge for confinement in a facility operated by the commissioner of human services shall be based on the commissioner's determination of the cost of care pursuant to section 246.50, subdivision 5. When there is a dispute as to which county is the county of financial responsibility, the county charged for the costs of confinement shall pay for them pending final determination of the dispute over financial responsibility. Disputes about the county of financial responsibility shall be submitted to the commissioner to be settled in the manner prescribed in section 256G.09.

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

Sec. 12. Minnesota Statutes 2006, section 253B.08, subdivision 1, is amended to read:

Subdivision 1. **Time for commitment hearing.** (a) The hearing on the commitment petition shall be held within 14 days from the date of the filing of the petition, except that the hearing on a commitment petition pursuant to section 253B.185 shall be held within 90 days from the date of the filing of the petition. For good cause shown, the court may extend the time of hearing up to an additional 30 days. The proceeding shall be dismissed if the proposed patient has not had a hearing on a commitment petition within the allowed time.

(b) The proposed patient, or the head of the treatment facility in which the person is held, may demand in writing at any time that the hearing be held immediately. Unless the hearing is held within five days of the date of the demand, exclusive of Saturdays, Sundays and legal holidays, the petition shall be automatically discharged if the patient is being held in a treatment facility pursuant to court order. For good cause shown, the court may extend the time of hearing on the demand for an additional ten days. This paragraph does not apply to a commitment petition brought under section 253B.18 or 253B.185.

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

Sec. 13. Minnesota Statutes 2007 Supplement, section 253B.185, subdivision 1b, is amended to read:

Subd. 1b. **County attorney access to data.** Notwithstanding sections 144.291 to 144.298; 245.467, subdivision 6; 245.4876, subdivision 7; 260B.171; 260B.235, subdivision 8; 260C.171; and 609.749, subdivision 6, or any provision of chapter 13 or other state law, prior to filing a petition for commitment as a sexual psychopathic personality or as a sexually dangerous person, and upon notice to the proposed patient, the county attorney or the county attorney's designee may move the court for an order granting access to any records or data, to the extent it relates to the proposed patient, for the purpose of determining whether good cause exists to file a petition and, if a petition is filed, to support the allegations set forth in the petition.

The court may grant the motion if: (1) the Department of Corrections refers the case for commitment as a sexual psychopathic personality or a sexually dangerous person; or (2) upon a showing that the requested category of data or records may be relevant to the determination by the county attorney or designee. The court shall decide a motion under this subdivision within 48 hours after a hearing on the motion. Notice to the proposed patient need not be given upon a showing that such notice may result in harm or harassment of interested persons or potential witnesses.

Notwithstanding any provision of chapter 13 or other state law, a county attorney considering the civil commitment of a person under this section may obtain records and data from the Department of Corrections or any probation or parole agency in this state upon request, without a court order, for the purpose of determining whether good cause exists to file a petition and, if a petition is filed, to support the allegations set forth in the petition. At the time of the request for the records, the county attorney shall provide notice of the request to the person who is the subject of the records.

Data collected pursuant to this subdivision shall retain their original status and, if not public, are inadmissible in any court proceeding unrelated to civil commitment, unless otherwise permitted.

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

Sec. 14. Minnesota Statutes 2006, section 253B.185, subdivision 5, is amended to read:

Subd. 5. **Financial responsibility.** (a) For purposes of this subdivision, "state facility" has the meaning given in section 246.50 and also includes a Department of Corrections facility when the proposed patient is confined in such a facility pursuant to section 253B.045, subdivision 1a.

(b) Notwithstanding sections 246.54, 253B.045, and any other law to the contrary, when a petition is filed for commitment under this section pursuant to the notice required in section 244.05, subdivision 7, the state and county are each responsible for 50 percent of the cost of the person's confinement at a state facility or county jail, prior to commitment.

(c) The county shall submit an invoice to the state court administrator for reimbursement of the state's share of the cost of confinement.

(d) Notwithstanding paragraph (b), the state's responsibility for reimbursement is limited to the amount appropriated for this purpose.

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

Sec. 15. Minnesota Statutes 2006, section 299C.41, subdivision 2, as added by Laws 2008, chapter 242, section 3, is amended to read:

Subd. 2. **Data classification.** (a) Credentialing data held by a government entity are classified as private data on individuals as defined in section 13.02, subdivision 12, or nonpublic data as defined in section 13.02, subdivision 9.

(b) Auditing data and workflow and routing data maintained by the Bureau of Criminal Apprehension are classified as confidential data on individuals as defined in section 13.02, subdivision 3, or protected nonpublic data as defined in section 13.02, subdivision 13, until the investigation is inactive as defined in section 13.82, subdivision 7. Once the investigation is inactive, and the recipient of the data authorizes release to the data subject, the auditing data and workflow and routing data maintained by the Bureau of Criminal Apprehension are classified as private data on individuals as defined in section 13.02, subdivision 12, or nonpublic data as defined in section 13.02, subdivision 9. The same data maintained by any other government entity are classified as provided by other law.

Sec. 16. Minnesota Statutes 2006, section 373.47, subdivision 1, is amended to read:

Subdivision 1. **Authority to incur debt.** Subject to prior approval by the ~~Public Safety Radio System Planning Committee~~ Statewide Radio Board under section 403.36, the governing body of a county may finance the cost of designing, constructing, and acquiring public safety communication system infrastructure and equipment for use on the statewide, shared public safety radio system by issuing:

(1) capital improvement bonds under section 373.40, as if the infrastructure and equipment qualified as a "capital improvement" within the meaning of section 373.40, subdivision 1, paragraph (b); and

(2) capital notes under the provisions of section 373.01, subdivision 3, as if the equipment qualified as "capital equipment" within the meaning of section 373.01, subdivision 3.

EFFECTIVE DATE. This section is effective August 1, 2008.

Sec. 17. **[480.237] ELECTRONIC PAYMENTS; CONVENIENCE FEES; RECORDS ACCESS.**

(a) The judicial branch may accept credit cards, charge cards, debit cards, or other methods of electronic funds transfer for government fees and payments ordered by a court.

(b) The judicial branch may impose a convenience fee to be added to each transaction. The total amount of the convenience fee may not exceed the transaction fee charged by a processing contractor for the credit services during the most recent collection period. Each court imposing a convenience fee must notify the person using the credit services of the fee before the transaction is processed. Fees collected under this section are appropriated to the level of court that imposed the fee for the purposes of paying the processing contractor.

(c) Records relating to credit card, charge card, debit card, or other method of electronic funds transfer account numbers collected by the judicial branch in connection with a transaction under this section are not accessible to the general public.

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 18. Minnesota Statutes 2006, section 609.115, is amended by adding a subdivision to read:

Subd. 10. **Military veterans.** (a) When a defendant appears in court and is convicted of a crime, the court shall inquire whether the defendant is currently serving in or is a veteran of the armed forces of the United States.

(b) If the defendant is currently serving in the military or is a veteran and has been diagnosed as having a mental illness by a qualified psychiatrist or clinical psychologist or physician, the court may:

(1) order that the officer preparing the report under subdivision 1 consult with the United States Department of Veterans Affairs, Minnesota Department of Veterans Affairs, or another agency or person with suitable knowledge or experience, for the purpose of providing the court with information regarding treatment options available to the defendant, including federal, state, and local programming; and

(2) consider the treatment recommendations of any diagnosing or treating mental health professionals together with the treatment options available to the defendant in imposing sentence.

EFFECTIVE DATE. This section is effective August 1, 2008.

Sec. 19. Minnesota Statutes 2006, section 609.117, subdivision 3, is amended to read:

Subd. 3. **Offenders from other states.** When the state accepts an offender from another state under the interstate compact authorized by section ~~243.16~~ 243.1605, the acceptance is conditional on the offender providing a biological specimen for the purposes of DNA analysis as defined in section 299C.155, if the offender was initially charged with committing or attempting to commit a felony offense and was convicted of that offense or of any offense arising out of the same set of circumstances. The specimen must be provided under supervision of staff from the Department of Corrections or a Community Corrections Act county within 15 business days after the offender reports to the supervising agent. The cost of obtaining the biological specimen is the responsibility of the agency providing supervision.

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 20. Minnesota Statutes 2006, section 641.05, is amended to read:

641.05 RECORD OF INMATES; RETURN TO COURT; BUREAU OF CRIMINAL APPREHENSION.

(a) Every sheriff shall, at the expense of the county, maintain a permanent record of all persons committed to any jail under the sheriff's charge. It shall contain the name of every person committed, by what authority, residence, date of commitment, and, if for a criminal offense, a description of the person, when and by what authority liberated, and, in case of escape, the time and manner thereof. At the opening of each term of district court the sheriff shall make a certified transcript ~~therefrom~~ from the record to ~~such~~ the court, showing all cases ~~therein~~ not previously disposed of.

(b) Upon intake into the jail facility, the name of the committed person shall be checked against the Bureau of Criminal Apprehension predatory offender registration database to determine whether the person is a registered predatory offender. In the event that the person is registered, the sheriff or designee shall notify the bureau of the person's admission into the jail facility. At the time of discharge from the facility, the sheriff or designee shall provide the person with a change of information form for the purposes of reporting the address where the person will be living upon release from the facility.

(c) Every sheriff who intentionally neglects or refuses to ~~so~~ report under paragraph (a) or (b) shall be guilty of a gross misdemeanor.

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

Sec. 21. Minnesota Statutes 2006, section 641.18, is amended to read:

641.18 SOLITARY SECURE CONFINEMENT.

When any prisoner is unruly or disobeys any regulation for the management of jails, the prisoner may be kept in ~~solitary~~ secure confinement as provided in section 641.09.

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 22. Laws 2007, chapter 54, article 1, section 5, is amended to read:

Sec. 5. **TRIAL COURTS**

\$246,077,000

\$254,916,000

New Judge Units. \$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.

~~**Maintain and Expand Drug Courts.** \$2,096,000 the first year and \$2,097,000 the second year are to maintain and to establish new drug courts.~~

Guardian Ad Litem Services. \$1,260,000 the first year and \$1,629,000 the second year are for guardian ad litem services.

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

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

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

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 23. Laws 2007, chapter 54, article 1, section 9, is amended to read:

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.~~

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 24. **GUIDELINES FOR REVOCATION OF PAROLE AND SUPERVISED RELEASE; DEPARTMENT OF CORRECTIONS INTERNAL REVIEW; REPORT TO LEGISLATURE.**

The commissioner of corrections shall perform an internal review of the department's guidelines for revocation of parole and supervised release. At a minimum, the commissioner shall assess: (1) the appropriateness and proportionality of the sanctions set forth in the guidelines; (2) the use of intermediate sanctions and the potential for expanding the use and number of intermediate sanctions; and (3) the option of capping the number of days that an offender may be re-incarcerated for a parole or supervised release violation. By March 1, 2009, the commissioner shall report the results of the internal review to the chairs and ranking minority members of the senate and house committees and divisions having jurisdiction over criminal justice policy and funding.

EFFECTIVE DATE. This section is effective August 1, 2008.

Sec. 25. **JOINT PHYSICAL CUSTODY; STUDY GROUP.**

(a) The state court administrator shall convene a study group of 12 members to consider the impact that a presumption of joint physical custody would have in Minnesota. The evaluation must consider the positive and negative impact on parents and children of adopting a presumption of joint physical custody, the fiscal impact of adopting this presumption, and the experiences of other states that have adopted a presumption of joint physical custody. The study must consider data and information from academic and research professionals.

(b) In appointing members to the study group, the state court administrator must ensure that the viewpoint of parent advocacy groups, academics, policy analysts, judges, court administrators, attorneys, domestic violence advocates, citizen members who are not associated with a parent advocacy group, and other interested parties are represented. At least one member of the study group must be a representative of the Department of Human Services. The state court administrator must consult with the chairs and ranking minority members of the budget and policy committees in the house and senate with jurisdiction over family law on the composition of the working group. The state court administrator shall report to the legislature on the evaluation of presumption of joint physical custody, the experiences of other states, and recommendations made by the study group no later than January 15, 2009.

Sec. 26. **COMPREHENSIVE FAMILY COURT PROCESS; STUDY.**

The state court administrator shall report on a plan to conduct a multidisciplinary, comprehensive study on family law to the chairs and ranking minority members of the budget and policy committees in the house and senate with jurisdiction over family law no later than January 15, 2009.

Sec. 27. **WORKING GROUP ON CONTROLLED SUBSTANCE LAWS; REPORT TO LEGISLATURE.**

Subdivision 1. **Establishment; membership; staff.** (a) The speaker of the house of representatives and the Subcommittee on Committees of the Committee on Rules and Administration of the senate shall jointly appoint a working group on the state's controlled substance laws. The working group shall include:

(1) two representatives of the Minnesota County Attorneys Association;

(2) two representatives of the Board of Public Defense;

(3) three representatives of state law enforcement associations, including one sheriff, one chief of police, and one member of the Minnesota Police and Peace Officers Association;

(4) two representatives of the Judicial Council;

(5) one representative from community corrections or probation;

(6) one expert in the fields of drug treatment and controlled substance laws;

(7) two individuals who are not affiliated with any of the organizations in clauses (1) to (6) and who have relevant experience related to sentencing policy or the criminal justice field; and

(8) four community members that reside in areas adversely affected by controlled substance crimes and violent crimes, two of whom shall be appointed by the speaker of the house of representatives and two of whom shall be appointed by the Subcommittee on Committees of the Committee on Rules and Administration of the senate. One of the community members appointed by the senate must be a member of a community crime prevention organization. Of the community members appointed by the senate, one must reside in Minneapolis and one must reside in greater Minnesota. Of the community members appointed by the house, one must reside in St. Paul and one must reside in a suburb of Minneapolis or St. Paul.

(b) Before making the appointments required under paragraph (a), the legislative appointing authorities must consider the recommendations of the chairs and ranking minority members of the committees and divisions with jurisdiction over criminal justice policy and funding.

(c) The appointments under paragraph (a) must be completed by July 1, 2008. Staff support for the working group shall be provided by the Sentencing Guidelines Commission. The executive director of the Sentencing Guidelines Commission or the executive director's designee shall convene the first meeting of the working group. The working group shall elect its chair from its membership at the first meeting.

Subd. 2. **Subject matter.** (a) The working group must review, assess, and make specific recommendations, including any necessary draft legislation regarding the following alternatives for modification and application of Minnesota's controlled substance laws:

(1) revising the threshold amounts for Minnesota's controlled substance crimes;

(2) establishing a separate sentencing guidelines grid for drug offenses;

(3) establishing additional aggravating factors so as to target certain particularly dangerous offenders;

(4) revising the criminal history point calculations for repeat drug offenders;

(5) maximizing the use of deferred prosecutions for low-level drug offenders under section 152.18 throughout the state; and

(6) increasing the use of the early release program for nonviolent controlled substance offenders who successfully complete drug treatment while incarcerated as provided in section 244.055.

(b) As part of its review of the various possible reforms, the working group may also study and consider:

(1) the significance, if any, of current rates of departure from presumptive guideline sentences for controlled substance crimes;

(2) the significance, if any, of current rates of departure from presumptive guideline sentences for controlled substance crimes for identifiable categories of offenders;

(3) the impact that recent United States Supreme Court criminal sentencing decisions have on implementing further reform;

(4) the barriers to comparing Minnesota's sentencing data with data from other states;

(5) strategies for reducing probation and supervised release violations among drug offenders;

(6) strategies for increasing the efficacy of programs that are now available to treat drug offenders;

(7) the likely impact of any recommended change in policy upon victims of drug-related crimes and the neighborhoods in which these crimes occur;

(8) the likely impact of any recommended change in policy upon the efficacy of law enforcement, prosecution, public defender, or court personnel; or

(9) any other sentencing-related matter that the working group sees fit to consider.

Subd. 3. **Report to legislature.** The working group shall report its findings and recommendations to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over criminal justice policy and funding by January 15, 2009. The working group expires upon the submission of the report required by this subdivision.

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

Sec. 28. **REPEALER.**

(a) Minnesota Statutes 2006, sections 242.193, subdivision 1; 242.39; and 609.103, are repealed.

(b) Laws 2008, chapter 242, section 3, subdivision 4, is repealed.

EFFECTIVE DATE. This section is effective July 1, 2008."

Delete the title and insert:

"A bill for an act relating to public safety; allowing persons facing civil commitment as sexually dangerous persons or sexual psychopathic personalities to choose to be confined in correctional facilities while the petition is being adjudicated; addressing the cost of care for persons facing civil commitment; addressing access to certain data; modifying registration requirements for predatory offenders; excluding persons who are mentally ill and dangerous, sexual psychopathic personality, or sexually dangerous from a commitment hearing on demand; requiring the commissioner of corrections to develop a marketing plan for MINNCOR industries; requiring the commissioner of corrections to conduct an internal review of parole and supervised release procedures and sanctions; authorizing the judicial branch to accept electronic payments and collect convenience fees on credit card payments; giving the Board of Public Defense and district courts greater flexibility in the use of appropriations for this biennium; authorizing courts to take certain actions relating to military veterans with mental illnesses who have been convicted of a crime; removing a sunset on the law governing Internet access to Bureau of Criminal Apprehension data; making technical corrections to certain provisions of the criminal code and corrections; eliminating juvenile residential treatment grants and juvenile restitution grants; authorizing a correctional facility to define a discipline policy for the length of time of a secure confinement; establishing a working group to review, assess, and make recommendations regarding the modification and application of controlled substance laws; establishing a study group regarding joint physical custody; providing for reports; amending Minnesota Statutes 2006, sections 13.851, by adding a subdivision; 13.87, subdivision 3; 241.27, by adding a subdivision; 241.301;

243.1606, subdivision 3; 243.166, subdivisions 3a, 4; 243.167, subdivision 2; 253B.045, subdivisions 1, 2, by adding a subdivision; 253B.08, subdivision 1; 253B.185, subdivision 5; 299C.41, subdivision 2, as added; 373.47, subdivision 1; 609.115, by adding a subdivision; 609.117, subdivision 3; 641.05; 641.18; Minnesota Statutes 2007 Supplement, section 253B.185, subdivision 1b; Laws 2007, chapter 54, article 1, sections 5; 9; proposing coding for new law in Minnesota Statutes, chapter 480; repealing Minnesota Statutes 2006, sections 242.193, subdivision 1; 242.39; 609.103; Laws 2008, chapter 242, section 3, subdivision 4."

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

House Conferees: MICHAEL PAYMAR, TINA LIEBLING AND ROB EASTLUND.

Senate Conferees: LINDA HIGGINS, MEE MOUA AND BILL G. INGEBRIGTSEN.

Paymar moved that the report of the Conference Committee on H. F. No. 2996 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:

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

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.

H. F. No. 2996, A bill for an act relating to public safety; allowing persons facing civil commitment as sexually dangerous persons or sexual psychopathic personalities to choose to be confined in correctional facilities while the petition is being adjudicated; addressing the cost of care for persons facing civil commitment; addressing access to

certain data; modifying intensive supervised release provisions; modifying fireworks provisions; modifying registration requirements for predatory offenders; establishing a working group to review, assess, and make recommendations regarding the modification and application of controlled substance laws; providing for a report; requiring studies; amending Minnesota Statutes 2006, sections 13.851, by adding a subdivision; 243.166, subdivisions 1a, 3a, 4; 243.167, subdivision 2; 244.05, subdivision 6; 253B.045, subdivisions 1, 2, by adding a subdivision; 253B.185, subdivision 5; 299C.41, as added if enacted; 609.115, by adding a subdivision; 624.20, subdivision 1; 641.05; Minnesota Statutes 2007 Supplement, section 253B.185, subdivision 1b.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 3096:

Kalin, Welti and Magnus.

CALL OF THE HOUSE LIFTED

Sertich moved that the call of the House be lifted. The motion prevailed and it was so ordered.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 3722

A bill for an act relating to economic development; providing military reservist economic injury loans; defining terms; appropriating money; amending Minnesota Statutes 2007 Supplement, section 116L.17, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 116J.

May 5, 2008

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. 3722 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. 3722 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2007 Supplement, 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;
- (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; or
- (22) director of Explore Minnesota Tourism.

Sec. 2. **[115A.936] CONSTRUCTION DEBRIS AS COVER MATERIAL PROHIBITED.**

(a) Construction debris or residuals from processed construction debris containing any amount of gypsum shall not be managed as cover material at disposal facilities unless:

(1) residual material is managed in an industrial or construction and demolition disposal facility equipped with a liner and leachate collection system;

(2) residual material is not mechanically pulverized or size-reduced prior to processing, screening, or application;

(3) a maximum effort is made to remove gypsum from the waste prior to processing, screening, or application;

(4) residual material is mixed at a ratio of one part soil to one part residual material prior to application; and

(5) the disposal facility does not accept any amount of cover material greater than what is operationally necessary.

(b) For the purposes of this section, "residual material" means construction debris or residuals from processed construction debris containing any amount of gypsum.

Sec. 3. **[116J.976] STATE APPROVAL OF GOVERNMENT PROCUREMENT AGREEMENTS.**

Any decision of the state to enter into government procurement agreements relating to United States trade agreements must be approved by the governor and the legislature.

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

Sec. 4. **[116J.977] TRADE POLICY ADVISORY GROUP.**

Subdivision 1. **Establishment.** The trade policy advisory group is established to advise and assist the governor and the legislature regarding government procurement agreements of United States trade agreements.

Subd. 2. **Membership.** (a) The trade policy advisory group shall be comprised of nine members as follows:

(1) the governor, or the governor's designee;

(2) the commissioner of employment and economic development, or the commissioner's designee;

(3) the commissioner of agriculture, or the commissioner's designee;

(4) the commissioner of administration, or the commissioner's designee;

(5) the attorney general, or a designee;

(6) two senators, including one member from the majority party and one member from the minority party, appointed by the Subcommittee on Committees of the Committee on Rules and Administration of the senate; and

(7) two members of the house of representatives, including one member appointed by the speaker of the house and one member appointed by the minority leader.

(b) Members of the trade policy advisory group shall serve for a term of two years and may be reappointed. Members shall serve until their successors have been appointed.

(c) The trade policy advisory group may invite representatives from other state agencies, industries, trade and labor organizations, nongovernmental organizations, and local governments to join the group as nonvoting ex officio members.

Subd. 3. **Administration.** (a) The commissioner of employment and economic development or the commissioner's designee shall:

(1) coordinate with the other appointing authorities to designate their representatives; and

(2) provide meeting space and administrative services for the group.

(b) The members shall elect a chair from the legislative members of the working group. The chair will assume responsibility for convening future meetings of the group.

(c) Public members of the advisory group serve without compensation or payment of expenses.

Subd. 4. **Duties.** The trade policy advisory group shall:

(1) serve as an advisory group to the governor and the legislature on matters relating to government procurement agreements of United States trade agreements;

(2) assess the potential impact of government procurement agreements on the state's economy;

(3) advise the governor and the legislature of the group's findings and make recommendations, including any draft legislation necessary to implement the recommendations, to the governor and the legislature;

(4) determine, on a case-by-case basis, the impact of a specific government procurement agreement by requesting input from state agencies, seeking expert advice, convening public hearings, and taking other reasonable and appropriate actions;

(5) provide advice on other issues related to trade agreements other than government procurement agreements when specifically requested by the governor or the legislature;

(6) request information from the Office of the United States Trade Representative necessary to conduct an appropriate review of government procurement agreements or other trade issues as directed by the governor or the legislature; and

(7) receive information obtained by the United States Trade Representative's Single Point of Contact for Minnesota.

Subd. 5. **Expiration.** Notwithstanding section 15.059, subdivision 5, this section expires June 30, 2012.

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 5. **[116J.996] MILITARY RESERVIST ECONOMIC INJURY LOANS.**

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Active service" has the meaning given in section 190.05.

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

(d) "Eligible business" means a small business, as defined in section 645.445, that was operating in Minnesota on the date a military reservist received orders for active service.

(e) "Essential employee" means a military reservist who is an owner or employee of an eligible business and whose managerial or technical expertise is critical to the day-to-day operation of the eligible business.

(f) "Military reservist" means a member of the reserve component of the armed forces.

(g) "Reserve component of the armed forces" has the meaning given it in United States Code, title 10, section 101(c).

(h) "Substantial economic injury" means an economic harm to an eligible business that results in the inability of the eligible business to:

(1) meet its obligations as they mature;

(2) pay its ordinary and necessary operating expenses; or

(3) manufacture, produce, market, or provide a product or service ordinarily manufactured, produced, marketed, or provided by the eligible business.

Subd. 2. **Loan program.** The commissioner may make onetime, interest-free loans of up to \$20,000 per borrower to eligible businesses that have sustained or are likely to sustain substantial economic injury as a result of the call to active service for 180 days or more of an essential employee. Loans must be made for the purpose of preventing, remedying, or ameliorating the substantial economic injury.

Subd. 3. **Revolving loan account.** The commissioner shall use money appropriated for the purpose to establish a revolving loan account. All repayments of loans made under this section must be deposited into this account. Interest earned on money in the account accrues to the account. Money in the account is appropriated to the commissioner for purposes of the loan program created in this section, including costs incurred by the commissioner to establish and administer the program.

Subd. 4. **Rules.** Using the expedited rulemaking procedures of section 14.389, the commissioner shall develop and publish expedited rules for loan applications, use of funds, needed collateral, terms of loans, and other details of military reservist economic injury loans.

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

Sec. 6. Minnesota Statutes 2007 Supplement, 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;

(5) has been permanently separated from employment in a restaurant, bar, or lawful gambling organization from October 1, 2007, to October 1, 2009, due to the implementation of any state law prohibiting smoking; ~~or~~

(6) is a veteran as defined by section 197.447, has been discharged or released from active duty under honorable conditions within the last 36 months, and (i) is unemployed or (ii) is employed in a job which pays less than what the veteran could verifiably earn; or

~~(6)~~ (7) 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.

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

Sec. 7. Minnesota Statutes 2006, section 116L.17, subdivision 4, is amended to read:

Subd. 4. **Use of funds.** Funds granted by the board under this section may be used for any combination of the following, except as otherwise provided in this section:

(1) employment transition services such as developing readjustment plans for individuals; outreach and intake; early readjustment; job or career counseling; testing; orientation; assessment of skills and aptitudes; provision of occupational and labor market information; job placement assistance; job search; job development; prelayoff assistance; relocation assistance; and programs provided in cooperation with employers or labor organizations to provide early intervention in the event of plant closings or substantial layoffs;

(2) support services, including assistance to help the participant relocate to employ existing skills; out-of-area job search assistance; family care assistance, including child care; commuting assistance; emergency housing and rental assistance; counseling assistance, including personal and financial; health care; emergency health assistance; emergency financial assistance; work-related tools and clothing; and other appropriate support services that enable a person to participate in an employment and training program with the goal of reemployment;

(3) specific, short-term training to help the participant enhance current skills in a similar occupation or industry; entrepreneurial training, customized training, or on-the-job training; basic and remedial education to enhance current skills; and literacy and work-related English training for non-English speakers; and

(4) long-term training in a new occupation or industry, including occupational skills training or customized training in an accredited program recognized by one or more relevant industries. Long-term training shall only be provided to dislocated workers whose skills are obsolete and who have no other transferable skills likely to result in employment at a comparable wage rate. Training shall only be provided for occupations or industries with reasonable expectations of job availability based on the service provider's thorough assessment of local labor market information where the individual currently resides or is willing to relocate. This clause shall not restrict training in personal services or other such industries.

Sec. 8. **[181.985] WORKPLACE COMMUNICATIONS.**

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

(b) "Public employee" has the meaning given in section 179A.03, subdivision 14.

(c) "Public employer" has the meaning given in section 179A.03, subdivision 15.

(d) "Communication" means any printed or electronic document, letter, brochure, flyer, advertisement, e-mail, text message, or similar means pertaining to union business or labor organizing as provided under state law.

(e) "Employee organization" has the meaning given in section 179A.03, subdivision 6.

Subd. 2. **Collective bargaining agreements.** Minnesota Statutes, chapter 179A, shall not prohibit a collective bargaining agreement from including provisions related to workplace communications.

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

Sec. 9. Minnesota Statutes 2007 Supplement, section 214.04, subdivision 3, is amended to read:

Subd. 3. **Officers; staff.** The executive director of each health-related board and the executive secretary of each non-health-related board shall be the chief administrative officer for the board but shall not be a member of the board. The executive director or executive secretary shall maintain the records of the board, account for all fees received by it, supervise and direct employees servicing the board, and perform other services as directed by the board. The executive directors, executive secretaries, and other employees of the following boards shall be hired by the board, and the executive directors or executive secretaries shall be in the unclassified civil service, except as provided in this subdivision:

- (1) Dentistry;
- (2) Medical Practice;
- (3) Nursing;
- (4) Pharmacy;
- (5) Accountancy;
- (6) Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience, and Interior Design;
- (7) Barber Examiners;
- (8) Cosmetology;
- (9) Teaching;
- (10) Peace Officer Standards and Training;
- (11) Social Work;
- (12) Marriage and Family Therapy;

(13) Dietetics and Nutrition Practice; ~~and~~

(14) Licensed Professional Counseling; and

(15) Combative Sports Commission.

The executive directors or executive secretaries serving the boards are hired by those boards and are in the unclassified civil service, except for part-time executive directors or executive secretaries, who are not required to be in the unclassified service. Boards not requiring full-time executive directors or executive secretaries may employ them on a part-time basis. To the extent practicable, the sharing of part-time executive directors or executive secretaries by boards being serviced by the same department is encouraged. Persons providing services to those boards not listed in this subdivision, except executive directors or executive secretaries of the boards and employees of the attorney general, are classified civil service employees of the department servicing the board. To the extent practicable, the commissioner shall ensure that staff services are shared by the boards being serviced by the department. If necessary, a board may hire part-time, temporary employees to administer and grade examinations.

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

Sec. 10. Minnesota Statutes 2007 Supplement, section 268.047, subdivision 1, is amended to read:

Subdivision 1. **General rule.** Unemployment benefits paid to an applicant, including extended, ~~additional,~~ and shared work benefits, will be used in computing the future tax rate of a taxpaying base period employer or charged to the reimbursable account of a base period nonprofit or government employer that has elected to be liable for reimbursements except as provided in subdivisions 2 and 3. The amount of unemployment benefits used in computing the future tax rate of taxpaying employers or charged to the reimbursable account of a nonprofit or government employer that has elected to be liable for reimbursements is the same percentage of the total amount of unemployment benefits paid as the percentage of wage credits from the employer is of the total amount of wage credits from all the applicant's base period employers.

In making computations under this subdivision, the amount of wage credits, if not a whole dollar, must be computed to the nearest whole dollar.

Sec. 11. Minnesota Statutes 2007 Supplement, section 268.047, subdivision 2, is amended to read:

Subd. 2. **Exceptions for all employers.** Unemployment benefits paid will not be used in computing the future tax rate of a taxpaying base period employer or charged to the reimbursable account of a base period nonprofit or government employer that has elected to be liable for reimbursements when:

(1) the applicant was discharged from the employment because of aggravated employment misconduct as determined under section 268.095. This exception applies only to unemployment benefits paid for periods after the applicant's discharge from employment;

(2) an applicant's discharge from that employment occurred because a law required removal of the applicant from the position the applicant held;

(3) the employer is in the tourist or recreation industry and is in active operation of business less than 15 calendar weeks each year and the applicant's wage credits from the employer are less than 600 times the applicable state or federal minimum wage;

(4) the employer provided regularly scheduled part-time employment to the applicant during the applicant's base period and continues to provide the applicant with regularly scheduled part-time employment during the benefit year of at least 90 percent of the part-time employment provided in the base period, and is an involved employer because of the applicant's loss of other employment. This exception terminates effective the first week that the employer fails to meet the benefit year employment requirements. This exception applies to educational institutions without consideration of the period between academic years or terms;

(5) the employer is a fire department or firefighting corporation or operator of a life-support transportation service, and continues to provide employment for the applicant as a volunteer firefighter or a volunteer ambulance service personnel during the benefit year on the same basis that employment was provided in the base period. This exception terminates effective the first week that the employer fails to meet the benefit year employment requirements;

(6) the applicant's unemployment from this employer was a direct result of the condemnation of property by a governmental agency, a fire, flood, or act of nature, where 25 percent or more of the employees employed at the affected location, including the applicant, became unemployed as a result. This exception does not apply where the unemployment was a direct result of the intentional act of the employer or a person acting on behalf of the employer;

(7) the unemployment benefits were paid by another state as a result of the transferring of wage credits under a combined wage arrangement provided for in section 268.131;

(8) the applicant stopped working because of a labor dispute at the applicant's primary place of employment if the employer was not a party to the labor dispute;

(9) the unemployment benefits were determined overpaid unemployment benefits under section 268.18; ~~or~~

(10) the applicant was employed as a replacement worker, for a period of six months or longer, for an employee who is in the military reserve and was called for active duty during the time the applicant worked as a replacement, and the applicant was laid off because the employee returned to employment after active duty; or

(11) the trust fund was reimbursed for the unemployment benefits by the federal government.

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

Sec. 12. Minnesota Statutes 2007 Supplement, section 268.085, subdivision 3, is amended to read:

Subd. 3. **Payments that delay unemployment benefits.** (a) An applicant is not 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 does not apply to (i) vacation pay paid upon a permanent separation from employment, or (ii) vacation pay paid from a vacation fund administered by a union or a third party not under the control of the employer;

(2) severance pay, bonus pay, sick pay, and any other 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 payment is considered wages at the time of payment under section 268.035, subdivision 29; 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 that are provided for in subdivision 4. The base period employer is considered to have contributed to the plan if the contribution is excluded from the definition of wages under section 268.035, subdivision 29, clause (1).

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

(b) This subdivision applies to all the weeks of payment. Payments under paragraph (a), clauses (1) and (2), are applied to the period immediately following the last day of employment ~~and~~. The number of weeks of payment, ~~for purposes of those clauses~~, is determined as follows:

(1) if the payments are made periodically, the total of the payments to be received is 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 is 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 are reduced by the amount of the payment. If the computation of reduced unemployment benefits is not a whole dollar, it is rounded down to the next lower whole dollar.

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

Sec. 13. Minnesota Statutes 2007 Supplement, section 268.085, subdivision 9, is amended to read:

Subd. 9. **Business owners.** Wage credits from an employer may not be used for unemployment benefit purposes by any applicant who:

(1) individually, jointly, or in combination with the applicant's spouse, parent, or child owns or controls directly or indirectly 25 percent or more interest in the employer; or

~~(2) is the spouse, parent, or minor child of any individual who owns or controls directly or indirectly 25 percent or more interest in the employer; and~~

~~(2) is temporarily, seasonally, or indefinitely unemployed and not permanently separated from the employment.~~

This subdivision is effective when the applicant has been paid ~~four~~ five times the applicant's weekly unemployment benefit amount in the current benefit year. This subdivision does not apply if the applicant had wages paid of \$7,500 or more from the employer covered by this subdivision in each of the 16 calendar quarters prior to the effective date of the benefit account.

EFFECTIVE DATE. This section is effective July 6, 2008, and applies to applications for unemployment benefits filed on or after that date.

Sec. 14. Minnesota Statutes 2007 Supplement, section 268.085, subdivision 16, is amended to read:

Subd. 16. **Actively seeking suitable employment defined.** (a) "Actively seeking suitable employment" means those reasonable, diligent efforts an individual in similar circumstances would make if genuinely interested in obtaining suitable employment under the existing conditions in the labor market area. Limiting the search to positions that are not available or are above the applicant's training, experience, and qualifications is not "actively seeking suitable employment."

(b) To be considered "actively seeking suitable employment" an applicant must, when reasonable, contact those employers from whom the applicant was laid off because of lack of work and request suitable employment.

(c) If reasonable prospects of suitable employment in the applicant's usual or customary occupation do not exist, the applicant must actively seek other suitable employment to be considered "actively seeking suitable employment." This applies to an applicant who is seasonally unemployed.

(d) An applicant who is seeking employment only through a union is ~~not considered~~ actively seeking suitable employment ~~unless if the applicant is in an occupation where it is required by union rule that all the hiring in that locality is done through the union, or that all members are~~ If the applicant is a union member who is restricted to obtaining employment among signatory contractors in the construction industry, seeking employment only with those signatory contractors is considered actively seeking employment. The applicant must be a union member in good standing, registered with the union for employment, and in compliance with other union rules to be considered "actively seeking suitable employment."

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

Sec. 15. Minnesota Statutes 2006, section 268.125, subdivision 1, is amended to read:

Subdivision 1. **Additional unemployment benefits; when available.** Additional unemployment benefits are available if:

(1) a county had a total unemployment rate for the prior 12-calendar month period of at least 1.8 times the state average unemployment rate for the prior 12-calendar month period and the state average unemployment rate for the same 12-calendar month period was at least 4.6 percent. The commissioner must calculate the applicable unemployment rates within 30 calendar days following the end of the month. Once it has been calculated that the total unemployment rate in a county equals or exceeds 1.8 times the state average unemployment rate for the prior 12-calendar month period, the additional benefits are available beginning the Sunday following the date of calculation and continuing for a minimum of 13 calendar weeks. This clause expires June 30, 2009; or

~~(4)~~ (2)(i) at a facility that had 100 or more employees, the employer reduced operations, resulting within a one-month period in the layoff of 50 percent or more of the facility's work force, including reductions caused as a result of a major natural disaster declared by the president;

~~(2)~~ (ii) the employer has no expressed plan to resume operations that would lead to the reemployment of those employees in the immediate future; and

~~(3)~~ (iii) the seasonally adjusted unemployment rate in the county that the facility is located was ten percent or more during the month of the reduction or any of the three months before or after the month of the reduction.

EFFECTIVE DATE. This section is effective the day following final enactment and applies retroactively from January 1, 2008.

Sec. 16. Minnesota Statutes 2006, section 268.125, subdivision 2, is amended to read:

Subd. 2. **Payment of unemployment benefits from trust fund; effect on employer.** Additional unemployment benefits are payable from the trust fund. Additional unemployment benefits paid will not be used in computing the experience rating of a taxpaying employer nor charged to the reimbursing account of a nonprofit or government employer. This subdivision expires June 30, 2009.

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

Sec. 17. Minnesota Statutes 2007 Supplement, section 268.125, subdivision 3, is amended to read:

Subd. 3. **Eligibility conditions.** An applicant is eligible to receive additional unemployment benefits for any week during the applicant's benefit year if:

(1) for any week during which benefits are available under subdivision 1, clause (1):

(i) the applicant resides in a county that meets the requirements of subdivision 1, clause (1), and resided in that county each week that regular unemployment benefits were paid;

(ii) the applicant was not paid unemployment benefits for any week in the 12 months before the effective date of the applicant's benefit account;

(iii) the applicant meets the same eligibility requirements that are required for regular unemployment benefits under section 268.069; and

(iv) the applicant has exhausted regular unemployment benefits under section 268.07, is not entitled to receive extended unemployment benefits under section 268.115, and is not entitled to receive unemployment benefits under any other state or federal law for that week. This clause expires June 30, 2009; or

~~(1)~~ (2) the applicant was laid off from employment as a result of a reduction under subdivision 1, clause (2), or was laid off because of lack of work from that employer during the three-month period before, or the three-month period after, the month of the reduction under subdivision 1, clause (2);

~~(2)~~ (3) the applicant meets the same eligibility requirements that are required for regular unemployment benefits under section ~~268.085~~ 268.069;

~~(3) the applicant is not ineligible under section 268.095 because of a quit or a discharge;~~

(4) the applicant has exhausted regular unemployment benefits under section 268.07, is not entitled to receive extended unemployment benefits under section 268.115, and is not entitled to receive unemployment benefits under any other state or federal law for that week; and

(5) a majority of the applicant's wage credits were from the employer that had a reduction in operations under subdivision 1, clause (2).

EFFECTIVE DATE. This section is effective the day following final enactment and applies retroactively from January 1, 2008, except clause (1), item (ii), which shall be effective January 1, 2009.

Sec. 18. Minnesota Statutes 2006, section 268.125, is amended by adding a subdivision to read:

Subd. 6. **Notice.** The commissioner must notify applicants of the availability of additional unemployment benefits by contacting applicants by mail or electronic transmission, by posting a notice on the department's official Web site, and by appropriate announcement. This subdivision expires June 30, 2009.

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

Sec. 19. Minnesota Statutes 2006, section 299M.03, subdivision 2, is amended to read:

Subd. 2. **Journeyman certificate.** Except for residential installations by the owner of an occupied one- or two-family dwelling, a person may not install, connect, alter, repair, or add to a fire protection system, under the supervision of a fire protection contractor, unless annually certified to perform those duties as a journeyman

sprinkler fitter or as a registered apprentice sprinkler fitter. This subdivision does not apply to a person ~~altering~~ maintaining or repairing a fire protection system if the system ~~uses low pressure water and the system~~ is located in a facility regulated under the federal Mine Occupational Safety and Health Act.

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

Sec. 20. Minnesota Statutes 2006, section 341.21, as amended by Laws 2007, chapter 135, article 3, section 30, is amended to read:

341.21 DEFINITIONS.

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

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

Subd. 2a. **Combatant.** "Combatant" means an individual who employs the act of attack and defense as a boxer, tough person, or mixed martial artist while engaged in a combative sport.

Subd. 2b. **Combative sport.** "Combative sport" means a sport that employs the act of attack and defense with the fists, with or without using padded gloves, or feet that is practiced as a sport under the rules of the Association of Boxing Commissions, unified rules for mixed martial arts, or their equivalent. Combative sports include professional boxing and professional and amateur tough person and professional and amateur mixed martial arts contests.

Subd. 3. **Commission.** "Commission" means the ~~Minnesota Boxing~~ Minnesota Boxing Combative Sports Commission.

Subd. 4. **Combative sports contest.** "Combative sports contest" means ~~any~~ a professional boxing, a professional or amateur tough person, or a professional or amateur mixed martial art bout, competition ~~contest~~, match, or exhibition.

Subd. 4a. **Director.** "Director" means the executive director of the commission.

Subd. 4b. **HBV.** "HBV" means the hepatitis B virus with the e-antigen present in the most recent blood test.

Subd. 4c. **HCV.** "HCV" means the hepatitis C virus.

Subd. 4d. **HIV.** "HIV" means the human immunodeficiency virus.

Subd. 4e. **Individual.** "Individual" means a living human being.

Subd. 4f. **Mixed martial arts contest.** "Mixed martial arts contest" means a contest between two or more individuals consisting of any combination of full contact martial art including, but not limited to, Muay Thai and Karate, kickboxing, wrestling, grappling, or other recognized martial art.

Subd. 4g. **Person.** "Person" means an individual, corporation, partnership, limited liability company, organization, or other business entity organized and existing under law, its officers and directors, or a person holding 25 percent or more of the ownership of a corporation that is authorized to do business under the laws of this state.

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

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

Subd. 7. **Tough person contest.** "Tough person contest," including contests marketed as tough man ~~and or~~ tough woman contests, means ~~any boxing match consisting a contest of one minute rounds, two-minute rounds consisting of not more than four rounds~~ between two or more ~~persons~~ individuals who use their hands, or their feet, or both, in any manner. Tough person contest does not include ~~kick boxing~~ kickboxing or any recognized martial arts ~~competition contest~~.

~~Subd. 8. **Mixed martial arts.** "Mixed martial arts" means any combination of boxing, kick boxing, wrestling, grappling, or other recognized martial arts.~~

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

Sec. 21. Minnesota Statutes 2007 Supplement, section 341.22, is amended to read:

341.22 BOXING COMBATIVE SPORTS COMMISSION.

There is hereby created the Minnesota Boxing Combative Sports Commission consisting of 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~~ four 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. Unless otherwise provided, 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~~ are as provided in chapter 214. The purpose of the commission is to protect health, promote safety, and ensure fair events.

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

Sec. 22. Minnesota Statutes 2006, section 341.23, is amended to read:

341.23 LIMITATIONS.

No member of the Boxing commission may directly or indirectly promote a boxing contest, directly or indirectly engage in the managing of a boxer combatant, or have an interest in any manner in the proceeds from a boxing combative sport contest.

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

Sec. 23. Minnesota Statutes 2007 Supplement, 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 combatants 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,~~ all combative sport contests and their manner, supervision, time, and place. Notwithstanding section 14.125, the commission shall publish a notice of intent to adopt rules or a notice of hearing on or before September 1, 2008.

(c) The commission must adopt unified rules for mixed martial arts contests.

(d) The commission may adopt the rules of the Association of Boxing Commissions, with amendments.

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

Sec. 24. Minnesota Statutes 2006, section 341.26, is amended to read:

341.26 MEETINGS.

The commission shall hold a regular meeting quarterly and may hold special meetings. Except as otherwise provided in law, all meetings of the commission must be open to the public and reasonable notice of the meetings must be given under chapter 13D. If compliance with section 13D.02 is impractical, the commission 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 commission 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 commission can hear clearly all discussion and testimony and all votes of members of the commission and, if needed, receive those services required by sections 15.44 and 15.441;

(3) at least one member of the commission 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.

Each member of the commission 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.

If a telephone or other electronic means is used to conduct a regular, special, or emergency meeting, the commission, to the extent practical, shall allow a person to monitor the meeting electronically from a remote location. The commission may require the person making such a connection to pay for documented costs that the commission incurs as a result of the additional connection.

If a telephone or other electronic means is used to conduct a regular, special, or emergency meeting, the commission 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.

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

Sec. 25. Minnesota Statutes 2007 Supplement, 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;

(5) conform to the rules adopted under this chapter; ~~and~~

(6) develop policies and procedures for regulating mixed martial arts;

(7) immediately suspend an individual license for a medical condition, including but not limited to a medical condition resulting from an injury sustained during a match, bout, or contest that has been confirmed by the ringside physician. The medical suspension must be lifted after the commission receives written information from a physician licensed in the home state of the licensee indicating that the combatant may resume competition, and any other information that the commission may by rule require. Medical suspensions are not subject to section 214.10; and

(8) evaluate the performance and compensation of the director, including eligibility for salary increases, in keeping with state procedures.

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

Sec. 26. **[341.271] GIFT AUTHORITY.**

The commission may apply for, receive, and expend in its own name grants and gifts of money consistent with the powers and duties specified in section 341.27. The commission may accept gifts, bequests, grants, payments for services, and other public and private money to help finance the activities of the commission.

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

Sec. 27. Minnesota Statutes 2006, section 341.28, as amended by Laws 2007, chapter 135, article 3, sections 34, 35, is amended to read:

341.28 REGULATION OF ~~BOXING~~ COMBATIVE SPORT CONTESTS.

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

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

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

All ~~boxing~~ combative sport contests within this state must be conducted according to the requirements of this chapter.

Subd. 1a. Regulatory authority; boxing contests. All professional boxing contests are subject to this chapter. Every combatant in a boxing contest shall wear padded gloves that weigh at least eight ounces. Officials at all boxing contests must be licensed under this chapter.

Subd. 2. **Regulatory authority; tough person contests.** All professional and amateur tough person contests, ~~including amateur tough person contests,~~ are subject to this chapter. All tough person contests are subject to ~~American Association of Boxing Commission (ABC) Commissions~~ 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 all tough person bouts contests shall be licensed under this chapter.

Subd. 3. **Regulatory authority; mixed martial arts contests; similar sporting events.** All professional and amateur mixed martial arts, ultimate fight contests, and similar sporting events are subject to this chapter and all officials at these events must be licensed under this chapter.

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

Sec. 28. Minnesota Statutes 2006, section 341.29, is amended to read:

341.29 JURISDICTION OF COMMISSION.

The commission shall:

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

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

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

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

Sec. 29. Minnesota Statutes 2006, section 341.30, is amended to read:

341.30 LICENSURE REQUIREMENTS.

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

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

Subd. 3. **Background investigation.** The commission may require referees, judges, ~~matchmakers,~~ promoters, and ~~boxers combatants~~ to furnish fingerprints and background information under commission rules before licensure. The commission shall charge a fee for receiving fingerprints and background information in an amount determined by the commission. The commission may require referees, judges, ~~matchmakers,~~ promoters, and ~~boxers combatants~~ to furnish fingerprints and background information before license renewal. The fee may include a reasonable charge for expenses incurred by the commission or the Department of Public Safety. For this purpose, the commission and the Department of Public Safety may enter into an interagency agreement.

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

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

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

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

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

(b) Before the commission issues a license to a promoter, the applicant shall deposit with the commission a cash bond or surety bond in an amount set by the commission. The bond shall be executed in favor of this state and shall be conditioned on the faithful performance by the promoter of the promoter's obligations under this chapter and the rules adopted under it. An applicant for a license as a promoter shall submit an application a minimum of six weeks before the combative sport contest is scheduled to occur.

(c) Before the commission issues a license to a ~~boxer~~ combatant, the applicant shall submit to the commission the results of a current medical examination on forms furnished or approved by the commission. The medical examination must include an ophthalmological and neurological examination, and documentation of test results for HBV, HCV, and HIV, and any other blood test as the commission by rule may require. The ophthalmological examination must be designed to detect any retinal defects or other damage or condition of the eye that could be aggravated by ~~boxing~~ combative sports. The neurological examination must include an electroencephalogram or medically superior test if the ~~boxer~~ combatant has been knocked unconscious in a previous ~~boxing or other athletic competition~~ contest. The commission may also order an electroencephalogram or other appropriate neurological or physical examination before any contest, ~~match, or exhibition~~ if it determines that the examination is desirable to protect the health of the ~~boxer~~ combatant. The commission shall not issue a license to an applicant submitting positive test results for HBV, HCV, or HIV.

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

Sec. 30. Minnesota Statutes 2006, section 341.32, as amended by Laws 2007, chapter 135, article 3, section 36, is amended to read:

341.32 LICENSE FEES; EXPIRATION; RENEWAL.

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

Subd. 2. **Expiration and renewal.** A license issued after July 1, 2007, 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~~ fees established in section 341.321. 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.

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

Sec. 31. Minnesota Statutes 2007 Supplement, section 341.321, is amended to read:

341.321 FEE SCHEDULE.

(a) The fee schedule for professional licenses issued by the ~~Minnesota Boxing~~ commission is as follows:

- (1) referees, ~~\$45~~ \$25 for each initial license and each renewal;
- (2) promoters, \$400 for each initial license and each renewal;
- (3) judges and knockdown judges, ~~\$45~~ \$25 for each initial license and each renewal;
- (4) trainers, ~~\$45~~ \$25 for each initial license and each renewal;
- (5) ring announcers, ~~\$45~~ \$25 for each initial license and each renewal;
- (6) ~~boxers'~~ seconds, ~~\$45~~ \$25 for each initial license and each renewal;
- (7) timekeepers, ~~\$45~~ \$25 for each initial license and each renewal;
- (8) ~~boxers~~ combatants, ~~\$45~~ \$25 for each initial license and each renewal;
- (9) managers, ~~\$45~~ \$25 for each initial license and each renewal; and
- (10) ringside physicians, ~~\$45~~ \$25 for each initial license and each renewal.

In addition to the license fee and the late filing penalty fee in section 341.32, subdivision 2, if applicable, an individual who applies for a combatant license on the same day the combative sporting event is held shall pay a fee of \$100 at the time the application is submitted.

(b) The fee schedule for amateur licenses issued by the commission is as follows:

- (1) referees, \$10 for each initial license and each renewal;
- (2) promoters, \$100 for each initial license and each renewal;
- (3) judges and knockdown judges, \$10 for each initial license and each renewal;
- (4) trainers, \$10 for each initial license and each renewal;
- (5) ring announcers, \$10 for each initial license and each renewal;
- (6) seconds, \$10 for each initial license and each renewal;
- (7) timekeepers, \$10 for each initial license and each renewal;

(8) combatant, \$10 for each initial license and each renewal;

(9) managers, \$10 for each initial license and each renewal; and

(10) ringside physicians, \$10 for each initial license and each renewal.

(c) The commission shall establish ~~and assess an event~~ a contest fee for each ~~sporting event~~ combative sport contest. The ~~event~~ contest fee is ~~set at a minimum of~~ \$1,500 per event or a ~~percentage not more than four percent~~ of the ~~gross~~ ticket sales as determined by the commission when the ~~sporting event~~ combative sport contest is scheduled, ~~except that the amateur combative sport contest fee shall be \$150. The commission shall consider the size and type of venue when establishing a contest fee. The commission may establish the maximum number of complimentary tickets allowed for each event by rule. An amateur combative sport contest fee is nonrefundable.~~

~~(e)~~ (d) All fees and penalties collected by the ~~Minnesota Boxing~~ commission must be deposited in the ~~Boxing~~ commission account in the special revenue fund.

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 32. Minnesota Statutes 2006, section 341.33, is amended to read:

341.33 PHYSICAL EXAMINATION REQUIRED; FEES.

Subdivision 1. **Examination by physician.** All ~~boxers and referees~~ combatants must be examined by a physician licensed by this state within ~~three~~ 36 hours before entering the ring, and the examining physician shall immediately file with the commission a written report of the examination. The physician's examination ~~shall~~ may report on the condition of the ~~boxer's~~ combatant's heart and general physical and general neurological condition. The physician's report may record the condition of the ~~boxer's~~ combatant's nervous system and brain as required by the commission. The physician may prohibit the ~~boxer~~ combatant from entering the ring if, in the physician's professional opinion, it is in the best interest of the ~~boxer's~~ combatant's health. The cost of the examination is payable by the person or entity conducting the contest or exhibition.

Subd. 2. **Attendance of physician.** A person holding or sponsoring a ~~boxing contest~~ combative sport contest, shall have in attendance a physician licensed by this state. The commission may establish a schedule of fees to be paid to each attending physician by the person holding or sponsoring the contest.

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

Sec. 33. Minnesota Statutes 2006, section 341.34, subdivision 1, is amended to read:

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

(1) require insurance coverage for a ~~boxer~~ combatant to provide for medical, surgical, and hospital care for injuries sustained in the ring in an amount of at least ~~\$20,000~~ \$10,000 and payable to the ~~boxer~~ combatant as beneficiary; and

(2) require life insurance for a ~~boxer~~ combatant in the amount of at least ~~\$20,000~~ \$10,000 payable in case of accidental death resulting from injuries sustained in the ring.

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

Sec. 34. Minnesota Statutes 2006, section 341.35, is amended to read:

341.35 PENALTIES FOR NONLICENSED EXHIBITIONS CONTESTS.

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

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

Sec. 35. **[341.355] PENALTIES.**

When the commission finds that a person has violated one or more provisions of any statute, rule, or order that the commission is empowered to regulate, enforce, or issue, the commission may impose, for each violation, a civil penalty of up to \$10,000 for each violation, or a civil penalty that deprives the person of any economic advantage gained by the violation, or both.

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

Sec. 36. Minnesota Statutes 2006, section 341.37, is amended to read:

341.37 APPROPRIATION.

A ~~Boxing~~ commission account is created in the special revenue fund. Money in the account is annually appropriated to the ~~Boxing~~ commission for the purposes of conducting its statutory responsibilities and obligations.

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

Sec. 37. Minnesota Statutes 2007 Supplement, section 446A.072, subdivision 3, is amended to read:

Subd. 3. **Program administration.** (a) The authority shall provide supplemental assistance, as provided in subdivision 5a to governmental units:

- (1) whose projects are listed on the Pollution Control Agency's project priority list;
 - (2) that demonstrate their projects are a cost-effective solution to an existing environmental or public health problem; and
 - (3) whose projects are approved by the USDA/RECD or certified by the commissioner of the Pollution Control Agency.
- (b) For a governmental unit receiving grant funding from the USDA/RECD, applications must be made to the USDA/RECD with additional information submitted to the authority as required by the authority. Eligible project costs and affordability criteria shall be determined by the USDA/RECD.

(c) For a governmental unit not receiving grant funding from the USDA/RECD, application must be made to the authority on forms prescribed by the authority for the clean water revolving fund program with additional information as required by the authority. In accordance with section 116.182, the Pollution Control Agency shall:

(1) calculate the essential project component percentage which must be multiplied by the total project cost to determine the eligible project cost; and

(2) review and certify approved projects to the authority.

(d) ~~At the time funds are appropriated under this section, Each fiscal year the authority shall make funds available for projects based on their ranking on the Pollution Control Agency's project priority list. The authority shall reserve supplemental assistance funds for projects in order of their rankings on the Pollution Control Agency's project priority list and a project when the applicant receives a funding commitment from the United States Department of Agriculture Rural Development (USDA/RECD) or submits plans and specifications to the Pollution Control Agency. Funds must be reserved in an amount based on their most recent the project cost estimates estimate submitted to the authority or prior to the appropriation of the funds and awarded in the amount reserved or an amount based on the as-bid costs, whichever is less.~~

Sec. 38. Minnesota Statutes 2007 Supplement, section 446A.072, subdivision 5a, is amended to read:

Subd. 5a. **Type and amount of assistance.** (a) For a governmental unit receiving grant funding from the USDA/RECD, the authority shall provide assistance in the form of a grant of up to ~~one-half~~ 65 percent of the eligible grant ~~amount need~~ determined by USDA/RECD. A governmental unit may not receive a grant under this paragraph for more than \$4,000,000 or \$15,000 per existing connection, whichever is less, unless specifically approved by law. In the case of a sanitary district or other multijurisdictional project for which the USDA/RECD is unable to fully fund ~~up to one-half its share~~ of the eligible grant ~~amount need~~, the authority may provide up to an additional \$1,000,000 for each additional governmental unit participating up to a maximum of \$8,000,000 or \$15,000 per existing connection, whichever is less, but not to exceed the maximum grant level determined by the USDA/RECD as needed to keep the project affordable.

(b) For a governmental unit not receiving grant funding from the USDA/RECD, the authority shall provide assistance in the form of a loan for the eligible project costs plus the outstanding balance on any existing wastewater system debt that together exceed five percent of the market value of properties in the project service area, less the amount of any other grant funding received by the governmental unit for the project. A governmental unit may not receive a loan under this paragraph for more than \$4,000,000 or \$15,000 per existing connection, whichever is less, unless specifically approved by law. In the case of a sanitary district or other multijurisdictional project, the authority may provide a loan under this paragraph for up to an additional \$1,000,000 for each additional municipality participating up to a maximum of \$8,000,000 or \$15,000 per existing connection, whichever is less, unless specifically approved by law. A loan under this paragraph must bear no interest, must be repaid as provided in subdivision 7, and must only be provided in conjunction with a loan from the clean water revolving fund under section 446A.07.

(c) Notwithstanding the limits in paragraphs (a) and (b), for a governmental unit receiving supplemental assistance under this section after January 1, 2002, if the authority determines that the governmental unit's construction and installation costs are significantly increased due to geological conditions of crystalline bedrock or karst areas and discharge limits that are more stringent than secondary treatment, the authority shall provide assistance in the form of half grant and half loan. Assistance from the authority may not be more than \$25,000 per existing connection. Any additional grant amount received for the same project must be used to reduce the amount of the governmental unit's loan from the ~~clean water pollution control~~ revolving fund that exceeds five percent of the market value of properties in the project service area.

Sec. 39. Minnesota Statutes 2007 Supplement, section 446A.086, is amended to read:

446A.086 STATE MAY GUARANTEE COUNTY GOVERNMENTAL UNIT BUILDING DEBT; REPAYMENT.

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

(b) "Authority" means the Minnesota Public Facilities Authority.

(c) "Commissioner" means the commissioner of finance.

(d) "Debt obligation" means:

(1) a general obligation bond issued by a county, a bond to which the general obligation of a county is pledged under section 469.034, subdivision 2, or a bond payable from a county lease obligation under section 641.24, to provide funds for the construction of:

~~(1)~~ (i) jails;

~~(2)~~ (ii) correctional facilities;

~~(3)~~ (iii) law enforcement facilities;

~~(4)~~ (iv) social services and human services facilities;

~~(5)~~ (v) solid waste facilities; or

~~(6)~~ (vi) qualified housing development projects as defined in section 469.034, subdivision 2; or

(2) a general obligation bond issued by a governmental unit to provide funds for the construction, improvement, or rehabilitation of:

(i) wastewater facilities;

(ii) drinking water facilities;

(iii) stormwater facilities; or

(iv) any publicly owned building or infrastructure improvement that has received partial funding from grants awarded by the commissioner of employment and economic development related to redevelopment, contaminated site cleanup, bioscience, small cities development programs, and rural business infrastructure programs, for which bonds are issued by the authority under section 446A.087.

(e) "Governmental unit" means a county or a statutory or home rule charter city.

Subd. 2. **Application.** (a) This section provides a state guarantee of the payment of principal and interest on debt obligations if:

(1) the obligations are issued after June 30, 2000;

(2) application to the Public Facilities Authority is made before issuance; and

(3) the obligations are covered by an agreement meeting the requirements of subdivision 3.

(b) Applications to be covered by the provisions of this section must be made in a form and contain the information prescribed by the authority. Applications are subject to either a fee of \$500 for the first each bond issue requested by the a county and \$250 for each bond issue thereafter or governmental unit or the applicable fees under section 446A.087.

(c) Application fees paid under this section must be deposited in a separate county credit enhancement bond guarantee account in the general fund. Money in the county credit enhancement bond guarantee account is appropriated to the authority for purposes of administering this section.

(d) Neither the authority nor the commissioner is required to promulgate administrative rules under this section and the procedures and requirements established by the authority or commissioner under this section are not subject to chapter 14.

Subd. 3. **Agreement.** (a) For specified debt obligations ~~of a county~~ to be covered by this section, the county governmental unit must enter an agreement with the authority obligating the county governmental unit to be bound by this section.

(b) This agreement must be in a form prescribed by the authority and contain any provisions required by the authority, including, at least, an obligation to:

(1) deposit with the paying agent three days before the date on which the payment is due an amount sufficient to make that payment or ten days prior to the date a payment is due on revenue bonds issued by the authority under section 446A.087;

(2) notify the authority, if the county governmental unit will be unable to make all or a portion of the payment; and

(3) include a provision in the bond resolution and county's agreement with the paying agent for the debt obligation that requires the paying agent to inform the commissioner if it becomes aware of a default or potential default in the payment of principal or interest on that issue or if, on the day two business days before the date a payment is due on that issue, there are insufficient funds to make the payment on deposit with the paying agent.

(c) Funds invested in a refunding escrow account established under section 475.67 that are to become available to the paying agent on a principal or interest payment date are deemed to be on deposit with the paying agent three business days before the payment date.

(d) The provisions of an agreement under this subdivision are binding as to an issue as long as any debt obligation of the issue remains outstanding.

(e) This section and the obligations of the state under this section are not a public debt of the state under article XI, section 4, of the Minnesota Constitution, and the legislature may, at any time, choose not to appropriate amounts under subdivision 4, paragraph (b).

Subd. 4. **Notifications; payment; appropriation.** (a) After receipt of a notice of a default or potential default in payment of principal or interest in debt obligations covered by this section or an agreement under this section, and after consultation with the county, governmental unit and the paying agent, and after verification of the accuracy of the information provided, the authority shall notify the commissioner of the potential default. The notice must include a final figure as to the amount due that the county governmental unit will be unable to repay on the date due.

(b) Upon receipt of this notice from the authority, the commissioner shall issue a warrant and authorize the authority to pay to the bond holders or paying agent for the debt obligation the specified amount on or before the date due. The amounts needed for the purposes of this subdivision are annually appropriated to the authority from the general fund.

Subd. 5. **Interest on state paid amount.** If the state has paid part or all of the principal or interest due on a county's debt obligation, the amount paid bears interest from the date paid by the state until the date of repayment. The interest rate is the commissioner's invested cash rate as it is certified by the commissioner. Interest only accrues on the amounts paid and outstanding less the reduction in aid under subdivision 7 and other payments received from the county governmental unit.

Subd. 6. **Pledge of county's governmental unit's full faith and credit.** If the state has paid part or all of the principal or interest due on a county's debt obligation, the county's governmental unit's pledge of its full faith and credit and unlimited taxing powers to repay the principal and interest due on those debt obligations becomes, without an election or the requirement of a further authorization, a pledge of the full faith and credit and unlimited taxing powers of the county governmental unit to repay to the state the amount paid, with interest. Amounts paid by the state must be repaid in the order in which the state payments were made.

Subd. 7. **Aid reduction for repayment.** (a) Except as provided in paragraph (b), the commissioner may reduce, by the amount paid by the state under this section on behalf of the county governmental unit, plus the interest due on the state payments, the ~~county program~~ local government aid under ~~section 477A.0124~~ chapter 477A. The amount of any aid reduction reverts from the appropriate account to the state general fund.

(b) If, after review of the financial situation of the county governmental unit, the authority advises the commissioner that a total reduction of the aids would cause an undue hardship on the county governmental unit, the authority, with the approval of the commissioner, may establish a different schedule for reduction of aids to repay the state. The amount of aids to be reduced are decreased by any amounts repaid to the state by the county governmental unit from other revenue sources.

Subd. 8. **Tax levy for repayment.** (a) With the approval of the authority, a county governmental unit may levy in the year the state makes a payment under this section an amount up to the amount necessary to provide funds for the repayment of the amount paid by the state plus interest through the date of estimated repayment by the county governmental unit. The proceeds of this levy may be used only for this purpose unless they exceed the amount actually due. Any excess must be used to repay other state payments made under this section or must be deposited in the debt redemption fund of the county governmental unit. The amount of aids to be reduced to repay the state are decreased by the amount levied.

(b) If the state is not repaid in full for a payment made under this section by November 30 of the calendar year following the year in which the state makes the payment, the authority shall require the county governmental unit to certify a property tax levy in an amount up to the amount necessary to provide funds for repayment of the amount paid by the state plus interest through the date of estimated repayment by the county governmental unit. To prevent undue hardship, the authority may allow the county governmental unit to certify the levy over a five-year period. The proceeds of the levy may be used only for this purpose unless they are in excess of the amount actually due, in which case the excess must be used to repay other state payments made under this section or must be deposited in the debt redemption fund of the county governmental unit. If the authority orders the county governmental unit to levy, the amount of aids reduced to repay the state are decreased by the amount levied.

(c) A levy under this subdivision is an increase in the levy limits of the county governmental unit for purposes of section 275.065, subdivision 6, and must be explained as a specific increase at the meeting required under that provision.

Subd. 9. **Mandatory plan; technical assistance.** If the state makes payments on behalf of a county governmental unit under this section or the county governmental unit defaults in the payment of principal or interest on an outstanding debt obligation, it must submit a plan to the authority for approval specifying the measures it intends to implement to resolve the issues which led to its inability to make the payment and to prevent further defaults. If the authority determines that a county's governmental unit's plan is not adequate, the authority shall notify the county governmental unit that the plan has been disapproved, the reasons for the disapproval, and that the state will not make future payments under this section for debt obligations of the affected county governmental unit issued after the date specified in that notice until its plan is approved. The authority may also notify the county governmental unit that until its plan is approved, aids due the county governmental unit will be withheld after a date specified in the notice.

Subd. 10. **Continuing disclosure agreements.** The authority may enter into written agreements or contracts relating to the continuing disclosure of information needed to facilitate the ability of counties governmental units to issue debt obligations according to federal securities laws, rules, and regulations, including securities and exchange commission rules and regulations, section 240.15c2-12. The agreements or contracts may be in any form the authority deems reasonable and in the state's best interests.

Subd. 11. **Amount of debt obligation authorized.** The amount of debt outstanding under this section must not exceed \$500,000,000.

Sec. 40. **[446A.087] CREDIT ENHANCED BOND PROGRAM.**

Subdivision 1. **Establishment of program.** A credit enhanced bond program is established for the purposes set forth in subdivision 2.

Subd. 2. **Purpose.** The purpose of the credit enhanced bond program is to provide loans to governmental units through the purchase of general obligation bonds of governmental units issued to finance all or a portion of the costs of a project. The program shall include providing credit enhancement to the general obligation bonds of the governmental unit through the guarantee program as provided in section 446A.086. The authority shall obtain funds to make the loans authorized pursuant to this section through the issuance of its revenue bonds payable from loan repayments pledged to the bonds, and such other sources and security as are specifically pledged by the authority.

Subd. 3. **Definitions.** (a) Terms used in this section have the meanings given to them in this subdivision.

(b) "Applicant" means any governmental unit applying to the authority for a loan pursuant to this section.

(c) "Borrower" means any governmental unit that has entered into a commitment for the sale of its general obligation bonds to the authority pursuant to this section and subsequently sells its general obligation bonds to the authority and enters into a regulatory agreement.

(d) "Commitment" means a written agreement between a governmental unit and the authority obligating the governmental unit to deliver its general obligation bonds to the authority on a date in the future evidencing a loan pursuant to this section and to enter into a regulatory agreement with the authority, all upon the terms and conditions set forth in the commitment.

(e) "Eligible cost" means any cost of a project authorized by law to be financed from the proceeds of general obligation bonds of a governmental unit.

(f) "General obligation bonds" means bonds or notes secured by the full faith and credit and unlimited taxing powers of a governmental unit.

(g) "Project" means the construction, improvement, or rehabilitation of any publicly owned building or infrastructure improvement that has received partial funding from grants awarded by the commissioner of employment and economic development related to redevelopment, contaminated site cleanup, bioscience, small cities development programs, and rural business infrastructure programs.

(h) "Regulatory agreement" means a written agreement entered into by the authority and a borrower in connection with the purchase of the borrower's general obligation bonds by the authority pursuant to this section.

Subd. 4. **Establishment of fund and accounts.** A credit enhancement bond program fund is established for the purposes described in subdivision 2. Other accounts may be established in the fund as necessary for its management and administration. Money in the fund is annually appropriated to the authority and does not lapse. The fund must be credited with investment income, and with repayments of principal and interest, except for fees assessed under section 446A.04, subdivisions 5 and 15.

Subd. 5. **Management of fund and accounts.** The authority shall manage and administer the credit enhancement bond program fund and individual accounts in the fund. For those purposes, the authority may exercise all powers provided in this chapter.

Subd. 6. **Applications.** (a) Applicants for participation in the credit enhancement bond program must submit an application to the authority on forms prescribed by the authority. The applicant shall provide information customary to that needed for the disclosure purposes in issuing general obligation bonds in the market, in addition to the following information:

- (1) the total estimated cost of the project and the amount of general obligation bond proceeds sought;
- (2) other sources of funding if the general obligation bond proceeds do not cover the entire costs identified;
- (3) the proposed sources of funds to be used for repayment of the general obligation bonds;
- (4) information showing the applicant's financial status and ability of the applicant to repay loans;
- (5) the proposed term and principal repayment schedule for the general obligation bonds of the applicant; and

(6) the statutory authorization for the applicant to issue such general obligation bonds, together with a statement that the statutory provision authorizes the use of proceeds of such general obligation bonds to pay the costs of a project.

(b) The authority may establish deadlines or time periods for the submission of applications to facilitate funding loans from the proceeds of a specific bond issue proposed or previously issued by the authority, or the authority may accept applications from time to time.

(c) Each application must be complete and accurate to be considered delivered to and received by the authority or to be considered as having met any deadline established by the authority with respect to an application period. If any application is determined by the authority to be incomplete or inaccurate, the authority shall notify the applicant and specify the missing or inaccurate information.

(d) The executive director and the staff of the authority shall evaluate the applications to determine if the application should be accepted or rejected by the authority.

(e) The authority is not obligated to accept any application including those complete and accurate and submitted by any specified deadline for submission if the authority determines that it is not practicable to fund the loan for any reason including, but not limited to, the creditworthiness of the applicant, the proposed loan amount, the term and

repayment schedule, the sources of funding available to the authority, and current market conditions. Upon acceptance and approval of an application by the authority, the authority may require that the applicant authorize, execute, and deliver a commitment to the authority within such time period specified by the authority in its acceptance of the application. The authority may reject an approved application for failure by the applicant to authorize, execute, and deliver a commitment by the specified deadline.

Subd. 7. Loan terms and conditions. (a) The terms and conditions of loans provided by the authority pursuant to the credit enhanced bond program are as provided by this section, any applicable bond resolution or series bond resolution of the authority, any trust indenture pursuant to which any series of bonds of the authority are issued, the regulatory agreement, the commitment and the general obligation bond, and the authorizing resolution of the borrower.

(b) The loan must be made by the authority through its purchase of the general obligation bond of the borrower. The borrower shall provide the authority with the opinion of nationally recognized bond counsel as to the valid authorization, issuance, and enforceability of the general obligation bond of the borrower, and the exclusion of interest thereon from gross income for the purposes of federal taxation, subject to customary qualifications. The general obligation bond of the borrower may pledge other specified sources of revenues for repayment to the extent permitted or required by law, in addition to the full faith and credit and unlimited taxing powers of the borrower.

(c) The authority may disburse the proceeds of the loan as a single payment for the general obligation bond or from time to time pursuant to draw requests if the general obligation bond of the borrower is structured as a periodic drawdown bond. In the event the authority pays for the general obligation bond in a single payment, the borrower shall establish a project account and disburse the proceeds of its general obligation bond solely for costs of the project approved in its application pursuant to such additional requirements specified in the regulatory agreement.

(d) In order to facilitate the issuance of the authority's revenue bonds to finance a pool of loans to different borrowers, the authority may require the borrower in the commitment to issue its general obligation bond on a date certain in the future, and may require the borrower to pay the costs incurred by the authority as a result of the borrower's failure to deliver its general obligation bond as required by the commitment. The commitment may also require the borrower to provide to the authority full disclosure of all material facts and financial information relating to the borrower that would be required if the borrower issued its general obligation bond to the public, certified as to completeness and accuracy by authorized officers of the borrower, and authorization for the authority to use such information in connection with the sale of the authority's revenue bonds or disclosure relating to the authority's revenue bonds.

(e) In addition to delivering its general obligation bond, each borrower shall enter into a regulatory agreement with the authority providing additional terms of the loan as the authority may specify, including providing to the authority periodic reports and information relating to the acquisition or construction of the project and use of the proceeds of the borrower's general obligation bond and periodic operating, financial, and other information as to the creditworthiness of the borrower, and providing and filing continuing secondary market disclosure to the extent required by the authority.

(f) The purchase or commitment to purchase general obligation bonds of borrowers by the authority shall be subject to the availability of proceeds of revenue bonds of the authority for such purpose and the authority is not liable to any borrower for the failure to purchase its general obligation bond pursuant to a commitment or any other agreement if proceeds of the authority's revenue bonds are not available for any reason.

Subd. 8. Interest rate determination. The rate of interest on the general obligation bonds of the borrower must be the true interest cost on the revenue bonds of the authority issued to purchase such general obligation bonds of the borrower plus the ongoing percentage fee charged by the authority under subdivision 10; provided that the interest rate must not exceed any limit imposed by federal tax law with respect to the authority's revenue bonds.

Subd. 9. **Market considerations.** The authority may suspend offering loans if it is determined by the executive director that there are extreme or unusual events impacting the bond market and that to continue making loans would be detrimental to holders of the authority's revenue bonds or the financial viability of the credit enhanced bond program, or if the state is warned by one of its rating agencies that continuing to make loans will result in lowering the state's bond rating. If the making of loans is suspended under this section, the authority shall have the option to resume making loans once it has determined that the conditions for suspending the program no longer exist.

Subd. 10. **Fees.** The authority shall charge a nonrefundable application fee of \$1,000 payable by each applicant upon submission of an application to the authority. A separate application fee must be payable for each application submitted, including a resubmitted application for an application that was rejected by the authority or determined to be incomplete or inaccurate by the authority. The authority shall charge an ongoing periodic fee of ten basis points of the outstanding principal amount of the loan to be added to, and be a component of, the interest rate on the general obligation bonds of the borrower.

Subd. 11. **Authority revenue bonds.** (a) The authority is authorized to issue revenue bonds as provided in this chapter to fund the credit enhanced bond program. The revenue bonds may be issued in one or more series pursuant to a resolution of the authority or a series resolution or pursuant to a trust indenture with a financial institution with trust powers as trustee, authorized by resolution of the authority. Any issue of bonds may be used to fund one or more loans, may be payable by the loans funded from such issue of bonds and such additional loans as pledged by the authority, and may be payable on a subordinated basis to other bonds. As permitted by the terms of any revenue bonds issued by the authority, the authority may sell the general obligations pledged to the payment of the revenue bonds and any proceeds of the sale in excess of those used to pay the principal of the revenue bonds must be deposited to the credit enhanced bond program fund and may be used to purchase additional general obligation bonds of borrowers, to provide credit enhancement for the authority's revenue bonds, or to pay any other expense of the credit enhanced bond program.

(b) The authority may issue short-term bonds in anticipation of issuing long-term bonds for the purpose of acquiring general obligation bonds of borrowers.

(c) Bonds issued by the authority for the credit enhanced bond program must not be general obligations of the authority to the payment of which the general assets of the authority are pledged or available for payment. All bonds issued for the credit enhanced bond programs by the authority must be revenue bonds payable solely from the sources specified in the bond.

Subd. 12. **Reports, disclosure, audits.** (a) During the term of the loan the borrower shall provide written reports to the authority. The content and timing of these reports must be as specified in the regulatory agreement.

(b) During the term of the loan the borrower shall disclose to the authority any material information or events adversely affecting the creditworthiness of the borrower as specified in the regulatory agreement. If required by the authority in a regulatory agreement, the borrower shall enter into a continuing disclosure undertaking to provide disclosure to the market.

(c) During the term of the loan, the borrower shall provide to the authority on an annual basis financial statements of the borrower audited by an independent accounting firm, as further specified in the regulatory agreement.

Sec. 41. Minnesota Statutes 2006, section 446A.12, subdivision 1, is amended to read:

Subdivision 1. **Bonding authority.** The authority may issue negotiable bonds in a principal amount that the authority determines necessary to provide sufficient funds for achieving its purposes, including the making of loans and purchase of securities, the payment of interest on bonds of the authority, the establishment of reserves to secure

its bonds, the payment of fees to a third party providing credit enhancement, and the payment of all other expenditures of the authority incident to and necessary or convenient to carry out its corporate purposes and powers, but not including the making of grants. Bonds of the authority may be issued as bonds or notes or in any other form authorized by law. The principal amount of bonds issued and outstanding under this section at any time may not exceed \$1,500,000,000, excluding bonds for which refunding bonds or crossover refunding bonds have been issued, and excluding any bonds issued for the credit enhanced bond program or refunding or crossover refunding bonds issued under the program. The principal amount of bonds issued and outstanding under section 446A.087, may not exceed \$500,000,000, excluding bonds for which refunding bonds or crossover refunding bonds have been issued.

Sec. 42. Minnesota Statutes 2006, section 462A.22, subdivision 1, is amended to read:

Subdivision 1. **Debt ceiling.** The aggregate principal amount of bonds and notes which are outstanding at any time, excluding the principal amount of any bonds and notes refunded by the issuance of new bonds or notes, shall not exceed the sum of ~~\$3,000,000,000~~ \$5,000,000,000.

Sec. 43. **[469.35] TRANSIT IMPROVEMENT AREA ACCOUNTS.**

Two transit improvement area accounts are created, one in the general fund and one in the bond proceeds fund. Money in the accounts may be used to make grants or loans as provided in section 469.351 and for the commissioner's costs in reviewing applications and making loans or grants. Money in the accounts must not be used to pay for the operation of transit lines or the construction or operating costs of transit stations.

Sec. 44. **[469.351] TRANSIT IMPROVEMENT AREA LOAN PROGRAM.**

Subdivision 1. **Definitions.** (a) The terms defined in this section have the meanings given them and apply to sections 469.35 and 469.351.

(b) "Applicant" means a local governmental unit or a joint powers board, established under section 471.59.

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

(d) "Eligible organization" means an applicant that has been designated as a transit improvement area by the commissioner.

(e) "Local governmental unit" means a statutory or home rule charter city or town, or a county.

(f) "Transit improvement area" means a geographic area designated by the commissioner composed of land parcels that are in proximity to a transit station.

(g) "Transit station" means a physical structure to support the interconnection of public transit modes including at least one of the following modes: bus rapid transit, light rail transit, and commuter rail.

Subd. 2. **Designation of transit improvement areas.** A transit improvement area must increase the effectiveness of a transit project by incorporating one or more public transit modes with commercial, residential, or mixed-use development and by providing for safe and pedestrian-friendly use. The commissioner, in consultation with affected state and regional agencies, must designate transit improvement areas that meet the objectives under this subdivision. Affected state and regional agencies include, but are not limited to, the Minnesota Department of Transportation, the Minnesota Housing Finance Agency, and the Metropolitan Council for transit improvement areas located in the seven-county metropolitan region. To be eligible for designation, an applicant must submit a transit area improvement plan according to the requirements and timelines established by the commissioner. At a minimum, the plan must include the information specified under subdivision 3. The commissioner may modify an applicant's plan to better achieve the objectives of transit improvement areas. The commissioner must notify applicants of the designations and must provide a statement of any changes to an applicant's plan with justification for all changes.

Subd. 3. **Transit area improvement plan.** (a) An applicant must adopt a transit area improvement plan by resolution before submitting the application to the commissioner with the information required in this subdivision. Each transit area improvement plan must include the following:

- (1) a map indicating the geographic boundaries of the transit improvement area;
- (2) a description of the project for which funding under subdivision 4 is being requested;
- (3) an analysis of the demographic mix of people who are anticipated to use the transit station;
- (4) a description of the ownership and intended use of public and private facilities to be constructed in the transit improvement area, including infrastructure, buildings and other structures, and parks;
- (5) a description of pedestrian-friendly improvements to be provided, including walkways, parkways, and signage;
- (6) a statement of findings that the redevelopment or development of the transit improvement area promotes higher density land uses resulting in increased transit ridership;
- (7) a statement of the anticipated sources and amounts of local public funds;
- (8) a statement of the anticipated sources and amounts of private funds;
- (9) a statement of the anticipated sources and amounts of leveraged regional, state, and federal funds;
- (10) a description of the linkages to existing and proposed local, regional, and state transit systems; and
- (11) a description of other factors in the proposed development to increase ridership.

(b) Transit improvement area plans with a residential component must propose at least 12 residential units per acre or a density bonus that allows for an increase in the number of residential units over what is permitted by the underlying zoning. The plan must include a description of the variety of housing types, including housing appropriate for low income persons, disabled persons, and senior citizens and the prices for each housing type within the transit improvement area.

Subd. 4. **Transit improvement area loans.** (a) The commissioner may make loans to eligible organizations to be used for eligible costs under paragraph (b). A loan must be used for a designated transit improvement area, under the following terms:

- (1) the eligible organization must guarantee repayment of 100 percent of the loan;
- (2) a loan must be for a term of ten years, unless repayment is from a tax increment financing district or other state or federal funds, at an interest rate of two percent;
- (3) the eligible organization must make annual interest-only payments during the ten-year term of the loan;
- (4) the eligible organization must pay the entire principal amount of the initial loan at the end of the ten-year term;
- (5) a loan may not exceed \$2,000,000;

(6) the commissioner must disburse the loan on a cash-needs basis, based on costs incurred by the eligible organization, as well as reporting and other requirements outlined in subdivision 5;

(7) the eligible organization must maintain the funds in accounts that allow the funds to be readily available for business investments;

(8) the eligible organization and the commissioner may agree on contract specifications that are consistent with payback from a tax increment financing district or from any other state and federal funds that may be forthcoming; and

(9) an eligible organization that receives a loan must report annually, in a format prescribed by the commissioner, on the nature and amount of the business investments in the transit improvement area, including an account of each financing transaction involving loans received under this section, the types and amounts of financing from sources other than the transit improvement area loan, the number of jobs created, and the amount of private sector and nonstate investment leveraged.

(b) Loans under this section must be used to supplement and not replace funding from existing sources or programs. Loans must not be used for the construction costs of transit stations; transit systems; or the operating costs of public transit or transportation, including, but not limited to, the costs of maintaining, staffing, or operating transit stations. Loans from the bond proceeds fund must be spent to acquire and to better publicly owned land and buildings and other public improvements of a capital nature. Loans can be used for the following eligible expenditures according to an approved transit area improvement plan:

(1) clearing land;

(2) relocation costs;

(3) corrections for soil, including removing or remediation of hazardous substances;

(4) construction or installation of walkways, bridges or tunnels for pedestrians, bikeways, parking facilities, and signage;

(5) improvements to streetscapes;

(6) construction of public infrastructure to support construction of new affordable housing, senior housing, or housing for disabled persons;

(7) construction of public infrastructure to support job creation in the area, especially small business development;

(8) developing green spaces and parks; and

(9) administrative expenses of the local authority.

(c) All loan repayments under this section must be made to the appropriate account under section 469.35 for reinvestment in transit improvement areas.

Subd. 5. **Loan requirements.** All loans under this section are subject to an investment agreement that must include:

(1) a description of the eligible organization, including business finance experience, qualifications, and investment history;

(2) a description of the uses of investment proceeds by the eligible organization;

(3) an explanation of the investment objectives; and

(4) a description of the method of payment.

Sec. 45. Laws 2002, chapter 382, article 2, section 5, subdivision 3, as added by Laws 2003, chapter 128, article 9, section 10, subdivision 3, is amended to read:

Subd. 3. **Removal of area.** After adopting the first plan, any of the local governmental units can elect not to be included within the central iron range sanitary sewer district by delivering a written resolution of the governing body of the governmental unit to the central iron range sanitary sewer district within ~~60~~ 180 days of adoption of the first comprehensive plan. The area of the local governmental unit shall then be removed from the district.

EFFECTIVE DATE. This section is effective the day after the governing bodies of the cities of Hibbing, Buhl, Chisholm, and Kinney, and the town boards of Balkan and Great Scott, and their chief clerical officers have timely complied with Minnesota Statutes, section 645.021.

Sec. 46. **CENTRAL IRON RANGE SANITARY SEWER DISTRICT.**

Local approval of Laws 2003, chapter 128, article 9, amending portions of Laws 2002, chapter 382, article 2, having been timely completed by the cities of Hibbing, Buhl, Chisholm, and Kinney, and the town boards of the towns of Balkan and Great Scott, is approval of Laws 2002, chapter 382, article 2. Laws 2002, chapter 382, article 2, is effective December 27, 2003, upon completion of local approval of this section under Minnesota Statutes, section 645.021. Actions undertaken in accordance with Laws 2002, chapter 382, article 2, as amended by Laws 2003, chapter 128, article 9, are validated by this section.

EFFECTIVE DATE. This section is effective the day after the governing bodies of the cities of Hibbing, Buhl, Chisholm, and Kinney, and the town boards of Balkan and Great Scott, and their chief clerical officers have timely complied with Minnesota Statutes, section 645.021.

Sec. 47. **BIOSCIENCE SUBSIDY.**

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

Sec. 48. **INITIAL ADMINISTRATION.**

Subdivision 1. **Convening authority.** The commissioner of employment and economic development or the commissioner's designee shall convene the initial organizational meeting of the trade policy advisory group.

Subd. 2. **Deadline for appointments and designations.** The appointments and designations authorized by Minnesota Statutes, section 116J.977, subdivision 2, must be complete by September 30, 2008.

EFFECTIVE DATE. This section is effective July 1, 2008.

Sec. 49. **MINNESOTA VACATION RENTAL LODGING STUDY.**

Explore Minnesota Tourism shall conduct a study of vacation rental lodging in Minnesota and report to the legislature any recommendations needed to protect consumers, ensure tax compliance, promote safe rentals, and promote tourism in Minnesota.

Explore Minnesota Tourism shall consult with the Minnesota Department of Revenue, Minnesota Department of Health, political subdivisions, and representatives of the tourism industry including resorts, bed and breakfast establishments, cabin owner associations, convention and visitor bureaus, and others to determine and recommend regulations or legislation to define and promote the vacation rental lodging.

Explore Minnesota Tourism shall report by January 15, 2009, to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over any recommendations developed from the study, including any proposed legislation.

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

Sec. 50. **MINNESOTA UNEMPLOYMENT INSURANCE ADVISORY COUNCIL; RECOMMENDATIONS REQUIRED.**

The Minnesota Unemployment Insurance Advisory Council must provide a recommendation to the chairs and ranking minority members of the senate and house committees with jurisdiction over unemployment insurance by January 15, 2009, on modifications to the additional unemployment insurance benefits provisions of Minnesota Statutes, section 268.125, to better meet the needs of Minnesota's changing workforce. Consideration in determining benefit entitlement must be given, but is not limited to, the following:

(1) if the applicant's residence within a county, or some other type of regional or labor market area, should be a factor;

(2) if prior work history should be a factor;

(3) if the industry worked in should be a factor;

(4) if the applicant's primary occupation should be a factor;

(5) if benefits should be limited to applicants unemployed only because of a layoff due to lack of work; and

(6) if the size of the prior employer's workforce and the percentage decrease in employment should be a factor.

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

Sec. 51. **REVISOR'S INSTRUCTION; UNEMPLOYMENT INSURANCE TECHNICAL CHANGES.**

The revisor of statutes shall make the following changes in Minnesota Statutes:

(1) renumber Minnesota Statutes, section 268.196, subdivision 3, as Minnesota Statutes, section 268.199;

(2) renumber Minnesota Statutes, section 268.196, subdivision 4, as Minnesota Statutes, section 268.211;

(3) change "additional assessments" to "special assessments" and change "shall" to "must" in Minnesota Statutes, section 268.051, subdivision 1;

(4) change "referee" to "unemployment law judge" in Minnesota Statutes, section 10A.01, subdivision 35, clause (11);

(5) change "determination of eligibility or ineligibility" to "determination of eligibility or determination of ineligibility" in Minnesota Statutes, section 268.101, subdivision 4;

(6) change "shall be" to "is" in Minnesota Statutes, section 268.115, subdivision 8;

(7) change "shall be" to "is" in Minnesota Statutes, section 268.145, subdivision 5; and

(8) renumber Minnesota Statutes, section 268.03, subdivision 2, as Minnesota Statutes, section 268.031.

Sec. 52. **REPEALER.**

Minnesota Statutes 2006, section 341.31, is repealed.

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

Delete the title and insert:

"A bill for an act relating to economic development; restricting certain waste management practices; requiring state approval for government procurement agreements; establishing a trade policy group; providing workplace communication protection; classifying certain civil service positions; making technical changes; regulating unemployment benefits; regulating use of funds; regulating and renaming the Boxing Commission; defining terms; providing civil penalties; regulating the Public Facilities Authority; providing for military reservist economic injury loan; establishing a credit enhanced bond program; adjusting debt ceilings; regulating state guarantee of certain debt payments; creating transit improvement area accounts and a loan program; validating local approvals; requiring subsidy documentation; granting convening authority and setting deadlines for appointments; renumbering sections; requiring a study; requiring recommendations; amending Minnesota Statutes 2006, sections 116L.17, subdivision 4; 268.125, subdivisions 1, 2, by adding a subdivision; 299M.03, subdivision 2; 341.21, as amended; 341.23; 341.26; 341.28, as amended; 341.29; 341.30; 341.32, as amended; 341.33; 341.34, subdivision 1; 341.35; 341.37; 446A.12, subdivision 1; 462A.22, subdivision 1; Minnesota Statutes 2007 Supplement, sections 10A.01, subdivision 35; 116L.17, subdivision 1; 214.04, subdivision 3; 268.047, subdivisions 1, 2; 268.085, subdivisions 3, 9, 16; 268.125, subdivision 3; 341.22; 341.25; 341.27; 341.321; 446A.072, subdivisions 3, 5a; 446A.086; Laws 2002, chapter 382, article 2, section 5, subdivision 3, as added; proposing coding for new law in Minnesota Statutes, chapters 115A; 116J; 181; 341; 446A; 469; repealing Minnesota Statutes 2006, section 341.31."

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

House Conferees: TOM RUKAVINA, MARY MURPHY AND BOB GUNTHER.

Senate Conferees: DAVID J. TOMASSONI, JAMES P. METZEN AND TERRI E. BONOFF.

Rukavina moved that the report of the Conference Committee on H. F. No. 3722 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 3722, A bill for an act relating to economic development; providing military reservist economic injury loans; defining terms; appropriating money; amending Minnesota Statutes 2007 Supplement, section 116L.17, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 116J.

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 122 yeas and 10 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, B.	Emmer	Finstad	Norton	Peppin
Buesgens	Erickson	Holberg	Olson	Seifert

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

CALENDAR FOR THE DAY

H. F. No. 1724 was reported to the House.

Walker moved to amend H. F. No. 1724, the third engrossment, as follows:

Page 3, line 9, after "examinations" insert ", and performing waived tests as defined by the United States Food and Drug Administration Clinical Laboratory Improvement Amendments of 1988 (CLIA)"

The motion prevailed and the amendment was adopted.

Severson moved to amend H. F. No. 1724, the third engrossment, as amended, as follows:

Page 3, line 5, delete "barrier devices for contraception,"

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

H. F. No. 1724, A bill for an act relating to occupations and professions; providing for registration of naturopathic doctors; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 147E.

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 90 yeas and 42 nays as follows:

Those who voted in the affirmative were:

Abeler	Dominguez	Hoppe	Lillie	Nelson	Slawik
Anderson, S.	Eken	Hortman	Loeffler	Olin	Slocum
Anzenc	Emmer	Hosch	Madore	Paulsen	Solberg
Atkins	Erhardt	Howes	Magnus	Paymar	Swails
Berns	Finstad	Huntley	Mahoney	Pelowski	Thao
Bigham	Fritz	Jaros	Mariani	Peterson, A.	Thissen
Brod	Gardner	Johnson	Masin	Peterson, N.	Tillberry
Brown	Garofalo	Juhnke	McFarlane	Peterson, S.	Tingelstad
Brynaert	Greiling	Kahn	McNamara	Poppe	Walker
Bunn	Hamilton	Kalin	Moe	Rukavina	Ward
Carlson	Hausman	Kohls	Morgan	Ruud	Wardlow
Clark	Haws	Laine	Morrow	Sailer	Welti
Davnie	Hilstrom	Lenczewski	Mullery	Scalze	Wollschlager
Dean	Hilty	Lesch	Murphy, E.	Sertich	Zellers
DeLaForest	Holberg	Lieder	Murphy, M.	Simon	Spk. Kelliher

Those who voted in the negative were:

Anderson, B.	Dettmer	Faust	Koenen	Otremba	Simpson
Beard	Dill	Gottwalt	Lanning	Ozment	Smith
Benson	Dittrich	Gunther	Liebling	Peppin	Tschumper
Bly	Doty	Hackbarth	Marquart	Ruth	Urdahl
Buesgens	Drazkowski	Heidgerken	Nornes	Seifert	Wagenius
Cornish	Eastlund	Hornstein	Norton	Severson	Westrom
Demmer	Erickson	Knuth	Olson	Shimanski	Winkler

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

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. 3149, A bill for an act relating to the financing and operation of state and local government; making policy, technical, administrative, enforcement, collection, refund, clarifying, and other changes to income, franchise, property, sales and use, minerals, wheelage, mortgage, deed, and estate taxes, and other taxes and tax-related provisions; providing for homestead credit state refund; providing for aids to local governments; providing city foreclosure and deed grants; changing and providing property tax exemptions and credits; modifying job opportunity building zone program; modifying green acre eligibility requirements; providing aggregate resource preservation property tax law; providing seasonal recreational property tax deferral program; modifying eligibility for senior citizen tax deferral program; modifying transit taxing district; modifying levies, property valuation procedures, homestead provisions, property tax classes, and class rates; requiring levy limits under certain contingencies; providing for and modifying sales tax exemptions; exempting two-wheel, motorized vehicles from wheelage tax; abolishing the political contribution refund; providing exclusion from income for certain veterans' retirement benefits; providing credits; providing for additional financing of metropolitan area transit and paratransit capital expenditures; authorizing issuance of certain obligations; modifying provision governing bonding for county libraries; changing and authorizing powers, duties, and requirements of local governments and authorities and state departments or agencies; modifying, extending, and authorizing certain tax increment financing districts; authorizing and modifying local sales taxes; prohibiting the imposition of new local sales taxes; providing federal updates; changing accelerated sales tax; creating Surplus Lines Association of Minnesota; creating Iron Range revitalization account; changing provisions related to data practices and debt collection; requiring studies; providing appointments; appropriating money; amending Minnesota Statutes 2006, sections 13.51, subdivision 3; 13.585, subdivision 5; 16D.02, subdivisions 3, 6; 16D.04, subdivision 2, as amended; 60A.196; 163.051, subdivision 1; 168.012, subdivision 1, by adding a subdivision; 168.013, subdivision 1f; 168A.03, subdivision 1; 169.01, by adding a subdivision; 169.781, subdivision 1; 216B.1612, by adding a subdivision; 216B.1646; 270A.03, subdivision 7; 270A.08, subdivision 1; 270B.15; 270C.33, subdivision 5; 270C.56, subdivisions 1, as amended, 3; 270C.85, subdivision 2; 272.02, subdivisions 13, 20, 21, 27, 31, 38, 49, by adding subdivisions; 272.03, subdivision 3, by adding a subdivision; 273.11, subdivisions 1, 1a, 8, 14a, 14b, by adding subdivisions; 273.111, subdivisions 3, as amended, 4, 8, 9, 11, 11a, by adding a subdivision; 273.121, as amended; 273.124, subdivisions 1, 6, 13, as amended, 21; 273.128, subdivision 1, as amended; 273.13, subdivisions 23, as amended, 24, 25, as amended, 33, 34, as added; 273.1384, subdivisions 1, 2; 274.01, subdivision 3; 274.014, subdivision 3; 274.14; 275.025, subdivisions 1, 2; 275.065, subdivisions 1c, 6, 8, 9, 10, by adding subdivisions; 275.70, by adding a subdivision; 275.71; 276.04, subdivision 2, as amended; 282.08; 287.20, subdivisions 3a, 9, by adding a subdivision; 289A.12, by adding a subdivision; 289A.18, subdivision 1, as amended; 289A.19, subdivision 2, by adding a subdivision; 289A.20, subdivision 4, as amended; 289A.40, subdivision 1; 289A.50, subdivision 1; 289A.55, by adding a subdivision; 289A.60, subdivision 15, as amended, by adding a subdivision; 290.01, subdivisions 6, 6b, 19a, as amended, 29, by adding a subdivision; 290.06, by adding subdivisions; 290.068, subdivisions 1, 3, by adding subdivisions; 290.07, subdivision 1; 290.091, subdivision 2, as amended; 290.21, subdivision 4; 290.92, subdivisions 1, 26, 31, as added; 290A.03, subdivision 13; 290A.04, subdivisions 2h, 3, 4, by adding subdivisions; 290B.03, subdivision 1; 290B.04, subdivisions 1, 3, 4; 290B.05, subdivision 1; 290B.07; 291.03, subdivision 1; 295.50, subdivision 4; 295.52, subdivision 4, as amended; 295.53, subdivision 4a; 296A.07, subdivision 4; 296A.08, subdivision 3; 296A.16, subdivision 2; 297A.61, subdivisions 22, 29; 297A.665, as amended; 297A.67, subdivision 7, as amended; 297A.70, subdivisions 2, 8; 297A.71, subdivision 23, by adding subdivisions; 297A.75; 297A.99, subdivision 1, as amended; 297A.995, subdivision 10, by adding subdivisions; 297B.01, subdivision 7, by adding a subdivision; 297B.03; 297F.01, subdivision 8; 297F.09, subdivision 10, as amended; 297F.21, subdivision 1; 297G.01, subdivision 9; 297G.09, subdivision 9, as amended; 297H.09; 297I.05, subdivision 12; 298.24, subdivision 1, as amended; 298.75, subdivisions 1, 2, 6, 7; 365A.095; 383A.80, subdivision 4; 383A.81, subdivisions 1, 2; 383B.80, subdivision 4; 383E.20; 429.101, subdivision 1; 469.033, subdivision 6; 469.040, subdivision 4; 469.174, subdivision 10b; 469.177, subdivision 1c, by adding a subdivision; 469.1813, subdivision 8; 469.312, by adding a subdivision; 469.319; 469.3201; 473.39, by adding a subdivision; 473.446, subdivisions 2, 8; 477A.011, subdivisions 34, 36, as amended, by adding subdivisions; 477A.0124, subdivision 5; 477A.013, subdivisions 1, 8, as amended, 9, as amended; 477A.03; Minnesota Statutes 2007 Supplement, sections 115A.1314, subdivision 2; 268.19, subdivision 1; 273.1231, subdivision 7, by adding a subdivision; 273.1232, subdivision 1; 273.1233, subdivisions 1, 3; 273.1234; 273.1235, subdivisions 1, 3; 273.124, subdivision 14; 273.1393; 275.065, subdivisions 1, 1a, 3; 290.01, subdivision

19b, as amended; 298.227; Laws 1991, chapter 291, article 8, section 27, subdivisions 3, as amended, 4, as amended; Laws 1995, chapter 264, article 5, section 46, subdivision 2; Laws 2003, chapter 127, article 10, section 31, subdivision 1; Laws 2006, chapter 259, article 10, section 14, subdivision 1; Laws 2008, chapter 154, article 2, section 11; article 3, section 7; article 9, sections 23; 24; proposing coding for new law in Minnesota Statutes, chapters 60A; 116J; 169; 216F; 273; 298; 373; 383C; 383D; 383E; 469; proposing coding for new law as Minnesota Statutes, chapter 290D; repealing Minnesota Statutes 2006, sections 10A.322, subdivision 4; 273.11, subdivision 14; 273.111, subdivision 6; 290.06, subdivision 23; 290.191, subdivision 4; 290A.04, subdivisions 2, 2b; 473.4461; 477A.014, subdivision 5; Minnesota Statutes 2007 Supplement, section 477A.014, subdivision 4; Laws 2005, First Special Session chapter 3, article 5, section 24; Minnesota Rules, parts 8031.0100, subpart 3; 8093.2100.

The Senate has appointed as such committee:

Senators Bakk, Skoe, Larson, Dibble and Moua.

Said House File is herewith returned to the House.

COLLEEN J. PACHECO, Second 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. 3337.

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.

COLLEEN J. PACHECO, Second Assistant Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 3337

A bill for an act relating to energy; creating coordinated process for reducing greenhouse gas emissions; proposing coding for new law in Minnesota Statutes, chapter 216H.

May 5, 2008

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. 3337 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. 3337 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

UTILITIES

Section 1. Minnesota Statutes 2006, section 115C.04, subdivision 3, is amended to read:

Subd. 3. **Agency Cost recovery; subrogation.** Reasonable and necessary expenses incurred by the agency in taking a corrective action, including costs of investigating a release, administrative and legal expenses, and reimbursement costs described in subdivision 1, paragraph (b), may be recovered in a civil action in district court brought by the attorney general on behalf of the board against a responsible person. The agency's certification of expenses is prima facie evidence that the expenses are reasonable and necessary. If the responsible person has petroleum tank leakage or spill insurance coverage that insures against the liability provided in this section, the agency board is subrogated to the rights of the responsible person with respect to that insurance coverage, to the extent of the expenses incurred by the agency and described in this subdivision. The agency board may request the attorney general to bring an action in district court against the insurer to enforce this subrogation right. Expenses that are recovered under this section must be deposited in the fund.

Sec. 2. Minnesota Statutes 2006, section 115C.09, subdivision 3h, is amended to read:

Subd. 3h. **Reimbursement; aboveground tanks in bulk plants.** (a) As used in this subdivision, "bulk plant" means an aboveground or underground tank facility with a storage capacity of more than 1,100 gallons but less than 1,000,000 gallons that is used to dispense petroleum into cargo tanks for transportation and sale at another location.

~~(b) Notwithstanding any other provision in this chapter and any rules adopted pursuant to this chapter, the board shall reimburse 90 percent of an applicant's cost for bulk plant upgrades or closures completed between June 1, 1998, and November 1, 2003, to comply with Minnesota Rules, chapter 7151, provided that the board determines the costs were incurred and reasonable. The reimbursement may not exceed \$10,000 per bulk plant. The board may provide reimbursement under this paragraph for work completed after November 1, 2003, if the work was contracted for prior to that date and was not completed by that date as a result of an unanticipated situation, provided that an application for reimbursement under this paragraph, which may be a renewal of an application previously denied, is submitted prior to December 31, 2005.~~

~~(e) For corrective action at a bulk plant located on what is or was railroad right-of-way, the board shall reimburse 90 percent of total reimbursable costs on the first \$40,000 of reimbursable costs and 100 percent of any remaining reimbursable costs when the applicant can document that more than one bulk plant was operated on the same section of right-of-way, as determined by the commissioner of commerce.~~

Sec. 3. Minnesota Statutes 2006, section 115C.09, is amended by adding a subdivision to read:

Subd. 3k. **PVC piping at residential locations.** (a) This subdivision is to assist homeowners who have installed PVC fill piping as part of the heating oil system at their residences. Replacement of the PVC piping with metal piping is intended to avoid the catastrophic release of heating oil, as well as the ensuing cleanup costs, that can occur at residences where the PVC piping fails.

(b) As used in this subdivision:

(1) "residential locations" means a storage tank and appurtenances for heating oil that are used to heat a single-family residence; and

(2) "qualified person" means someone who is registered as a contractor under section 115C.11 and, as part of their trade or business, installs or repairs nonpressure piping, heating systems, air conditioning systems, or storage tank systems.

(c) Notwithstanding any other provision of this chapter or any rules adopted under this chapter, the board shall reimburse a qualified person 90 percent of the cost for replacing PVC fill piping with metal piping at residential locations between May 1, 2008, and September 1, 2011, provided that the board determines the costs were incurred and reasonable. The reimbursement may not exceed \$250 per residential location. The maximum expenditure from the fund may not exceed \$1,500,000.

(d) A heating oil vendor is not a responsible person for a heating oil spill inside a residential location if the spill was caused solely by the failure of a tank or appurtenance to a tank owned by the homeowner.

Sec. 4. **[117.054] COPIES OF APPRAISAL TO LANDOWNER.**

A public utility, municipal utility, cooperative electric association, natural gas pipeline or crude oil or petroleum products pipeline company must provide the property owner with a copy of each appraisal it has obtained for a property before presenting a petition under section 117.055 to acquire the property.

EFFECTIVE DATE. This section is effective August 1, 2008, and applies to eminent domain proceedings commenced on or after October 1, 2008.

Sec. 5. Minnesota Statutes 2006, section 216B.16, subdivision 7b, is amended to read:

Subd. 7b. **Transmission cost adjustment.** (a) Notwithstanding any other provision of this chapter, the commission may approve a tariff mechanism for the automatic annual adjustment of charges for the Minnesota jurisdictional costs of: (i) new transmission facilities that have been separately filed and reviewed and approved by the commission under section 216B.243 or are certified as a priority project or deemed to be a priority transmission project under section 216B.2425; and (ii) charges incurred by a utility that accrue from other transmission owners' regionally planned transmission projects that have been determined by the Midwest Independent System Operator to benefit the utility, as provided for under a federally approved tariff.

(b) Upon filing by a public utility or utilities providing transmission service, the commission may approve, reject, or modify, after notice and comment, a tariff that:

(1) allows the utility to recover on a timely basis the costs net of revenues of facilities approved under section 216B.243 or certified or deemed to be certified under section 216B.2425 or exempt from the requirements of section 216B.243;

(2) allows the charges incurred by a utility that accrue from other transmission owners' regionally planned transmission projects that have been determined by the Midwest Independent System Operator to benefit the utility, as provided for under a federally approved tariff. These charges must be reduced or offset by revenues received by the utility and by amounts the utility charges to other regional transmission owners, to the extent those revenues and charges have not been otherwise offset;

(3) allows a return on investment at the level approved in the utility's last general rate case, unless a different return is found to be consistent with the public interest;

~~(3)~~ (4) provides a current return on construction work in progress, provided that recovery from Minnesota retail customers for the allowance for funds used during construction is not sought through any other mechanism;

~~(4)~~ (5) allows for recovery of other expenses if shown to promote a least-cost project option or is otherwise in the public interest;

~~(5)~~ (6) allocates project costs appropriately between wholesale and retail customers;

~~(6)~~ (7) provides a mechanism for recovery above cost, if necessary to improve the overall economics of the project or projects or is otherwise in the public interest; and

~~(7)~~ (8) terminates recovery once costs have been fully recovered or have otherwise been reflected in the utility's general rates.

(c) A public utility may file annual rate adjustments to be applied to customer bills paid under the tariff approved in paragraph (b). In its filing, the public utility shall provide:

(1) a description of and context for the facilities included for recovery;

(2) a schedule for implementation of applicable projects;

(3) the utility's costs for these projects;

(4) a description of the utility's efforts to ensure the lowest costs to ratepayers for the project; and

(5) calculations to establish that the rate adjustment is consistent with the terms of the tariff established in paragraph (b).

(d) Upon receiving a filing for a rate adjustment pursuant to the tariff established in paragraph (b), the commission shall approve the annual rate adjustments provided that, after notice and comment, the costs included for recovery through the tariff were or are expected to be prudently incurred and achieve transmission system improvements at the lowest feasible and prudent cost to ratepayers.

Sec. 6. Minnesota Statutes 2006, section 216B.1645, subdivision 1, is amended to read:

Subdivision 1. **Commission authority.** Upon the petition of a public utility, the Public Utilities Commission shall approve or disapprove power purchase contracts, investments, or expenditures entered into or made by the utility to satisfy the wind and biomass mandates contained in sections 216B.169, 216B.2423, and 216B.2424, and to satisfy the renewable energy objectives and standards set forth in section 216B.1691, including reasonable investments and expenditures made to:

(1) transmit the electricity generated from sources developed under those sections that is ultimately used to provide service to the utility's retail customers, including studies necessary to identify new transmission facilities needed to transmit electricity to Minnesota retail customers from generating facilities constructed to satisfy the renewable energy objectives and standards, provided that the costs of the studies have not been recovered previously under existing tariffs and the utility has filed an application for a certificate of need or for certification as a priority project under section 216B.2425 for the new transmission facilities identified in the studies;

(2) provide storage facilities for renewable energy generation facilities that contribute to the reliability, efficiency, or cost-effectiveness of the renewable facilities; or

~~(2)~~ (3) develop renewable energy sources from the account required in section 116C.779.

Sec. 7. Minnesota Statutes 2006, section 216B.1645, subdivision 2, is amended to read:

Subd. 2. **Cost recovery.** The expenses incurred by the utility over the duration of the approved contract or useful life of the investment and expenditures made pursuant to section 116C.779 shall be recoverable from the ratepayers of the utility, to the extent they are not offset by utility revenues attributable to the contracts, investments, or expenditures. Upon petition by a public utility, the commission shall approve or approve as modified a rate schedule providing for the automatic adjustment of charges to recover the expenses or costs approved by the commission under subdivision 1, which, in the case of transmission expenditures, are limited to the portion of actual transmission costs that are directly allocable to the need to transmit power from the renewable sources of energy. The commission may not approve recovery of the costs for that portion of the power generated from sources governed by this section that the utility sells into the wholesale market.

Sec. 8. Minnesota Statutes 2007 Supplement, section 216B.1645, subdivision 2a, is amended to read:

Subd. 2a. **Cost recovery for owned renewable facilities.** (a) A utility may petition the commission to approve a rate schedule that provides for the automatic adjustment of charges to recover prudently incurred investments, expenses, or costs associated with facilities constructed, owned, or operated by a utility to satisfy the requirements of section 216B.1691, provided those facilities were previously approved by the commission under section 216B.2422 or 216B.243, or were determined by the commission to be reasonable and prudent under section 216B.243, subdivision 9. The commission may approve, or approve as modified, a rate schedule that:

(1) allows a utility to recover directly from customers on a timely basis the costs of qualifying renewable energy projects, including:

(i) return on investment;

(ii) depreciation;

(iii) ongoing operation and maintenance costs;

(iv) taxes; and

(v) costs of transmission and other ancillary expenses directly allocable to transmitting electricity generated from a project meeting the specifications of this paragraph;

(2) provides a current return on construction work in progress, provided that recovery of these costs from Minnesota ratepayers is not sought through any other mechanism;

(3) allows recovery of other expenses incurred that are directly related to a renewable energy project, including expenses for energy storage, provided that the utility demonstrates to the commission's satisfaction that the expenses improve project economics, ensure project implementation, or facilitate coordination with the development of transmission necessary to transport energy produced by the project to market;

(4) allocates recoverable costs appropriately between wholesale and retail customers;

(5) terminates recovery when costs have been fully recovered or have otherwise been reflected in a utility's rates.

(b) A petition filed under this subdivision must include:

(1) a description of the facilities for which costs are to be recovered;

- (2) an implementation schedule for the facilities;
- (3) the utility's costs for the facilities;
- (4) a description of the utility's efforts to ensure that costs of the facilities are reasonable and were prudently incurred; and
- (5) a description of the benefits of the project in promoting the development of renewable energy in a manner consistent with this chapter.

Sec. 9. Minnesota Statutes 2007 Supplement, section 216B.241, is amended by adding a subdivision to read:

Subd. 5a. Qualifying solar energy project. (a) A utility or association may include in its conservation plan programs for the installation of qualifying solar energy projects as defined by section 216B.2411 to the extent of the spending allowed for generation projects by section 216B.2411. The cost-effectiveness of a qualifying solar energy project may be determined by a different standard than for other energy conservation improvements under this section if the commissioner determines it is in the public interest to do so to encourage solar energy projects. Energy savings from qualifying solar energy projects may not be counted toward the minimum energy savings goal of at least one percent for energy conservation improvements required under subdivision 1c, but may, if the conservation plan is approved:

- (1) be counted toward energy savings above that minimum percentage; and
- (2) be considered when establishing performance incentives under section 216B.241, subdivision 2c.
- (b) Qualifying solar energy projects may not be considered when establishing demand-side management targets under sections 216B.2422, 216B.243, or any other section of this chapter.

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

Sec. 10. Minnesota Statutes 2007 Supplement, section 216B.2411, subdivision 1, is amended to read:

Subdivision 1. **Generation projects.** (a) Any municipality or rural electric association providing electric service and subject to section 216B.241 ~~that is meeting the objectives under section 216B.1691~~ may, and each public utility may, use five percent of the total amount to be spent on energy conservation improvements under section 216B.241, on:

- (1) projects in Minnesota to construct an electric generating facility that utilizes eligible renewable energy sources as defined in subdivision 2, such as methane or other combustible gases derived from the processing of plant or animal wastes, biomass fuels such as short-rotation woody or fibrous agricultural crops, or other renewable fuel, as its primary fuel source; ~~or~~
- (2) projects in Minnesota to install a distributed generation facility of ten megawatts or less of interconnected capacity that is fueled by natural gas, renewable fuels, or another similarly clean fuel; ~~or~~
- (3) projects in Minnesota to install a qualifying solar energy project as defined in subdivision 2.

(b) For public utilities, as defined under section 216B.02, subdivision 4, projects under this section must be considered energy conservation improvements as defined in section 216B.241. For cooperative electric associations and municipal utilities, projects under this section must be considered load-management activities described in section 216B.241, subdivision 1.

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

Sec. 11. Minnesota Statutes 2006, section 216B.2411, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in this subdivision and section 216B.241, subdivision 1, have the meanings given them.

(b) "Eligible renewable energy sources" means fuels and technologies to generate electricity through the use of any of the resources listed in section 216B.1691, subdivision 1, paragraph (a), clause (1), except that ~~the term~~ "biomass" has the meaning provided under paragraph (c), and "solar" must be from a qualified solar energy project as defined in paragraph (d).

(c) "Biomass" includes:

- (1) methane or other combustible gases derived from the processing of plant or animal material;
- (2) alternative fuels derived from soybean and other agricultural plant oils or animal fats;
- (3) combustion of barley hulls, corn, soy-based products, or other agricultural products;
- (4) wood residue from the wood products industry in Minnesota or other wood products such as short-rotation woody or fibrous agricultural crops; and
- (5) landfill gas, mixed municipal solid waste, and refuse-derived fuel from mixed municipal solid waste.

(d) "Qualifying solar energy project" means a qualifying solar thermal project or qualifying solar electric project.

(e) "Qualifying solar thermal project" means a flat plate or evacuated tube that meets the requirements of section 216C.25 with a fixed orientation that collects the sun's radiant energy and transfers it to a storage medium for distribution as energy to heat or cool air or water, but does not include equipment used to heat water at a residential property (1) for domestic use if less than one-half of the energy used for that purpose is derived from the sun or (2) for use in a hot tub or swimming pool.

(f) "Qualifying solar electric project" means solar electric equipment that meets the requirements of section 216C.25 with a total peak generating capacity of 100 kilowatts or less used for generating electricity primarily for use in a residential property or small business to reduce the effective electric load for that residence or small business.

(g) "Residential property" means the principal residence of a homeowner at the time the solar equipment is placed in service.

(h) "Small business" has the meaning given to it in section 645.445.

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

Sec. 12. Minnesota Statutes 2006, section 216B.2424, subdivision 1, is amended to read:

Subdivision 1. **Farm-grown closed-loop biomass.** (a) For the purposes of this section, "farm-grown closed-loop biomass" means ~~biomass, as defined in section 216C.051, subdivision 7~~ herbaceous crops, trees, agricultural waste, and aquatic plant matter that is used to generate electricity, but does not include mixed municipal solid waste, as defined in section 115A.03, and that:

(1) is intentionally cultivated, harvested, and prepared for use, in whole or in part, as a fuel for the generation of electricity;

(2) when combusted, releases an amount of carbon dioxide that is less than or approximately equal to the carbon dioxide absorbed by the biomass fuel during its growing cycle; and

(3) is fired in a new or substantially retrofitted electric generating facility that is:

(i) located within 400 miles of the site of the biomass production; and

(ii) designed to use biomass to meet at least 75 percent of its fuel requirements.

(b) The legislature finds that the negative environmental impacts within 400 miles of the facility resulting from transporting and combusting the biomass are offset in that region by the environmental benefits to air, soil, and water of the biomass production.

(c) Among the biomass fuel sources that meet the requirements of paragraph (a), clauses (1) and (2), are poplar, aspen, willow, switch grass, sorghum, alfalfa, cultivated prairie grass, and sustainably managed woody biomass.

(d) For the purpose of this section, "sustainably managed woody biomass" means:

(1) brush, trees, and other biomass harvested from within designated utility, railroad, and road rights-of-way;

(2) upland and lowland brush harvested from lands incorporated into brushland habitat management activities of the Minnesota Department of Natural Resources;

(3) upland and lowland brush harvested from lands managed in accordance with Minnesota Department of Natural Resources "Best Management Practices for Managing Brushlands";

(4) logging slash or waste wood that is created by harvest, by precommercial timber stand improvement to meet silvicultural objectives, or by fire, disease, or insect control treatments, and that is managed in compliance with the Minnesota Forest Resources Council's "Sustaining Minnesota Forest Resources: Voluntary Site-Level Forest Management Guidelines for Landowners, Loggers and Resource Managers" as modified by the requirement of this subdivision; and

(5) trees or parts of trees that do not meet the utilization standards for pulpwood, posts, bolts, or sawtimber as described in the Minnesota Department of Natural Resources Division of Forestry Timber Sales Manual, 1998, as amended as of May 1, 2005, and the Minnesota Department of Natural Resources Timber Scaling Manual, 1981, as amended as of May 1, 2005, except as provided in paragraph (a), clause (1), and this paragraph, clauses (1) to (3).

Sec. 13. Minnesota Statutes 2006, section 216B.243, is amended by adding a subdivision to read:

Subd. 9. **Renewable energy standard facilities.** The requirements of this section do not apply to a wind energy conversion system or a solar electric generation facility that is intended to be used to meet or exceed the obligations of section 216B.1691; provided that, after notice and comment, the commission determines that the facility is a reasonable and prudent approach to meeting a utility's obligations under that section. When making this determination, the commission may consider the size of the facility relative to a utility's total need for renewable resources and alternative approaches for supplying the renewable energy to be supplied by the proposed facility, and must consider the facility's ability to promote economic development, as required under section 216B.1691, subdivision 9, maintain electric system reliability and consider impacts on ratepayers, and other criteria as the commission may determine are relevant.

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

Sec. 14. Minnesota Statutes 2006, section 216C.051, as amended by Laws 2007, chapter 57, article 2, sections 24 and 25, is amended to read:

216C.051 LEGISLATIVE ~~ELECTRIC ENERGY TASK FORCE~~ COMMISSION.

Subd. 2. **Establishment.** (a) There is established a Legislative ~~Electric Energy Task Force~~ Commission 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 concerning issues related to its duties under subdivision 3.~~

(b) The ~~task force~~ commission consists of:

(1) ten members of the house of representatives ~~including the chairs of the Environment and Natural Resources Committee and 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, appointed by the speaker of the house of representatives, four of whom must be from the minority caucus, and including the chair of the committee with primary jurisdiction over energy policy; the chair or another member of each of the committees with primary jurisdiction over environmental policy, agricultural policy, and transportation policy; and a legislator who is a member of the NextGen Energy Board; and~~

~~(2) ten members of the senate including the chairs of the Environment, Energy and Natural Resources Budget Division and Energy, 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.~~

(2) ten members of the senate to be appointed by the Subcommittee on Committees, four of whom must be from the minority caucus, and including the chair of the committee with primary jurisdiction over energy policy; the chair or another member of each of the committees with primary jurisdiction over environmental policy, agricultural policy, and transportation policy; and a legislator who is a member of the NextGen Energy Board.

(c) The ~~task force~~ commission may employ full-time and part-time 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~~ commission in administrative matters. The ~~task force~~ commission shall elect cochairs, one member of the house and one member of the senate from among the committee and subcommittee chairs named to the ~~committee~~ commission. The ~~task force~~ commission members from the house shall elect the house cochair, and the ~~task force~~ commission members from the senate shall elect the senate cochair.

Subd. 2a. **Subcommittees.** The commission may establish subcommittees as necessary to perform its duties.

Subd. 3. **~~Technical and economic considerations, analyses, and recommendations~~ Duties.** (a) In light of the electric energy guidelines established in subdivision 7 and utility resource plans and competitive bidding docket before the commission, the ~~task force~~ shall gather information and make recommendations to the legislature regarding potential electric energy resources. ~~The task force may contract with one or more energy policy experts and energy economists to assist it in its analysis. The task force may not contract for service nor employ any person who was involved in any capacity in any portion of any proceeding before the Public Utilities Commission, the administrative law judge, the state Court of Appeals, or the United States Nuclear Regulatory Commission related to the dry cask storage proposal on Prairie Island. The task force must gather information on at least the following electric energy resources, but may expand its inquiry as warranted by the information collected:~~

- (1) wind energy;
- (2) hydrogen as a fuel carrier produced from renewable and fossil fuel resources;
- (3) biomass;
- (4) decomposition gases produced by solid waste management facilities;
- (5) solid waste as a direct fuel or refuse derived fuel; and
- (6) clean coal technology.

(b) In evaluating these electric energy resources, the task force must consider at least the following:

(1) to the best of forecasting abilities, how much electric generation capacity and demand for electric energy is necessary to maintain a strong economy and a high quality of life in the state over the next 15 to 20 years; how is this demand level affected by achievement of the maximum reasonably feasible and cost effective demand-side management and generation and distribution efficiencies;

(2) what alternative forms of energy can provide a stable supply of energy and are producible and sustainable in the state and at what cost;

(3) what are the costs to the state and ratepayers to ensure that new electric energy generation utilizes less environmentally damaging sources; how do those costs change as the time frame for development and implementation of new generation sources is compressed;

(4) what are the implications for delivery systems for energy produced in areas of the state that do not now have high volume transmission capability; are new transmission technologies being developed that can address some of the concerns with transmission; can a more dispersed electric generation system lessen the need for long distance transmission;

(5) what are the actual costs and benefits of purchasing electricity and fuel to generate electricity from outside the state; what are the present costs to the state's economy of exporting a large percentage of the state's energy dollars and what is the future economic impact of continuing to do so;

(6) are there benefits to be had from a large immediate investment in quickly implementing alternative electric energy sources in terms of developing an exportable technology and/or commodity; is it feasible to turn around the flow of dollars for energy so that the state imports dollars and exports energy and energy technology; what is a reasonable time frame for the shift if it is possible;

(7) are there taxation or regulatory barriers to developing more sustainable and less problematic electric energy generation; what are they specifically and how can they be specifically addressed;

(8) can an approach be developed that moves quickly to development and implementation of alternative energy sources that can be forgiving of interim failures but that is also sufficiently deliberate to ensure ultimate success on a large scale; and

~~(9) in what specific ways can the state assist regional energy suppliers to accelerate phasing out energy production processes that produce wastes or emissions that must necessarily be carefully controlled and monitored to minimize adverse effects on the environment and human health and to assist in developing and implementing base load energy production that both prevents or minimizes by its nature adverse environmental and human health effects and utilizes resources that are available or producible in the state.~~

~~(c) The task force must study issues related to the transportation of spent nuclear fuel from this state to interim or permanent repositories outside this state. The task force must also gather information on at least the following factors, but may expand its inquiry as warranted by the information collected:~~

~~(1) Minnesota's actual and projected electricity demand;~~

~~(2) electricity export potential;~~

~~(3) inventory of energy resources currently used to generate all electricity sold in Minnesota and an analysis of the social, economic, and environmental benefits and burdens associated with each energy resource;~~

~~(4) electricity demand savings from greater efficiency; and~~

~~(5) job growth and economic development potential.~~

(a) The commission shall continuously evaluate the energy policies of this state and the degree to which they promote an environmentally and economically sustainable energy future. The commission shall monitor the state's progress in achieving its goals to develop renewable sources of electric energy under section 216B.1691, subdivision 2a, and the progress of energy-related sectors in reducing greenhouse gas emissions under the state's greenhouse gas emissions-reductions goals established in section 216H.02, subdivision 1. The commission may review proposed energy legislation and may recommend legislation. The commission shall when feasible solicit and consider public testimony regarding the economic, environmental, and social implications of state energy plans and policies. Notwithstanding any other law to the contrary the commission's evaluations and reviews under this subdivision shall include new and existing technologies for nuclear power.

~~(b) The commission may study, analyze, hold hearings, and make legislative recommendations regarding the following issues:~~

~~(1) the generation, transmission, and distribution of electricity;~~

~~(2) the reduction of greenhouse gas emissions;~~

~~(3) the conservation of energy;~~

~~(4) alternative energy sources available to replace dwindling fossil fuel and other nonrenewable fuel sources;~~

~~(5) the development of renewable energy supplies;~~

~~(6) the economic development potential associated with issues described in clauses (1) to (5); and~~

~~(7) other energy-related subjects the commission finds significant.~~

Subd. 3a. Nuclear report. The public utility that owns the Prairie Island and Monticello nuclear generation facilities shall update the reports required under section 116C.772, subdivisions 3 to 5, and shall submit those updates periodically to the Public Utilities Commission with the utility's resource plan filing under section 216B.2422 and to the ~~task force~~ commission.

~~Subd. 4a. Report and recommendations.~~ ~~By January 15, 2005, and every two years thereafter, the task force shall submit a report to the chairs of the committees in the house of representatives and the senate that have responsibility for energy and for environmental and natural resources issues that contains an overview of information gathered and analyses that have been prepared, and specific recommendations, if any, for legislative action that will ensure development and implementation of electric energy policy that will provide the state with adequate, renewable, and economic electric power for the long term. The report shall also identify issues that must be addressed to provide Minnesotans with adequate electricity from in-state renewable energy sources for the long term and export to adjacent states.~~

~~Subd. 6. Assessment; appropriation.~~ ~~On request by the cochairs of the Legislative Task Force and after approval of the Legislative Coordinating Commission, the commissioner of commerce shall assess from all public utilities, generation and transmission cooperative electric associations, and municipal power agencies providing electric or natural gas services in Minnesota, in addition to assessments made under section 216B.62, the amount requested for the operation of the task force not to exceed \$250,000 in a fiscal year. The amount assessed under this section is appropriated to the director of the Legislative Coordinating Commission for those purposes, and is available until expended. The department shall apportion those costs among all energy utilities in proportion to their respective gross operating revenues from the sale of gas or electric service within the state during the last calendar year. For the purposes of administrative efficiency, the department shall assess energy utilities and issue bills in accordance with the billing and assessment procedures provided in section 216B.62, to the extent that these procedures do not conflict with this subdivision.~~

~~Subd. 7. Guidelines; preferred electric generation sources; definitions.~~ (a) ~~The Legislative Task Force on Electric Energy shall undertake its responsibilities in light of the guidelines specified in this subdivision.~~

~~(b) The highest priority in electric energy production and consumption is conservation of electric energy and management of demand by all segments of the community.~~

~~(c) The following energy sources for generating electric power distributed in the state, listed in their descending order of preference, based on minimizing long-term negative environmental, social, and economic burdens imposed by the specific energy sources, are:~~

~~(1) wind and solar;~~

~~(2) biomass and low head or refurbished hydropower;~~

~~(3) decomposition gases produced by solid waste management facilities, natural gas fired cogeneration, and waste materials or byproducts combined with natural gas;~~

~~(4) natural gas, hydropower that is not low head or refurbished hydropower, and solid waste as a direct fuel or refuse-derived fuel; and~~

~~(5) coal and nuclear power.~~

~~(d) For the purposes of paragraph (c) within each clause, the more efficient an energy source is in generating electricity or the more efficient a technology is that utilizes an energy source, the more preferred it is for use in generating electricity for distribution and consumption in the state.~~

~~(e) For the purposes of paragraph (c), clauses (3) and (4), the use of waste materials and byproducts for generating electric power must be limited to those waste materials and byproducts that are necessarily generated or produced by efficient processes and systems. Preventing and minimizing waste and byproducts are preferred in every situation to relying on the continued generation or production of waste materials and byproducts.~~

~~(f) For the purposes of this section, "preferred" or "renewable" energy sources are those described in paragraph (c), clauses (1) to (3), and "subordinate" or "traditional" energy sources are those described in paragraph (c), clauses (4) and (5).~~

~~(g) For the purposes of this section:~~

~~(1) "biomass" means herbaceous crops, trees, agricultural waste, and aquatic plant matter, excluding mixed municipal solid waste, as defined in section 115A.03, used to generate electricity; and~~

~~(2) "low head hydropower" means a hydropower facility that has a head of less than 66 feet.~~

Subd. 8. **Subpoena power.** The ~~task force~~ commission may issue a subpoena under section 3.153 to any person for production of information held by that person that is relevant to the work of the ~~task force~~ commission.

Subd. 8a. **Manitoba Hydro information.** ~~(a) 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.~~

~~(b) Nothing in this section shall be construed as a directive to the government of Canada or the province of Manitoba.~~

~~(c) 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.~~

Subd. 9. **Expiration.** This section is repealed June 30, 2010.

Subd. 10. **Data from state agencies.** A state agency shall reply promptly to a request for data from the commission, subject to the requirements of chapter 13 and section 15.17.

Subd. 11. **Assessment; appropriation.** (a) Upon request by the cochairs of the commission, the commissioner of commerce shall assess the amount requested for the operation of the commission, not to exceed \$250,000 in a fiscal year, from the following sources:

(1) all public utilities, municipal utilities, electric cooperative associations, generation and transmission cooperative electric associations, and municipal power agencies providing electric or natural gas services in Minnesota; and

(2) all bulk terminals located in this state from which petroleum products and liquid petroleum gas are dispensed for sale in this state.

(b) The commissioner of commerce shall apportion the assessment amount requested among the entities in paragraph (a), clauses (1) and (2), in proportion to their respective gross operating revenues from energy sold within the state during the most recent calendar year, while ensuring that wholesale and retail sales are not double counted.

(c) The entities in paragraph (a), clauses (1) and (2), must provide information to the commissioner of commerce to allow for calculation of the assessment.

(d) The assessments under this subdivision are in addition to assessments made under section 216B.62. The amount assessed under this section is appropriated to the director of the Legislative Coordinating Commission for the purposes of this section, and is available until expended. Utilities selling gas and electric service at retail must be assessed and billed in accordance with the procedures provided in section 216B.62, to the extent that these procedures do not conflict with this subdivision.

EFFECTIVE DATE. This section is effective January 3, 2009.

Sec. 15. Minnesota Statutes 2006, section 216E.03, is amended by adding a subdivision to read:

Subd. 3a. **Project notice.** At least 90 days before filing an application with the commission, the applicant shall provide notice to each local unit of government within which a route may be proposed. The notice must describe the proposed project and the opportunity for a preapplication consultation meeting with local units of government as provided in subdivision 3b.

EFFECTIVE DATE. This section is effective September 1, 2008.

Sec. 16. Minnesota Statutes 2006, section 216E.03, is amended by adding a subdivision to read:

Subd. 3b. **Preapplication consultation meetings.** Within 30 days of receiving a project notice, local units of government may request the applicant to hold a consultation meeting with local units of government. Upon receiving notice from a local unit of government requesting a preapplication consultation meeting, the applicant shall arrange the meeting at a location chosen by the local units of government. A single public meeting for which each local government unit requesting a meeting is given notice satisfies the meeting requirement of this subdivision.

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

Sec. 17. Minnesota Statutes 2006, section 216E.03, subdivision 4, is amended to read:

Subd. 4. **Notice of Application notice.** Within 15 days after submission of an application to the commission, the applicant shall publish notice of the application in a legal newspaper of general circulation in each county in which the site or route is proposed and send a copy of the application by certified mail to any regional development commission, county, incorporated municipality, and ~~township~~ town in which any part of the site or route is proposed. Within the same 15 days, the applicant shall also send a notice of the submission of the application and description of the proposed project to each owner whose property is on or adjacent to any of the proposed sites for the power plant or along any of the proposed routes for the transmission line. The notice ~~shall~~ must identify a location where a copy of the application can be reviewed. For the purpose of giving mailed notice under this subdivision, owners ~~shall be~~ are those shown on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer; but other appropriate records may be used for this purpose. The failure to give mailed notice to a property owner, or defects in the notice, ~~shall~~

does not invalidate the proceedings, provided a bona fide attempt to comply with this subdivision has been made. Within the same 15 days, the applicant shall also send the same notice of the submission of the application and description of the proposed project to those persons who have requested to be placed on a list maintained by the commission for receiving notice of proposed large electric generating power plants and high voltage transmission lines.

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

Sec. 18. **[216F.012] SIZE ELECTION.**

(a) A wind energy conversion system of less than 25 megawatts of nameplate capacity as determined under section 216F.011 is a small wind energy conversion system if, by July 1, 2009, the owner so elects in writing and submits a completed application for zoning approval and the written election to the county or counties in which the project is proposed to be located. The owner must notify the Public Utilities Commission of the election at the time the owner submits the election to the county.

(b) Notwithstanding paragraph (a), a wind energy conversion system with a nameplate capacity exceeding five megawatts that is proposed to be located wholly or partially within a wind access buffer adjacent to state lands that are part of the outdoor recreation system, as enumerated in section 86A.05, is a large wind energy conversion system. The Department of Natural Resources shall negotiate in good faith with a system owner regarding siting and may support the system owner in seeking a variance from the system setback requirements if it determines that a variance is in the public interest.

(c) The public utilities commission shall issue an annual report to the chairs and ranking minority members of the house of representatives and senate committees with primary jurisdiction over energy policy and natural resource policy regarding any variances applied for and not granted for systems subject to paragraph (b).

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

Sec. 19. **[216F.09] WECS AGGREGATION PROGRAM.**

Subdivision 1. **Program established.** The entity selected to provide rural wind development assistance under Laws 2007, chapter 57, article 2, section 3, subdivision 6, shall also establish a wind energy conversion system (WECS) aggregation program. The purpose of the program is to create a clearinghouse to coordinate and arrange umbrella sales arrangements for groups of individuals, farmstead property owners, farmers' cooperative associations, community-based energy project developers, school districts, and other political subdivisions to aggregate small-volume purchases, as a group, in order to place large orders for wind energy conversion systems with WECS manufacturers.

Subd. 2. **Responsibilities.** The entity shall:

(1) provide application procedures for participation in the program;

(2) set minimum standards for wind energy conversion systems to be considered for purchase through the program, which may include price, quality and installation standards, timely delivery schedules and arrangements, performance and reliability ratings, and any other factors considered necessary or desirable for participants;

(3) set eligibility considerations and requirements for purchasers, including availability to the applicant of land authorized for installation and use of WECS, likelihood of a permit being approved by the commission or a county under this chapter, documentation of adequate financing, and other necessary or usual financial or business practices or requirements;

(4) provide a minimal framework for soliciting or contacting manufacturers on behalf of participants; and

(5) coordinate purchase agreements between the manufacturer and participants.

Subd. 3. **Report.** By February 1 of 2009, and each year thereafter, the commissioner of commerce shall submit a report to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over energy policy on the activities and results of the program, including the number of participants and the number of purchases made.

Subd. 4. **Assessment; appropriation.** Annual costs of the program, up to \$100,000, must be assessed under section 216C.052, subdivision 2, paragraph (c), clause (1). The assessment is appropriated to the commissioner of commerce to be used by the director of the Office of Energy Security for a grant to the entity to carry out the purposes of this section.

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

Sec. 20. **[216H.07] GREENHOUSE GAS EMISSION REDUCTION ATTAINMENT; POLICY DEVELOPMENT PROCESS.**

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

(b) "Reductions" means the greenhouse gas emissions reductions goals specified in section 216H.02, subdivision 1.

Subd. 2. **Purpose.** This section is intended to create a nonexclusive, regular, mandated process for the state to develop policies to attain the greenhouse gas reduction goals specified in section 216H.02.

Subd. 3. **Biennial reduction progress report.** By January 15 of each odd-numbered year, the commissioners of commerce and the Pollution Control Agency shall jointly report to the chairs and ranking minority members of the legislative committees with primary policy jurisdiction over energy and environmental issues the most recent and best available evidence identifying the level of reductions already achieved and the level necessary to achieve the reductions timetable in section 216H.02. The report must be in easily understood nontechnical terms.

Subd. 4. **Annual legislative proposal.** The commissioners of commerce and the Pollution Control Agency shall annually by January 15 provide to the chairs of the legislative committees with primary policy jurisdiction over energy and environmental issues proposed legislation the commissioners determine appropriate to achieve the reductions. The legislation must be based on the principles in subdivision 5. If the commissioners determine no legislation is appropriate, they shall report that determination to the chairs along with an explanation of the determination.

Subd. 5. **Reduction principles.** Legislation proposed under subdivision 4 must be based on the following principles:

(1) the greenhouse gas emission reduction goals specified in section 216H.02, subdivision 1, must be attained;

(2) the reductions must be attained on a schedule that keeps pace with the reduction timetable required by section 216H.02, subdivision 1;

(3) conservation, including ceasing some activities, doing some activities less, and doing some activities more energy efficiently, is the first choice for reduction;

(4) public education is a key component;

(5) all levels of government should lead by example;

(6) strategies that may lead to economic dislocation should be phased in and should be coupled with strategies that address the dislocation; and

(7) there must be coordination with other federal and regional greenhouse gas emission reduction requirements so that the state benefits and is not penalized from its reduction activities.

Sec. 21. **[216H.10] DEFINITIONS.**

Subdivision 1. **Applicability.** For purposes of sections 216H.10 to 216H.15, the following terms have the meanings given.

Subd. 2. **Agency.** "Agency" means the Pollution Control Agency.

Subd. 3. **Carbon dioxide equivalent.** "Carbon dioxide equivalent" means the quantity of carbon dioxide that has the same global warming potential as a given amount of another greenhouse gas.

Subd. 4. **Commissioner.** "Commissioner" means the commissioner of the Pollution Control Agency.

Subd. 5. **Global warming.** "Global warming" means the observed and predicted increase in the temperature of the atmosphere near the earth's surface and the oceans.

Subd. 6. **Global warming potential or GWP.** "Global warming potential" or "GWP" means a quantitative measure of the potential of an emission of a greenhouse gas to contribute to global warming over a 100-year period expressed in terms of the equivalent emission of carbon dioxide needed to produce the same 100-year warming effect, as reported in Fourth Assessment Report: Climate Change 2007, Intergovernmental Panel on Climate Change.

Subd. 7. **High-GWP greenhouse gas.** "High-GWP greenhouse gas" means hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.

Subd. 8. **Mobile air conditioner.** "Mobile air conditioner" means mechanical vapor compression refrigeration equipment used to cool the passenger compartment of a motor vehicle.

Subd. 9. **Motor vehicle.** "Motor vehicle" has the meaning given in section 168.011, subdivision 4.

Subd. 10. **New motor vehicle.** "New motor vehicle" has the meaning given in section 80E.03, subdivision 7.

Subd. 11. **Refrigerant.** "Refrigerant" means a substance used, sold for use, or designed and intended for use in a mobile air conditioner to transfer heat out of the space being cooled.

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

Sec. 22. **[216H.11] HIGH-GWP GREENHOUSE GAS REPORTING.**

Subdivision 1. **Gas manufacturers.** Beginning October 1, 2008, and each year thereafter, a manufacturer of a high-GWP greenhouse gas must report to the agency the total amount of each high-GWP greenhouse gas sold to a purchaser in this state during the previous year.

Subd. 2. **Purchases.** Beginning October 1, 2008, and each year thereafter, a person in this state who purchases 500 metric tons or more carbon dioxide equivalent of a high-GWP greenhouse gas must report to the agency, on a form prescribed by the commissioner, the total amount of each high-GWP greenhouse gas purchased during the previous year and the purpose for which the gas was used.

Subd. 3. **Acceptance of federal filing.** With the approval of the commissioner, this section may be satisfied by filing with the commissioner a copy of a greenhouse gas emissions report filed with a federal agency.

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

Sec. 23. **[216H.12] MOBILE AIR CONDITIONER LEAKAGE RATES; DISCLOSURE.**

Subdivision 1. **Leakage disclosure.** Beginning January 1, 2009, a manufacturer selling or offering for sale a new motor vehicle in this state containing a mobile air conditioner that uses the high-GWP greenhouse gas HFC-134a (1,1,1,2-tetrafluoroethane) as a refrigerant must, 90 days prior to the initial sale or offer for sale, report to the commissioner the leakage rate, in grams of refrigerant per year, for the type of mobile air conditioner contained in that make, model, and model year. The leakage rate must be calculated using the information provided in the most recently published version of the SAE International document J2727, "HFC-134a Mobile Air Conditioning System Emission Chart." The method by which the leakage rate is calculated, accounting for each component of the air conditioning unit, must also be reported to the commissioner.

Subd. 2. **Posting.** Beginning January 1, 2009, the agency and the Office of the Attorney General must post on their Web sites:

(1) the leakage rate disclosed by a manufacturer under subdivision 1 for each model and make of new motor vehicle sold or offered for sale in this state; and

(2) the following statement: "Vehicle air conditioning systems may leak refrigerants. Information provided in the chart compares the potential global warming effects of refrigerant leakage from different makes and models of vehicles."

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

Sec. 24. **[216H.15] ENFORCEMENT.**

Sections 216H.10 to 216H.12 may be enforced under section 116.072.

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

Sec. 25. Minnesota Statutes 2007 Supplement, section 500.30, subdivision 2, is amended to read:

Subd. 2. **Like any conveyance.** Any property owner may grant a solar or wind easement in the same manner and with the same effect as a conveyance of an interest in real property. The easements shall be created in writing and shall be filed, duly recorded, and indexed in the office of the recorder of the county in which the easement is granted. No duly recorded easement shall be unenforceable on account of lack of privity of estate or privity of contract; such easements shall run with the land or lands benefited and burdened and shall constitute a perpetual easement, except that an easement may terminate upon the conditions stated therein or pursuant to the provisions of section 500.20. ~~A wind easement, easement to install wind turbines on real property, option, or lease of wind rights shall also terminate after seven years from the date the easement is created or lease is entered into, if a wind energy project on the property to which the easement or lease applies does not begin commercial operation within the seven year period.~~

EFFECTIVE DATE. This section is effective June 1, 2010.

Sec. 26. **REPORT.**

By February 1, 2009, the commissioner of the Pollution Control Agency shall submit a report to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over environmental policy that identifies the uses and emissions sources of hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride in this state and suggests options for reducing or eliminating those uses and emissions and the costs of implementing those options. The options for reducing emissions must include phasing out specific consumer products containing high global warming potential gases where that is cost-effective.

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

Sec. 27. **SOLAR RATING AND CERTIFICATION LABORATORY.**

The director of the Office of Energy Security shall convene technical stakeholders who are expert in the design, manufacture, installation, and operation of solar energy systems to develop criteria and characteristics for a Minnesota-based solar rating and certification laboratory. The criteria shall include, but not be limited to, consideration of durability, cold-weather operations, and indoor air quality. The director shall develop and, by September 15, 2008, issue a request for proposals for the development of a plan, based on the criteria and characteristics developed by the stakeholder group, for a solar rating and certification laboratory in the state, including cost estimates. By January 15, 2009, the director shall submit a report to the chairs of the house and senate committees with jurisdiction over energy finance issues, detailing the responses to the request and making recommendations, including draft legislation.

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

Sec. 28. **SIZE ELECTION STAKEHOLDER GROUP.**

(a) By July 30, 2008, the commissioner of commerce shall convene a Size Election Stakeholder Group to evaluate the effect of new Minnesota Statutes, section 216F.012, on the process for obtaining a site permit for wind energy conversion systems with a combined nameplate capacity between five and 25 megawatts. The Department of Commerce shall provide staff and administrative support to the group.

(b) The stakeholder group must consist of 13 members, as follows:

(1) two legislators from the house of representatives, one from the majority party and one from the minority party, appointed by the speaker of the house;

(2) two legislators from the senate, one from the majority party and one from the minority party, appointed by the Subcommittee on Committees of the Committee on Rules and Administration; and

(3) nine members, jointly appointed by the chairs of the senate and house of representatives committees with primary jurisdiction over energy policy. Four of the nine members must have experience developing or owning wind energy conversion systems in Minnesota with a combined nameplate capacity between five and 25 megawatts; one must represent the Department of Commerce; one must represent the Department of Natural Resources; one must represent counties or county associations; one must represent a nonprofit organization with experience in wind energy conversion system development issues; and one must represent a wildlife conservation organization. The members shall select one legislator each from the senate and house of representatives to serve as co-chairs of the stakeholder group.

(c) The stakeholder group shall collect and analyze data regarding site permits for wind energy conversion systems with a combined nameplate capacity between five and 25 megawatts and submit a report based on that analysis, by January 15, 2009, to the chairs and ranking minority members of the senate and house of representatives committees with primary jurisdiction over energy policy, including recommendations as to whether Minnesota Statutes, section 216F.012, should be amended.

(d) Members of the stakeholder group are eligible for reimbursement of expenses, which the commissioner of commerce shall pay from the assessment under Minnesota Statutes, section 216C.052, subdivision 2, paragraph (c), clause (1).

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

Sec. 29. **STATE VIDEO FRANCHISING STUDY.**

Subdivision 1. **Study contents.** The Department of Commerce shall contract with the University of Minnesota for a study of the impact of legislation enacted in at least three states that requires franchises for video service to be issued by a state agency. The contractor conducting the study shall, prior to its initiation, consult with associations representing municipalities and communities of color. The study shall contain, at a minimum, the following information:

- (1) the number of new video service providers that have applied for a state video franchise;
- (2) the number of incumbent video service providers that have elected to terminate an existing franchise agreement and apply for a state video franchise;
- (3) the amount of capital invested by new video service providers to furnish video service;
- (4) the number of communities in which new video service providers intend to offer video services, as reflected in their application;
- (5) the number of communities with an incumbent video provider in which new providers intend to offer video services;
- (6) the number of communities with no incumbent video service provider in which new video service providers intend to offer video services;
- (7) the effect on video service prices in communities with an incumbent video provider in which new video service providers offer video services;
- (8) the effect on franchise fee revenues received by municipalities from video service providers;
- (9) the effect on the number of PEG channels available to communities;
- (10) the effect on the amount of revenues received by municipalities to support the provision of PEG programming in communities;
- (11) the effect on the amount of PEG programming available in communities;
- (12) the progress of new video providers in meeting any build-out requirements in the law; and
- (13) the effect on municipal services provided to communities by video service providers.

Subd. 2. **Report.** The department shall submit the report described in subdivision 1 to the chairs and ranking minority members of the senate and house committees with primary jurisdiction over telecommunications policy by February 1, 2009.

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

Sec. 30. **BROADBAND MAPPING PROJECT.**

Subdivision 1. **Project.** The commissioner of commerce shall contract with a nonprofit organization that has significant experience working with broadband providers to develop geographical information system maps displaying levels of broadband service by connection speed and type of technology used and integrating the maps with demographic information to produce a comprehensive statewide inventory and mapping of existing broadband service and capability.

Subd. 2. **Mapping.** Data must be collected from broadband providers and entered into a geographic information system to produce maps that, for the state of Minnesota and any defined geographical entity within it, clearly convey the following information:

- (1) areas unserved by any broadband provider;
- (2) areas served by a single broadband provider;
- (3) the location of towers used to transmit and receive broadband signals;
- (4) actual upstream and downstream transmission speeds at the county level of detail;
- (5) areas served by multiple broadband providers; and
- (6) the types of technology used to provide broadband service.

The data used to produce the maps must be capable of being integrated with demographic data from other sources including, but not limited to, population density and household income to allow for the production of maps that measure, down to the census block level of detail, various characteristics of residents in areas receiving different levels of broadband services and utilizing different technologies. Data provided by a broadband provider to the contractor under this subdivision is nonpublic data under Minnesota Statutes, section 13.02, subdivision 9. Maps produced under this subdivision are public data under Minnesota Statutes, section 13.03.

For the purposes of this section, "technology" or "technologies" means different methods of connecting to the Internet including, but not limited to, cable modem, DSL, ADSL, VDSL, and fiber optics.

The initial maps must be provided to the commissioner of commerce by February 1, 2009.

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

Sec. 31. **WIND PROPERTY INTEREST MEDIATION AND REPORT.**

The commissioner of commerce shall, by July 1, 2008, convene a work group of interested parties to mediate differences concerning the termination of property interests related to wind energy systems developments. The commissioner must investigate and determine whether there is a factual basis for concerns that wind energy development may be hindered if termination of those property interests is not required by law if development has not occurred over some specified period of time. The commissioner shall, by January 15, 2009, report to the chairs

and ranking minority members of the committees of the legislature with primary jurisdiction over energy issues on the results of the factual investigation and any legislative recommendations related to termination of those property interests.

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

Sec. 32. **APPROPRIATION; DEPARTMENT OF COMMERCE.**

(a) \$175,000 is appropriated for fiscal year 2009 from the telecommunication access Minnesota fund account in the special revenue fund to the commissioner of commerce for the purpose of section 30. This is a onetime appropriation.

(b) \$85,000 is appropriated for fiscal year 2009 from the telecommunication access Minnesota fund account in the special revenue fund to the commissioner of commerce for the purpose of section 29. This is a onetime appropriation.

Sec. 33. **AUTHORIZATION.**

The director of the Legislative Coordinating Commission may expend money appropriated for the use of the Legislative Electric Energy Task Force for the purposes of the Legislative Energy Commission established in Minnesota Statutes, section 3.8851, and those funds are available until expended and the money is appropriated to the director for that purpose.

EFFECTIVE DATE. This section is effective January 3, 2009.

Sec. 34. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall recodify Minnesota Statutes, section 216C.051, as section 3.8851.

Sec. 35. **REPEALER.**

Minnesota Statutes 2006, section 115C.09, subdivision 3j, is repealed.

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

ARTICLE 2

OUTDOOR LIGHTING

Section 1. Minnesota Statutes 2007 Supplement, section 16B.328, is amended by adding a subdivision to read:

Subd. 3. **Standards for state-funded outdoor lighting fixtures.** (a) An outdoor lighting fixture may be installed or replaced using state funds only if:

(1) the new or replacement outdoor lighting fixture is a cutoff luminaire if the rated output of the outdoor lighting fixture is greater than 1,800 lumens;

(2) the minimum illuminance adequate for the intended purpose is used with consideration given to nationally recognized standards;

(3) for lighting of a designated highway of the state highway system, the Department of Transportation determines that the purpose of the outdoor lighting fixture cannot be achieved by the installation of reflective road markers, lines, warning or informational signs, or other effective passive methods; and

(4) full consideration has been given to energy conservation and savings, reducing glare, minimizing light pollution, and preserving the natural night environment.

(b) Paragraph (a) does not apply if:

(1) a federal law, rule, or regulation preempts state law;

(2) the outdoor lighting fixture is used on a temporary basis because emergency personnel require additional illumination for emergency procedures;

(3) the outdoor lighting fixture is used on a temporary basis for nighttime work;

(4) special events or situations require additional illumination, provided that the illumination installed shields the outdoor lighting fixtures from direct view and minimizes upward lighting and light pollution;

(5) the outdoor lighting fixture is used solely to highlight the aesthetic aspects of a single object or distinctive building; or

(6) a compelling safety interest exists that cannot be addressed by another method.

(c) This subdivision does not apply to the operation and maintenance of lights or lighting systems purchased or installed, or for which design work is completed, before August 1, 2008.

(d) This section does not apply if a state agency or local unit of government determines that compliance with this section would:

(1) require an increased use of electricity;

(2) increase the construction cost of a lighting system more than 15 percent over the construction cost of a lighting system that does not comply with this section;

(3) increase the cost of operation and maintenance of the lighting system more than ten percent over the cost of operating and maintaining the existing lighting system over the life of the lighting system; or

(4) result in a negative safety impact."

Delete the title and insert:

"A bill for an act relating to utilities; providing standards for state-funded outdoor lighting fixtures; modifying Petrofund program; providing for replacement of PVC piping in heating oil systems in residential locations; providing that certain eminent domain appraisal and negotiation requirements apply to public service corporations; modifying cost recovery provisions for electric transmission and renewable energy facilities; providing for solar-generated electricity under a utility's renewable energy standard; allowing utilities to fund certain solar energy products under the conservation improvement program; exempting certain wind and solar projects from the requirement to obtain a certificate of need; modifying and adding provisions relating to notice to and meetings with local units of government for siting large electric generating plant or high-voltage transmission line; allowing size election for certain wind energy conversion systems and creating Size Election Stakeholder Group; creating a wind

project aggregation program; requiring reports on reducing greenhouse gas emissions; requiring reporting of emissions or leakage of greenhouse gases with high global warming potential; providing for wind and solar easements; requiring development of plan for solar rating and certification laboratory; requiring studies and reports; appropriating money; amending Minnesota Statutes 2006, sections 115C.04, subdivision 3; 115C.09, subdivision 3h, by adding a subdivision; 216B.16, subdivision 7b; 216B.1645, subdivisions 1, 2; 216B.2411, subdivision 2; 216B.2424, subdivision 1; 216B.243, by adding a subdivision; 216C.051, as amended; 216E.03, subdivision 4, by adding subdivisions; Minnesota Statutes 2007 Supplement, sections 16B.328, by adding a subdivision; 216B.1645, subdivision 2a; 216B.241, by adding a subdivision; 216B.2411, subdivision 1; 500.30, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 117; 216F; 216H; repealing Minnesota Statutes 2006, section 115C.09, subdivision 3j."

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

Senate Conferees: YVONNE PRETTNER SOLON, JOHN DOLL, JULIE A. ROSEN, ELLEN R. ANDERSON AND DAN SPARKS.

House Conferees: BILL HILTY, SHELDON JOHNSON, BRITA SAILER, KATHY BRYNAERT AND TORREY WESTROM.

Hilty moved that the report of the Conference Committee on S. F. No. 3337 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

The Speaker called Pelowski to the Chair.

S. F. No. 3337, A bill for an act relating to energy; creating coordinated process for reducing greenhouse gas emissions; proposing coding for new law in Minnesota Statutes, chapter 216H.

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 110 yeas and 22 nays as follows:

Those who voted in the affirmative were:

Abeler	Demmer	Hausman	Koenen	McFarlane	Paymar
Anderson, S.	Dill	Haws	Laine	McNamara	Pelowski
Anzelc	Dittrich	Heidgerken	Lanning	Moe	Peterson, A.
Atkins	Dominguez	Hilstrom	Lenczewski	Morgan	Peterson, N.
Benson	Doty	Hilty	Lesch	Morrow	Peterson, S.
Berns	Eken	Hornstein	Liebling	Mullery	Poppe
Bigham	Erhardt	Hortman	Lieder	Murphy, E.	Rukavina
Bly	Faust	Hosch	Lillie	Murphy, M.	Ruth
Brown	Fritz	Huntley	Loeffler	Nelson	Ruud
Brynaert	Gardner	Jaros	Madore	Nornes	Sailer
Bunn	Garofalo	Johnson	Magnus	Norton	Scalze
Carlson	Gottwalt	Juhnke	Mahoney	Olin	Sertich
Clark	Greiling	Kahn	Mariani	Otremba	Severson
Cornish	Gunther	Kalin	Marquart	Ozment	Simon
Davnie	Hamilton	Knuth	Masin	Paulsen	Simpson

Slawik	Swails	Tingelstad	Walker	Westrom
Slocum	Thao	Tschumper	Ward	Winkler
Smith	Thissen	Urdahl	Wardlow	Wollschlager
Solberg	Tillberry	Wagenius	Welti	Spk. Kelliher

Those who voted in the negative were:

Anderson, B.	Dean	Eastlund	Hackbarth	Kohls	Shimanski
Beard	DeLaForest	Emmer	Holberg	Olson	Zellers
Brod	Dettmer	Erickson	Hoppe	Peppin	
Buesgens	Drazkowski	Finstad	Howes	Seifert	

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

Madam Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 3683.

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.

COLLEEN J. PACHECO, Second Assistant Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 3683

A bill for an act relating to the operation of state government; changing certain provisions and programs related to agriculture; creating a livestock investment grant program; modifying pesticide and fertilizer regulation; changing certain payment provisions for certain agricultural chemical corrective action costs; changing certain food sanitary provisions; changing certain fee provisions; defining certain terms; regulating egg sales and handling; increasing the somatic cell count limit for goat milk; providing for control of bovine tuberculosis; adding a member to the NextGen Energy Board; modifying the expiration date for the NextGen Energy Board; modifying the expiration date for the Minnesota Agriculture Education Leadership Council; establishing requirements for practicing animal chiropractic care; recognizing a Program for the Assessment of Veterinary Education Equivalence certification; limiting use of certain drugs; changing certain requirements; regulating prescription of veterinary drugs; modifying definition of biodiesel; increasing minimum biodiesel content; creating a tiered biodiesel content goal; requiring counties to consider natural heritage data in adopting or amending comprehensive plans; requiring local governments to consider comprehensive plans to limit development on agricultural, forest, wildlife, and open space land; regulating certain racetracks; modifying 2007 appropriation language; creating the Veterans Health Care Advisory Council; changing certain provisions and programs related to veterans; providing for certain medallions; authorizing the placement of a plaque in the court of honor on the Capitol grounds by Minnesota's Mexican-American veterans to honor all Minnesota veterans who have served at any time in the United States armed forces; appropriating money; amending Minnesota Statutes 2006, sections 18B.07, subdivision 2; 18D.305, subdivision 2; 18E.04, subdivision 2; 28A.03, by adding a subdivision; 28A.08; 28A.082, by adding a subdivision; 28A.09, subdivision 1; 29.23; 31.05; 31.171; 41D.01, subdivision 4; 148.01, subdivision 1, by adding subdivisions; 156.001, by adding a subdivision; 156.02, subdivisions 1, 2; 156.04; 156.072, subdivision 2; 156.073; 156.12, subdivisions 2, 4, 6; 156.15, subdivision 2; 156.16, subdivisions 3, 10; 156.18, subdivisions 1, 2; 156.19; 168.1255, subdivisions 1, 3, by adding subdivisions; 196.021; 196.03; 197.236; 198.32, subdivision 1; 239.77, as amended; 240.06, subdivision 5a, by

adding a subdivision; 240.13, subdivision 6; 394.232, subdivision 6; 462.355, subdivision 1; 462.357, by adding subdivisions; Minnesota Statutes 2007 Supplement, sections 31.175; 35.244; 41A.105; 296A.01, subdivision 8a; 394.23; Laws 2007, chapter 45, article 1, section 3, subdivisions 3, 4; proposing coding for new law in Minnesota Statutes, chapters 17; 18C; 32; 148; 196; 394; repealing Minnesota Statutes 2006, sections 198.001, subdivisions 6, 9; 198.002, subdivisions 1, 3, 6; 198.003, subdivisions 5, 6; 198.004, subdivision 2; Minnesota Statutes 2007 Supplement, sections 198.002, subdivision 2; 198.004, subdivision 1; Minnesota Rules, part 9050.0040, subpart 15.

May 6, 2008

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. 3683 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. 3683 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

AGRICULTURE POLICY

Section 1. **[17.118] LIVESTOCK INVESTMENT GRANT PROGRAM.**

Subdivision 1. **Establishment.** The commissioner may award a livestock investment grant to a person who raises livestock in this state equal to ten percent of the first \$500,000 of qualifying expenditures, provided the person makes qualifying expenditures of at least \$4,000. The commissioner may award multiple livestock investment grants to a person over the life of the program as long as the cumulative amount does not exceed \$50,000.

Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in this subdivision have the meanings given them.

(b) "Livestock" means beef cattle, dairy cattle, swine, poultry, goats, mules, farmed cervidae, ratitae, bison, sheep, horses, and llamas.

(c) "Qualifying expenditures" means the amount spent for:

(1) the acquisition, construction, or improvement of buildings or facilities for the production of livestock or livestock products;

(2) the development of pasture for use by livestock including, but not limited to, the acquisition, development, or improvement of:

(i) lanes used by livestock that connect pastures to a central location;

(ii) watering systems for livestock on pasture including water lines and booster pumps well installations;

(iii) livestock stream crossing stabilization; and

(iv) fences; or

(3) the acquisition of equipment for livestock housing, confinement, feeding, and waste management including, but not limited to, the following:

(i) freestall barns;

(ii) watering facilities;

(iii) feed storage and handling equipment;

(iv) milking parlors;

(v) robotic equipment;

(vi) scales;

(vii) milk storage and cooling facilities;

(viii) bulk tanks;

(ix) computer hardware and software and associated equipment used to monitor the productivity and feeding of livestock;

(x) manure pumping and storage facilities;

(xi) swine farrowing facilities;

(xii) swine and cattle finishing barns;

(xiii) calving facilities;

(xiv) digesters;

(xv) equipment used to produce energy;

(xvi) on-farm processing facilities equipment;

(xvii) fences; and

(xviii) livestock pens and corrals and sorting, restraining, and loading chutes.

Except for qualifying pasture development expenditures under clause (2), qualifying expenditures only include amounts that are allowed to be capitalized and deducted under either section 167 or 179 of the Internal Revenue Code in computing federal taxable income. Qualifying expenditures do not include an amount paid to refinance existing debt.

(d) "Qualifying period" means, for a grant awarded during a fiscal year, that full calendar year of which the first six months precede the first day of the current fiscal year. For example, an eligible person who makes qualifying expenditures during calendar year 2008 is eligible to receive a livestock investment grant between July 1, 2008, and June 30, 2009.

Subd. 3. **Eligibility.** (a) To be eligible for a livestock investment grant, a person must:

(1) be a resident of Minnesota or an entity specifically defined in section 500.24, subdivision 2, that is eligible to own farmland and operate a farm in this state under section 500.24;

(2) be the principal operator of the farm;

(3) hold a feedlot registration, if required; and

(4) apply to the commissioner on forms prescribed by the commissioner including a statement of the qualifying expenditures made during the qualifying period along with any proof or other documentation the commissioner may require.

(b) The \$50,000 maximum grant applies at the entity level for partnerships, S corporations, C corporations, trusts, and estates as well as at the individual level. In the case of married individuals, the grant is limited to \$50,000 for a married couple.

Subd. 4. **Process.** The commissioner, in consultation with the chairs and ranking minority members of the house and senate committees with jurisdiction over agriculture finance, shall develop competitive eligibility criteria and may allocate grants on a needs basis. The commissioner shall certify eligible applications up to the amount appropriated for a fiscal year. The commissioner must place any additional eligible applications on a waiting list and, notwithstanding subdivision 2, paragraph (c), give them priority during the next fiscal year. The commissioner shall notify in writing any applicant who applies for a grant and is ineligible under the provisions of this section as well as any applicant whose application is received or reviewed after the fiscal year funding limit has been reached.

Sec. 2. Minnesota Statutes 2007 Supplement, section 18B.065, subdivision 1, is amended to read:

Subdivision 1. **Collection and disposal.** The commissioner of agriculture shall establish and operate a program to collect and dispose of waste pesticides. The program must be made available to ~~agriculture~~ agricultural and residential pesticide end users whose waste generating activity occurs in this state.

EFFECTIVE DATE. This section is effective July 1, 2008, and applies to all cooperative agreements entered into by the commissioner of agriculture and local units of government for waste pesticide collection and disposal after that date.

Sec. 3. Minnesota Statutes 2006, section 18B.065, subdivision 2, is amended to read:

Subd. 2. **Implementation.** (a) The commissioner may obtain a United States Environmental Protection Agency hazardous waste identification number to manage the waste pesticides collected.

(b) The commissioner may not limit the type and quantity of waste pesticides accepted for collection and may not assess pesticide end users for portions of the costs incurred.

Sec. 4. Minnesota Statutes 2007 Supplement, section 18B.065, subdivision 2a, is amended to read:

Subd. 2a. **Disposal site requirement.** (a) For agricultural waste pesticides, the commissioner must designate a place in each county of the state that is available at least every other year for persons to dispose of unused portions of agricultural pesticides in accordance with subdivision 1. The commissioner shall consult with the person responsible for solid waste management and disposal in each county to determine an appropriate location and to advertise each collection event.

(b) For residential waste pesticides, the commissioner must provide periodic disposal opportunities each year in each county. As provided under subdivision 7, the commissioner may enter into agreements with county or regional solid waste management entities to provide these collections and shall provide these entities with funding for reasonable costs incurred including, but not limited to, related supplies, transportation, advertising, and disposal costs as well as reasonable overhead costs.

(c) A person who collects waste pesticide under paragraph (a) or (b) shall record information on each waste pesticide product collected including, but not limited to, the product name, active ingredient or ingredients, quantity, and the United States Environmental Protection Agency registration number, on a form provided by the commissioner. The person must submit this information to the commissioner at least annually.

EFFECTIVE DATE. This section is effective July 1, 2008, and applies to all cooperative agreements entered into by the commissioner of agriculture and local units of government for waste pesticide collection and disposal after that date.

Sec. 5. Minnesota Statutes 2006, section 18B.065, subdivision 7, is amended to read:

Subd. 7. **Cooperative agreements.** The commissioner may enter into cooperative agreements with state agencies and local units of government for administration of the waste pesticide collection program. The commissioner shall ensure that the program is carried out in all counties. If the commissioner cannot contract with another party to administer the program in a county, the commissioner shall perform collections according to the provisions of this section.

Sec. 6. Minnesota Statutes 2006, section 18B.07, subdivision 2, is amended to read:

Subd. 2. **Prohibited pesticide use.** (a) A person may not use, store, handle, distribute, or dispose of a pesticide, rinsate, pesticide container, or pesticide application equipment in a manner:

- (1) that is inconsistent with a label or labeling as defined by FIFRA;
- (2) that endangers humans, damages agricultural products, food, livestock, fish, or wildlife; or
- (3) that will cause unreasonable adverse effects on the environment.

(b) A person may not direct a pesticide onto property beyond the boundaries of the target site. A person may not apply a pesticide resulting in damage to adjacent property.

(c) A person may not directly apply a pesticide on a human by overspray or target site spray, except when:

- (1) the pesticide is intended for use on a human;
- (2) the pesticide application is for mosquito control operations;

(3) the pesticide application is for control of gypsy moth, forest tent caterpillar, or other pest species, as determined by the commissioner, and the pesticide used is a biological agent; or

(4) the pesticide application is for a public health risk, as determined by the commissioner of health, and the commissioner of health, in consultation with the commissioner of agriculture, determines that the application is warranted based on the commissioner's balancing of the public health risk with the risk that the pesticide application poses to the health of the general population, with special attention to the health of children.

(d) For pesticide applications under paragraph (c), clause (2), the following conditions apply:

(1) no practicable and effective alternative method of control exists;

(2) the pesticide is among the least toxic available for control of the target pest; and

(3) notification to residents in the area to be treated is provided at least 24 hours before application through direct notification, posting daily on the treating organization's Web site, if any, and by sending a broadcast e-mail to those persons who request notification of such, of those areas to be treated by adult mosquito control techniques during the next calendar day. For control operations related to human disease, notice under this paragraph may be given less than 24 hours in advance.

(e) For pesticide applications under paragraph (c), clauses (3) and (4), the following conditions apply:

(1) no practicable and effective alternative method of control exists;

(2) the pesticide is among the least toxic available for control of the target pest; and

(3) notification of residents in the area to be treated is provided by direct notification and through publication in a newspaper of general circulation within the affected area.

(f) For purposes of this subdivision, "direct notification" may include mailings, public meetings, posted placards, neighborhood newsletters, or other means of contact designed to reach as many residents as possible. Public meetings held to meet this requirement for adult mosquito control, under paragraph (d), must be held within each city or town where the pesticide treatments are to be made, at a time and location that is convenient for residents of the area where the treatments will occur.

(g) A person may not apply a pesticide in a manner so as to expose a worker in an immediately adjacent, open field.

(h) Notwithstanding that the application is done in a manner consistent with the label or labeling, it is a violation of this chapter to directly apply a pesticide to a site where an application has not been: (1) requested, ordered, contracted for, or permitted; or (2) performed pursuant to paragraph (c), clause (2), (3), or (4).

Sec. 7. Minnesota Statutes 2007 Supplement, section 18B.26, subdivision 3, is amended to read:

Subd. 3. **Application fee.** (a) A registrant shall pay an annual application fee for each pesticide to be registered, and this fee is set at 0.4 percent of annual gross sales within the state and annual gross sales of pesticides used in the state, with a minimum nonrefundable fee of \$250. The registrant shall determine when and which pesticides are sold or used in this state. The registrant shall secure sufficient sales information of pesticides distributed into this state from distributors and dealers, regardless of distributor location, to make a determination. Sales of pesticides in this state and sales of pesticides for use in this state by out-of-state distributors are not exempt and must be included in the registrant's annual report, as required under paragraph (c), and fees shall be paid by the registrant based upon

those reported sales. Sales of pesticides in the state for use outside of the state are exempt from the application fee in this paragraph if the registrant properly documents the sale location and distributors. A registrant paying more than the minimum fee shall pay the balance due by March 1 based on the gross sales of the pesticide by the registrant for the preceding calendar year. The fee for disinfectants and sanitizers shall be the minimum. The minimum fee is due by December 31 preceding the year for which the application for registration is made. ~~The commissioner shall spend at least \$400,000, not including the commissioner's administrative costs, per fiscal year from the pesticide regulatory account for the purposes of the waste pesticide collection program.~~ In each fiscal year, the commissioner shall allocate from the pesticide regulatory account a sum sufficient to collect and dispose of waste pesticides under section 18B.065. However, notwithstanding section 18B.065, if the commissioner determines that the balance in the pesticide regulatory account at the end of the fiscal year will be less than \$500,000, the commissioner may suspend waste pesticide collections or provide partial payment to a person for waste pesticide collection. The commissioner must notify as soon as possible and no later than August 1 a person under contract to collect waste pesticides of an anticipated suspension or payment reduction.

(b) An additional fee of \$100 must be paid by the applicant for each pesticide to be registered if the application is a renewal application that is submitted after December 31.

(c) A registrant must annually report to the commissioner the amount and type of each registered pesticide sold, offered for sale, or otherwise distributed in the state. The report shall be filed by March 1 for the previous year's registration. The commissioner shall specify the form of the report and require additional information deemed necessary to determine the amount and type of pesticides annually distributed in the state. The information required shall include the brand name, amount, and formulation of each pesticide sold, offered for sale, or otherwise distributed in the state, but the information collected, if made public, shall be reported in a manner which does not identify a specific brand name in the report.

(d) A registrant who is required to pay more than the minimum fee for any pesticide under paragraph (a) must pay a late fee penalty of \$100 for each pesticide application fee paid after March 1 in the year for which the license is to be issued.

EFFECTIVE DATE. This section is effective July 1, 2008, and applies to all cooperative agreements entered into by the commissioner of agriculture and local units of government for waste pesticide collection and disposal after that date.

Sec. 8. Minnesota Statutes 2006, section 18D.305, subdivision 2, is amended to read:

Subd. 2. **Revocation and suspension.** (a) The commissioner may, after written notice and hearing, revoke, suspend, or refuse to grant or renew a registration, permit, license, or certification if a person violates a provision of this chapter or has a history within the last three years of violations of this chapter.

(b) The commissioner may refuse to accept an application for a registration, permit, license, or certification, and may revoke or suspend a previously issued registration, permit, license, or certification of a person from another state if that person has:

(1) had a registration, permit, license, or certification denied, revoked, or suspended by another state for an offense reasonably related to the requirements, qualifications, or duties of a registration, permit, license, or certification issued under chapter 18B or 18C; or

(2) been convicted of a violation, had a history of violations, or been subject to a final order imposing civil penalties authorized under the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA), as amended.

Sec. 9. Minnesota Statutes 2006, section 18E.04, subdivision 2, is amended to read:

Subd. 2. **Payment of corrective action costs.** (a) On request by an eligible person, the board may pay the eligible person for the reasonable and necessary cash disbursements for corrective action costs incurred by the eligible person as provided under subdivision 4 if the board determines:

- (1) the eligible person pays the first \$1,000 of the corrective action costs;
- (2) the eligible person provides the board with a sworn affidavit and other convincing evidence that the eligible person is unable to pay additional corrective action costs;
- (3) the eligible person continues to assume responsibility for carrying out the requirements of corrective action orders issued to the eligible person or that are in effect;
- (4) the incident was reported as required in chapters 18B, 18C, and 18D; and
- (5) the eligible person submits an application for payment or reimbursement to the department, along with associated invoices, within three years of (i) ~~incurring eligible corrective action costs~~ performance of the eligible work, or (ii) approval of ~~a~~ the related corrective action design or plan for that work, whichever is later.

~~(b) The eligible person must submit an application for payment or reimbursement of eligible cost incurred prior to July 1, 2001, no later than June 1, 2004.~~

~~(e)~~ An eligible person is not eligible for payment or reimbursement and must refund amounts paid or reimbursed by the board if false statements or misrepresentations are made in the affidavit or other evidence submitted to the commissioner to show an inability to pay corrective action costs.

~~(d)~~ (c) The board may pay the eligible person and one or more designees by multiparty check.

Sec. 10. Minnesota Statutes 2006, section 28A.03, is amended by adding a subdivision to read:

Subd. 10. **Vending machine.** "Vending machine" means a self-service device that, upon insertion of a coin, paper currency, token, card, or key, dispenses unit servings of food in bulk or in packages without the necessity of replenishing the device between each vending operation.

Sec. 11. Minnesota Statutes 2006, section 28A.05, is amended to read:

28A.05 CLASSIFICATION.

All persons required to have a license under section 28A.04 shall be classified into one of the following classes of food handlers, according to their principal mode of business.

(a) Retail food handlers are persons who sell or process and sell food directly to the ultimate consumer or who custom process meat or poultry. The term includes a person who sells food directly to the ultimate consumer through the use of ~~coin-actuated~~ vending machines, and a person who sells food for consumption on-site or off-site if the sale is conducted on the premises that are part of a grocery or convenience store operation.

(b) Wholesale food handlers are persons who sell to others for resale. A person who handles food in job lots (jobbers) is included in this classification.

(c) Wholesale food processors or manufacturers are persons who process or manufacture raw materials and other food ingredients into food items, or who reprocess food items, or who package food for sale to others for resale, or who commercially slaughter animals or poultry. Included herein are persons who can, extract, ferment, distill, pickle, bake, freeze, dry, smoke, grind, mix, stuff, pack, bottle, recondition, or otherwise treat or preserve food for sale to others for resale, cold storage warehouse operators as defined in section 28.01, subdivision 3, salvage food processors as defined in section 31.495, subdivision 1, dairy plants as defined in section 32.01, subdivision 6, and nonresident manufacturers of frozen foods as described in section 32.59.

(d) A food broker is a person who buys and sells food and who negotiates between a buyer and a seller of food, but who at no time has custody of the food being bought and sold.

Sec. 12. Minnesota Statutes 2006, section 28A.08, is amended to read:

28A.08 LICENSE FEES; PENALTIES.

Subdivision 1. **General.** License fees, penalties for late renewal of licenses, and penalties for not obtaining a license before conducting business in food handling that are set in this section apply to the sections named except as provided under section 28A.09. Except as specified herein, bonds and assessments based on number of units operated or volume handled or processed which are provided for in said laws shall not be affected, nor shall any penalties for late payment of said assessments, nor shall inspection fees, be affected by this chapter. The penalties may be waived by the commissioner. Fees for all new licenses must be based on the anticipated future gross annual food sales. If a firm is found to be operating for multiple years without paying license fees, the state may collect the appropriate fees and penalties for each year of operation.

Subd. 3. **Fees effective July 1, 2003.**

Type of food handler	License Fee Effective July 1, 2003	Penalties	
		Late Renewal	No License
1. Retail food handler			
(a) Having gross sales of only prepackaged nonperishable food of less than \$15,000 for the immediately previous license or fiscal year and filing a statement with the commissioner	\$50	\$17	\$33
(b) Having under \$15,000 gross sales <u>or service</u> including food preparation or having \$15,000 to \$50,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$77	\$25	\$51
(c) Having \$50,001 to \$250,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$155	\$51	\$102
(d) Having \$250,001 to \$1,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$276	\$91	\$182
(e) Having \$1,000,001 to \$5,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$799	\$264	\$527

(f) Having \$5,000,001 to \$10,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$1,162	\$383	\$767
(g) Having \$10,000,001 to \$15,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$1,376	\$454	\$908
(h) Having \$15,000,001 to \$20,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$1,607	\$530	\$1,061
(i) Having \$20,000,001 to \$25,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$1,847	\$610	\$1,219
(j) Having over \$25,000,001 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$2,001	\$660	\$1,321
2. Wholesale food handler			
(a) Having gross sales or service of less than \$25,000 for the immediately previous license or fiscal year	\$57	\$19	\$38
(b) Having \$25,001 to \$250,000 gross sales or service for the immediately previous license or fiscal year	\$284	\$94	\$187
(c) Having \$250,001 to \$1,000,000 gross sales or service from a mobile unit without a separate food facility for the immediately previous license or fiscal year	\$444	\$147	\$293
(d) Having \$250,001 to \$1,000,000 gross sales or service not covered under paragraph (c) for the immediately previous license or fiscal year	\$590	\$195	\$389
(e) Having \$1,000,001 to \$5,000,000 gross sales or service for the immediately previous license or fiscal year	\$769	\$254	\$508
(f) Having \$5,000,001 to \$10,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$920	\$304	\$607
(g) Having \$10,000,001 to \$15,000,000 gross sales or service for the immediately previous license or fiscal year	\$990	\$327	\$653
(h) Having \$15,000,001 to \$20,000,000 gross sales or service for the immediately previous license or fiscal year	\$1,156	\$381	\$763
(i) Having \$20,000,001 to \$25,000,000 gross sales or service for the immediately previous license or fiscal year	\$1,329	\$439	\$877
(j) Having over \$25,000,001 or more gross sales or service for the immediately previous license or fiscal year	\$1,502	\$496	\$991

3. Food broker	\$150	\$50	\$99
4. Wholesale food processor or manufacturer			
(a) Having gross sales <u>or service</u> of less than \$125,000 for the immediately previous license or fiscal year	\$169	\$56	\$112
(b) Having \$125,001 to \$250,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$392	\$129	\$259
(c) Having \$250,001 to \$1,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$590	\$195	\$389
(d) Having \$1,000,001 to \$5,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$769	\$254	\$508
(e) Having \$5,000,001 to \$10,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$920	\$304	\$607
(f) Having \$10,000,001 to \$15,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$1,377	\$454	\$909
(g) Having \$15,000,001 to \$20,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$1,608	\$531	\$1,061
(h) Having \$20,000,001 to \$25,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$1,849	\$610	\$1,220
(i) Having \$25,000,001 to \$50,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$2,090	\$690	\$1,379
(j) Having \$50,000,001 to \$100,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$2,330	\$769	\$1,538
(k) Having \$100,000,000 or more gross sales <u>or service</u> for the immediately previous license or fiscal year	\$2,571	\$848	\$1,697
5. Wholesale food processor of meat or poultry products under supervision of the U.S. Department of Agriculture			
(a) Having gross sales <u>or service</u> of less than \$125,000 for the immediately previous license or fiscal year	\$112	\$37	\$74
(b) Having \$125,001 to \$250,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$214	\$71	\$141
(c) Having \$250,001 to \$1,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$333	\$110	\$220
(d) Having \$1,000,001 to \$5,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$425	\$140	\$281

(e) Having \$5,000,001 to \$10,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$521	\$172	\$344
(f) Having over \$10,000,001 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$765	\$252	\$505
(g) Having \$15,000,001 to \$20,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$893	\$295	\$589
(h) Having \$20,000,001 to \$25,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$1,027	\$339	\$678
(i) Having \$25,000,001 to \$50,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$1,161	\$383	\$766
(j) Having \$50,000,001 to \$100,000,000 gross sales <u>or service</u> for the immediately previous license or fiscal year	\$1,295	\$427	\$855
(k) Having \$100,000,001 or more gross sales <u>or service</u> for the immediately previous license or fiscal year	\$1,428	\$471	\$942
6. Wholesale food processor or manufacturer operating only at the State Fair	\$125	\$40	\$50
7. Wholesale food manufacturer having the permission of the commissioner to use the name Minnesota Farmstead cheese	\$30	\$10	\$15
8. Nonresident frozen dairy manufacturer	\$200	\$50	\$75
9. Wholesale food manufacturer processing less than 700,000 pounds per year of raw milk	\$30	\$10	\$15
10. A milk marketing organization without facilities for processing or manufacturing that purchases milk from milk producers for delivery to a licensed wholesale food processor or manufacturer	\$50	\$15	\$25

Sec. 13. Minnesota Statutes 2006, section 28A.082, is amended by adding a subdivision to read:

Subd. 3. **Disaster areas.** If the governor declares a disaster in an area of the state, the commissioner of agriculture may waive the plan review fee and direct agency personnel to expedite the plan review process.

Sec. 14. Minnesota Statutes 2006, section 28A.09, subdivision 1, is amended to read:

Subdivision 1. **Annual fee; exceptions.** Every ~~coin-operated~~ food vending machine is subject to an annual state inspection fee of \$25 for each nonexempt machine except nut vending machines which are subject to an annual state inspection fee of \$10 for each machine, provided that:

(a) Food vending machines may be inspected by either a home rule charter or statutory city, or a county, but not both, and if inspected by a home rule charter or statutory city, or a county they shall not be subject to the state inspection fee, but the home rule charter or statutory city, or the county may impose an inspection or license fee of no more than the state inspection fee. A home rule charter or statutory city or county that does not inspect food vending machines shall not impose a food vending machine inspection or license fee.

(b) Vending machines dispensing only gum balls, hard candy, unsorted candy, or ice manufactured and packaged by another ~~shall be, and water dispensing machines serviced by a cashier, are~~ exempt from the state inspection fee, but may be inspected by the state. A home rule charter or statutory city may impose by ordinance an inspection or license fee of no more than the state inspection fee for nonexempt machines on the vending machines and water dispensing machines described in this paragraph. A county may impose by ordinance an inspection or license fee of no more than the state inspection fee for nonexempt machines on the vending machines and water dispensing machines described in this paragraph which are not located in a home rule charter or statutory city.

(c) Vending machines dispensing only bottled or canned soft drinks are exempt from the state, home rule charter or statutory city, and county inspection fees, but may be inspected by the commissioner or the commissioner's designee.

Sec. 15. Minnesota Statutes 2006, section 29.23, is amended to read:

29.23 GRADING.

Subdivision 1. **Grades, weight classes and standards for quality.** All eggs purchased on the basis of grade by the first licensed buyer shall be graded in accordance with grade and weight classes established by the commissioner. The commissioner shall establish, by rule, and from time to time, may amend or revise, grades, weight classes, and standards for quality. When grades, weight classes, and standards for quality have been fixed by the secretary of the Department of Agriculture of the United States, they ~~may~~ **must** be accepted and published by the commissioner as definitions or standards for eggs in interstate and intrastate commerce.

Subd. 2. **Equipment.** The commissioner shall also by rule provide for minimum plant and equipment requirements for candling, grading, handling and storing eggs, and shall define candling. Equipment in use by a wholesale food handler before July 1, 1991, that does not meet the design and fabrication requirements of this chapter may remain in use if it is in good repair, capable of being maintained in a sanitary condition, and capable of maintaining a temperature of 45 degrees Fahrenheit (7 degrees Celsius) or less.

Subd. 3. **Egg temperature.** Eggs must be held at a temperature not to exceed 45 degrees Fahrenheit (7 degrees Celsius) after being received by the egg handler except for cleaning, sanitizing, grading, and further processing when they must immediately be placed under refrigeration that is maintained at 45 degrees Fahrenheit (7 degrees Celsius) or below. Eggs offered for ~~retail~~ sale by a retail food handler must be held at a temperature not to exceed ~~45~~ 41 degrees Fahrenheit (7 degrees Celsius). Equipment in use prior to August 1, 1991, is not subject to this requirement. Shell eggs that have been frozen must not be offered for sale except as approved by the commissioner.

Subd. 4. **Vehicle temperature.** A vehicle used ~~for the transportation of~~ to transport shell eggs from a warehouse, retail store, candling and grading facility, or egg holding facility must have an ambient air temperature of 45 degrees Fahrenheit (7 degrees Celsius) or below.

Sec. 16. Minnesota Statutes 2006, section 31.05, is amended to read:

31.05 EMBARGOES AND CONDEMNATIONS.

Subdivision 1. **Definitions.** As used in this section, "animals" means cattle; swine; sheep; goats; poultry; farmed cervidae, as defined in section 35.153, subdivision 3; llamas, as defined in section 17.455, subdivision 2; ratitae, as defined in section 17.453, subdivision 3; equines; and other large domesticated animals.

Subd. 1a. **Tag or notice.** A duly authorized agent of the commissioner who finds or has probable cause to believe that any food, animal, or consumer commodity is adulterated or so misbranded as to be dangerous or fraudulent, or is in violation of section 31.131 shall affix to such article or animal a tag or other appropriate marking

giving notice that such article or animal is, or is suspected of being, adulterated or misbranded and has been detained or embargoed, and warning all persons not to remove or dispose of such article or animal by sale or otherwise until permission for removal or disposal is given by such agent or the court. It shall be unlawful for any person to remove or dispose of such detained or embargoed article or animal by sale or otherwise without such permission.

Subd. 2. **Action for condemnation.** When an article or animal detained or embargoed under subdivision 1 has been found by such agent to be adulterated, or misbranded, the agent shall petition the district court in the county in which the article or animal is detained or embargoed for an order and decree for the condemnation of such article or animal. Any such agent who has found that an article or animal so detained or embargoed is not adulterated or misbranded, shall remove the tag or other marking.

Subd. 3. **Remedies.** If the court finds that a detained or embargoed article or animal is adulterated or misbranded, such article or animal shall, after entry of the decree, be destroyed at the expense of the claimant thereof, under the supervision of such agent, and all court costs and fees, and storage and other proper expenses, shall be taxed against the claimant of such article or animal or the claimant's agent; provided, that when the adulteration or misbranding can be corrected by proper labeling or processing of the article or animal, the court, after entry of the decree and after such costs, fees, and expenses have been paid and a good and sufficient bond, conditioned that such article or animal shall be so labeled or processed, has been executed, may by order direct that such article or animal be delivered to claimant thereof for such labeling or processing under the supervision of an agent of the commissioner. The expense of such supervision shall be paid by claimant. The article or animal shall be returned to the claimant and the bond shall be discharged on the representation to the court by the commissioner that the article or animal is no longer in violation and that the expenses of such supervision have been paid.

Subd. 4. **Duties of commissioner.** Whenever the commissioner or any of the commissioner's authorized agents shall find in any room, building, vehicle of transportation or other structure, any meat, seafood, poultry, vegetable, fruit, or other perishable articles of food which are unsound, or contain any filthy, decomposed, or putrid substance, or that may be poisonous or deleterious to health or otherwise unsafe, the same being hereby declared to be a nuisance, the commissioner, or the commissioner's authorized agent, shall forthwith condemn or destroy the same, or in any other manner render the same unsalable as human food, and no one shall have any cause of action against the commissioner or the commissioner's authorized agent on account of such action.

Subd. 5. **Emergency response.** In the event of an emergency declared by the governor's order under section 12.31, if the commissioner finds or has probable cause to believe that a livestock, food, or a consumer commodity within a specific area is likely to be adulterated because of the emergency or so misbranded as to be dangerous or fraudulent, or is in violation of section 31.131, subdivision 1, the commissioner may embargo a geographic area that is included in the declared emergency. The commissioner shall provide notice to the public and to those with custody of the product in as thorough a manner as is practical under the emergency circumstances.

Sec. 17. Minnesota Statutes 2006, section 31.171, is amended to read:

31.171 EMPLOYMENT OF DISEASED PERSON.

It shall be unlawful for any person to work in or about any place where any fruit or any food products are manufactured, packed, stored, deposited, collected, prepared, produced or sold, whose condition is such that disease may be spread to associates direct, or through the medium of milk, cream, butter, other food or food products, likely to be eaten without being cooked after handling, whether such condition be due to a contagious, or infectious, ~~or venereal~~ disease, in its active or convalescent stage, or to the presence of disease germs, whether accompanied by, or without, any symptoms of the disease itself.

It shall be the duty of the commissioner, or the commissioner's assistant, inspector, or agent, to report to the state commissioner of health for investigation, any person suspected to be dangerous to the public health, as provided for in this section, and immediately to exclude such person from such employment pending investigation and during the period of infectiousness, if such person is certified by the state commissioner of health, or an authorized agent, to be dangerous to the public health.

Sec. 18. Minnesota Statutes 2007 Supplement, section 31.175, is amended to read:

31.175 WATER, PLUMBING, AND SEWAGE.

A person who is required by statutes administered by the Department of Agriculture, or by rules adopted pursuant to those statutes, to provide a suitable water supply, or plumbing or sewage disposal system, ~~may shall~~ not engage in the business of manufacturing, processing, selling, handling, or storing food at wholesale or retail unless the person's water supply is satisfactory ~~under plumbing codes~~ pursuant to rules adopted by the Department of Health, the person's plumbing is satisfactory pursuant to rules adopted by the Department of Labor and Industry, and the person's sewage disposal system satisfies the rules of the Pollution Control Agency.

Sec. 19. **[32.416] SOMATIC CELL COUNT, GOAT MILK.**

Notwithstanding any federal standard incorporated by reference in this chapter, the maximum allowable somatic cell count for raw goat milk is 1,500,000 cells per milliliter.

Sec. 20. Minnesota Statutes 2006, section 41A.09, subdivision 3a, is amended to read:

Subd. 3a. **Ethanol producer payments.** (a) The commissioner shall make cash payments to producers of ethanol located in the state that have begun production at a specific location by June 30, 2000. For the purpose of this subdivision, an entity that holds a controlling interest in more than one ethanol plant is considered a single producer. The amount of the payment for each producer's annual production, except as provided in paragraph (c), is 20 cents per gallon for each gallon of ethanol produced at a specific location on or before June 30, 2000, or ten years after the start of production, whichever is later. Annually, within 90 days of the end of its fiscal year, an ethanol producer receiving payments under this subdivision must file a disclosure statement on a form provided by the commissioner. The initial disclosure statement must include a summary description of the organization of the business structure of the claimant, a listing of the percentages of ownership by any person or other entity with an ownership interest of five percent or greater, and a copy of its annual audited financial statements, including the auditor's report and footnotes. The disclosure statement must include information demonstrating what percentage of the entity receiving payments under this section is owned by farmers or other entities eligible to farm or own agricultural land in Minnesota under the provisions of section 500.24. Subsequent annual reports must reflect noncumulative changes in ownership of ten percent or more of the entity. The report need not disclose the identity of the persons or entities eligible to farm or own agricultural land with ownership interests, individuals residing within 30 miles of the plant, or of any other entity with less than ten percent ownership interest, but the claimant must retain information within its files confirming the accuracy of the data provided. This data must be made available to the commissioner upon request. Not later than the 15th day of February in each year the commissioner shall deliver to the chairs of the standing committees of the senate and the house of representatives that deal with agricultural policy and agricultural finance issues an annual report summarizing aggregated data from plants receiving payments under this section during the preceding calendar year. Audited financial statements and notes and disclosure statements submitted to the commissioner are nonpublic data under section 13.02, subdivision 9. Notwithstanding the provisions of chapter 13 relating to nonpublic data, summaries of the submitted audited financial reports and notes and disclosure statements will be contained in the report to the committee chairs and will be public data.

(b) No payments shall be made for ethanol production that occurs after June 30, 2010. A producer of ethanol shall not transfer the producer's eligibility for payments under this section to an ethanol plant at a different location.

(c) If the level of production at an ethanol plant increases due to an increase in the production capacity of the plant, the payment under paragraph (a) applies to the additional increment of production until ten years after the increased production began. Once a plant's production capacity reaches 15,000,000 gallons per year, no additional increment will qualify for the payment.

(d) Total payments under paragraphs (a) and (c) to a producer in a fiscal year may not exceed \$3,000,000.

(e) By the last day of October, January, April, and July, each producer shall file a claim for payment for ethanol production during the preceding three calendar months. A producer that files a claim under this subdivision shall include a statement of the producer's total ethanol production in Minnesota during the quarter covered by the claim. For each claim and statement of total ethanol production filed under this subdivision, the volume of ethanol production must be examined by an independent certified public accountant in accordance with standards established by the American Institute of Certified Public Accountants.

(f) Payments shall be made November 15, February 15, May 15, and August 15. A separate payment shall be made for each claim filed. Except as provided in paragraph (g), the total quarterly payment to a producer under this paragraph may not exceed \$750,000.

(g) Notwithstanding the quarterly payment limits of paragraph (f), the commissioner shall make an additional payment in the fourth quarter of each fiscal year to ethanol producers for the lesser of: (1) 20 cents per gallon of production in the fourth quarter of the year that is greater than 3,750,000 gallons; or (2) the total amount of payments lost during the first three quarters of the fiscal year due to plant outages, repair, or major maintenance. Total payments to an ethanol producer in a fiscal year, including any payment under this paragraph, must not exceed the total amount the producer is eligible to receive based on the producer's approved production capacity. The provisions of this paragraph apply only to production losses that occur in quarters beginning after December 31, 1999.

(h) The commissioner shall reimburse ethanol producers for any deficiency in payments during earlier quarters if the deficiency occurred because of unallotment or because appropriated money was insufficient to make timely payments in the full amount provided in paragraph (a). Notwithstanding the quarterly or annual payment limitations in this subdivision, the commissioner shall begin making payments for earlier deficiencies in each fiscal year that appropriations for ethanol payments exceed the amount required to make eligible scheduled payments. Payments for earlier deficiencies must continue until the deficiencies for each producer are paid in full, except the commissioner shall not make a deficiency payment to an entity that no longer produces ethanol on a commercial scale at the location for which the entity qualified for producer payments, or to an assignee of the entity.

(i) The commissioner may make direct payments to producers of rural economic infrastructure with any amount of the annual appropriation for ethanol producer payments and rural economic infrastructure that is in excess of the amount required to make scheduled ethanol producer payments and deficiency payments under paragraphs (a) to (h).

Sec. 21. Minnesota Statutes 2007 Supplement, section 41A.105, is amended to read:

41A.105 NEXTGEN ENERGY.

Subdivision 1. **Purpose.** It is the goal of the state through the Department of Agriculture to research and develop energy sources to displace fossil fuels with renewable technology.

Subd. 2. **NextGen Energy Board.** There is created a NextGen Energy Board consisting of the commissioners of agriculture, commerce, natural resources, the Pollution Control Agency, and employment and economic development; the chairs of the house and senate committees with jurisdiction over energy finance; the chairs of the house and senate committees with jurisdiction over agriculture finance; one member of the second largest political party in the house, as appointed by the chairs of the house committees with jurisdiction over agriculture finance and energy finance; one member of the second largest political party in the senate, as appointed by the chairs of the senate committees with jurisdiction over agriculture finance and energy finance; and the executive director of the Agricultural Utilization Research Institute. In addition, the governor shall appoint ~~seven~~ eight members: two representing statewide agriculture organizations; two representing statewide environment and natural resource conservation organizations; one representing the University of Minnesota; one representing the Minnesota Institute for Sustainable Agriculture; ~~and one representing the Minnesota State Colleges and Universities system;~~ and one representing the forest products industry.

Subd. 3. **Duties.** The board shall research and report to the commissioner of agriculture and to the legislature recommendations as to how the state can invest its resources to most efficiently achieve energy independence, agricultural and natural resources sustainability, and rural economic vitality. The board shall:

- (1) examine the future of fuels, such as synthetic gases, biobutanol, hydrogen, methanol, biodiesel, and ethanol within Minnesota;
- (2) develop equity grant programs to assist locally owned facilities;
- (3) study the proper role of the state in creating financing and investing and providing incentives;
- (4) evaluate how state and federal programs, including the Farm Bill, can best work together and leverage resources;
- (5) work with other entities and committees to develop a clean energy program; and
- (6) report to the legislature before February 1 each year with recommendations as to appropriations and results of past actions and projects.

Subd. 4. **Commissioner's duties.** The commissioner of agriculture shall administer this section.

Subd. 5. **Expiration.** This section expires June 30, ~~2009~~ 2014.

Sec. 22. Minnesota Statutes 2006, section 41D.01, subdivision 4, is amended to read:

Subd. 4. **Expiration.** This section expires on June 30, ~~2008~~ 2013.

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

Sec. 23. Minnesota Statutes 2006, section 97A.028, subdivision 3, is amended to read:

Subd. 3. **Emergency deterrent materials assistance.** (a) For the purposes of this subdivision, "cooperative damage management agreement" means an agreement between a landowner or tenant and the commissioner that establishes a program for addressing the problem of destruction of the landowner's or tenant's specialty crops or stored forage crops by wild animals, or destruction of agricultural crops by flightless Canada geese.

(b) A landowner or tenant may apply to the commissioner for emergency deterrent materials assistance in controlling destruction of the landowner's or tenant's specialty crops or stored forage crops by wild animals, or destruction of agricultural crops by flightless Canada geese. Subject to the availability of money appropriated for this purpose, the commissioner shall provide suitable deterrent materials when the commissioner determines that:

(1) immediate action is necessary to prevent significant damage from continuing ~~or to prevent the spread of bovine tuberculosis~~; and

(2) a cooperative damage management agreement cannot be implemented immediately.

(c) A person may receive emergency deterrent materials assistance under this subdivision more than once, but the cumulative total value of deterrent materials provided to a person, or for use on a parcel, may not exceed \$3,000 for specialty crops, ~~\$5,000 for measures to prevent the spread of bovine tuberculosis within a five mile radius of a cattle herd that is infected with bovine tuberculosis as determined by the Board of Animal Health~~, \$750 for protecting stored forage crops, or \$500 for agricultural crops damaged by flightless Canada geese. If a person is a co-owner or cotenant with respect to the specialty crops for which the deterrent materials are provided, the deterrent materials are deemed to be "provided" to the person for the purposes of this paragraph.

(d) As a condition of receiving emergency deterrent materials assistance under this subdivision, a landowner or tenant shall enter into a cooperative damage management agreement with the commissioner. Deterrent materials provided by the commissioner may include repellents, fencing materials, or other materials recommended in the agreement to alleviate the damage problem. If requested by a landowner or tenant, any fencing materials provided must be capable of providing long-term protection of specialty crops. A landowner or tenant who receives emergency deterrent materials assistance under this subdivision shall comply with the terms of the cooperative damage management agreement.

Sec. 24. Minnesota Statutes 2006, section 148.01, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For the purposes of sections 148.01 to 148.10:

(1) "chiropractic" is defined as the science of adjusting any abnormal articulations of the human body, especially those of the spinal column, for the purpose of giving freedom of action to impinged nerves that may cause pain or deranged function; and

(2) "animal chiropractic diagnosis and treatment" means treatment that includes identifying and resolving vertebral subluxation complexes, spinal manipulation, and manipulation of the extremity articulations of nonhuman vertebrates. Animal chiropractic diagnosis and treatment does not include:

(i) performing surgery;

(ii) dispensing or administering of medications; or

(iii) performing traditional veterinary care and diagnosis.

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

Sec. 25. Minnesota Statutes 2006, section 148.01, is amended by adding a subdivision to read:

Subd. 1a. **Animal chiropractic practice.** A licensed chiropractor may engage in the practice of animal chiropractic diagnosis and treatment if registered to do so by the board, and the animal has been referred to the chiropractor by a veterinarian.

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

Sec. 26. Minnesota Statutes 2006, section 148.01, is amended by adding a subdivision to read:

Subd. 1b. **Scope of practice; animal chiropractic.** Criteria for registration to engage in the practice of animal chiropractic diagnosis and treatment must be set by the board, and must include, but are not limited to: active chiropractic license; education and training in the field of animal chiropractic from an American Veterinary Chiropractic Association, International Veterinary Chiropractic Association, or higher institution-approved course consisting of no less than 210 hours, meeting continuing education requirements; and other conditions and rules set by the board. The board shall consult with the State Board of Veterinary Medicine in preparing proposed rules on animal chiropractic.

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

Sec. 27. Minnesota Statutes 2006, section 148.01, is amended by adding a subdivision to read:

Subd. 1c. **Titles.** Notwithstanding the limitations established in section 156.12, subdivision 4, a doctor of chiropractic properly registered to provide chiropractic care to animals in accordance with this chapter and rules of the board may use the title "animal chiropractor."

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

Sec. 28. Minnesota Statutes 2006, section 148.01, is amended by adding a subdivision to read:

Subd. 1d. **Provisional interim statute.** Upon approval by the board, a licensed chiropractor who has already taken and passed the education and training requirement set forth in subdivision 1b may engage in the practice of animal chiropractic during the time that the rules are being promulgated by the board. Enforcement actions may not be taken against persons who have completed the approved program of study by the American Veterinary Chiropractic Association or the International Veterinary Chiropractic Association until the rules have been adopted by the board.

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

Sec. 29. **[148.032] EDUCATIONAL CRITERIA FOR LICENSURE IN ANIMAL CHIROPRACTIC DIAGNOSIS AND TREATMENT; RECORDS; TREATMENT NOTES.**

(a) The following educational criteria must be applied to any licensed chiropractor who requests registration in animal chiropractic diagnosis and treatment. The criteria must include education and training in the following subjects:

(1) anatomy;

(2) anatomy laboratory;

(3) biomechanics and gait;

(4) chiropractic educational basics;

(5) animal chiropractic diversified adjusting technique, including:

(i) lecture cervical;

(ii) thoracic;

(iii) lumbosacral;

(iv) pelvic; and

(v) extremity;

(6) animal chiropractic diversified adjusting technique, including:

(i) laboratory cervical;

(ii) thoracic;

(iii) lumbosacral;

(iv) pelvic; and

(v) extremity;

(7) case management and case studies;

(8) chiropractic philosophy;

(9) ethics and legalities;

(10) neurology, neuroanatomy, and neurological conditions;

(11) pathology;

(12) radiology;

(13) research in current chiropractic and veterinary topics;

(14) rehabilitation, current topics, evaluation, and assessment;

(15) normal foot anatomy and normal foot care;

(16) saddle fit and evaluation, lecture, and laboratory;

(17) veterinary educational basics;

(18) vertebral subluxation complex; and

(19) zoonotic diseases.

(b) A licensed chiropractor requesting registration in animal chiropractic diagnosis and treatment must have completed and passed a course of study from an American Veterinary Chiropractic Association, International Veterinary Chiropractic Association, or higher institution-approved program, consisting of no less than 210 hours of education and training as set forth in paragraph (a).

(c) A licensed chiropractor engaged in the practice of animal chiropractic diagnosis and treatment must maintain complete and accurate records and patient files in the chiropractor's office for at least three years.

(d) A licensed chiropractor engaged in the practice of animal chiropractic diagnosis and treatment must make treatment notes and records available to the patient's owner upon request and must communicate their findings and treatment plan with the referring veterinarian if requested by the patient's owner.

(e) A licensed chiropractor who treats both animal and human patients in the same facility must post a conspicuous sign in the reception area of that facility informing customers that nonhuman patients are treated on the premises.

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

Sec. 30. **[148.033] ANIMAL CHIROPRACTIC CONTINUING EDUCATION HOURS.**

Any chiropractor engaged in the practice of animal chiropractic diagnosis and treatment applying for renewal of a registration related to animal chiropractic diagnosis and treatment must have completed a minimum of six hours annually of continuing education in animal chiropractic diagnosis and treatment, in addition to the required 20 hours annually of continuing education in human chiropractic under this chapter. The continuing education course attended for purposes of complying with this section must be approved by the board prior to attendance by the chiropractor.

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

Sec. 31. **[148.035] SEPARATE TREATMENT ROOM REQUIRED.**

A licensed chiropractor who provides animal chiropractic treatment in the same facility where human patients are treated, shall maintain a separate noncarpeted room for the purpose of adjusting animals. The table and equipment used for animals shall not be used for human patients.

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

Sec. 32. Minnesota Statutes 2006, section 156.001, is amended by adding a subdivision to read:

Subd. 10a. **Program for the Assessment of Veterinary Education Equivalence; PAVE certificate.** A "Program for the Assessment of Veterinary Education Equivalence" or "PAVE" certificate is issued by the American Association of Veterinary State Boards, indicating that the holder has demonstrated knowledge and skill equivalent to that possessed by a graduate of an accredited or approved college of veterinary medicine.

Sec. 33. Minnesota Statutes 2006, section 156.02, subdivision 1, is amended to read:

Subdivision 1. **License application.** Application for a license to practice veterinary medicine in this state shall be made in writing to the Board of Veterinary Medicine upon a form furnished by the board, accompanied by satisfactory evidence that the applicant is at least 18 years of age, is of good moral character, and has one of the following:

(1) a diploma conferring the degree of doctor of veterinary medicine, or an equivalent degree, from an accredited or approved college of veterinary medicine;

(2) an ECFVG or PAVE certificate; or

(3) a certificate from the dean of an accredited or approved college of veterinary medicine stating that the applicant is a student in good standing expecting to be graduated at the completion of the current academic year of the college in which the applicant is enrolled.

The application shall contain the information and material required by subdivision 2 and any other information that the board may, in its sound judgment, require. The application shall be filed with the board at least 60 days before the date of the examination. If the board deems it advisable, it may require that such application be verified by the oath of the applicant.

Sec. 34. Minnesota Statutes 2006, section 156.02, subdivision 2, is amended to read:

Subd. 2. **Required with application.** Every application shall contain the following information and material:

(1) the application fee set by the board in the form of a check or money order payable to the board, which fee is not returnable in the event permission to take the examination is denied for good cause;

(2) a copy of a diploma from an accredited or approved college of veterinary medicine or a certificate from the dean or secretary of an accredited or approved college of veterinary medicine showing the time spent in the school and the date when the applicant was duly and regularly graduated or will duly and regularly graduate or verification of ECFVG or PAVE certification;

(3) affidavits of at least two veterinarians and three adults who are not related to the applicant setting forth how long a time, when, and under what circumstances they have known the applicant, and any other facts as may be proper to enable the board to determine the qualifications of the applicant; and

(4) if the applicant has served in the armed forces, a copy of discharge papers.

Sec. 35. Minnesota Statutes 2006, section 156.04, is amended to read:

156.04 BOARD TO ISSUE LICENSE.

The Board of Veterinary Medicine shall issue to every applicant who has successfully passed the required examination, who has received a diploma conferring the degree of doctor of veterinary medicine or an equivalent degree from an accredited or approved college of veterinary medicine or an ECFVG or PAVE certificate, and who shall have been adjudged to be duly qualified to practice veterinary medicine, a license to practice.

Sec. 36. Minnesota Statutes 2006, section 156.072, subdivision 2, is amended to read:

Subd. 2. **Required with application.** Such doctor of veterinary medicine shall accompany the application by the following:

(1) a copy of a diploma from an accredited or approved college of veterinary medicine or certification from the dean, registrar, or secretary of an accredited or approved college of veterinary medicine attesting to the applicant's graduation from an accredited or approved college of veterinary medicine, or a certificate of satisfactory completion of the ECFVG or PAVE program.

(2) affidavits of two licensed practicing doctors of veterinary medicine residing in the United States or Canadian licensing jurisdiction in which the applicant is currently practicing, attesting that they are well acquainted with the applicant, that the applicant is a person of good moral character, and has been actively engaged in practicing or teaching in such jurisdiction for the period above prescribed;

(3) a certificate from the regulatory agency having jurisdiction over the conduct of practice of veterinary medicine that such applicant is in good standing and is not the subject of disciplinary action or pending disciplinary action;

(4) a certificate from all other jurisdictions in which the applicant holds a currently active license or held a license within the past ten years, stating that the applicant is and was in good standing and has not been subject to disciplinary action;

(5) in lieu of clauses (3) and (4), certification from the Veterinary Information Verification Agency that the applicant's licensure is in good standing;

(6) a fee as set by the board in form of check or money order payable to the board, no part of which shall be refunded should the application be denied;

(7) score reports on previously taken national examinations in veterinary medicine, certified by the Veterinary Information Verification Agency; and

(8) if requesting waiver of examination, provide evidence of meeting licensure requirements in the state of the applicant's original licensure that were substantially equal to the requirements for licensure in Minnesota in existence at that time.

Sec. 37. Minnesota Statutes 2006, section 156.073, is amended to read:

156.073 TEMPORARY PERMIT.

The board may issue without examination a temporary permit to practice veterinary medicine in this state to a person who has submitted an application approved by the board for license pending examination, and holds a doctor of veterinary medicine degree or an equivalent degree from an approved or accredited college of veterinary medicine or an ECFVG or PAVE certification. The temporary permit shall expire the day after publication of the notice of results of the first examination given after the permit is issued. No temporary permit may be issued to any applicant who has previously failed the national examination and is currently not licensed in any licensing jurisdiction of the United States or Canada or to any person whose license has been revoked or suspended or who is currently subject to a disciplinary order in any licensing jurisdiction of the United States or Canada.

Sec. 38. Minnesota Statutes 2006, section 156.12, subdivision 2, is amended to read:

Subd. 2. **Authorized activities.** No provision of this chapter shall be construed to prohibit:

(a) a person from rendering necessary gratuitous assistance in the treatment of any animal when the assistance does not amount to prescribing, testing for, or diagnosing, operating, or vaccinating and when the attendance of a licensed veterinarian cannot be procured;

(b) a person who is a regular student in an accredited or approved college of veterinary medicine from performing duties or actions assigned by instructors or preceptors or working under the direct supervision of a licensed veterinarian;

(c) a veterinarian regularly licensed in another jurisdiction from consulting with a licensed veterinarian in this state;

(d) the owner of an animal and the owner's regular employee from caring for and administering to the animal belonging to the owner, except where the ownership of the animal was transferred for purposes of circumventing this chapter;

(e) veterinarians who are in compliance with subdivision 6 and who are employed by the University of Minnesota from performing their duties with the College of Veterinary Medicine, College of Agriculture, Agricultural Experiment Station, Agricultural Extension Service, Medical School, School of Public Health, or other unit within the university; or a person from lecturing or giving instructions or demonstrations at the university or in connection with a continuing education course or seminar to veterinarians or pathologists at the University of Minnesota Veterinary Diagnostic Laboratory;

(f) any person from selling or applying any pesticide, insecticide or herbicide;

(g) any person from engaging in bona fide scientific research or investigations which reasonably requires experimentation involving animals;

(h) any employee of a licensed veterinarian from performing duties other than diagnosis, prescription or surgical correction under the direction and supervision of the veterinarian, who shall be responsible for the performance of the employee;

(i) a graduate of a foreign college of veterinary medicine from working under the direct personal instruction, control, or supervision of a veterinarian faculty member of the College of Veterinary Medicine, University of Minnesota in order to complete the requirements necessary to obtain an ECFVG or PAVE certificate;

(j) a licensed chiropractor registered under section 148.01, subdivision 1a, from practicing animal chiropractic.

Sec. 39. Minnesota Statutes 2006, section 156.12, subdivision 4, is amended to read:

Subd. 4. **Titles.** It is unlawful for a person who has not received a professional degree from an accredited or approved college of veterinary medicine, or ECFVG or PAVE certification, to use any of the following titles or designations: Veterinary, veterinarian, animal doctor, animal surgeon, animal dentist, animal chiropractor, animal acupuncturist, or any other title, designation, word, letter, abbreviation, sign, card, or device tending to indicate that the person is qualified to practice veterinary medicine.

Sec. 40. Minnesota Statutes 2006, section 156.12, subdivision 6, is amended to read:

Subd. 6. **Faculty licensure.** (a) Veterinary Medical Center clinicians at the College of Veterinary Medicine, University of Minnesota, who are engaged in the practice of veterinary medicine as defined in subdivision 1 and who treat animals owned by clients of the Veterinary Medical Center must possess the same license required by other veterinary practitioners in the state of Minnesota except for persons covered by paragraphs (b) and (c).

(b) A specialty practitioner in a hard-to-fill faculty position who has been employed at the College of Veterinary Medicine, University of Minnesota, for five years or more prior to 2003 or is specialty board certified by the American Veterinary Medical Association or the European Board of Veterinary Specialization may be granted a specialty faculty Veterinary Medical Center clinician license which will allow the licensee to practice veterinary medicine in the state of Minnesota in the specialty area of the licensee's training and only within the scope of employment at the Veterinary Medical Center.

(c) A specialty practitioner in a hard-to-fill faculty position at the College of Veterinary Medicine, University of Minnesota, who has graduated from a board-approved foreign veterinary school may be granted a temporary faculty Veterinary Medical Center clinician license. The temporary faculty Veterinary Medical Center clinician license expires in two years and allows the licensee to practice veterinary medicine as defined in subdivision 1 and treat animals owned by clients of the Veterinary Medical Center. The temporary faculty Veterinary Medical Center clinician license allows the licensee to practice veterinary medicine in the state of Minnesota in the specialty area of the licensee's training and only within the scope of employment at the Veterinary Medical Center while under the

direct supervision of a veterinarian currently licensed and actively practicing veterinary medicine in Minnesota, as defined in section 156.04. The direct supervising veterinarian must not have any current or past conditions, restrictions, or probationary status imposed on the veterinarian's license by the board within the past five years. The holder of a temporary faculty Veterinary Medical Center clinician license who is enrolled in a PhD program may apply for up to two additional consecutive two-year extensions of an expiring temporary faculty Veterinary Medical Center clinician license. Any other holder of a temporary faculty Veterinary Medical Center clinician license may apply for one two-year extension of the expiring temporary faculty Veterinary Medical Center clinician license. Temporary faculty Veterinary Medical Center clinician licenses that are allowed to expire may not be renewed. The board shall grant an extension to a licensee who demonstrates suitable progress toward completing the requirements of their academic program, specialty board certification, or full licensure in Minnesota by a graduate of a foreign veterinary college.

(d) Temporary and specialty faculty Veterinary Medical Center clinician licensees must abide by all the laws governing the practice of veterinary medicine in the state of Minnesota and are subject to the same disciplinary action as any other veterinarian licensed in the state of Minnesota.

(e) The fee for a license issued under this subdivision is the same as for a regular license to practice veterinary medicine in Minnesota. License payment deadlines, late payment fees, and other license requirements are also the same as for regular licenses.

Sec. 41. Minnesota Statutes 2006, section 156.15, subdivision 2, is amended to read:

Subd. 2. **Service.** Service of an order under this section is effective if the order is served on the person or counsel of record personally or by ~~certified~~ United States mail to the most recent address provided to the board for the person or counsel of record.

Sec. 42. Minnesota Statutes 2006, section 156.16, subdivision 3, is amended to read:

Subd. 3. **Dispensing.** "Dispensing" means distribution of veterinary prescription drugs or over-the-counter drugs, human drugs for extra-label use, for extra-label use by a person licensed as a pharmacist by the Board of Pharmacy or a person licensed by the Board of Veterinary Medicine.

Sec. 43. Minnesota Statutes 2006, section 156.16, subdivision 10, is amended to read:

Subd. 10. **Prescription.** "Prescription" means an order from a veterinarian to a pharmacist or another veterinarian authorizing the dispensing of ~~a veterinary prescription drug~~ drugs, human drugs for extra-label use, or over-the-counter drugs for extra-label use to a client for use on or in a patient.

Sec. 44. Minnesota Statutes 2006, section 156.18, subdivision 1, is amended to read:

Subdivision 1. **Prescription.** (a) A person may not dispense a veterinary prescription drug to a client without a prescription or other veterinary authorization. A person may not make extra-label use of an animal or human drug for an animal without a prescription from a veterinarian. A veterinarian or the veterinarian's authorized employee may dispense ~~a veterinary prescription drug to~~ drugs, human drugs for extra-label use, or an over-the-counter drug for extra-label use by a client ~~or oversee the extra-label use of a veterinary drug directly by a client~~ without a separate written prescription, providing there is documentation of the prescription in the medical record and there is an existing veterinarian-client-patient relationship. The prescribing veterinarian must monitor the use of veterinary prescription drugs, human drugs for extra-label use, or over-the-counter drugs for extra-label use by a client.

(b) A veterinarian may dispense prescription veterinary drugs and prescribe and dispense extra-label use drugs to a client without personally examining the animal if a bona fide veterinarian-client-patient relationship exists and in the judgment of the veterinarian the client has sufficient knowledge to use the drugs properly.

(c) A veterinarian may issue a prescription or other veterinary authorization by oral or written communication to the dispenser, or by computer connection. If the communication is oral, the veterinarian must enter it into the patient's record. The dispenser must record the veterinarian's prescription or other veterinary authorization within 72 hours.

(d) A prescription or other veterinary authorization must include:

- (1) the name, address, and, if written, the signature of the prescriber;
- (2) the name and address of the client;
- (3) identification of the species for which the drug is prescribed or ordered;
- (4) the name, strength, and quantity of the drug;
- (5) the date of issue;
- (6) directions for use; ~~and~~
- (7) withdrawal time;
- (8) expiration date of prescription; and
- (9) number of authorized refills.

(e) A veterinarian may, in the course of professional practice and an existing veterinarian-client-patient relationship, prepare medicaments that combine drugs approved by the United States Food and Drug Administration and other legally obtained ingredients with appropriate vehicles.

(f) A veterinarian or a bona fide employee of a veterinarian may dispense veterinary prescription drugs to a person on the basis of a prescription issued by a licensed veterinarian. The provisions of paragraphs (c) and (d) apply.

(g) This section does not limit the authority of the Minnesota Racing Commission to regulate veterinarians providing services at a licensed racetrack.

Sec. 45. Minnesota Statutes 2006, section 156.18, subdivision 2, is amended to read:

Subd. 2. **Label of dispensed veterinary drugs.** (a) A veterinarian or the veterinarian's authorized agent or employee dispensing a veterinary prescription drug or prescribing the extra-label use of an over-the-counter drug, an over-the-counter drug for extra-label use, or a human drug for extra-label use must provide written information which includes the name and address of the veterinarian, date of filling, species of patient, name or names of drug, strength of drug or drugs, directions for use, withdrawal time, and cautionary statements, if any, appropriate for the drug.

(b) If the veterinary drug has been prepared, mixed, formulated, or packaged by the dispenser, all of the information required in paragraph (a) must be provided on a label affixed to the container.

(c) If the veterinary drug is in the manufacturer's original package, the information required in paragraph (a) must be supplied in writing but need not be affixed to the container. Information required in paragraph (a) that is provided by the manufacturer on the original package does not need to be repeated in the separate written information. Written information required by this paragraph may be written on the sales invoice.

Sec. 46. Minnesota Statutes 2006, section 156.19, is amended to read:

156.19 EXTRA-LABEL USE.

A person, other than a veterinarian or ~~a person working under the control of~~ an employee of a veterinarian, must not make extra-label use of a veterinary drug in or on a food-producing animal, unless permitted by the prescription of a veterinarian. A veterinarian may prescribe the extra-label use of a ~~veterinary~~ drug if:

(1) the veterinarian makes a careful medical diagnosis within the context of a valid veterinarian-client-patient relationship;

(2) the veterinarian determines that there is no marketed drug specifically labeled to treat the condition diagnosed, or that drug therapy as recommended by the labeling has, in the judgment of the attending veterinarian, been found to be clinically ineffective;

(3) the veterinarian recommends procedures to ensure that the identity of the treated animal will be carefully maintained; ~~and~~

(4) the veterinarian prescribes a significantly extended time period for drug withdrawal before marketing meat, milk, or eggs; and

(5) the veterinarian has met the criteria established in Code of Federal Regulations, title 21, part 530, which define the extra-label use of medication in or on animals.

Sec. 47. Minnesota Statutes 2006, section 239.051, subdivision 15, is amended to read:

Subd. 15. **Ethanol blender.** "Ethanol blender" means a person who blends and distributes, transports, sells, or offers to sell gasoline containing ~~ten percent~~ ethanol ~~by volume~~.

Sec. 48. Minnesota Statutes 2007 Supplement, section 239.761, subdivision 4, is amended to read:

Subd. 4. **Gasoline blended with ethanol; general.** (a) Gasoline may be blended with ~~up to ten percent, by volume,~~ agriculturally derived, denatured ethanol that complies with the requirements of subdivision 5.

(b) A gasoline-ethanol blend must:

(1) comply with the volatility requirements in Code of Federal Regulations, title 40, part 80;

(2) comply with ASTM specification D4814-06, or the gasoline base stock from which a gasoline-ethanol blend was produced must comply with ASTM specification D4814-06; and

(3) not be blended with casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline after the gasoline-ethanol blend has been sold, transferred, or otherwise removed from a refinery or terminal.

Sec. 49. Minnesota Statutes 2007 Supplement, section 239.761, is amended by adding a subdivision to read:

Subd. 4a. **Gasoline blended with ethanol; standard combustion engines.** Gasoline combined with ethanol for use in standard combustion engines may be blended with up to ten percent agriculturally derived, denatured ethanol, by volume, or any percentage specifically authorized in a waiver granted by the United States Environmental Protection Agency under section 211(f)(4) of the Clean Air Act, United States Code, title 42, section 7545, subsection (f), paragraph (4). The gasoline-ethanol blend must comply with the general provisions in subdivision 4.

Sec. 50. Minnesota Statutes 2007 Supplement, section 239.761, is amended by adding a subdivision to read:

Subd. 4b. **Gasoline blended with ethanol; alternative fuel vehicles.** (a) Gasoline blended for use in an alternative fuel vehicle, as defined in section 296A.01, subdivision 5, may contain any percentage of agriculturally derived, denatured ethanol, by volume, not to exceed 85 percent. The gasoline-ethanol blend must comply with the general provisions in subdivision 4. The gasoline and ethanol may be blended by an ethanol blender or at the point of retail sale in an ethanol-blending fuel dispenser clearly labeled "FLEX-FUEL VEHICLES ONLY." If blended by an ethanol blender, the percentage of ethanol in the resulting gasoline-ethanol blend must be clearly identified.

(b) If a person responsible for the product utilizes an ethanol-blending fuel dispenser to dispense both gasoline blended with ethanol for use in alternative fuel vehicles and gasoline blended with ethanol for use in standard combustion engines, the person must ensure that the gasoline blended with ethanol for use in standard combustion engines is dispensed from a fuel-dispensing hose and nozzle or other conveyance dedicated solely to gasoline blended with ethanol for use in standard combustion engines and clearly labeled as such.

(c) A person responsible for the product who complies with the provisions in paragraph (b) is not responsible for a self-service fueling action taken by that person's retail fuel customer.

Sec. 51. Minnesota Statutes 2006, section 239.77, as amended by Laws 2007, chapter 62, sections 3 and 4, is amended to read:

239.77 BIODIESEL CONTENT MANDATE.

Subdivision 1. **Biodiesel fuel.** "Biodiesel fuel" means a renewable, biodegradable, mono alkyl ester combustible liquid fuel that is derived from agricultural and other plant oils or animal fats and that meets American Society For Testing and Materials specification D6751-07 for Biodiesel Fuel (B100) Blend Stock for Distillate Fuels.

Biodiesel produced from palm oil is not biodiesel fuel for the purposes of this section, unless the palm oil is contained within waste oil and grease collected within the United States or Canada.

Subd. 2. **Minimum content.** (a) Except as otherwise provided in this section, all diesel fuel sold or offered for sale in Minnesota for use in internal combustion engines must contain at least ~~2.0 percent~~ the stated percentage of biodiesel fuel oil by volume, on and after the following dates:

<u>(1)</u>	<u>September 29, 2005</u>	<u>2 percent</u>
<u>(2)</u>	<u>May 1, 2009</u>	<u>5 percent</u>
<u>(3)</u>	<u>May 1, 2012</u>	<u>10 percent</u>
<u>(4)</u>	<u>May 1, 2015</u>	<u>20 percent</u>

The minimum content levels in clauses (3) and (4) are effective during the months of April, May, June, July, August, September, and October only. The minimum content for the remainder of the year is five percent. However, if the commissioners of agriculture, commerce, and pollution control determine, after consultation with the biodiesel task force and other technical experts, that an American Society for Testing and Materials specification or equivalent federal standard exists for the specified biodiesel blend level in those clauses that adequately addresses technical issues associated with Minnesota's cold weather and publish a notice in the State Register to that effect, the commissioners may allow the specified biodiesel blend level in those clauses to be effective year-round.

(b) The minimum content levels in paragraph (a), clauses (3) and (4), become effective on the date specified only if the commissioners of agriculture, commerce, and pollution control publish notice in the State Register and provide written notice to the chairs of the house and senate committees with jurisdiction over agriculture, commerce, and transportation policy and finance, at least 270 days prior to the date of each scheduled increase, that all of the following conditions have been met and the state is prepared to move to the next scheduled minimum content level:

(1) an American Society for Testing and Materials specification or equivalent federal standard exists for the next minimum diesel-biodiesel blend;

(2) a sufficient supply of biodiesel is available and the amount of biodiesel produced in this state from feedstock with at least 75 percent that is produced in the United States and Canada is equal to at least 50 percent of anticipated demand at the next minimum content level;

(3) adequate blending infrastructure and regulatory protocol are in place in order to promote biodiesel quality and avoid any potential economic disruption; and

(4) at least five percent of the amount of biodiesel necessary for that minimum content level will be produced from a biological resource other than an agricultural resource traditionally grown or raised in the state, including, but not limited to, algae cultivated for biofuels production, waste oils, and tallow.

The condition in clause (2) may be waived if the commissioner finds that, due to weather-related conditions, the necessary feed stock is unavailable.

The condition in clause (4) may be waived if the commissioners find that the use of these nontraditional feedstocks would be uneconomic under market conditions existing at the time notice is given under this paragraph.

(c) The commissioners of agriculture, commerce, and pollution control must consult with the biodiesel task force when assessing and certifying conditions in paragraph (b), and in general must seek the guidance of the biodiesel task force regarding biodiesel labeling, enforcement, and other related issues.

(d) During a period of biodiesel fuel shortage or a problem with biodiesel quality that negatively affects the availability of biodiesel fuel, the commissioner of commerce may temporarily suspend the minimum content requirement in subdivision 2 until there is sufficient biodiesel fuel, as defined in subdivision 1, available to fulfill the minimum content requirement.

(e) By February 1, 2012, and periodically thereafter, the commissioner of commerce shall determine the wholesale diesel price at various pipeline and refinery terminals in the region, and the biodiesel price determined after credits and incentives are subtracted at biodiesel plants in the region. The commissioner shall report wholesale price differences to the governor who, after consultation with the commissioners of commerce and agriculture, may by executive order adjust the biodiesel mandate if a price disparity reported by the commissioner will cause economic hardship to retailers of diesel fuel in this state. Any adjustment must be for a specified period of time, after which the percentage of biodiesel fuel to be blended into diesel fuel returns to the amount required in subdivision 2. The biodiesel mandate must not be adjusted to less than five percent.

Subd. 3. **Exceptions.** (a) The minimum content ~~requirement~~ requirements of subdivision 2 ~~does~~ do not apply to fuel used in the following equipment:

- (1) motors located at an electric generating plant regulated by the Nuclear Regulatory Commission;
- (2) railroad locomotives; ~~and~~
- (3) off-road taconite and copper mining equipment and machinery;
- (4) off-road logging equipment and machinery; and
- (5) until May 1, 2010, vehicles and equipment used exclusively on an aircraft landing field.

(b) The exemption in paragraph (a), clause (1), expires 30 days after the Nuclear Regulatory Commission has approved the use of biodiesel fuel in motors at electric generating plants under its regulation.

(c) This subdivision expires on May 1, 2012.

Subd. 4. **Disclosure.** A refinery or terminal shall provide, at the time diesel fuel is sold or transferred from the refinery or terminal, a bill of lading or shipping manifest to the person who receives the fuel. For biodiesel-blended products, the bill of lading or shipping manifest must disclose biodiesel content, stating volume percentage, gallons of biodiesel per gallons of petroleum diesel base-stock, or an ASTM "Bxx" designation where "xx" denotes the volume percent biodiesel included in the blended product. This subdivision does not apply to sales or transfers of biodiesel blend stock between refineries, between terminals, or between a refinery and a terminal.

Subd. 5. **Annual report.** Beginning in 2009, the commissioner of agriculture must report by January 15 of each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over agriculture policy and finance regarding the implementation of the minimum content requirements in subdivision 2, including information about the price and supply of biodiesel fuel. The report shall include information about the impacts of the biodiesel mandate on the development of biodiesel production capacity in the state, and on the use of feedstock grown or raised in the state for biodiesel production. The report must include any written comments received from members of the biodiesel fuel task force by January 1 of that year designated by them for inclusion in the report.

Sec. 52. Minnesota Statutes 2006, section 239.7911, subdivision 2, is amended to read:

Subd. 2. **Promotion of renewable liquid fuels.** (a) The commissioner of agriculture, in consultation with the commissioners of commerce and the Pollution Control Agency, shall identify and implement activities necessary for the widespread use of renewable liquid fuels in the state. Beginning November 1, 2005, and continuing through 2015, the commissioners, or their designees, shall work with representatives from the renewable fuels industry, petroleum retailers, refiners, automakers, small engine manufacturers, and other interested groups, to develop annual recommendations for administrative and legislative action.

(b) The activities of the commissioners under this subdivision shall include, but not be limited to:

(1) developing recommendations for incentives for retailers to install equipment necessary for dispensing renewable liquid fuels to the public;

(2) expanding the renewable-fuel options available to Minnesota consumers by obtaining federal approval for the use of E20 and additional blends that contain a greater percentage of ethanol, including but not limited to E30 and E50, as gasoline;

(3) developing recommendations for ensuring that motor vehicles and small engine equipment have access to an adequate supply of fuel;

(4) working with the owners and operators of large corporate automotive fleets in the state to increase their use of renewable fuels; and

(5) working to maintain an affordable retail price for liquid fuels.

Sec. 53. Minnesota Statutes 2006, section 296A.01, subdivision 2, is amended to read:

Subd. 2. **Agricultural alcohol gasoline.** "Agricultural alcohol gasoline" means a gasoline-ethanol blend ~~of up to ten percent agriculturally derived fermentation~~ satisfying the provisions of section 239.761, subdivision 4a or 4b, with ethanol derived from agricultural products, such as potatoes, cereal, grains, cheese whey, sugar beets, forest products, or other renewable resources, that:

(1) meets the specifications in ASTM specification D4806-04a; and

(2) is denatured as specified in Code of Federal Regulations, title 27, parts 20 and 21.

Sec. 54. Minnesota Statutes 2007 Supplement, section 296A.01, subdivision 8a, is amended to read:

Subd. 8a. **Biodiesel fuel.** "Biodiesel fuel" ~~means a renewable, biodegradable, mono-alkyl ester combustible liquid fuel derived from agricultural plant oils or animal fats and that meets American Society for Testing and Materials specification D6751-07 for Biodiesel Fuel (B100) Blend Stock for Distillate Fuels~~ has the meaning given in section 239.77, subdivision 1.

Sec. 55. Minnesota Statutes 2007 Supplement, section 296A.01, subdivision 25, is amended to read:

Subd. 25. **Gasoline blended with ethanol.** "Gasoline blended with ethanol" means ~~gasoline blended with up to 20 percent, by volume, agriculturally derived, denatured ethanol. The blend must comply with the volatility requirements in Code of Federal Regulations, title 40, part 80. The blend must also comply with ASTM specification D4814-06, or the gasoline base stock from which a gasoline ethanol blend was produced must comply with ASTM specification D4814-06; and the gasoline ethanol blend must not be blended with casinghead gasoline, absorption gasoline, condensation gasoline, drip gasoline, or natural gasoline after the gasoline ethanol blend has been sold, transferred, or otherwise removed from a refinery or terminal. The blend need not comply with ASTM specification D4814-06 if it is subjected to a standard distillation test. For a distillation test, a gasoline ethanol blend is not required to comply with the temperature specification at the 50 percent liquid recovery point, if the gasoline from which the gasoline ethanol blend was produced complies with all of the distillation specifications a~~ gasoline-ethanol blend satisfying the provisions of section 239.761, subdivision 4a or 4b.

Sec. 56. Minnesota Statutes 2007 Supplement, 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. When adopting or updating the comprehensive plan, the board must, if the data is available to the county, consider natural heritage data resulting from the county biological survey. In a county that is not a greater than 80 percent area, as defined in section 103G.005, subdivision 10b, the board must consider adopting goals and objectives that will protect open space and the environment.

Sec. 57. **[394.231] COMPREHENSIVE PLANS IN GREATER MINNESOTA; OPEN SPACE.**

A county adopting or updating a comprehensive plan in a county outside the metropolitan area as defined by section 473.121, subdivision 2, and that is not a greater than 80 percent area, as defined in section 103G.005, subdivision 10b, shall consider adopting goals and objectives for the preservation of agricultural, forest, wildlife, and open space land, and minimizing development in sensitive shoreland areas. Within three years of updating the comprehensive plan, the county shall consider adopting ordinances as part of the county's official controls that encourage the implementation of the goals and objectives. The county shall consider the following goals and objectives:

(1) minimizing the fragmentation and development of agricultural, forest, wildlife, and open space lands, including consideration of appropriate minimum lot sizes;

(2) minimizing further development in sensitive shoreland areas;

(3) minimizing development near wildlife management areas, scientific and natural areas, and nature centers;

(4) identification of areas of preference for higher density, including consideration of existing and necessary water and wastewater services, infrastructure, other services, and to the extent feasible, encouraging full development of areas previously zoned for nonagricultural uses;

(5) encouraging development close to places of employment, shopping centers, schools, mass transit, and other public and private service centers;

(6) identification of areas where other developments are appropriate; and

(7) other goals and objectives a county may identify.

Sec. 58. Minnesota Statutes 2006, section 394.232, subdivision 6, is amended to read:

Subd. 6. **Plan update.** The county board, or the board of the joint planning district, shall review and update the community-based comprehensive plan periodically, but at least every ten years, and submit the updated plan to the office of strategic and long-range planning for review and comment. When updating the plan, the county board or the board of the joint planning district must consider natural heritage data resulting from the county biological survey. In a county that is not a greater than 80 percent area, as defined in section 103G.005, subdivision 10b, the board must consider adopting goals and objectives that will protect open space and the environment.

Sec. 59. Minnesota Statutes 2006, section 462.355, subdivision 1, is amended to read:

Subdivision 1. **Preparation and review.** The planning agency shall prepare the comprehensive municipal plan. In discharging this duty the planning agency shall consult with and coordinate the planning activities of other departments and agencies of the municipality to insure conformity with and to assist in the development of the comprehensive municipal plan. In its planning activities the planning agency shall take due cognizance of the planning activities of adjacent units of government and other affected public agencies. The planning agency shall periodically review the plan and recommend amendments whenever necessary. When preparing or recommending amendments to the comprehensive plan, the planning agency of a municipality located within a county that is not a greater than 80 percent area, as defined in section 103G.005, subdivision 10b, must consider adopting goals and objectives that will protect open space and the environment.

Sec. 60. Minnesota Statutes 2006, section 462.357, is amended by adding a subdivision to read:

Subd. 1h. **Comprehensive plans in greater Minnesota; open spaces.** When adopting or updating a comprehensive plan in a municipality located within a county that is not a greater than 80 percent area, as defined in section 103G.005, subdivision 10b, and that is located outside the metropolitan area, as defined by section 473.121, subdivision 2, the municipality shall consider adopting goals and objectives for the preservation of agricultural, forest, wildlife, and open space land and the minimization of development in sensitive shoreland areas. Within three years of updating the comprehensive plan, the municipality shall consider adopting ordinances as part of the municipality's official controls that encourage the implementation of the goals and objectives.

Sec. 61. Minnesota Statutes 2006, section 462.357, is amended by adding a subdivision to read:

Subd. 9. **Development goals and objectives.** In adopting official controls after July 1, 2008, in a municipality outside the metropolitan area, as defined by section 473.121, subdivision 2, the municipality shall consider restricting new residential, commercial, and industrial development so that the new development takes place in areas subject to the following goals and objectives:

(1) minimizing the fragmentation and development of agricultural, forest, wildlife, and open space lands, including consideration of appropriate minimum lot sizes;

(2) minimizing further development in sensitive shoreland areas;

(3) minimizing development near wildlife management areas, scientific and natural areas, and nature centers;

(4) identification of areas of preference for higher density, including consideration of existing and necessary water and wastewater services, infrastructure, other services, and to the extent feasible, encouraging full development of areas previously zoned for nonagricultural uses;

(5) encouraging development close to places of employment, shopping centers, schools, mass transit, and other public and private service centers;

(6) identification of areas where other developments are appropriate; and

(7) other goals and objectives a municipality may identify.

Sec. 62. **TITLE.**

Sections 56 to 61 shall be known as the President Theodore Roosevelt Memorial Bill to Preserve Agricultural, Forest, Wildlife, and Open Space Land.

Sec. 63. Laws 2007, chapter 45, article 1, section 3, subdivision 3, is amended to read:

Subd. 3. Agricultural Marketing and Development	8,547,000	5,157,000
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\$186,000 the first year and \$186,000 the second year are for transfer to the Minnesota grown account and may be used as grants for Minnesota grown promotion under Minnesota Statutes, section 17.102. Grants may be made for one year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2009, for Minnesota grown grants in this paragraph are available until

June 30, 2011. \$50,000 of the appropriation in each year is for efforts that identify and promote Minnesota grown products in retail food establishments including but not limited to restaurants, grocery stores, and convenience stores. The balance in the Minnesota grown matching account in the agricultural fund is canceled to the Minnesota grown account in the agricultural fund and the Minnesota grown matching account is abolished.

\$160,000 the first year and \$160,000 the second year are for grants to farmers for demonstration projects involving sustainable agriculture as authorized in Minnesota Statutes, section 17.116. Of the amount for grants, up to \$20,000 may be used for dissemination of information about the demonstration projects. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2009, for sustainable agriculture grants in this paragraph are available until June 30, 2011.

\$100,000 the first year and \$100,000 the second year are to provide training and technical assistance to county and town officials relating to livestock siting issues and local zoning and land use planning, including a checklist template that would clarify the federal, state, and local government requirements for consideration of an animal agriculture modernization or expansion project. In developing the training and technical assistance program, the commissioner shall seek guidance, advice, and support of livestock producer organizations, general agricultural organizations, local government associations, academic institutions, other government agencies, and others with expertise in land use and agriculture.

\$103,000 the first year and \$106,000 the second year are for additional integrated pest management activities.

\$2,500,000 the first year is for the agricultural best management practices loan program. At least \$2,000,000 is available for pass-through to local governments and lenders for low-interest loans and is available until spent. Any unencumbered balance that is not used for pass-through to local governments does not cancel at the end of the first year and is available for the second year.

\$1,000,000 the first year is for the agricultural best management practices loan program for capital equipment loans for persons using native, perennial cropping systems for energy or seed production. This appropriation is available until spent. * (The preceding text beginning "\$1,000,000 the first year" was indicated as vetoed by the governor.)

\$100,000 the first year and \$100,000 the second year are for annual cost-share payments to resident farmers or persons who sell, process, or package agricultural products in this state for the

costs of organic certification. Annual cost-share payments per farmer must be two-thirds of the cost of the certification or \$350, whichever is less. In any year that a resident farmer or person who sells, processes, or packages agricultural products in this state receives a federal organic certification cost-share payment, that resident farmer or person is not eligible for state cost-share payments. A certified farmer is eligible to receive annual certification cost-share payments for up to five years. \$15,000 each year is for organic market and program development. The commissioner may allocate any excess appropriation in either fiscal year for organic producer education efforts, assistance for persons transitioning from conventional to organic agriculture, or sustainable agriculture demonstration grants authorized under Minnesota Statutes, section 17.116, and pertaining to organic research or demonstration. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

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

Sec. 64. Laws 2007, chapter 45, article 1, section 3, subdivision 4, is amended to read:

Subd. 4. Bioenergy and Value-Added Agricultural Products	19,918,000	15,168,000
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\$15,168,000 the first year and \$15,168,000 the second year are for ethanol producer payments under Minnesota Statutes, section 41A.09. If the total amount for which all producers are eligible in a quarter exceeds the amount available for payments, the commissioner shall make payments on a pro rata basis. If the appropriation exceeds the total amount for which all producers are eligible in a fiscal year for scheduled payments and for deficiencies in payments during previous fiscal years, the balance in the appropriation is available to the commissioner for value-added agricultural programs including the value-added agricultural product processing and marketing grant program under Minnesota Statutes, section 17.101, subdivision 5. The appropriation remains available until spent.

\$3,000,000 the first year is for grants to bioenergy projects. The NextGen Energy Board shall make recommendations to the commissioner on grants for owners of Minnesota facilities producing bioenergy, organizations that provide for on-station, on-farm field scale research and outreach to develop and test the agronomic and economic requirements of diverse stands of prairie plants and other perennials for bioenergy systems, or certain nongovernmental entities. For the purposes of this paragraph, "bioenergy" includes transportation fuels derived from cellulosic material as well as the generation of energy for commercial heat, industrial process heat, or electrical power from cellulosic material via gasification or other processes. The board must give priority to a bioenergy facility that is at least 60 percent owned and controlled

by farmers, as defined in Minnesota Statutes, section 500.24, subdivision 2, paragraph (n), or natural persons residing in the county or counties contiguous to where the facility is located. Grants are limited to 50 percent of the cost of research, technical assistance, or equipment related to bioenergy production or \$500,000, whichever is less. Grants to nongovernmental entities for the development of business plans and structures related to community ownership of eligible bioenergy facilities together may not exceed \$150,000. The board shall make a good faith effort to select projects that have merit and when taken together represent a variety of bioenergy technologies, biomass feedstocks, and geographic regions of the state. Projects must have a qualified engineer certification on the technology and fuel source. Grantees shall provide reports at the request of the commissioner and must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable. No later than February 1, 2009, the commissioner shall report on the projects funded under this appropriation to the house and senate committees with jurisdiction over agriculture finance. The commissioner's costs in administering the program may be paid from the appropriation. Any unencumbered balance does not cancel at the end of the first year and is available in the second year.

\$350,000 the first year is for grants to the Minnesota Institute for Sustainable Agriculture at the University of Minnesota to provide funds for on-station and on-farm field scale research and outreach to develop and test the agronomic and economic requirements of diverse stands of prairie plants and other perennials for bioenergy systems including, but not limited to, multiple species selection and establishment, ecological management between planting and harvest, harvest technologies, financial and agronomic risk management, farmer goal setting and adoption of technologies, integration of wildlife habitat into management approaches, evaluation of carbon and other benefits, and robust policies needed to induce farmer conversion on marginal lands. * (The preceding text beginning "\$350,000 the first year" was indicated as vetoed by the governor.)

\$200,000 the first year is for a grant to the Minnesota Turf Seed Council for basic and applied agronomic research on native plants, including plant breeding, nutrient management, pest management, disease management, yield, and viability. The grant recipient may subcontract with a qualified third party for some or all of the basic or applied research. The grant recipient must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable and no later than February 1, 2009, must report to the house and senate committees with jurisdiction over agriculture finance. This is a onetime appropriation and is available until spent.

\$200,000 the first year is for a grant to a joint venture combined heat and power energy facility located in Scott or LeSueur County for the creation of a centrally located biomass fuel supply depot with the capability of unloading, processing, testing, scaling, and storing renewable biomass fuels. The grant must be matched by at least \$3 of nonstate funds for every \$1 of state funds. The grant recipient must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable and no later than February 1, 2009, must report to the house and senate committees with jurisdiction over agriculture finance. This is a onetime appropriation and is available until spent.

\$300,000 the first year is for a grant to the Bois Forte Band of Chippewa for a feasibility study of a renewable energy biofuels demonstration facility on the Bois Forte Reservation in St. Louis and Koochiching Counties. The grant shall be used by the Bois Forte Band to conduct a detailed feasibility study of the economic and technical viability of developing a multistream renewable energy biofuels demonstration facility on Bois Forte Reservation land to utilize existing forest resources, woody biomass, and cellulosic material to produce biofuels or bioenergy. The grant recipient must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable and no later than February 1, 2009, must report to the house and senate committees with jurisdiction over agriculture finance. This is a onetime appropriation and is available until spent.

\$300,000 the first year is for a grant to the White Earth Band of Chippewa for a feasibility study of a renewable energy biofuels production, research, and production facility on the White Earth Reservation in Mahnommen County. The grant must be used by the White Earth Band and the University of Minnesota to conduct a detailed feasibility study of the economic and technical viability of (1) developing a multistream renewable energy biofuels demonstration facility on White Earth Reservation land to utilize existing forest resources, woody biomass, and cellulosic material to produce biofuels or bioenergy, and (2) developing, harvesting, and marketing native prairie plants and seeds for bioenergy production. The grant recipient must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable and no later than February 1, 2009, must report to the house and senate committees with jurisdiction over agriculture finance. This is a onetime appropriation and is available until spent.

\$200,000 the first year is for a grant to the Elk River Economic Development Authority for upfront engineering and a feasibility study of the Elk River renewable fuels facility. The facility must use a plasma gasification process to convert primarily cellulosic material, but may also use plastics and other components from municipal solid waste, as feedstock for the production of methanol

for use in biodiesel production facilities. Any unencumbered balance in fiscal year 2008 does not cancel but is available for fiscal year 2009. Notwithstanding Minnesota Statutes, section 16A.285, the agency must not transfer this appropriation. The grant recipient must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable and no later than February 1, 2009, must report to the house and senate committees with jurisdiction over agriculture finance. This is a onetime appropriation and is available until spent.

\$200,000 the first year is for a grant to Chisago County to conduct a detailed feasibility study of the economic and technical viability of developing a multistream renewable energy biofuels demonstration facility in Chisago, Isanti, or Pine County to utilize existing forest resources, woody biomass, and cellulosic material to produce biofuels or bioenergy. Chisago County may expend funds to Isanti and Pine Counties and the University of Minnesota for any costs incurred as part of the study. The feasibility study must consider the capacity of: (1) the seed bank at Wild River State Park to expand the existing prairie grass, woody biomass, and cellulosic material resources in Chisago, Isanti, and Pine Counties; (2) willing and interested landowners in Chisago, Isanti, and Pine Counties to grow cellulosic materials; and (3) the Minnesota Conservation Corps, the sentence to serve program, and other existing workforce programs in east central Minnesota to contribute labor to these efforts. The grant recipient must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable and no later than February 1, 2009, must report to the house and senate committees with jurisdiction over agriculture finance. This is a onetime appropriation and is available until spent.

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

Sec. 65. Laws 2007, chapter 45, article 1, section 3, subdivision 5, is amended to read:

Subd. 5. Administration and Financial Assistance	7,338,000	6,751,000
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\$1,005,000 the first year and \$1,005,000 the second year are for continuation of the dairy development and profitability enhancement and dairy business planning grant programs established under Laws 1997, chapter 216, section 7, subdivision 2, and Laws 2001, First Special Session chapter 2, section 9, subdivision 2. The commissioner may allocate the available sums among permissible activities, including efforts to improve the quality of milk produced in the state in the proportions that the commissioner deems most beneficial to Minnesota's dairy farmers. The commissioner must submit a work plan detailing plans for expenditures under this program to the chairs of the house and senate committees dealing with agricultural policy and budget on or before the start of each fiscal year. If significant changes are made to the plans in the course of the year, the commissioner must notify the chairs.

\$50,000 the first year and \$50,000 the second year are for the Northern Crops Institute. These appropriations may be spent to purchase equipment.

\$19,000 the first year and \$19,000 the second year are for a grant to the Minnesota Livestock Breeders Association.

\$250,000 the first year and \$250,000 the second year are for grants to the Minnesota Agricultural Education Leadership Council for programs of the council under Minnesota Statutes, chapter 41D.

\$600,000 the first year is for grants for fertilizer research as awarded by the Minnesota Agricultural Fertilizer Research and Education Council under Minnesota Statutes, section 18C.71. ~~No later than February 1, 2009,~~ The amount available to the commissioner pursuant to Minnesota Statutes, section 18C.70, subdivision 2, for administration of this activity is available until February 1, 2009, by which time the commissioner shall report to the house and senate committees with jurisdiction over agriculture finance. The report must include the progress and outcome of funded projects as well as the sentiment of the council concerning the need for additional research funded through an industry checkoff fee.

\$465,000 the first year and \$465,000 the second year are for payments to county and district agricultural societies and associations under Minnesota Statutes, section 38.02, subdivision 1. Aid payments to county and district agricultural societies and associations shall be disbursed not later than July 15 of each year. These payments are the amount of aid owed by the state for an annual fair held in the previous calendar year.

\$65,000 the first year and \$65,000 the second year are for annual grants to the Minnesota Turf Seed Council for basic and applied research on the improved production of forage and turf seed related to new and improved varieties. The grant recipient may subcontract with a qualified third party for some or all of the basic and applied research.

\$500,000 the first year and \$500,000 the second year are for grants to Second Harvest Heartland on behalf of Minnesota's six Second Harvest food banks for the purchase of milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased under the grants must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Second Harvest food bank serving Minnesota according to the formula used in the distribution of United States Department of Agriculture commodities under The Emergency Food Assistance Program (TEFAP). Second Harvest Heartland 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 expenditure of funds, the amount of milk purchased, and the organizations to which the milk was distributed. Second Harvest Heartland may enter into contracts or agreements with food banks for shared funding or reimbursement of the direct purchase of milk. Each food bank receiving money from this appropriation may use up to two percent of the grant for administrative expenses.

\$100,000 the first year and \$100,000 the second year are for transfer to the Board of Trustees of the Minnesota State Colleges and Universities for mental health counseling support to farm families and business operators through farm business management programs at Central Lakes College and Ridgewater College.

\$18,000 the first year and \$18,000 the second year are for grants to the Minnesota Horticultural Society.

\$50,000 is for a grant to the University of Minnesota, Department of Horticultural Science, Enology Laboratory, to upgrade and purchase instrumentation to allow rapid and accurate measurement of enology components. This is a onetime appropriation and is available until expended.

Sec. 66. **AGRICULTURAL AND OPEN SPACE PRESERVATION TASK FORCE.**

An agricultural and open space preservation task force is created to study state and local policies and incentives related to encouraging farms, privately owned forest lands, and other privately owned open spaces to be preserved. The task force shall consist of two members of the senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration, including one member of the minority; one member of the majority party in the house of representatives, appointed by the speaker of the house of representatives, and one member of the minority party in the house of representatives appointed by the minority leader; and one representative each from the Association of Minnesota Counties, the League of Minnesota Cities, and the Minnesota Association of Townships. The task force shall consult with representatives of agricultural groups such as Farm Bureau and Farmer's Union, the commissioners of agriculture and natural resources, the executive director of the Board of Soil and Water Resources, and other state agencies as needed and may consult with other interested parties. No public member of the task force shall be entitled to compensation or reimbursements for expenses. Appointments shall be made by July 1, 2008, and the first meeting shall be convened by agreement of the senate members no later than August 1, 2008. The task force shall elect a chair from among its members at the first meeting. The task force must report its findings with recommendations for proposed legislation to the chair and ranking minority member of the committees in the house of representatives and senate with jurisdiction over land use planning no later than January 30, 2009. The task force shall expire on June 30, 2009.

Sec. 67. **PROPOSAL; PETROLEUM INSPECTION FEE REVENUE.**

The commissioners of finance, commerce, and pollution control must develop and submit to the legislature as part of their next biennial budget request a proposal for eliminating, to the extent feasible, redundant fuel inspections and dedicating, to the extent feasible, all revenue from the petroleum inspection fee levied on petroleum products under Minnesota Statutes, section 239.101, subdivision 3, to the Weights and Measures Division of the Department of Commerce. All additional funding appropriated to the Weights and Measures Division under this proposal must be used for increased and enhanced fuel quality assurance enforcement activities and equipment and for educational activities focused on the handling, distribution, and use of biodiesel fuel.

Sec. 68. **TECHNICAL COLD WEATHER ISSUES.**

The commissioners of agriculture and commerce shall consult with stakeholders who are technical experts in cold weather biodiesel and petroleum diesel issues to consider and make recommendations regarding improvements in the production, blending, handling, and distribution of biodiesel blends to further ensure the performance of these fuels in cold weather. The commissioners shall issue a report on these issues by February 15, 2009, to the chairs and ranking minority members of the legislature with jurisdiction over agriculture and commerce policy and finance.

Sec. 69. **BIOBASED DIESEL ALTERNATIVES.**

By January 15, 2011, the commissioners of agriculture, commerce, and pollution control shall consult with a broad range of stakeholders with technical expertise to develop and present recommendations to the NextGen Energy Board and to the chairs and ranking minority members of the Environment, Agriculture, Transportation, and Energy Policy and Finance Committees for the use of biobased diesel alternatives in the state, after reviewing the technology, economics, and operational characteristics associated with their use. For the purposes of this section, "biobased diesel alternatives" means alternatives to petroleum diesel fuel that are warrantied for use in a standard diesel engine without modification and derived from a biological resource. The commissioners may not recommend the use of a biobased diesel alternative for which an ASTM specification has not been developed, and which does not provide at least the equivalent environmental emissions benefits and local economic development potential as biodiesel produced using feedstocks grown or raised in the United States and Canada.

Sec. 70. **2008 FAMILY MOTOR COACH ASSOCIATION EVENT.**

For the 2008 Family Motor Coach Association event held on the State Fair grounds, the fee the State Agricultural Society must obtain for expansion of the recreational camping area license, as required in Minnesota Statutes, section 327.15, shall be 50 percent of the primary license fee prescribed in Minnesota Rules, part 4630.2000.

Sec. 71. **VIRAL HEMORRHAGIC SEPTICEMIA TESTING.**

The commissioner of natural resources shall form a work group with the commissioners of agriculture and health and develop a plan for detecting and responding to the presence of the fish virus Viral Hemorrhagic Septicemia (VHS) in Minnesota. The plan must cover how the joint laboratory facility at the Departments of Agriculture and Health may be used to provide testing needed to diagnose and respond to VHS. No later than January 5, 2009, the commissioner of natural resources shall present the plan to the chairs of the house and senate committees with jurisdiction over agriculture, health, and natural resources policy and finance.

Sec. 72. **NEXTGEN 2007 APPROPRIATION MODIFICATION.**

Up to \$300,000 of the amount appropriated to the commissioner of agriculture for bioenergy grants under Laws 2007, chapter 45, article 1, section 3, subdivision 4, is for cold weather biodiesel blending infrastructure grants to facilities that serve Minnesota.

Sec. 73. **2007 APPROPRIATION MODIFICATION.**

The commissioner may use up to \$100,000 of the amount appropriated for dairy development and profitability enhancement and dairy business planning grants in fiscal year 2009 under Laws 2007, chapter 45, article 1, section 3, subdivision 5, for activities related to marketing, business planning, and educational efforts to assist all livestock operations located within a bovine tuberculosis modified accredited zone, as designated by the United States Department of Agriculture.

ARTICLE 2

VETERANS POLICY

Section 1. Minnesota Statutes 2006, section 13.785, is amended by adding a subdivision to read:

Subd. 4. **Deceased veterans data.** Data relating to veterans deceased as a result of service-connected causes are classified under section 197.225.

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

Sec. 2. Minnesota Statutes 2006, section 168.1255, subdivision 1, is amended to read:

Subdivision 1. **General requirements and procedures.** The commissioner shall issue special veteran contribution plates or a single motorcycle plate to an applicant who:

(1) is a veteran, as defined in section 197.447;

(2) is a registered owner of a passenger automobile or motorcycle;

(3) pays a fee of \$10 to cover the costs of handling and manufacturing the plates;

(4) pays the registration tax required under section 168.013;

(5) pays the fees required under this chapter;

(6) pays an additional onetime World War II memorial contribution of \$30, which the department shall retain until all start-up costs associated with the development and issuing of the plates have been recovered, after which the commissioner shall deposit contributions in the World War II donation match account; and

(7) complies with this chapter and rules governing the registration of motor vehicles and licensing of drivers.

Sec. 3. Minnesota Statutes 2006, section 168.1255, is amended by adding a subdivision to read:

Subd. 1a. **Motorcycle plate.** A motorcycle plate issued under this section must be the same size as a regular motorcycle plate.

Sec. 4. Minnesota Statutes 2006, section 168.1255, subdivision 3, is amended to read:

Subd. 3. **Plate transfers.** Despite section 168.12, subdivision 1, on payment of a transfer fee of \$5, plates issued under this section may be transferred to another passenger automobile registered to the individual to whom the veteran contribution plates were issued, or a single motorcycle plate may be transferred to another motorcycle registered to the individual to whom the plate was issued.

Sec. 5. Minnesota Statutes 2006, section 168.1255, is amended by adding a subdivision to read:

Subd. 6. **World War II memorial donation match account.** Money remaining in the World War II memorial donation match account after the state share of the construction costs of the World War II memorial has been paid in full is appropriated to the commissioner of veterans affairs for services and programs for veterans and their families.

Sec. 6. **[192.056] PROTECTION OF RESERVIST-OWNED BUSINESS DURING ACTIVE SERVICE.**

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Active service" has the meaning given in section 190.05, subdivision 5.

(c) "Business" means a business wholly owned by a qualified service member, or jointly by the member and the member's spouse, irrespective of whether the business is a sole proprietorship, corporation, limited liability company, partnership, limited partnership, or other type of business entity.

(d) "Qualified service member" means a Minnesota resident who is serving honorably as a member of the Minnesota National Guard or any other military reserve unit of the United States armed forces who has been ordered into active service for a period of 60 days or longer.

Subd. 2. **Protection provided.** (a) Notwithstanding any other law or rule to the contrary, the business of a qualified service member may be exempted from civil court proceedings for part or all of the period of the member's active military service and for up to 60 days thereafter, as provided in this section.

(b) If the business of a qualified service member is a defendant in a civil action, the court may, on its own motion, grant a stay in the proceedings for a minimum of 60 days. The court, on its own motion, may renew the stay as the court considers appropriate. If the qualified service member petitions the court in any manner for a stay, the court must grant a stay for a minimum of 60 days, provided that:

(1) the service member submits to the court a letter or other communication setting forth facts stating the manner in which current military duty requirements materially affect the service member's ability to appear or otherwise participate in the proceedings, and stating a date when the service member will be available to appear or otherwise participate in the proceedings; and

(2) the service member submits a letter or other communication from the service member's commanding officer stating that the service member's current military duty prevents appearance and that military leave is not authorized for the service member at the time of the letter.

(c) A service member's communication with the court requesting a stay does not constitute an appearance for jurisdictional purposes and does not constitute a waiver of any substantive or procedural defense, including a defense relating to lack of personal jurisdiction.

(d) A qualified service member who is granted a stay in the action or proceedings against the member's business may in any manner request from the court an additional stay, which the court may grant if the service member can show to the satisfaction of the court that the member's military requirements affect the member's ability to appear. However, the court is not obligated to grant the additional stay. If the court refuses to grant an additional stay, the court must provide the service member with information enabling the service member to acquire qualified legal counsel, at the service member's discretion, for defending the action.

(e) If a default judgment is entered in a civil action against the business of a qualified service member during the service member's period of active military service, or within 60 days following termination of or release from the active military service, the court entering the judgment must, upon application by or on behalf of the service member, reopen the judgment for the purpose of allowing the member to defend the action if it appears that:

(1) the service member was materially affected by reason of that military service in making a defense to the action; and

(2) the service member has a meritorious or legal defense to the action or some part of it.

EFFECTIVE DATE. This section is effective July 1, 2008, and applies to civil court actions pending or initiated on or after that date.

Sec. 7. Minnesota Statutes 2006, section 192.20, is amended to read:

192.20 BREVET RANK.

Subdivision 1. **Personnel eligible for brevet promotion.** (a) Officers, warrant officers, and enlisted persons of the National Guard who have, after ten years active service, resigned or retired for physical disability or otherwise, may in the discretion of the commander-in-chief, on the recommendation of the adjutant general, be commissioned by brevet, in the next higher grade than that held by them at the time of their resignation or retirement.

(b) Officers, warrant officers, or enlisted persons of the National Guard who die while in state or federal active service, as defined in section 190.05, or former officers, warrant officers, or enlisted persons of the National Guard who die as a result of injuries or other conditions incurred or aggravated while in such service may, in the discretion of the commander-in-chief, on the recommendation of the adjutant general, be commissioned by brevet, in the next higher grade than that held by them at the time of their death.

(c) If a service member is wounded or killed after a battlefield commission has been approved and was pending, or if a service member was enrolled in an officer commissioning program at the time of injury or death, the person may be breveted at the rank of second lieutenant or ensign, as appropriate, following separation or discharge from military service.

Subd. 2. **Effect of brevet rank.** Brevet rank shall be considered strictly honorary and shall confer no privilege of precedence or command, nor pay any emoluments. Brevet officers, warrant officers, and enlisted persons may wear the uniform of their brevet grade on occasions of ceremony.

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

Sec. 8. **[192.325] DISCRIMINATION AGAINST FAMILY OF SERVICE MEMBER; UNPAID LEAVE REQUIRED.**

An employer may not:

(1) discharge from employment or take adverse employment action against any employee because of the membership of that employee's spouse, parent, or child in the military forces of the United States, of this state, or any other state; or

(2) discharge from employment, take adverse employment action against, or otherwise hinder an employee from attending the following kinds of events relating to the military service of the employee's spouse, parent, or child and to which the employee is invited or otherwise called upon to attend by proper military authorities:

(i) departure or return ceremonies for deploying or returning military personnel or units;

(ii) family training or readiness events sponsored or conducted by the military; and

(iii) events held as part of official military reintegration programs.

The employee must provide reasonable notice to the employer when requesting time off, and the employer must provide a reasonable amount of nonpaid time off for the employee, for the purposes enumerated in items (i) to (iii), not to exceed two consecutive days or six days in a calendar year. The employer must not compel the employee to use accumulated but unused vacation for these events.

Section 645.241 does not apply to this section.

EFFECTIVE DATE. This section is effective August 1, 2008, and applies to employment action occurring on or after that date.

Sec. 9. Minnesota Statutes 2006, section 196.021, is amended to read:

196.021 DEPUTY COMMISSIONERS; DUTIES.

Subdivision 1. **Appointment.** ~~The commissioner shall appoint a deputy commissioner for veteran services as provided in subdivision 2, and the board of directors of the Minnesota Veterans Homes may appoint a deputy commissioner for veteran health care as provided in section 198.004. Both deputy commissioners serve in the unclassified service, the deputy for veteran services at the pleasure of the commissioner and the deputy for veteran health care at the pleasure of the board. Both deputies shall~~ must be residents of Minnesota, citizens of the United States, and veterans as defined in section 197.447.

Subd. 2. ~~**Deputy for veteran services; Powers and duties.** The deputy commissioner for veteran services has and the deputy commissioner for veteran health care have those powers delegated by the commissioner that have not otherwise been delegated to the deputy commissioner for veteran health care by the commissioner or assigned to that deputy commissioner by law. A delegation must be in writing, signed by the commissioner, and filed with the secretary of state.~~

Sec. 10. Minnesota Statutes 2006, section 196.03, is amended to read:

196.03 OFFICERS AND EMPLOYEES.

~~Except as provided in chapter 198, All officers and employees of the department shall be appointed by the commissioner and they shall perform such duties as may be assigned to them by the commissioner.~~

Sec. 11. **[196.30] VETERANS HEALTH CARE ADVISORY COUNCIL.**

Subdivision 1. **Creation.** The Veterans Health Care Advisory Council is established to provide the Department of Veterans Affairs with advice and recommendations on providing veterans with quality long-term care and the anticipated future needs of Minnesota veterans.

Subd. 2. **Membership.** (a) The council consists of nine public members appointed by the governor. The council members are:

(1) seven members with extensive expertise in health care delivery, long-term care, and veterans services;

(2) one licensed clinician who may be either a physician, physician's assistant, or a nurse practitioner; and

(3) one additional member.

(b) The governor shall designate a member to serve as the chair.

(c) The commissioner of veterans affairs, or the commissioner's designee, is an ex officio, nonvoting member of the council and shall provide necessary and appropriate administrative and technical support to the council.

(d) Membership terms, removal of members, and the filling of vacancies are as provided in section 15.059, subdivisions 2 and 4. Members shall not receive compensation or per diem payments, but may receive reimbursement for expenses pursuant to section 15.059, subdivision 3.

Subd. 3. **Duties.** The council is an advisory group with the responsibility of providing the commissioner of veterans affairs with information and professional expertise on the delivery of quality long-term care to veterans. The council's duties include:

(1) developing a new vision and strategic plan for the veterans homes that complements the Department of Veterans Affairs overall veterans service programs;

(2) providing recommendations and advice on matters including clinical performance, systemwide quality improvement efforts, culture and working environment of the veterans homes, and other operational and organizational functions of the veterans homes;

(3) studying and reviewing current issues and trends in the long-term care industry and the veterans community;

(4) providing recommendations to the commissioner on alternative options for the delivery of long-term care to veterans so that veterans and their families can determine appropriate services under models similar to those available in the community;

(5) establishing, as appropriate, subcommittees or ad hoc task forces of council members, stakeholders, and other individuals with expertise or experience to address specific issues; and

(6) reviewing and providing advice on any other matter at the request of the commissioner.

Subd. 4. **Expiration.** Notwithstanding section 15.059, subdivision 4, the council expires June 30, 2013.

Sec. 12. **[197.225] LIST OF DECEASED MILITARY PERSONNEL.**

(a) The commissioner of veterans affairs shall collect and maintain data about Minnesota residents who have died of service-connected causes while serving in the United States armed forces. The data may include deceased service members who are the immediate family members of Minnesota residents, but who themselves were not Minnesota residents at the time of death. The commissioner shall collect the following data: the individual's full name, military rank, branch of service, age at the time of death, and Minnesota hometown or if not a Minnesota resident at the time of death, the service member's home state.

(b) Data collected pursuant to this section are nonpublic data, but may be disseminated to the individual's next of kin, and for ceremonial or honorary purposes to veterans' organizations, civic organizations, the news media, and researchers. No other use or dissemination of the data is permitted.

(c) The next of kin of a veteran whose data is collected may request that the data not be disseminated for any purpose. Upon receiving such a request, the Department of Veterans Affairs must exclude the deceased veteran's data from any data disseminated for ceremonial or honorary purposes as permitted by paragraph (b).

(d) Data collected pursuant to this section shall not be indicative of any person's status with regard to qualification for veterans benefits or other benefits.

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

Sec. 13. Minnesota Statutes 2006, section 197.236, is amended to read:

197.236 VETERANS CEMETERY STATE VETERANS CEMETERIES.

Subd. 3. **Operation and maintenance.** The commissioner of veterans affairs shall supervise and control the veterans ~~cemetary~~ cemeteries established under this section. The cemeteries are to be maintained and operated in accordance with the operational standards and measures of the National Cemetery Administration. The commissioner may contract for the maintenance ~~and operation~~ of the ~~cemetary~~ cemeteries. All personnel, equipment, and support necessary for maintenance and operation of the ~~cemetary~~ cemeteries must be included in the department's budget.

Subd. 5. **Rules.** The commissioner of veterans affairs may adopt rules regarding the operation of the ~~cemetary~~ cemeteries. ~~If practicable,~~ The commissioner shall require that upright granite markers supplied by the United States Department of Veterans Affairs be used to mark all gravesites.

Subd. 6. **Permanent development and maintenance account.** A veterans cemetery development and maintenance account is established in the special revenue fund of the state treasury. Receipts for burial fees, ~~earnings from the veterans cemetery trust account~~ plot or interment allowance claims, designated appropriations, and any other cemetery receipts must be deposited into this account. The money in the account, including interest earned, is appropriated to the commissioner to be used for the development, operation, maintenance, and improvement of the ~~cemetary~~ cemeteries. To the extent practicable, the commissioner of veterans affairs must apply for available federal grants ~~for the development and operation of the cemetary~~ to establish, expand, or improve the cemeteries.

~~Subd. 7. **Permanent trust account.** A veterans cemetery trust account is established in the special revenue fund of the state treasury. All designated appropriations and monetary donations to the cemetery must be placed in this account. The principal of this account must be invested by the State Board of Investment and may not be spent. The income from this account must be transferred as directed by the account manager to the veterans cemetery development and maintenance account.~~

Subd. 8. **Eligibility.** ~~Any person who is eligible for burial in a national veterans cemetery is eligible for burial in the State Veterans Cemetery Cemeteries must be operated solely for the burial of service members who die on active duty, eligible veterans, and their spouses and dependent children, as defined in United States Code, title 38, section 101, paragraph (2).~~

Subd. 9. **Burial fees.** The commissioner of veterans affairs shall establish a fee schedule, which may be adjusted from time to time, for the interment of eligible ~~family members~~ spouses and dependent children. The fees shall cover as nearly as practicable the actual costs of interment, excluding the value of the plot. ~~The department may accept the Social Security burial allowance, if any, of the eligible family members in an amount not to exceed the actual cost of the interment.~~ The commissioner may waive the fee in the case of an indigent eligible person.

~~No plot or interment fees may be charged for the burial of eligible veterans, members of the National Guard, or military reservists, except that funds available from the Social Security or veterans burial allowances, if any, must be paid to the commissioner in an amount not to exceed the actual cost of the interment, excluding the value of the plot service members who die on active duty or eligible veterans, as defined in United States Code, title 38, section 101, paragraph (2).~~

~~Prior to the interment of an eligible person, the commissioner shall request the cooperation of the eligible person's next of kin in applying to the appropriate federal agencies for payment to the cemetery of any allowable interment allowance.~~

~~Subd. 10. **Allocation of plots.** A person, or survivor of a person, eligible for interment in the State Veterans Cemetery may apply for a burial plot for the eligible person by submitting a request to the commissioner of veterans affairs on a form supplied by the department. The department shall allot plots on a first come, first served basis. To the extent that it is practical, plots must be allocated in a manner permitting the burial of eligible family members above, below, or adjacent to the eligible veteran, member of the National Guard, or military reservist.~~

Subd. 11. **Plot allowance claims.** The commissioner of veterans affairs must apply to the Veterans Benefits Administration for a plot or interment allowance payable to the state for expenses incurred by the state in the burial of eligible veterans in cemeteries owned and operated by the state if the burial is performed at no cost to the veteran's next of kin.

Subd. 12. **No staff.** No staff may be hired for any new veterans cemetery without explicit legislative approval.

Sec. 14. Minnesota Statutes 2007 Supplement, section 197.791, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) The definitions in this subdivision apply to this section.

(b) "Commissioner" means the commissioner of veterans affairs, unless otherwise specified.

(c) "Cost of attendance" for ~~both graduate and~~ undergraduate students has the meaning given in section 136A.121, subdivision 6, multiplied by a factor of ~~1.1~~ 1.2. The Cost of attendance for graduate students has the meaning given in section 136A.121, subdivision 6, multiplied by a factor of 1.2, using the tuition and fee maximum established by law for four-year programs shall be used to calculate the tuition and fee maximum under section 136A.121, subdivision 6, for a graduate student. For purposes of calculating the cost of attendance for graduate students, full time is eight credits or more per term or the equivalent.

(d) "Child" means a natural or adopted child of a person described in subdivision 4, paragraph (a), clause (1), item (i) or (ii).

(e) "Eligible institution" means a postsecondary institution under section 136A.101, subdivision 4, or a graduate school licensed or registered with the state of Minnesota serving only graduate students.

(f) "Program" means the Minnesota GI Bill program established in this section, unless otherwise specified.

(g) "Time of hostilities" means any action by the armed forces of the United States that is recognized by the issuance of a presidential proclamation or a presidential executive order in which the armed forces expeditionary medal or other campaign service medals are awarded according to presidential executive order, and any additional period or place that the commissioner determines and designates, after consultation with the United States Department of Defense, to be a period or place where the United States is in a conflict that places persons at such a risk that service in a foreign country during that period or in that place should be considered to be included.

(h) "Veteran" has the meaning given in section 197.447. Veteran also includes a service member who has received an honorable discharge after leaving each period of federal active duty service and has:

(1) served 90 days or more of federal active duty in a foreign country during a time of hostilities in that country; or

(2) been awarded any of the following medals:

(i) Armed Forces Expeditionary Medal;

(ii) Kosovo Campaign Medal;

(iii) Afghanistan Campaign Medal;

(iv) Iraq Campaign Medal;

(v) Global War on Terrorism Expeditionary Medal; or

(vi) any other campaign medal authorized for service after September 11, 2001; or

~~(2)~~ (3) received a service-related medical discharge from any period of service in a foreign country during a time of hostilities in that country.

A service member who has fulfilled the requirements for being a veteran under this paragraph but is still serving actively in the United States armed forces is also a veteran for the purposes of this section.

Sec. 15. Minnesota Statutes 2007 Supplement, section 197.791, subdivision 4, is amended to read:

Subd. 4. **Eligibility.** (a) A person is eligible for educational assistance under this section if:

(1) the person is:

(i) a veteran who is serving or has served honorably in any branch or unit of the United States armed forces at any time on or after September 11, 2001;

(ii) a nonveteran who has served honorably for a total of five years or more cumulatively as a member of the Minnesota National Guard or any other active or reserve component of the United States armed forces, and any part of that service occurred on or after September 11, 2001;

(iii) the surviving spouse or child of a person who has served in the military at any time on or after September 11, 2001, and who has died as a direct result of that military service; or

(iv) the spouse or child of a person who has served in the military at any time on or after September 11, 2001, and who has a total and permanent service-connected disability as rated by the United States Veterans Administration;

~~(2) the person providing the military service described in clause (1), items (i) to (iv), was a Minnesota resident within six months of the time of the person's initial enlistment or any reenlistment in the United States armed forces;~~

~~(3)~~ (2) the person receiving the educational assistance is a Minnesota resident, as defined in section 136A.101, subdivision 8; and

~~(4)~~ (3) the person receiving the educational assistance:

(i) is an undergraduate or graduate student at an eligible institution;

(ii) is maintaining satisfactory academic progress as defined by the institution for students participating in federal Title IV programs;

(iii) is enrolled in an education program leading to a certificate, diploma, or degree at an eligible institution;

(iv) has applied for educational assistance under this section prior to the end of the academic term for which the assistance is being requested;

(v) is in compliance with child support payment requirements under section 136A.121, subdivision 2, clause (5); and

(vi) if an undergraduate student, has applied for the federal Pell Grant and the Minnesota State Grant has completed the Free Application for Federal Student Aid (FAFSA).

(b) A person's eligibility terminates when the person becomes eligible for benefits under section 135A.52.

(c) To determine eligibility, the commissioner may require official documentation, including the person's federal form DD-214 or other official military discharge papers; correspondence from the United States Veterans Administration; birth certificate; marriage certificate; proof of enrollment at an eligible institution; signed affidavits; proof of residency; proof of identity; or any other official documentation the commissioner considers necessary to determine eligibility.

(d) The commissioner may deny eligibility or terminate benefits under this section to any person who has not provided sufficient documentation to determine eligibility for the program. An applicant may appeal the commissioner's eligibility determination or termination of benefits in writing to the commissioner at any time. The commissioner must rule on any application or appeal within 30 days of receipt of all documentation that the commissioner requires. The decision of the commissioner regarding an appeal is final. However, an applicant whose appeal of an eligibility determination has been rejected by the commissioner may submit an additional appeal of that determination in writing to the commissioner at any time that the applicant is able to provide substantively significant additional information regarding the applicant's eligibility for the program. An approval of an applicant's eligibility by the commissioner following an appeal by the applicant is not retroactively effective for more than one year or the semester of the person's original application, whichever is later.

(e) Upon receiving an application with insufficient documentation to determine eligibility, the commissioner must notify the applicant within 30 days of receipt of the application that the application is being suspended pending receipt by the commissioner of sufficient documentation from the applicant to determine eligibility.

Sec. 16. Minnesota Statutes 2007 Supplement, section 197.791, subdivision 5, is amended to read:

Subd. 5. **Benefit amount.** (a) On approval by the commissioner of eligibility for the program, the applicant shall be awarded, on a funds-available basis, the educational assistance under the program for use at any time according to program rules at any eligible institution.

(b) The amount of educational assistance in any semester or term for an eligible person must be determined by subtracting from the eligible person's cost of attendance the amount the person received or was eligible to receive in that semester or term from:

(1) the federal Pell Grant;

(2) the state grant program under section 136A.121; and

(3) any federal military or veterans educational benefits including but not limited to the Montgomery GI Bill, GI Bill Kicker, the federal tuition assistance program, vocational rehabilitation benefits, and any other federal benefits associated with the person's status as a veteran, except veterans disability payments from the United States Veterans Administration.

(c) The amount of educational assistance for any eligible person who is a full-time student must not exceed the following:

- (1) \$1,000 per semester or term of enrollment;
- (2) ~~\$2,000~~ \$3,000 per state fiscal year; and
- (3) \$10,000 in a lifetime.

For a part-time student, the amount of educational assistance must not exceed \$500 per semester or term of enrollment. For the purpose of this paragraph, a part-time undergraduate student is a student taking fewer than 12 credits or the equivalent for a semester or term of enrollment and a part-time graduate student is a student considered part time by the eligible institution the graduate student is attending. The minimum award for undergraduate and graduate students is \$50 per term.

Sec. 17. Minnesota Statutes 2006, section 198.32, subdivision 1, is amended to read:

Subdivision 1. **Resident's rights.** A resident of a Minnesota veterans home has the right to complain and otherwise exercise freedom of expression and assembly which is guaranteed by amendment I of the United States Constitution. The administrator of the home shall inform each resident in writing at the time of admission of the right to complain to the administrator about home accommodations and services. A notice of the right to complain shall be posted in the home. The administrator shall also inform each resident of the right to complain to the ~~board~~ ~~or to the~~ commissioner of veterans affairs. Each resident of a home shall be encouraged and assisted, throughout the period of stay in the home, to understand and exercise the rights of freedom of expression and assembly as a resident and as a citizen, and, to this end, the resident may voice grievances and recommend changes in policies and services to home staff, other residents, and outside representatives of the resident's choice, free from restraint, interference, coercion, discrimination, or reprisal, including retaliatory eviction.

Sec. 18. **RULES TRANSFER.**

Minnesota Rules, chapter 9050, is transferred from the Veterans Homes Board of Directors to the commissioner of veterans affairs. The commissioner shall administer and enforce those rules and may amend or repeal them.

Sec. 19. **APPOINTMENTS.**

Notwithstanding Minnesota Statutes, section 196.30, subdivision 2, paragraph (d), the governor may make the initial appointments to the Veterans Health Care Advisory Council under Executive Order 07-20 without complying with the appointment process in Minnesota Statutes, section 15.0597.

Sec. 20. **OMBUDSMAN FOR VETERANS HOME RESIDENTS.**

The ombudsman required under Laws 2007, chapter 45, article 2, section 1, paragraph (j), must attend all meetings of the Veterans Health Care Advisory Council established in new Minnesota Statutes, section 196.30.

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

Sec. 21. **TRANSFER OF FUNDS IN VETERANS CEMETERY TRUST ACCOUNT.**

Notwithstanding Minnesota Statutes, section 16A.62, on June 30, 2008, all money in the veterans cemetery trust account in the special revenue fund established in Minnesota Statutes, section 197.236, subdivision 7, must be transferred to the permanent development and maintenance account in the special revenue fund under Minnesota Statutes, section 197.236, subdivision 6.

Sec. 22. **STATE VETERANS CEMETERY STUDY.**

The commissioner of veterans affairs shall evaluate the status of and need for additional veterans cemeteries in the state, including consideration of a new veterans cemetery in southern Minnesota. By January 15, 2009, the commissioner shall report the findings of the study to the chairs and ranking minority members of the legislative committees with jurisdiction over veterans policy and finance.

Sec. 23. **PARTNERING IN DELIVERY OF VETERANS SERVICES.**

The commissioner of veterans affairs must seek input from a broad range of experienced nongovernmental social service and health care providers, including both secular and faith-based service organizations, from throughout the state regarding the feasibility of public-private collaboration in providing services to Minnesota Veterans. The services may include home health care, psychological counseling, life-skills rehabilitation counseling, home hospice care, respite care, and other types of home-based health care as judged necessary by the commissioner to enable veterans to recover from service-connected injuries, illnesses, and disabilities. The commissioner must report to the legislature by January 15, 2009, with findings and recommendations for establishing the service-delivery partnerships.

Sec. 24. **VETERANS AFFAIRS STRATEGIC PLANNING GROUP.**

(a) By January 15, 2009, the Department of Veterans Affairs Strategic Planning Group shall report to the chairs and ranking minority members of the house and the senate committees with jurisdiction over veterans affairs policy and finance the group's recommendations for the Minnesota Veterans Home at Minneapolis, based on specific additional analysis of the projected capital, maintenance, and operating costs of that home, including an assessment of the feasibility of alternative operational models at that home or at alternative or additional state veterans home locations within the seven-county metropolitan area. The group must include the likelihood and projected amount of any cost-savings that could result from the demolition or remodeling and conversion of some of the infrastructure of the current campus for alternative uses and other pertinent items, such as:

(1) construction of rental housing for veterans and family members of veterans receiving medical care at the nearby US/VA Medical Center or other nearby medical institutions;

(2) conducting a land use study including a highest and best use analysis for the existing site and all improvements;

(3) investigating opportunities for public/private partnerships in strategic land use; and

(4) any other purpose judged feasible by the strategic planning group.

(b) When formulating the recommendations on the matters in paragraph (a), the Department of Veterans Affairs Strategic Planning Group must consult with the following individuals or their designees:

(1) the chairs and ranking minority members of the house and senate committees with jurisdiction over veterans affairs policy and finance;

(2) the president and legislative chairperson of the Minnesota Association of County Veterans Service Officers;

(3) the chair of the Commanders Task Force of Minnesota's congressionally chartered veterans service organizations;

(4) two members each from the Minnesota departments of the American Legion, the Veterans of Foreign Wars, and the Disabled American Veterans with at least one member from each organization coming from a rural area;

(5) the United Veterans Legislative Council;

(6) the Adjutant General of the Minnesota National Guard;

(7) the director of the Veterans Health Care Advisory Council;

(8) a representative from the United States Department of Veterans Affairs;

(9) representative residents of the Minnesota Veterans Homes and their families;

(10) representatives of the Minneapolis delegation in the Minnesota house and senate;

(11) representative residents of the Minnesota Veterans Home at Minneapolis and their families;

(12) the mayor of Minneapolis;

(13) the Minneapolis city planner;

(14) the chair of the Metropolitan Council;

(15) the director of the Minnesota Inter-County Association; and

(16) the director of the Association of Minnesota Counties.

Sec. 25. **CONSTRUCTION PROJECT PRIORITY LISTING STATUS.**

In accordance with completed predesign documents, veterans population surveys, and the 2008 department construction project priority listing, the commissioner of veterans affairs shall continue to plan, develop, and pursue federal funding and other resources for the construction of projects on the listing. In consultation with the Veterans Affairs Strategic Planning Group and the Veterans Health Care Advisory Council, the commissioner must consider possible options for treatment, including, but not limited to, traumatic brain injury, posttraumatic stress disorder, and psycho-geriatric care. By January 15, 2009, the commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over veterans homes policy and finance regarding the status of the department construction project priority listing and the activities required under this section.

Sec. 26. **COUNTY VETERANS SERVICES WORKING GROUP.**

Subdivision 1. **Creation.** The County Veterans Services Working Group shall consist of the following 13 members:

(1) two senators, including one member from the majority party and one member from the minority party, appointed by the Subcommittee on Committees of the Committee on Rules and Administration of the senate;

(2) two members of the house of representatives, one member from the majority party and one member from the minority party, appointed by the speaker of the house;

(3) the commissioner and two deputy commissioners of the Minnesota Department of Veterans Affairs (MDVA), or the commissioner's designees;

(4) the president, vice president, and legislative chair person of the Minnesota Association of County Veterans Service Officers (CVSOs);

(5) the chair of the Commanders Task Force of Minnesota's congressionally-chartered veterans service organizations, or the chair's designee;

(6) one person from the Minnesota Inter-County Association (MICA), as designated by the association board; and

(7) one person from the Association of Minnesota Counties (AMC), as designated by the association board.

Subd. 2. **Duties.** The working group must meet periodically to review the findings and recommendations of the 2008 report of the Office of the Legislative Auditor (OLA) on Minnesota's county veterans service offices, and make written recommendations to the legislature regarding whether and how each of that report's recommendations should be implemented. The working group may also provide additional recommendations on how to enhance the current services provided by the county veteran service offices.

The working group may suggest draft legislation for legislative consideration. By January 15, 2009, the working group must report its proposed recommendations to the chairs of the senate and house committees with jurisdiction over veterans affairs, state governmental operations, and local government affairs.

Subd. 3. **Administrative provisions.** (a) The commissioner of veterans affairs, or the commissioner's designee, must convene the initial meeting of the working group. Upon request of the working group, the commissioner must provide meeting space and administrative services for the group. The members of the working group must elect a chair or co-chairs from the legislative members of the working group at the initial meeting. Each subsequent meeting is at the call of the chair or co-chairs.

(b) Public members of the working group serve without special compensation or special payment of expenses from the working group.

(c) The working group expires on June 30, 2009, unless an extension is authorized by law by that date.

Subd. 4. **Deadline for appointments and designations.** The appointments and designations authorized by this section must be completed by August 1, 2008. The working group must convene its initial meeting no later than September 1, 2008.

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

Sec. 27. **STUDY OF VETERANS EMPLOYMENT IN STATE GOVERNMENT.**

(a) By October 1, 2008, each appointing authority in the executive branch of state government, including the Minnesota State Colleges and Universities, must report to the commissioner of finance on the incidence of employment, recruitment, retention, and retirement of veterans in their nonelected workforce for fiscal year 2008. The report must be made in a manner approved by the commissioner, and for each separate hiring unit must include tabulation by age category and length of state employment in the executive branch, including the state college and university system. Each executive branch appointing authority must also report specific veteran employment data requested by the commissioner as of June 30, 2008, June 30, 2001, and an earlier date if judged feasible by the commissioner. By January 15, 2009, the commissioner must submit a report on the employment of veterans in the executive branch to the chairs of the house and senate policy and finance committees having jurisdiction over veterans affairs. The report must present and analyze the data obtained in this paragraph.

(b) By October 1, 2008, the judicial branch of state government must report to the chairs of the house and senate policy and finance committees having jurisdiction over veterans affairs the number of veterans employed in the judicial branch nonelective workforce on June 30, 2008, based on self-reporting of veteran status. For each separate hiring unit, the data must include tabulation by age category and length of state employment in the judicial branch.

(c) By October 1, 2008, the house of representatives, the senate, and the Legislative Coordinating Commission on behalf of joint legislative offices and commissions, must report to the chairs of the house and senate policy and finance committees having jurisdiction over veterans affairs the number of veterans employed in their nonelective workforce on June 30, 2008, based on self-reporting of veteran status. For each separate hiring unit, the data must include tabulation by age category and length of state employment in the legislative branch.

(d) For purposes of this section, "veteran" has the meaning given in Minnesota Statutes, section 197.447.

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

Sec. 28. **WORLD WAR II SERVICE MEDALLIONS; APPROPRIATION.**

Subdivision 1. **Medallions.** By July 1, 2008, the commissioner of veterans affairs must notify veterans organizations that include veterans of World War II in their membership of the opportunity under this section for surviving individual veterans of World War II to obtain commemorative medallions recognizing their service in the United States armed forces during World War II. The commissioner shall establish the service criteria necessary to obtain a medallion and the cost of each medallion. Veterans organizations may collect and contribute money on behalf of their surviving individual members who meet the service criteria. No later than September 1, 2008, the organizations may submit the names of qualifying individuals and provide money to pay for the cost of the medallions to the commissioner. By October 15, 2008, the commissioner shall distribute the medallions to organizations for distribution to the qualifying individuals.

Subd. 2. **Appropriation.** Money received by the commissioner under this section is appropriated to the commissioner for the purposes of this section.

Sec. 29. **REVISOR'S INSTRUCTION.**

(a) The revisor shall change "board," "board of directors," or "Veterans Homes Board of Directors" to "commissioner" wherever it is used in Minnesota Statutes, sections 198.003; 198.005; 198.006; 198.007; 198.022; 198.03; 198.05; 198.065; 198.066; 198.16; 198.23; 198.261; 198.265; 198.266; 198.31; 198.33; 198.34; 198.35; 198.36; and 198.37; and shall change "board rules" to "rules adopted under this chapter" wherever it appears in Minnesota Statutes, sections 198.007 and 198.022.

(b) In Minnesota Rules, chapter 9050, the revisor shall:

(1) change the terms "executive director," "executive director of the board," "executive director of the Veterans Homes Board," "Minnesota Veterans Homes Board," and "board" to "commissioner of veterans affairs" except where the term "board" is used with a different meaning in Minnesota Rules, part 9050.0040, subpart 16;

(2) change the term "board-operated facility" to "facility operated by the commissioner of veterans affairs" and change the term "non-board-operated facility" to "facility not operated by the commissioner of veterans affairs";

(3) change the term "board-approved" to "approved by the commissioner of veterans affairs"; and

(4) eliminate the term "board" where it is used in the third paragraph of Minnesota Rules, part 9050.1070, subpart 9.

(c) The revisor shall change any of the terms in paragraph (a) or (b) to "commissioner of veterans affairs" if they are used to refer to the Veterans Homes Board of Directors or its executive director anywhere else in Minnesota Statutes or Minnesota Rules.

Sec. 30. **REPEALER.**

Minnesota Statutes 2006, sections 190.17; 197.236, subdivisions 7 and 10; 198.001, subdivisions 6 and 9; 198.002, subdivisions 1, 3, and 6; 198.003, subdivisions 5 and 6; and 198.004, subdivision 2, and Minnesota Statutes 2007 Supplement, sections 198.002, subdivision 2; and 198.004, subdivision 1, are repealed.

(b) Minnesota Rules, part 9050.0040, subpart 15, is repealed."

Delete the title and insert:

"A bill for an act relating to the operation of state government; regulating, requiring, or changing certain provisions and programs related to agriculture; creating a livestock investment grant program; modifying pesticide and fertilizer regulation; changing certain payment provisions for certain agricultural chemical corrective action costs; changing certain food sanitary provisions; changing certain fee provisions; defining certain terms; regulating egg sales and handling; increasing the somatic cell count limit for goat milk; changing ethanol payment provisions; providing for control of bovine tuberculosis; adding a member to the NextGen Energy Board; modifying the expiration date for the NextGen Energy Board; establishing requirements for practicing animal chiropractic care; recognizing a Program for the Assessment of Veterinary Education Equivalence certification; limiting use of certain drugs; changing certain requirements; regulating prescription of veterinary drugs; changing ethanol blending provisions; modifying definition of biodiesel; increasing minimum biodiesel content; creating a tiered biodiesel content goal; requiring counties to consider natural heritage data in adopting or amending comprehensive plans; requiring local governments to consider comprehensive plans to limit development on agricultural, forest, wildlife, and open space land; establishing a task force; modifying 2007 appropriation language; creating an advisory council, a working group, and a planning group and requiring certain studies; changing certain provisions and programs related to veterans homes; appropriating money; amending Minnesota Statutes 2006, sections 13.785, by adding a subdivision; 18B.065, subdivisions 2, 7; 18B.07, subdivision 2; 18D.305, subdivision 2; 18E.04, subdivision 2; 28A.03, by adding a subdivision; 28A.05; 28A.08; 28A.082, by adding a subdivision; 28A.09, subdivision 1; 29.23; 31.05; 31.171; 41A.09, subdivision 3a; 41D.01, subdivision 4; 97A.028, subdivision 3; 148.01, subdivision 1, by adding subdivisions; 156.001, by adding a subdivision; 156.02, subdivisions 1, 2; 156.04; 156.072, subdivision 2; 156.073; 156.12, subdivisions 2, 4, 6; 156.15, subdivision 2; 156.16, subdivisions 3, 10; 156.18, subdivisions 1, 2; 156.19; 168.1255, subdivisions 1, 3, by adding subdivisions; 192.20; 196.021; 196.03; 197.236; 198.32, subdivision 1; 239.051, subdivision 15; 239.77, as amended; 239.7911, subdivision 2; 296A.01, subdivision 2; 394.232, subdivision 6; 462.355, subdivision 1; 462.357, by adding subdivisions; Minnesota Statutes 2007 Supplement, sections 18B.065, subdivisions 1, 2a; 18B.26, subdivision 3; 31.175; 41A.105; 197.791, subdivisions 1, 4, 5; 239.761, subdivision 4, by adding subdivisions; 296A.01, subdivisions 8a, 25; 394.23; Laws 2007, chapter 45, article 1, section 3, subdivisions 3, 4, 5; proposing coding for new law in Minnesota Statutes, chapters 17; 32; 148; 192; 196; 197; 394; repealing Minnesota Statutes 2006, sections 190.17; 197.236, subdivisions 7, 10; 198.001, subdivisions 6, 9; 198.002, subdivisions 1, 3, 6; 198.003, subdivisions 5, 6; 198.004, subdivision 2; Minnesota Statutes 2007 Supplement, sections 198.002, subdivision 2; 198.004, subdivision 1; Minnesota Rules, part 9050.0040, subpart 15."

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

Senate Conferees: JIM VICKERMAN, DAN SKOGEN, STEVE DILLE, STEVE MURPHY AND SHARON L. ERICKSON ROPES.

House Conferees: AL JUHNKE, MARY ELLEN OTREMBIA, LYLE KOENEN, ROD HAMILTON AND KARLA BIGHAM.

Juhnke moved that the report of the Conference Committee on S. F. No. 3683 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 3683, A bill for an act relating to the operation of state government; changing certain provisions and programs related to agriculture; creating a livestock investment grant program; modifying pesticide and fertilizer regulation; changing certain payment provisions for certain agricultural chemical corrective action costs; changing certain food sanitary provisions; changing certain fee provisions; defining certain terms; regulating egg sales and handling; increasing the somatic cell count limit for goat milk; providing for control of bovine tuberculosis; adding a member to the NextGen Energy Board; modifying the expiration date for the NextGen Energy Board; modifying the expiration date for the Minnesota Agriculture Education Leadership Council; establishing requirements for practicing animal chiropractic care; recognizing a Program for the Assessment of Veterinary Education Equivalence certification; limiting use of certain drugs; changing certain requirements; regulating prescription of veterinary drugs; modifying definition of biodiesel; increasing minimum biodiesel content; creating a tiered biodiesel content goal; requiring counties to consider natural heritage data in adopting or amending comprehensive plans; requiring local governments to consider comprehensive plans to limit development on agricultural, forest, wildlife, and open space land; regulating certain racetracks; modifying 2007 appropriation language; creating the Veterans Health Care Advisory Council; changing certain provisions and programs related to veterans; providing for certain medallions; authorizing the placement of a plaque in the court of honor on the Capitol grounds by Minnesota's Mexican-American veterans to honor all Minnesota veterans who have served at any time in the United States armed forces; appropriating money; amending Minnesota Statutes 2006, sections 18B.07, subdivision 2; 18D.305, subdivision 2; 18E.04, subdivision 2; 28A.03, by adding a subdivision; 28A.08; 28A.082, by adding a subdivision; 28A.09, subdivision 1; 29.23; 31.05; 31.171; 41D.01, subdivision 4; 148.01, subdivision 1, by adding subdivisions; 156.001, by adding a subdivision; 156.02, subdivisions 1, 2; 156.04; 156.072, subdivision 2; 156.073; 156.12, subdivisions 2, 4, 6; 156.15, subdivision 2; 156.16, subdivisions 3, 10; 156.18, subdivisions 1, 2; 156.19; 168.1255, subdivisions 1, 3, by adding subdivisions; 196.021; 196.03; 197.236; 198.32, subdivision 1; 239.77, as amended; 240.06, subdivision 5a, by adding a subdivision; 240.13, subdivision 6; 394.232, subdivision 6; 462.355, subdivision 1; 462.357, by adding subdivisions; Minnesota Statutes 2007 Supplement, sections 31.175; 35.244; 41A.105; 296A.01, subdivision 8a; 394.23; Laws 2007, chapter 45, article 1, section 3, subdivisions 3, 4; proposing coding for new law in Minnesota Statutes, chapters 17; 18C; 32; 148; 196; 394; repealing Minnesota Statutes 2006, sections 198.001, subdivisions 6, 9; 198.002, subdivisions 1, 3, 6; 198.003, subdivisions 5, 6; 198.004, subdivision 2; Minnesota Statutes 2007 Supplement, sections 198.002, subdivision 2; 198.004, subdivision 1; Minnesota Rules, part 9050.0040, subpart 15.

The bill was read for the 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 123 yeas and 9 nays as follows:

Those who voted in the affirmative were:

Abeler	Brynaert	Dominguez	Garofalo	Hornstein	Koenen
Anderson, S.	Bunn	Doty	Gottwalt	Hortman	Kohls
Anzelc	Carlson	Drazkowski	Gunther	Hosch	Laine
Atkins	Clark	Eastlund	Hackbarth	Howes	Lanning
Beard	Cornish	Eken	Hamilton	Huntley	Lenczewski
Benson	Davnie	Erhardt	Hausman	Jaros	Lesch
Berns	Dean	Erickson	Haws	Johnson	Liebling
Bigham	Demmer	Faust	Heidgerken	Juhnke	Lieder
Bly	Dettmer	Finstad	Hilstrom	Kahn	Lillie
Brod	Dill	Fritz	Hilty	Kalin	Loeffler
Brown	Dittrich	Gardner	Hoppe	Knuth	Madore

Magnus	Mullery	Paymar	Scalze	Solberg	Wardlow
Mahoney	Murphy, E.	Pelowski	Seifert	Swails	Welti
Mariani	Murphy, M.	Peterson, A.	Sertich	Thao	Westrom
Marquart	Nelson	Peterson, N.	Severson	Thissen	Winkler
Masin	Nornes	Peterson, S.	Shimanski	Tillberry	Wollschlager
McFarlane	Norton	Poppe	Simon	Tingelstad	Zellers
McNamara	Olin	Rukavina	Simpson	Tschumper	Spk. Kelliher
Moe	Otremba	Ruth	Slawik	Urdahl	
Morgan	Ozment	Ruud	Slocum	Walker	
Morrow	Paulsen	Sailer	Smith	Ward	

Those who voted in the negative were:

Anderson, B.	DeLaForest	Greiling	Olson	Wagenius
Buesgens	Emmer	Holberg	Peppin	

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

Madam Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 2942.

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.

COLLEEN J. PACHECO, Second Assistant Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 2942

A bill for an act relating to higher education; establishing a P-20 education partnership; modifying various scholarship programs; modifying private school regulation; authorizing oral health practitioners to practice; authorizing rulemaking; establishing an oral practitioner work group; requiring a report; amending Minnesota Statutes 2006, sections 13.32, by adding a subdivision; 141.25, by adding a subdivision; Minnesota Statutes 2007 Supplement, sections 136A.126; 136A.127; 136A.65, subdivisions 1, 3, 5, 6, 7; 136A.66; 136A.67; 136A.69; 141.25, subdivision 5; 141.28, subdivision 1; 141.35; 197.791, subdivisions 1, 4, 5; proposing coding for new law in Minnesota Statutes, chapters 136F; 150A.

May 6, 2008

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. 2942 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 2942 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 13.32, subdivision 3, is amended to read:

Subd. 3. **Private data; when disclosure is permitted.** Except as provided in subdivision 5, educational data is private data on individuals and shall not be disclosed except as follows:

- (a) pursuant to section 13.05;
- (b) pursuant to a valid court order;
- (c) pursuant to a statute specifically authorizing access to the private data;
- (d) to disclose information in health and safety emergencies pursuant to the provisions of United States Code, title 20, section 1232g(b)(1)(I) and Code of Federal Regulations, title 34, section 99.36;
- (e) pursuant to the provisions of United States Code, title 20, sections 1232g(b)(1), (b)(4)(A), (b)(4)(B), (b)(1)(B), (b)(3), (b)(6), (b)(7), and (i), and Code of Federal Regulations, title 34, sections 99.31, 99.32, 99.33, 99.34, ~~and 99.35, and 99.39~~;
- (f) to appropriate health authorities to the extent necessary to administer immunization programs and for bona fide epidemiologic investigations which the commissioner of health determines are necessary to prevent disease or disability to individuals in the public educational agency or institution in which the investigation is being conducted;
- (g) when disclosure is required for institutions that participate in a program under title IV of the Higher Education Act, United States Code, title 20, section 1092;
- (h) to the appropriate school district officials to the extent necessary under subdivision 6, annually to indicate the extent and content of remedial instruction, including the results of assessment testing and academic performance at a postsecondary institution during the previous academic year by a student who graduated from a Minnesota school district within two years before receiving the remedial instruction;
- (i) to appropriate authorities as provided in United States Code, title 20, section 1232g(b)(1)(E)(ii), if the data concern the juvenile justice system and the ability of the system to effectively serve, prior to adjudication, the student whose records are released; provided that the authorities to whom the data are released submit a written request for the data that certifies that the data will not be disclosed to any other person except as authorized by law without the written consent of the parent of the student and the request and a record of the release are maintained in the student's file;
- (j) to volunteers who are determined to have a legitimate educational interest in the data and who are conducting activities and events sponsored by or endorsed by the educational agency or institution for students or former students;
- (k) to provide student recruiting information, from educational data held by colleges and universities, as required by and subject to Code of Federal Regulations, title 32, section 216;
- (l) to the juvenile justice system if information about the behavior of a student who poses a risk of harm is reasonably necessary to protect the health or safety of the student or other individuals;

(m) with respect to Social Security numbers of students in the adult basic education system, to Minnesota State Colleges and Universities and the Department of Employment and Economic Development for the purpose and in the manner described in section 124D.52, subdivision 7; ~~or~~

(n) to the commissioner of education for purposes of an assessment or investigation of a report of alleged maltreatment of a student as mandated by section 626.556. Upon request by the commissioner of education, data that are relevant to a report of maltreatment and are from charter school and school district investigations of alleged maltreatment of a student must be disclosed to the commissioner, including, but not limited to, the following:

(1) information regarding the student alleged to have been maltreated;

(2) information regarding student and employee witnesses;

(3) information regarding the alleged perpetrator; and

(4) what corrective or protective action was taken, if any, by the school facility in response to a report of maltreatment by an employee or agent of the school or school district;

(o) when the disclosure is of the final results of a disciplinary proceeding on a charge of a crime of violence or nonforcible sex offense to the extent authorized under United States Code, title 20, section 1232g(b)(6)(A) and (B) and Code of Federal Regulations, title 34, sections 99.31(a)(13) and (14);

(p) when the disclosure is information provided to the institution under United States Code, title 42, section 14071, concerning registered sex offenders to the extent authorized under United States Code, title 20, section 1232g(b)(7); or

(q) when the disclosure is to a parent of a student at an institution of postsecondary education regarding the student's violation of any federal, state, or local law or of any rule or policy of the institution, governing the use or possession of alcohol or of a controlled substance, to the extent authorized under United States Code, title 20, section 1232g(i), and Code of Federal Regulations, title 34, section 99.31(a)(15), and provided the institution has an information release form signed by the student authorizing disclosure to a parent. The institution must notify parents and students about the purpose and availability of the information release forms. At a minimum, the institution must distribute the information release forms at parent and student orientation meetings.

Sec. 2. Minnesota Statutes 2006, section 13.32, is amended by adding a subdivision to read:

Subd. 11. Data sharing; improving instruction. The following educational data may be shared between the Department of Education and the Minnesota Office of Higher Education as authorized by the Code of Federal Regulations, title 34, section 99.31(a)(6), to analyze instruction in school districts for purposes of improvement:

(1) attendance data, including name of school or institution, school district, year or term of attendance, and term type;

(2) student demographic and enrollment data;

(3) academic performance and testing data; and

(4) special academic services received by a student.

Any analysis of or report on the data must contain only summary data.

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

Sec. 3. Minnesota Statutes 2006, section 136A.101, subdivision 8, is amended to read:

Subd. 8. **Resident student.** "Resident student" means a student who meets one of the following conditions:

(1) a student who has resided in Minnesota for purposes other than postsecondary education for at least 12 months without being enrolled at a postsecondary educational institution for more than five credits in any term;

(2) a dependent student whose parent or legal guardian resides in Minnesota at the time the student applies;

(3) a student who graduated from a Minnesota high school, if the student was a resident of Minnesota during the student's period of attendance at the Minnesota high school and the student is physically attending a Minnesota postsecondary educational institution;

(4) a student who, after residing in the state for a minimum of one year, earned a high school equivalency certificate in Minnesota;

(5) a member, spouse, or dependent of a member of the armed forces of the United States stationed in Minnesota on active federal military service as defined in section 190.05, subdivision 5c;

(6) a spouse or dependent of a veteran, as defined in section 197.447, if the veteran is a Minnesota resident;

(7) a person or spouse of a person who relocated to Minnesota from an area that is declared a presidential disaster area within the preceding 12 months if the disaster interrupted the person's postsecondary education; or

~~(7)~~ (8) a person defined as a refugee under United States Code, title 8, section 1101(a)(42), who, upon arrival in the United States, moved to Minnesota and has continued to reside in Minnesota.

Sec. 4. Minnesota Statutes 2007 Supplement, section 136A.121, subdivision 7a, is amended to read:

Subd. 7a. **Surplus appropriation.** If the amount appropriated is determined by the office to be more than sufficient to fund projected grant demand in the second year of the biennium, the office may increase the living and miscellaneous expense allowance in the second year of the biennium by up to an amount that retains sufficient appropriations to fund the projected grant demand. The adjustment may be made one or more times. In making the determination that there are more than sufficient funds, the office shall balance the need for sufficient resources to meet the projected demand for grants with the goal of fully allocating the appropriation for state grants. An increase in the living and miscellaneous expense allowance under this subdivision does not carry forward into a subsequent biennium. ~~This subdivision expires June 30, 2009.~~

Sec. 5. Minnesota Statutes 2007 Supplement, section 136A.126, is amended to read:

136A.126 INDIAN SCHOLARSHIPS.

Subdivision 1. **Student eligibility.** The director of the Office of Higher Education shall establish procedures for the distribution of scholarships to ~~any~~ a Minnesota resident student who:

~~who~~ (1) is of one-fourth or more Indian ancestry;

~~who~~ (2) has applied for other existing state and federal scholarship and grant programs, ~~and~~;

(3) if enrolled in an undergraduate program, is eligible or would be eligible to receive a federal Pell Grant or a state grant based on the federal needs analysis and is enrolled for nine semester credits per term or more, or the equivalent;

(4) if enrolled in a graduate program, demonstrates a remaining financial need in the award amount calculation and is enrolled, per term, on a half-time basis or more as defined by the postsecondary institution; and

~~who~~, (5) in the opinion of the director of the Office of Higher Education, based upon postsecondary institution recommendations, has the capabilities to benefit from further education.

Subd. 2. Eligible programs. Scholarships must be for accredited degree programs in accredited Minnesota colleges or universities or for courses in accredited Minnesota business, technical, or vocational schools. Scholarships may also be given to students attending Minnesota colleges that are in candidacy status for obtaining full accreditation, and are eligible for and receiving federal financial aid programs. Students are also eligible for scholarships when enrolled as students in Minnesota higher education institutions that have joint programs with other accredited higher education institutions. ~~Scholarships shall be used to defray the total cost of education including tuition, incidental fees, books, supplies, transportation, other related school costs and the cost of board and room and shall be paid directly to the college or school concerned where the student receives federal financial aid.~~

Subd. 3. Cost of attendance. ~~The total cost of education includes all~~ attendance shall include tuition and required fees for each student enrolling in a public institution and the portion of tuition and fees for each student enrolling in a private institution that does not exceed the tuition and fees at a comparable public institution. Each student shall be awarded a scholarship based on a federal standardized need analysis. Applicants are encouraged to apply for all other sources of financial aid charged by the institution and the campus-based budget used for federal financial aid for food, housing, books, supplies, transportation, and miscellaneous expenses.

~~When an Indian student satisfactorily completes the work required by a certain college or school in a school year the student is eligible for additional scholarships, if additional training is necessary to reach the student's educational and vocational objective.~~

Subd. 4. Award amount. (a) Each student shall be awarded a scholarship based on the federal need analysis. Applicants are encouraged to apply for all other sources of financial aid. The amount of the award must not exceed the applicant's cost of attendance, as defined in subdivision 3, after deducting:

(1) the expected family contribution as calculated by the federal need analysis;

(2) the amount of a federal Pell Grant award for which the applicant is eligible;

(3) the amount of the state grant;

(4) the sum of all federal Supplemental Educational Opportunity Grant, federal Academic Competitiveness Grant, and federal Science and Mathematics Access to Retain Talent Grant (SMART Grant) awards;

(5) the sum of all institutional grants, scholarships, tuition waivers, and tuition remission amounts;

(6) the sum of all tribal scholarships;

(7) the amount of any other state and federal gift aid; and

(8) the amount of any private grants or scholarships.

(b) The award shall be paid directly to the postsecondary institution where the student receives federal financial aid.

(c) Awards are limited as follows:

(1) the maximum award for an undergraduate is \$4,000 per academic year;

(2) the maximum award for a graduate student is \$6,000 per academic year; and

(3) the minimum award for all students is \$100 per academic year.

(d) Scholarships may not be given to any Indian student for more than ~~five~~ three years of study for a two-year degree, certificate, or diploma program or five years of study for a four-year degree program at the undergraduate level and for more than five years at the graduate level. Students may acquire only one degree per level and one terminal graduate degree. Scholarships may not be given to any student for more than ten years including five years of undergraduate study and five years of graduate study.

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

Sec. 6. Minnesota Statutes 2007 Supplement, section 136A.127, is amended to read:

136A.127 ACHIEVE SCHOLARSHIP PROGRAM.

Subdivision 1. **Establishment.** The Achieve Scholarship Program is established to provide scholarships to eligible students within the limits of appropriations for the program.

Subd. 2. **Definition; qualifying program.** For the purposes of this section, a "qualifying program" means a rigorous secondary school program of study defined by the Department of Education under agreement with the Secretary of Education for the purposes of determining eligibility for the federal Academic Competitiveness Grant Program under Title IV of the Higher Education Act of 1965, as amended.

Subd. 3. **Documentation of qualifying programs.** The student shall request a transcript from the high school. The high school shall provide a transcript to the Office of Higher Education or to the eligible institution in which the student is enrolling, documenting the qualifying program. If the transcript is not sufficient to document a qualifying program, the student may be required to submit further documentation that the office deems sufficient.

Subd. 4. **Student eligibility.** To be eligible to receive a scholarship under this section, in addition to the requirements listed under section 136A.121, a student must:

(1) submit a Free Application for Federal Student Aid (FAFSA);

(2) take and receive at least a grade of C for courses that comprise a rigorous secondary school program of study in a high school or in a home-school setting under section 120A.22, and graduate from a Minnesota high school;

(3) have a family adjusted gross income of less than \$75,000 in the last complete calendar year prior to the academic year of postsecondary attendance of less than \$75,000 in which the scholarship is used;

(4) be a United States citizen or eligible noncitizen, as defined in section 484 of the Higher Education Act, United States Code, title 20, sections 1091 et seq., as amended, and Code of Federal Regulations, title 34, section 668.33; ~~and~~

(5) be a Minnesota resident, as defined in section 136A.101, subdivision 8; and

(6) be enrolled for at least three credits per quarter or semester or the equivalent at an eligible institution as defined under section 136A.101, subdivision 4.

Subd. 5. **Administration.** The Achieve Scholarship Program shall be administered by the Minnesota Office of Higher Education. The director shall develop forms and procedures necessary to administer the program.

Subd. 6. **Application.** A student must complete and submit an application for the Achieve scholarship.

Subd. 7. **Deadline.** The deadline for the office to accept applications for Achieve scholarships is 30 days after the beginning of the academic term for which the application is submitted the same as that used for the state grant in section 136A.121, subdivision 13.

Subd. 8. **Documentation of qualifying household income.** Achieve Scholarship Program applicants must certify on the application that they meet the income eligibility requirement in subdivision 5.4, clause ~~(2)~~ (3). The Office of Higher Education or the postsecondary institution may request documentation needed to confirm income eligibility.

Subd. 9. **Scholarship awards.** Minnesota Achieve scholarships shall consist of \$1,200 for a student who takes and receives at least a grade of C for courses required under a qualifying program. A student may not receive more than \$1,200 in Minnesota Achieve scholarships, which must be for enrollment during the four-year availability period described in subdivision 12. The scholarships may be used to pay for qualifying expenses at eligible institutions.

Subd. 10. **Qualifying expenses.** Qualifying expenses are components included under the cost of attendance used for federal student financial aid programs, as defined in section 472 of the Higher Education Act, United States Code, title 20, sections 1091 et seq., as amended.

Subd. 11. **Eligible institutions.** The Achieve scholarship may only be used to pay qualifying expenses at an eligible institution as defined under section 136A.101, subdivision 4.

Subd. 12. **Availability of scholarship funds.** A scholarship earned by a student is available for four years immediately following high school graduation. The office must certify to the commissioner of finance by October 1 of each year the amounts to be canceled from scholarship eligibility that have expired.

Subd. 13. **Disbursement of scholarships.** The office shall make two equal payments to a postsecondary institution on behalf of the student. ~~The second payment must be made~~ After the student successfully completes the first term of enrollment, the second payment must be made during the student's next term of enrollment at an eligible institution. If the second disbursement is not within the same academic year as the first disbursement, the student must request the second disbursement.

Subd. 14. **Evaluation report.** By January 15 of each odd-numbered year, the Office of Higher Education shall submit a report, to the committees of the legislature with jurisdiction over higher education finance and policy, regarding the success of the program in increasing the enrollment of students in rigorous high school courses, including, at a minimum, the following information:

- (1) the demographics of individuals participating in the program;
- (2) the grades scholarship recipients received for courses in the qualifying program under subdivision 2;

- (3) the number of scholarship recipients who persisted at a postsecondary institution for a second year;
- (4) the high schools attended by the program participants;
- (5) the postsecondary institutions attended by the program participants;
- (6) the academic performance of the students after enrolling in a postsecondary institution; and
- (7) other information as identified by the director.

EFFECTIVE DATE. This section is effective the day following final enactment and, within the limits of appropriations, applies to students who graduate from high school after January 1, 2008.

Sec. 7. Minnesota Statutes 2007 Supplement, section 136A.128, is amended by adding a subdivision to read:

Subd. 4. **Administration.** A nonprofit organization that receives a grant under this section may use five percent of the grant amount to administer the program.

EFFECTIVE DATE. This section is effective the day following final enactment for grants under Minnesota Statutes, section 136A.128, beginning in fiscal year 2008.

Sec. 8. Minnesota Statutes 2007 Supplement, section 136A.65, subdivision 1, is amended to read:

Subdivision 1. **Prohibition.** No school subject to registration shall grant a degree unless such degree and its underlying curriculum are approved by the office, nor shall any school subject to registration use the name "college," "academy," "institute" or "university" in its name without approval by the office.

Sec. 9. Minnesota Statutes 2007 Supplement, section 136A.65, subdivision 3, is amended to read:

Subd. 3. **Application.** A school subject to registration shall be granted approval to use the term "college," "academy," "institute," or "university" in its name if it was organized, operating, and using such term in its name on or before August 1, 2007, and if it meets the other policies and standards for approval established by the office.

Sec. 10. Minnesota Statutes 2007 Supplement, section 136A.65, subdivision 5, is amended to read:

Subd. 5. **Requirements for degree and nondegree program approval.** For each degree and nondegree program a school offers to a student, where the student does not leave Minnesota for the major portion of the program or course leading to the degree or nondegree award, the school must have:

(1) for degree programs:

(1) (i) qualified teaching personnel to provide the educational programs for each degree for which approval is sought;

(2) (ii) appropriate educational programs leading to each degree for which approval is sought;

(3) (iii) appropriate and accessible library, laboratory, and other physical facilities to support the educational program for each degree for which approval is sought; and

(4) (iv) a rationale showing that degree programs are consistent with the school's mission and goals; and

(2) for nondegree programs:

(i) qualified teaching personnel to provide the educational programs for which approval is sought;

(ii) appropriate educational programs leading to each award for which approval is sought;

(iii) appropriate and accessible library, laboratory, and other physical facilities to support the educational program for which approval is sought; and

(iv) a rationale showing that programs are consistent with the school's mission and goals.

Nondegree programs that are a part of an approved degree shall not require additional review or approval; they shall be considered approved as a part of the degree approval. Any nondegree program offered by a degree-granting school that is not a part of an approved degree shall be subject to clause (2), items (i) to (iv).

Sec. 11. Minnesota Statutes 2007 Supplement, section 136A.65, subdivision 6, is amended to read:

Subd. 6. **Name.** A degree-granting school may use the term "academy" or "institute" in its name without meeting any additional requirements. A school may use the term "college" in its name if it offers at least one program leading to an associate degree. A school may use the term "university" in its name if it offers at least one program leading to a master's or doctorate degree.

Sec. 12. Minnesota Statutes 2007 Supplement, section 136A.65, subdivision 7, is amended to read:

Subd. 7. **Conditional approval.** The office may grant conditional approval for a degree or use of a term in its name for a period of less than one year if doing so would be in the best interests of currently enrolled students or prospective students. New schools may be granted conditional approval for degrees or names annually for a period not to exceed five years to allow them the opportunity to apply for and receive accreditation as required in subdivision 1a.

Sec. 13. Minnesota Statutes 2007 Supplement, section 136A.66, is amended to read:

136A.66 LIST.

The office shall maintain a list of registered institutions authorized to grant degrees and schools authorized to use the name "college," "~~academy,~~" "~~institute~~" or "university," and shall make such list available to the public.

Sec. 14. Minnesota Statutes 2007 Supplement, section 136A.67, is amended to read:

136A.67 UNAUTHORIZED REPRESENTATIONS.

No school and none of its officials or employees shall advertise or represent in any manner that such school is approved or accredited by the office or the state of Minnesota, except a school which is duly registered with the office, or any of its officials or employees, may represent in advertising and shall disclose in catalogues, applications, and enrollment materials that the school is registered with the office by prominently displaying the following statement: "(Name of school) is registered as a private institution with the Minnesota Office of Higher Education pursuant to sections 136A.61 to 136A.71. Registration is not an endorsement of the institution. Credits earned at the institution may not transfer to all other institutions."

Sec. 15. Minnesota Statutes 2007 Supplement, section 136A.69, is amended to read:

136A.69 FEES.

Subdivision 1. **Registration fees.** The office shall collect reasonable registration fees that are sufficient to recover, but do not exceed, its costs of administering the registration program. The office shall charge \$1,100 for initial registration fees and \$950 for annual renewal fees.

Subd. 2. **Degree level addition fee.** The office processing fee for adding a degree level to an existing program is \$2,000 per ~~program~~ degree.

Subd. 3. **Degree or nondegree program addition fee.** The office processing fee for adding a degree or nondegree program that represents a significant departure in the objectives, content, or method of delivery of degree or nondegree programs that are currently offered by the school is \$500 per degree or nondegree program.

Subd. 4. **Visit or consulting fee.** If the office determines that a fact-finding visit or outside consultant is necessary to review or evaluate any new or revised degree or nondegree program, the office shall be reimbursed for the expenses incurred related to the review as follows:

(1) \$300 for the team base fee or for a paper review conducted by a consultant if the office determines that a fact-finding visit is not required;

(2) \$300 for each day or part thereof on site per team member; and

(3) the actual cost of customary meals, lodging, and related travel expenses incurred by team members.

Subd. 5. **Modification fee.** The fee for modification of any existing degree or nondegree program is \$100 and is due if there is:

(1) an increase or decrease of 25 percent or more from the original date of program approval, in clock hours, credit hours, or calendar length of an existing degree or nondegree program;

(2) a change in academic measurement from clock hours to credit hours or vice versa; or

(3) an addition or alteration of courses that represent a 25 percent change or more in the objectives, content, or methods of delivery.

Sec. 16. Minnesota Statutes 2007 Supplement, section 136F.02, subdivision 1, is amended to read:

Subdivision 1. **Membership.** The board consists of 15 members appointed by the governor, including three members who are students who have attended an institution for at least one year and are currently enrolled at least half time in a degree, diploma, or certificate program in an institution governed by the board. The student members shall include one member from a community college, one member from a state university, and one member from a technical college. One member representing labor must be appointed after considering the recommendations made under section 136F.045. The governor is not bound by the recommendations. Appointments to the board are with the advice and consent of the senate. At least one member of the board must be a resident of each congressional district. All other members must be appointed to represent the state at large. In selecting appointees, the governor must consider the needs of the board of trustees and the balance of the board membership with respect to labor and business representation and racial, gender, geographic, and ethnic composition. ~~Three members must be students~~

~~who are enrolled at least half time in a degree, diploma, or certificate program or have graduated from an institution governed by the board within one year of the date of appointment. The student members shall include: one member from a community college, one member from a state university, and one member from a technical college. The remaining members must be appointed to represent the state at large.~~

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

Sec. 17. Minnesota Statutes 2007 Supplement, section 136F.03, subdivision 4, is amended to read:

Subd. 4. **Recommendations.** Except for seats filled under ~~section~~ sections 136F.04 and 136F.045, the advisory council shall recommend at least two and not more than four candidates for each seat. By April 15 of each even-numbered year in which the governor makes appointments to the board, the advisory council shall submit its recommendations to the governor. The governor is not bound by these recommendations.

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

Sec. 18. **[136F.045] LABOR ORGANIZATION BOARD MEMBER SELECTION PROCESS.**

The Minnesota AFL-CIO shall recruit and screen qualified labor candidates to be recommended to the governor for appointment to the board. The organization must develop a process for selecting candidates, and a statement of selection criteria for board membership that is consistent with the requirements under section 136F.02, subdivision 1. The organization must recommend at least two and no more than four candidates to the governor beginning in 2010 and every six years thereafter. Recommendations must be made by April 15 of the year in which the governor makes appointments to the board. The governor is not bound by the recommendations.

Sec. 19. **[136F.301] MAXIMUM CREDIT FOR GRADUATION; WAIVER REPORTING.**

The board must annually by October 1 report to the chairs of the house of representatives and senate committees with primary jurisdiction over higher education policy on the board's current policy setting the maximum number of semester credits required for a baccalaureate and an associate of arts degree at 120 and 60 semester credits or their equivalent, respectively, as required by Laws 2007, chapter 144, article 1, section 4, subdivision 3, paragraph (b). The report must specifically identify requests in the previous academic year for waivers from the policy and the requests granted. The specific identification must include, among other things, the program and the campus for which a request was made and for which a waiver was granted.

EFFECTIVE DATE. This section is effective January 1, 2009.

Sec. 20. Minnesota Statutes 2006, section 136F.90, subdivision 1, is amended to read:

Subdivision 1. **Duties.** For ~~the~~ state colleges and universities, the Board of Trustees of the Minnesota State Colleges and Universities may:

(1) acquire by purchase or otherwise, construct, complete, remodel, equip, operate, control, and manage residence halls, dormitories, dining halls, student union buildings, parking facilities, and any other similar revenue-producing buildings of such type and character as the board finds necessary for the good and benefit of ~~the~~ state colleges and universities, and may acquire property whether real, personal, or mixed, by gift, purchase, or otherwise; provided that no contract for the construction of any building shall be entered into until financing has been approved by the legislature;

(2) maintain and operate any buildings or structures and charge for their use, and conduct any activities that are commonly conducted in connection with the buildings or structures;

(3) enter into contracts for the purposes of sections 136F.90 to 136F.98;

(4) acquire building sites and buildings or structures by gift, purchase, or otherwise and pledge the revenues from them for the payment of any bonds issued for that purpose as provided in sections 136F.90 to 136F.98;

(5) borrow money and issue and sell bonds in an amount or amounts the legislature authorizes for the purpose of acquiring, constructing, completing, remodeling, or equipping any buildings or structures, and acquiring sites, and refund and refinance the bonds by the issuance and sale of refunding bonds when the board finds that it is in the public interest. The bonds shall be sold and issued by the board in the manner and upon the terms and conditions provided by chapter 475, except as otherwise provided in this section. The bonds are payable only from and secured by an irrevocable pledge of the revenues to be derived from the operation of any buildings or structures acquired, constructed, completed, remodeled, or equipped in whole or in part with the proceeds of the bonds and from other income and revenues described in section 136F.92, clause (1), the board by resolution specifies, and notwithstanding this limitation all bonds issued under sections 136F.90 to 136F.98 shall have the qualities of negotiable instruments under the laws of this state. The legislature shall not appropriate money from the general fund to pay for these bonds.

Sec. 21. Minnesota Statutes 2007 Supplement, section 141.25, subdivision 5, is amended to read:

Subd. 5. **Bond.** (a) No license shall be issued to any school which maintains, conducts, solicits for, or advertises within the state of Minnesota any program, unless the applicant files with the office a continuous corporate surety bond written by a company authorized to do business in Minnesota conditioned upon the faithful performance of all contracts and agreements with students made by the applicant.

(b)(1) The amount of the surety bond shall be ten percent of the preceding year's gross income from student tuition, fees, and other required institutional charges, but in no event less than \$10,000 nor greater than \$250,000, except that a school may deposit a greater amount at its own discretion. A school in each annual application for licensure must compute the amount of the surety bond and verify that the amount of the surety bond complies with this subdivision, unless the school maintains a surety bond equal to at least \$250,000. A school that operates at two or more locations may combine gross income from student tuition, fees, and other required institutional charges for all locations for the purpose of determining the annual surety bond requirement. The gross tuition and fees used to determine the amount of the surety bond required for a school having a license for the sole purpose of recruiting students in Minnesota shall be only that paid to the school by the students recruited from Minnesota.

(2) A school required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in its name and which is also licensed by another state agency or board shall be required to provide a school bond of \$10,000.

(c) The bond shall run to the state of Minnesota and to any person who may have a cause of action against the applicant arising at any time after the bond is filed and before it is canceled for breach of any contract or agreement made by the applicant with any student. The aggregate liability of the surety for all breaches of the conditions of the bond shall not exceed the principal sum deposited by the school under paragraph (b). The surety of any bond may cancel it upon giving 60 days' notice in writing to the office and shall be relieved of liability for any breach of condition occurring after the effective date of cancellation.

(d) In lieu of bond, the applicant may deposit with the commissioner of finance a sum equal to the amount of the required surety bond in cash, or securities as may be legally purchased by savings banks or for trust funds in an aggregate market value equal to the amount of the required surety bond.

(e) Failure of a school to post and maintain the required surety bond or deposit under paragraph (d) shall result in denial, suspension, or revocation of the school's license.

Sec. 22. Minnesota Statutes 2006, section 141.25, is amended by adding a subdivision to read:

Subd. 13. Schools licensed by another state agency or board. A school required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in its name and which is also licensed by another state agency or board shall be required to satisfy only the requirements of subdivisions 3, clauses (1), (2), (3), (5), (7), and (10); 4; 5, paragraph (b), clause (2); 7, clauses (1) and (10); 8; 9, clause (13); and 12.

Sec. 23. Minnesota Statutes 2007 Supplement, section 141.28, subdivision 1, is amended to read:

Subdivision 1. **Disclosure required; advertisement restricted.** A Schools, agents of schools, and solicitors may not advertise or represent in writing or orally that the school is approved or accredited by the state of Minnesota, except that any school, agent, or solicitor may represent in advertisements and shall disclose in catalogues, applications, and enrollment materials that the school is duly licensed by the state by prominently displaying the following statement:

"(Name of school) is licensed as a private career school with the Minnesota Office of Higher Education pursuant to Minnesota Statutes, sections 141.21 to 141.32. Licensure is not an endorsement of the institution. Credits earned at the institution may not transfer to all other institutions."

Sec. 24. Minnesota Statutes 2007 Supplement, section 141.35, is amended to read:

141.35 EXEMPTIONS.

Sections 141.21 to 141.32 shall not apply to the following:

- (1) public postsecondary institutions;
- (2) postsecondary institutions registered under sections ~~136A.615~~ 136A.61 to 136A.71;
- (3) schools of nursing accredited by the state Board of Nursing or an equivalent public board of another state or foreign country;
- (4) private schools complying with the requirements of section 120A.22, subdivision 4;
- (5) courses taught to students in a valid apprenticeship program taught by or required by a trade union;
- (6) schools exclusively engaged in training physically or mentally disabled persons for the state of Minnesota;
- (7) schools licensed by boards authorized under Minnesota law to issue licenses except schools required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in their names;
- (8) schools and educational programs, or training programs, contracted for by persons, firms, corporations, government agencies, or associations, for the training of their own employees, for which no fee is charged the employee;
- (9) schools engaged exclusively in the teaching of purely avocational, recreational, or remedial subjects as determined by the office except schools required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in their names;

(10) classes, courses, or programs conducted by a bona fide trade, professional, or fraternal organization, solely for that organization's membership;

(11) programs in the fine arts provided by organizations exempt from taxation under section 290.05 and registered with the attorney general under chapter 309. For the purposes of this clause, "fine arts" means activities resulting in artistic creation or artistic performance of works of the imagination which are engaged in for the primary purpose of creative expression rather than commercial sale or employment. In making this determination the office may seek the advice and recommendation of the Minnesota Board of the Arts;

(12) classes, courses, or programs intended to fulfill the continuing education requirements for licensure or certification in a profession, that have been approved by a legislatively or judicially established board or agency responsible for regulating the practice of the profession, and that are offered exclusively to an individual practicing the profession;

(13) classes, courses, or programs intended to prepare students to sit for undergraduate, graduate, postgraduate, or occupational licensing and occupational entrance examinations;

(14) classes, courses, or programs providing 16 or fewer clock hours of instruction that are not part of the curriculum for an occupation or entry level employment except schools required to obtain a private career school license due to the use of "academy," "institute," "college," or "university" in their names;

(15) classes, courses, or programs providing instruction in personal development, modeling, or acting;

(16) training or instructional programs, in which one instructor teaches an individual student, that are not part of the curriculum for an occupation or are not intended to prepare a person for entry level employment; and

(17) schools with no physical presence in Minnesota, as determined by the office, engaged exclusively in offering distance instruction that are located in and regulated by other states or jurisdictions.

Sec. 25. Minnesota Statutes 2006, section 144.1501, subdivision 2, is amended to read:

Subd. 2. **Creation of account.** (a) A health professional education loan forgiveness program account is established. The commissioner of health shall use money from the account to establish a loan forgiveness program:

(1) for medical residents agreeing to practice in designated rural areas or underserved urban communities or specializing in the area of pediatric psychiatry;

(2) for midlevel practitioners agreeing to practice in designated rural areas or to teach ~~for~~ at least ~~20 hours~~ 12 credit hours, or 720 hours per week year in the nursing field in a postsecondary program at the undergraduate level or the equivalent at the graduate level;

(3) for nurses who agree to practice in a Minnesota nursing home or intermediate care facility for persons with developmental disability or to teach ~~for~~ at least ~~20 hours~~ 12 credit hours, or 720 hours per week year in the nursing field in a postsecondary program at the undergraduate level or the equivalent at the graduate level;

(4) for other health care technicians agreeing to teach ~~for~~ at least ~~20 hours~~ 12 credit hours, or 720 hours per week year in their designated field in a postsecondary program at the undergraduate level or the equivalent at the graduate level. The commissioner, in consultation with the Healthcare Education-Industry Partnership, shall determine the health care fields where the need is the greatest, including, but not limited to, respiratory therapy, clinical laboratory technology, radiologic technology, and surgical technology;

(5) for pharmacists who agree to practice in designated rural areas; and

(6) for dentists agreeing to deliver at least 25 percent of the dentist's yearly patient encounters to state public program enrollees or patients receiving sliding fee schedule discounts through a formal sliding fee schedule meeting the standards established by the United States Department of Health and Human Services under Code of Federal Regulations, title 42, section 51, chapter 303.

(b) Appropriations made to the account do not cancel and are available until expended, except that at the end of each biennium, any remaining balance in the account that is not committed by contract and not needed to fulfill existing commitments shall cancel to the fund.

Sec. 26. **[150A.061] ORAL HEALTH PRACTITIONER.**

Subdivision 1. Oral health practitioner requirements. The board shall authorize a person to practice as an oral health practitioner if that person is qualified under this section, works under the supervision of a Minnesota-licensed dentist pursuant to a written collaborative management agreement, is licensed by the board, and practices in compliance with this section and rules adopted by the board. No oral health practitioner shall be authorized to practice prior to January 1, 2011. To be qualified to practice under this section, the person must:

(1) be a graduate of an oral health practitioner education program that is accredited by a national accreditation organization to the extent required under subdivision 2 and approved by the board;

(2) pass a comprehensive, competency-based clinical examination that is approved by the board and administered independently of an institution providing oral health practitioner education; and

(3) satisfy the requirements established in this section and by the board.

Subd. 2. Education program approval. If a national accreditation program for midlevel practitioners is established by the Commission on Dental Accreditation or another national accreditation organization, the board shall require that an oral health practitioner be a graduate of an accredited education program.

Subd. 3. Requirement to practice in underserved areas. As a condition of being granted authority to practice as an oral health practitioner under this section, the practitioner must agree to practice in settings serving low-income, uninsured, and underserved patients or in a dental health professional shortage area as determined by the commissioner of health.

Subd. 4. Application of other laws. An oral health practitioner authorized to practice under this section is not in violation of section 150A.05 relating to the unauthorized practice of dentistry and chapter 151 relating to authority to prescribe, dispense, or administer drugs.

Subd. 5. Rulemaking. The Board of Dentistry may adopt rules to implement this section.

EFFECTIVE DATE. This section is effective July 1, 2009.

Sec. 27. Laws 2007, chapter 144, article 1, section 3, subdivision 18, is amended to read:

Subd. 18. **Transfers**

The Minnesota Office of Higher Education may transfer unencumbered balances from the appropriations in this section to the state grant appropriation, the interstate tuition reciprocity

appropriation, the child care grant appropriation, the Indian scholarship appropriation, the state work study appropriation, the public safety officers' survivors appropriation, and the Minnesota college savings plan appropriation. Transfers from the child care or state work study appropriations may only be made to the extent there is a projected surplus in the appropriation. A transfer may be made only with the prior written approval of the commissioner of finance and prior written notice to the chairs of the senate and house committees with jurisdiction over higher education finance.

Sec. 28. Laws 2007, chapter 144, article 1, section 5, subdivision 2, is amended to read:

Subd. 2. **Operations and Maintenance**

621,184,000

637,824,000

This appropriation includes funding for operation and maintenance of the system including amounts to advance the University of Minnesota's efforts to sustain quality and competitiveness; and funding for the "Advancing Education" initiatives including an Ojibwe Indian language program on the Duluth campus.

This appropriation includes funding to establish banded tuition at the Morris, Crookston, and Duluth campuses to reduce tuition costs for students.

This appropriation includes funding for scholarships for undergraduate Minnesota resident students with family income under \$150,000 per year. This appropriation must be matched with \$1.50 of nonstate money for each \$1 of state money.

This appropriation includes funding for the Center for Transportation Studies to complete a study to assess public policy options for reducing the volume of greenhouse gases emitted from the transportation sector in Minnesota. The Center for Transportation Studies must report its preliminary findings to the legislature by February 1, 2008, and must issue its full report by June 1, 2008. This is a onetime appropriation.

This appropriation includes funding to establish an India Center to improve and promote relations with India and Southeast Asia. The center must partner with public and private organizations in Minnesota to:

- (1) foster an understanding of the history, culture, and values of India;
- (2) serve as a resource and catalyst to promote economic, governmental, and academic pursuits involving India; and
- (3) facilitate educational and business exchanges and partnerships, collaborative research, and teaching and training activities for Minnesota students and teachers.

The Board of Regents may establish an advisory council to facilitate the mission and objectives of the India Center and must report on the progress of the India Center by February 15, 2008, to the governor and chairs of the legislative committees responsible for higher education finance. This appropriation must be matched by an equal amount of nonstate money. This is a onetime appropriation.

This appropriation includes funding to assist in the formation of the neighborhood alliance and for projects identified in section 10. The alliance, the Board of Regents, and the city of Minneapolis may cooperate on the projects and may use public services of other entities to complete all or a portion of a project. This is a onetime appropriation.

This appropriation includes funding to establish a Dakota language teacher training immersion program on the Twin Cities campus to prepare teachers to teach in Dakota language immersion programs.

~~One~~ Two percent of the appropriation in this subdivision for the second year is available when the Board of Regents of the University of Minnesota demonstrates to the commissioner of finance that the board has met at least three of the five following performance goals:

- (1) increase financial support to pay the cost of attendance for students demonstrating financial need;
- (2) maintain or improve the University of Minnesota's rank in its national share of total research and development expenditures reported to the National Science Foundation over the 2007 ranking;
- (3) increase by at least five percent, compared to fiscal year 2007, the number of degrees awarded in science, technology, engineering, mathematics, and health sciences disciplines;
- (4) increase by at least five percent, compared to fiscal year 2007, the amount of financial support from key funding sources for renewable energy research; and
- (5) increase and improve interaction and research activity beneficial to business and industry.

By October 1, 2007, the Board of Regents and the Office of Higher Education must agree on specific numerical indicators and definitions for each of the five goals that will be used to demonstrate the University of Minnesota's attainment of each goal.

On or before April 1, 2008, the Board of Regents must report to the legislative committees with primary jurisdiction over higher education finance and policy the progress of the University of Minnesota toward attaining the goals.

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

Sec. 29. **ORAL PRACTITIONER WORK GROUP.**

Subdivision 1. **Oral health practitioner work group.** By August 1, 2008, the commissioner of health, or the commissioner's designee, in consultation with the Board of Dentistry, shall convene the first meeting of the work group appointed under subdivision 2 to develop recommendations and proposed legislation for the education and regulation of oral health practitioners. The work group's recommendations must include an implementation schedule that allows for enrollment of students in oral health practitioner educational programs by the fall of 2009. The work group shall provide recommendations and proposed legislation on the following issues:

(1) necessary education and competencies, including clinical training requirements, faculty expertise, and facilities;

(2) the appropriate program accreditation;

(3) scope of practice that reflects the education and training of the oral health practitioner and includes the following services: preventive, primary diagnostic, educational, palliative, therapeutic, and restorative oral health services, including preparation of cavities and restoration of primary and permanent teeth using direct placement of appropriate dental materials, temporary placement of crowns and restorations and placement of preformed crowns; pulpotomies on primary teeth; direct and indirect pulp capping in primary and permanent teeth; extractions of primary and permanent teeth; placing and removing sutures; and providing reparative services to patients with defective prosthetic appliances. In recommending scope of practice for the oral health practitioner, the work group may consider which services may be provided to children and which services may be more appropriately provided to adults;

(4) the level of supervision required by a licensed dentist, including any limitations, restrictions, or dentist supervision requirements the work group recommends that should be applied to any of the services or procedures listed in clause (3);

(5) the medications that may be prescribed, administered, and dispensed by an oral health practitioner if authorized by the supervising dentist in a collaborative agreement. These may be limited to medications for anti-infective therapies, nonnarcotic pain management, and prevention;

(6) extractions that may be performed by an oral health practitioner if authorized by the supervising dentist in a collaborative agreement and are within any limitations, restrictions, and level of supervision requirements recommended by the work group;

(7) criteria for determining in which practice settings oral health practitioners should be authorized to practice in order to improve access to dental care for low-income, uninsured, and underserved populations, including a definition of "underserved";

(8) an assessment of the economic impact of oral health practitioners to the provision of dental services and access to these services;

(9) an evaluation process that includes clearly defined outcomes and a process for assessing whether these outcomes were successfully met; and

(10) licensure and regulatory requirements, including licensing fees.

Subd. 2. Membership and operation of work group. (a) The work group shall consist of the following members:

(1) one dentist and one dental hygienist appointed by the University of Minnesota School of Dentistry;

(2) two persons appointed by the Minnesota State Colleges and Universities, at least one of whom must be a dentist;

(3) one representative, who must be a dentist, appointed by the Board of Dentistry;

(4) two dentists appointed by the Minnesota Dental Association;

(5) one dental hygienist appointed by the Minnesota Dental Hygienists Association;

(6) two persons representing safety net dental providers serving low-income and uninsured patients appointed by the Minnesota Safety Net Coalition at least one of whom must be a dentist;

(7) a pediatric dentist appointed by the Minnesota Association of Pediatric Dentists;

(8) a representative of the commissioner of health; and

(9) a representative of the commissioner of human services.

(b) The appointing authorities under paragraph (a) must complete their appointments no later than July 15, 2008. The work group must elect a chair from its membership at the first meeting. The commissioner shall provide staff support and meeting space for the work group. The members serve without compensation or reimbursement for any expenses.

Subd. 3. Research and recommendations. In developing its recommendations, the work group shall review existing midlevel dental practitioner programs in other countries and in Alaska and proposals for dental therapists, advanced practice dental hygienists, and other models. The work group shall review research on midlevel practitioners and, to the extent possible, base its recommendations on evidence-based strategies that are most likely to: (1) improve access to needed oral health services for low-income, uninsured, and underserved patients; (2) control the costs of education and dental services; (3) preserve quality of care; and (4) protect patients from harm. The work group shall complete its recommendations by December 15, 2008, and the commissioner and Board of Dentistry shall submit a report containing the work group's recommendations and draft legislation to the chairs and ranking minority members of the legislative committees with jurisdiction over health care and higher education issues by January 15, 2009.

Subd. 4. Costs of implementation. The commissioner of health may seek private funding or grants to support the activities of the oral health practitioner work group, and any money received is appropriated to the commissioner of health for that purpose. To the extent the costs cannot be covered with grants and external funding, the commissioner of health may charge a fee to the Minnesota State Colleges and Universities and the University of Minnesota Dental School proposing to develop oral health practitioner education programs to cover the remaining costs. Any fees collected shall be deposited in the state government special revenue fund and appropriated to the commissioner for the activities of the work group.

Subd. 5. **Expiration.** This section expires on the date the report required under subdivision 3 is submitted to the specified legislative members.

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

Sec. 30. **ENROLLMENT PATTERN STUDY.**

The Minnesota Office of Higher Education, as a part of the final report due on the state grant program required in Laws 2007, chapter 144, section 9, shall study and evaluate the enrollment patterns of students from low-income families in higher education. This study may include an analysis of high school preparation levels, the enrollment response to available federal and state financial aid, current net costs of attendance relative to family income, and the patterns of family capacity and likelihood to borrow funds for college. The report shall also identify and prepare cost estimates of additional support services students from low-income families require to be successful in college and analyze current efforts at various institutions in the state. The report shall identify potential changes in the state grant program or related aid programs that would increase the participation and success of students from low-income families in higher education in Minnesota.

Sec. 31. **2010 APPOINTMENTS TO BOARD OF TRUSTEES.**

Notwithstanding Minnesota Statutes, section 136F.02, the governor must consider the recommendation under Minnesota Statutes, section 136F.045, in making appointments to the board of trustees in 2010."

Delete the title and insert:

"A bill for an act relating to higher education; allowing disclosure of certain data and data sharing; defining terms; making technical changes; amending certain scholarship provisions; regulating school names and degree requirements; regulating board selection and membership requirements; requiring a report; requiring certain school bonds and licenses; restricting certain advertising; clarifying exemptions; amending loan forgiveness requirements; authorizing oral health practitioners to practice; regulating oral health practitioners; allowing certain transfers of funds; creating a work group; requiring a study on enrollment patterns; limiting appointments; amending Minnesota Statutes 2006, sections 13.32, subdivision 3, by adding a subdivision; 136A.101, subdivision 8; 136F.90, subdivision 1; 141.25, by adding a subdivision; 144.1501, subdivision 2; Minnesota Statutes 2007 Supplement, sections 136A.121, subdivision 7a; 136A.126; 136A.127; 136A.128, by adding a subdivision; 136A.65, subdivisions 1, 3, 5, 6, 7; 136A.66; 136A.67; 136A.69; 136F.02, subdivision 1; 136F.03, subdivision 4; 141.25, subdivision 5; 141.28, subdivision 1; 141.35; Laws 2007, chapter 144, article 1, sections 3, subdivision 18; 5, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 136F; 150A."

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

Senate Conferees: SANDRA L. PAPPAS, ANN LYNCH AND CLAIRE A ROBLING.

House Conferees: TOM RUKAVINA, JEANNE POPPE AND CAROL MCFARLANE.

Rukavina moved that the report of the Conference Committee on S. F. No. 2942 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 2942, A bill for an act relating to higher education; establishing a P-20 education partnership; modifying various scholarship programs; modifying private school regulation; authorizing oral health practitioners to practice; authorizing rulemaking; establishing an oral practitioner work group; requiring a report; amending Minnesota Statutes 2006, sections 13.32, by adding a subdivision; 141.25, by adding a subdivision; Minnesota Statutes 2007 Supplement, sections 136A.126; 136A.127; 136A.65, subdivisions 1, 3, 5, 6, 7; 136A.66; 136A.67; 136A.69; 141.25, subdivision 5; 141.28, subdivision 1; 141.35; 197.791, subdivisions 1, 4, 5; proposing coding for new law in Minnesota Statutes, chapters 136F; 150A.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

Madam Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 651.

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.

COLLEEN J. PACHECO, Second Assistant Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 651

A bill for an act relating to the environment; restricting the manufacture and sale of certain polybrominated diphenyl ethers; requiring a report; providing penalties; amending Minnesota Statutes 2007 Supplement, sections 325E.386; 325E.387, by adding a subdivision.

May 6, 2008

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. 651 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 651 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2007 Supplement, section 144.651, subdivision 9, is amended to read:

Subd. 9. **Information about treatment.** (a) Patients and residents shall be given by their physicians complete and current information concerning their diagnosis, treatment, alternatives, risks, and prognosis as required by the physician's legal duty to disclose. This information shall be in terms and language the patients or residents can reasonably be expected to understand. Patients and residents may be accompanied by a family member or other chosen representative, or both. This information shall include the likely medical or major psychological results of the treatment and its alternatives. In cases where it is medically inadvisable, as documented by the attending physician in a patient's or resident's medical record, the information shall be given to the patient's or resident's guardian or other person designated by the patient or resident as a representative. Individuals have the right to refuse this information.

(b) Every patient or resident suffering from any form of breast cancer shall be fully informed, prior to or at the time of admission and during her stay, of all alternative effective methods of treatment of which the treating physician is knowledgeable, including surgical, radiological, or chemotherapeutic treatments or combinations of treatments and the risks associated with each of those methods.

(c) Every patient receiving maternity care has the right to continuous support from a doula of her choice, in addition to her family, during her stay at the facility, so long as the doula performs doula services within an accepted scope of practice and the hospital's standard of care. Nothing in this paragraph prohibits or restricts a hospital from excluding a doula who has violated an accepted scope of practice or the hospital's standard of care.

Sec. 2. **[145.907] PAIN RELIEF INFORMATION FOR PREGNANT PATIENTS.**

Physicians, traditional midwives, and other licensed health care professionals providing prenatal care to women must include as part of their prenatal education, information regarding all methods of pain relief, including evidence-based nonpharmacological methods.

Sec. 3. Minnesota Statutes 2007 Supplement, section 325E.386, is amended to read:

325E.386 PRODUCTS CONTAINING CERTAIN POLYBROMINATED DIPHENYL ETHERS BANNED; EXEMPTIONS.

Subdivision 1. **Penta- and octabromodiphenyl ethers.** Except as provided in subdivision ~~3~~ 2, 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; penta- and octabromodiphenyl ethers.** 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.

Subd. 3. **Commercial decabromodiphenyl ether.** (a) Except as provided in subdivision 4, beginning July 1, 2011, a person may not manufacture, process, or distribute in commerce any of the following products containing more than one-tenth of one percent of commercial decabromodiphenyl ether by mass:

(1) the exterior casing of a television, computer, or computer monitor;

(2) upholstered furniture or textiles intended for indoor use in a home or other residential occupancy; or

(3) mattresses and mattress pads.

(b) The sale or distribution by a business, charity, public entity, or private party of any used product containing commercial decabromodiphenyl ether is exempted from this subdivision.

(c) In-state retailers in possession of products on January 1, 2011, that are banned for sale under this subdivision may exhaust their stock of products located in the state as of that date through sales to the public. Nothing in this section restricts a manufacturer, importer, or distributor from transporting products containing commercial decabromodiphenyl ether through the state or storing such products in the state for later distribution outside the state.

Subd. 4. Exemption process; commercial decabromodiphenyl ether. (a) A manufacturer or user of a product prohibited from manufacture, sale, or distribution under subdivision 3 may apply for an exemption for a specific use of commercial decabromodiphenyl ether under this section by filing a written request with the commissioner. The commissioner may grant an exemption for a term not to exceed three years. The exemption is renewable upon written request. An initial or renewal request for exemption must include at least the following:

(1) a policy statement articulating upper management support for eliminating or reducing to the maximum feasible extent the use of commercial decabromodiphenyl ether;

(2) a description of the product and the amount of commercial decabromodiphenyl ether distributed for sale and use in the state on an annual basis;

(3) a description of the recycling and disposal system used for the product in the state and an estimate of the amount of product or commercial decabromodiphenyl ether that is recycled or disposed of in the state on an annual basis;

(4) a description of the manufacturer's or user's past and ongoing efforts to eliminate or reduce the amount of commercial decabromodiphenyl ether used in the product;

(5) an assessment of options available to reduce or eliminate the use of commercial decabromodiphenyl ether, including any alternatives that do not contain commercial decabromodiphenyl ether, perform the same technical function, are commercially available, and are economically practicable;

(6) a statement of objectives in numerical terms and a schedule for achieving the elimination of commercial decabromodiphenyl ether and an environmental assessment of alternative products, including but not limited to human health, solid waste, hazardous waste, and wastewater impacts associated with production, use, recycling, and disposal of the alternatives;

(7) a listing of options considered not to be technically or economically practicable; and

(8) certification of the accuracy of the information contained in the request, signed and dated by an official of the manufacturer or user.

(b) The commissioner may grant an initial or renewal exemption for a specific use of commercial decabromodiphenyl ether, with or without conditions, upon finding that the applicant has demonstrated that there is no alternative that performs the same technical function, is commercially available, is economically practicable, and provides net health and environmental benefits to the state.

Subd. 5. Fees for exemption applicants. The application fee for an exemption under subdivision 4 is \$2,000 per exemption. The fee is exempt from section 16A.1285. Revenues from application fees must be deposited in the environmental fund.

Sec. 4. Minnesota Statutes 2007 Supplement, section 325E.387, is amended by adding a subdivision to read:

Subd. 3. **Participation in interstate clearinghouse.** The commissioner may participate in a regional or national multistate clearinghouse to assist in carrying out the requirements of this section. The clearinghouse is authorized to maintain information on behalf of Minnesota, including, but not limited to:

(1) a list of all products containing polybrominated diphenyl ethers; and

(2) information on all exemptions granted by the state.

Sec. 5. **[325F.172] DEFINITIONS.**

For the purposes of sections 325F.172 to 325F.174, the following terms have the meanings given them.

(a) "BBP" means benzyl butyl phthalate, CAS # 85-68-7.

(b) "Child" means a person under three years of age.

(c) "Children's product" means a product designed or intended by a manufacturer to be used by a child:

(1) as a toy or an article of clothing;

(2) to facilitate sleep, relaxation, or feeding; or

(3) to be rubbed, poured, sprinkled, sprayed on, introduced into, or otherwise applied to the human body or any part thereof, including any article used as a component of such a product.

(d) "DBP" means di-n-butyl phthalate, CAS # 84-74-2.

(e) "DEHP" means di (2-ethylhexyl) phthalate, CAS # 117-81-7.

(f) "DIDP" means di-isodecyl phthalate, CAS # 26761-40-0.

(g) "DINP" means di-iso-nonyl phthalate, CAS # 71549-78-5.

(h) "DNOP" means di-n-octyl phthalate, CAS # 117-84-6.

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

Sec. 6. **[325F.173] PHTHALATES IN CHILDREN'S PRODUCTS; BAN.**

(a) Beginning January 1, 2009, no manufacturer may sell or offer in this state a new children's product that contains one of the following phthalates: DEHP, DBP, or BBP, in concentrations exceeding 0.1 percent, including plastic tubing used to deliver a solution intravenously to a small child.

(b) Beginning January 1, 2009, no manufacturer may sell or offer in this state any new children's product that can be placed in a child's mouth and contains one of the following phthalates: DINP, DIDP, or DNOP, in concentrations exceeding 0.1 percent.

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

Sec. 7. **[325F.174] REPLACEMENT CHEMICALS.**

A manufacturer shall not replace phthalates as a result of the prohibition in section 325F.173 with a chemical that is:

(1) classified as "known to be a human carcinogen" or "reasonably anticipated to be a human carcinogen" in the most recent Report on Carcinogens published by the National Toxicology Program in the United States Department of Health and Human Services; or

(2) identified by the federal Environmental Protection Agency as causing birth defects or reproductive or environmental harm.

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

Sec. 8. **[325F.175] PARTICIPATION IN INTERSTATE CLEARINGHOUSE.**

The Minnesota Pollution Control Agency may participate in the establishment and implementation of a multistate clearinghouse to identify children's products containing bisphenol-A and phthalates and to evaluate safer alternatives that may be substituted for those chemicals.

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

Sec. 9. **REPORT.**

(a) By January 15, 2011, the Pollution Control Agency shall report to the senate and house of representatives committees with jurisdiction over environmental and natural resources, commerce, public safety, and public health regarding specific flame-retardant alternatives available for decabromodiphenyl ether.

(b) The Pollution Control Agency shall convene a fire safety committee to identify and evaluate the safety and effectiveness of flame-retardant alternatives before decabromodiphenyl ether is phased out. The recommendations of the fire safety committee shall be incorporated into the report required under paragraph (a).

(c) The fire safety committee consists of the commissioner or designee of the Pollution Control Agency, as chair and nonvoting member, with the following members:

(1) a representative of the commissioner of health;

(2) a representative of the State Fire Marshal;

(3) a representative appointed by the president of the Minnesota State Fire Chiefs Association;

(4) a representative appointed by the president of the Minnesota Professional Firefighters Association;

(5) a representative appointed by the president of the Fire Marshals Association of Minnesota;

(6) a representative of the Minnesota State Fire Departments Association;

(7) a representative of an environmental health coalition; and

(8) a scientist from the environmental health coalition as a nonvoting member.

Sec. 10. **APPROPRIATION.**

\$57,000 is appropriated from the environmental fund to the commissioner of the Pollution Control Agency for the purposes of sections 3, 4, and 9."

Delete the title and insert:

"A bill for an act relating to health; modifying provisions relating to maternity care; banning the use of certain phthalates, flame retardants, or other polymers or chemicals; requiring reports; appropriating money; amending Minnesota Statutes 2007 Supplement, sections 144.651, subdivision 9; 325E.386; 325E.387, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 145; 325F."

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

Senate Conferees: JOHN MARTY, SANDRA L. PAPPAS, JIM CARLSON AND PATRICIA TORRES RAY.

House Conferees: KAREN CLARK, CAROLYN LAINE, PAUL THISSEN, SHELLEY MADORE AND JIM ABELER.

Clark moved that the report of the Conference Committee on S. F. No. 651 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 651, A bill for an act relating to the environment; restricting the manufacture and sale of certain polybrominated diphenyl ethers; requiring a report; providing penalties; amending Minnesota Statutes 2007 Supplement, sections 325E.386; 325E.387, by adding a subdivision.

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 93 yeas and 39 nays as follows:

Those who voted in the affirmative were:

Abeler	Doty	Jaros	Mahoney	Paulsen	Swails
Anzelc	Eken	Johnson	Mariani	Paymar	Thao
Atkins	Erhardt	Juhnke	Marquart	Pelowski	Thissen
Benson	Faust	Kahn	Masin	Peterson, A.	Tillberry
Berns	Fritz	Kalin	McFarlane	Peterson, N.	Tingelstad
Bigham	Gardner	Knuth	McNamara	Peterson, S.	Tschumper
Bly	Greiling	Koenen	Moe	Poppe	Wagenius
Brown	Gunther	Laine	Morgan	Rukavina	Walker
Brynaert	Hausman	Lanning	Morrow	Ruud	Ward
Bunn	Haws	Lenczewski	Mullery	Sailer	Wardlow
Carlson	Hilstrom	Lesch	Murphy, E.	Scalze	Welti
Clark	Hilty	Liebling	Murphy, M.	Sertich	Winkler
Cornish	Hornstein	Lieder	Nelson	Simon	Spk. Kelliher
Davnie	Hortman	Lillie	Norton	Slawik	
Dittrich	Hosch	Loeffler	Otremba	Slocum	
Dominguez	Huntley	Madore	Ozment	Smith	

Those who voted in the negative were:

Anderson, B.	Demmer	Finstad	Hoppe	Peppin	Urdahl
Anderson, S.	Dettmer	Garofalo	Howes	Ruth	Westrom
Beard	Dill	Gottwalt	Kohls	Seifert	Wollschlager
Brod	Drazkowski	Hackbarth	Magnus	Severson	Zellers
Buesgens	Eastlund	Hamilton	Nornes	Shimanski	
Dean	Emmer	Heidgerken	Olin	Simpson	
DeLaForest	Erickson	Holberg	Olson	Solberg	

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

Madam Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 3441.

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.

COLLEEN J. PACHECO, Second Assistant Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 3441

A bill for an act relating to courts; limiting testimony of domestic abuse advocates without consent of victims; amending Minnesota Statutes 2007 Supplement, section 595.02, subdivision 1.

April 30, 2008

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. 3441 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate concur in the House amendment.

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

Senate Conferees: MEE MOUA, WARREN LIMMER AND MARY A. OLSON.

House Conferees: MICHAEL PAYMAR, JOHN LESCH AND STEVE SMITH.

Paymar moved that the report of the Conference Committee on S. F. No. 3441 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 3441, A bill for an act relating to courts; limiting testimony of domestic abuse advocates without consent of victims; amending Minnesota Statutes 2007 Supplement, section 595.02, subdivision 1.

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

Madam Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 2795, A bill for an act relating to real property; providing for conveyance of interests in real property by transfer on death deeds; clarifying acknowledgments made in a representative capacity; clarifying application of certain common law doctrine to registered land; eliminating obsolete language and making other technical and conforming changes; amending Minnesota Statutes 2006, sections 256B.15, subdivisions 1h, 1i; 272.12; 287.22; 508.02; 508.48; 508.52; 508.671, subdivision 1; 508A.02, subdivision 1; 508A.48; 508A.52; 524.2-702; 557.02; Minnesota Statutes 2007 Supplement, section 507.24, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 507.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Latz, Olson, M., and Gimse.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

COLLEEN J. PACHECO, Second Assistant Secretary of the Senate

Thissen moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 2795. The motion prevailed.

Madam Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 2996, A bill for an act relating to public safety; allowing persons facing civil commitment as sexually dangerous persons or sexual psychopathic personalities to choose to be confined in correctional facilities while the petition is being adjudicated; addressing the cost of care for persons facing civil commitment; addressing access to certain data; modifying intensive supervised release provisions; modifying fireworks provisions; modifying registration requirements for predatory offenders; establishing a working group to review, assess, and make recommendations regarding the modification and application of controlled substance laws; providing for a report; requiring studies; amending Minnesota Statutes 2006, sections 13.851, by adding a subdivision; 243.166, subdivisions 1a, 3a, 4; 243.167, subdivision 2; 244.05, subdivision 6; 253B.045, subdivisions 1, 2, by adding a subdivision; 253B.185, subdivision 5; 299C.41, as added if enacted; 609.115, by adding a subdivision; 624.20, subdivision 1; 641.05; Minnesota Statutes 2007 Supplement, section 253B.185, subdivision 1b.

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.

COLLEEN J. PACHECO, Second 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. 3722, A bill for an act relating to economic development; providing military reservist economic injury loans; defining terms; appropriating money; amending Minnesota Statutes 2007 Supplement, section 116L.17, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 116J.

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.

COLLEEN J. PACHECO, Second Assistant Secretary of the Senate

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2795:

Thissen, Mullery and Smith.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 3360:

Mullery, Lillie and Kohls.

MOTIONS AND RESOLUTIONS

Berns moved that the name of Paulsen be added as an author on H. F. No. 3838. The motion prevailed.

ADJOURNMENT

Sertich moved that when the House adjourns today it adjourn until 9:00 a.m., Thursday, May 8, 2008. The motion prevailed.

Sertich moved that the House adjourn. The motion prevailed, and Speaker pro tempore Pelowski declared the House stands adjourned until 9:00 a.m., Thursday, May 8, 2008.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives

