STATE OF MINNESOTA

EIGHTY-FIFTH SESSION — 2008

ONE HUNDRED EIGHTEENTH DAY

SAINT PAUL, MINNESOTA, SATURDAY, MAY 17, 2008

The House of Representatives convened at 10:00 a.m. and was called to order by Brad Finstad, Speaker pro tempore.

Prayer was offered by Representative Rod Hamilton, District 22B, Mountain Lake, 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	Dettmer	Hausman	Lanning	Nornes	Simon
Anderson, B.	Dill	Haws	Lenczewski	Norton	Simpson
Anderson, S.	Dittrich	Heidgerken	Lesch	Olin	Slawik
Anzelc	Dominguez	Hilstrom	Liebling	Olson	Slocum
Atkins	Doty	Hilty	Lieder	Otremba	Smith
Beard	Drazkowski	Holberg	Lillie	Ozment	Solberg
Benson	Eastlund	Hoppe	Loeffler	Paymar	Swails
Berns	Eken	Hornstein	Madore	Pelowski	Thao
Bigham	Emmer	Hortman	Magnus	Peppin	Thissen
Bly	Erhardt	Hosch	Mahoney	Peterson, A.	Tillberry
Brod	Erickson	Howes	Mariani	Peterson, N.	Tschumper
Brown	Faust	Huntley	Marquart	Peterson, S.	Urdahl
Brynaert	Finstad	Jaros	Masin	Poppe	Wagenius
Buesgens	Fritz	Johnson	McFarlane	Rukavina	Walker
Bunn	Gardner	Juhnke	McNamara	Ruth	Ward
Carlson	Garofalo	Kahn	Moe	Ruud	Wardlow
Clark	Gottwalt	Kalin	Morgan	Sailer	Welti
Cornish	Greiling	Knuth	Morrow	Scalze	Westrom
Davnie	Gunther	Koenen	Mullery	Seifert	Winkler
Dean	Hackbarth	Kohls	Murphy, E.	Sertich	Wollschlager
DeLaForest	Hamilton	Kranz	Murphy, M.	Severson	Zellers
Demmer	Hansen	Laine	Nelson	Shimanski	Spk. Kelliher

A quorum was present.

Paulsen was excused until 2:25 p.m. Tingelstad was excused until 2:55 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Urdahl 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. 3871 and H. F. No. 4018, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Greiling moved that the rules be so far suspended that S. F. No. 3871 be substituted for H. F. No. 4018 and that the House File be indefinitely postponed. The motion prevailed.

SECOND READING OF SENATE BILLS

S. F. No. 3871 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Bly, Madore, Laine, Davnie, Jaros, Slocum, Tschumper, Greiling, Hausman, Anzelc, Johnson, Ward, Mariani, Doty, Clark and Carlson introduced:

H. F. No. 4247, A bill for an act relating to state government; proposing an amendment to the Minnesota Constitution, article XIII, to require the legislature to provide by law for quality education, comprehensive health care, living wage jobs, safe and reliable transportation, and a clean and safe environment.

The bill was read for the first time and referred to the Committee on Governmental Operations, Reform, Technology and Elections.

Kahn; Clark; Thao; Hausman; Jaros; Mariani; Murphy, E.; Loeffler; Dominguez; Greiling; Walker; Hornstein; Lesch and Winkler introduced:

H. F. No. 4248, A bill for an act relating to marriage; providing for gender-neutral marriage laws; enacting the Marriage and Family Protection Act; amending Minnesota Statutes 2006, sections 363A.27; 517.01; 517.03, subdivision 1; 517.08, subdivision 1a; 517.09.

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

Olson and Erickson introduced:

H. F. No. 4249, A bill for an act relating to education; providing for instruction in competing scientific theories as part of school curriculum; amending Minnesota Statutes 2006, section 120B.20.

The bill was read for the first time and referred to the Committee on E-12 Education.

Moe, Rukavina, Howes, Anzelc, Tschumper and Zellers introduced:

H. F. No. 4250, A bill for an act relating to natural resources; creating an ombudsman position; proposing coding for new law in Minnesota Statutes, chapter 84.

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

Lesch, Greiling, Paymar and Thissen introduced:

H. F. No. 4251, A bill for an act relating to health; establishing a public awareness campaign for postpartum depression; amending Minnesota Statutes 2006, section 145.906.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Olson introduced:

H. F. No. 4252, A bill for an act relating to commerce; requiring an investigation by the attorney general; requiring a report.

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

Olson introduced:

H. F. No. 4253, A bill for an act relating to campaign finance; restricting certain contributions and gifts; amending Minnesota Statutes 2006, sections 10A.071; 10A.27, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Governmental Operations, Reform, Technology and Elections.

Tingelstad, Walker, Abeler, Brod and Loeffler introduced:

H. F. No. 4254, A bill for an act relating to the legislature; proposing an amendment to the Minnesota Constitution, article IV, section 4; providing four-year terms of office for representatives and six-year terms of office for senators.

The bill was read for the first time and referred to the Committee on Governmental Operations, Reform, Technology and Elections.

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 Juhnke.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 3360.

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. 3360

A bill for an act relating to animals; prohibiting the possession of certain items related to animal fighting; imposing criminal penalties; amending Minnesota Statutes 2006, section 343.31, subdivision 1.

May 16, 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. 3360 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. 3360 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 343.31, subdivision 1, is amended to read:

Subdivision 1. **Penalty for animal fighting; attending animal fight.** ~~A person who~~ (a) Whoever does any of the following is guilty of a felony:

(1) promotes, engages in, or is employed in the activity of cockfighting, dogfighting, or violent pitting of one ~~domestic~~ pet or companion animal as defined in section 346.36, subdivision 6, against another of the same or a different kind;

(2) receives money for the admission of a person to a place used, or about to be used, for that activity;

(3) willfully permits a person to enter or use for that activity premises of which the permitter is the owner, agent, or occupant; or

(4) uses, trains, or possesses a dog or other animal for the purpose of participating in, engaging in, or promoting that activity.

~~is guilty of a felony. A person who~~

(b) Whoever purchases a ticket of admission or otherwise gains admission to ~~that~~ the activity of cockfighting, dogfighting, or violent pitting of one pet or companion animal as defined in section 346.36, subdivision 6, against another of the same or a different kind is guilty of a gross misdemeanor.

(c) This subdivision shall not apply to the taking of a wild animal by hunting.

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

Delete the title and insert:

"A bill for an act relating to animals; increasing the penalty for attending an animal fighting event; changing provisions prohibiting animal fights; imposing criminal penalties; amending Minnesota Statutes 2006, section 343.31, subdivision 1."

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

Senate Conferees: LEO T. FOLEY, MEE MOUA AND BILL G. INGEBRIGTSEN.

House Conferees: JOE MULLERY, LEON LILLIE AND PAUL KOHLS.

Mullery moved that the report of the Conference Committee on S. F. No. 3360 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 3360, A bill for an act relating to animals; prohibiting the possession of certain items related to animal fighting; imposing criminal penalties; amending Minnesota Statutes 2006, section 343.31, 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	Brod	DeLaForest	Emmer	Gunther	Hoppe
Anderson, B.	Brown	Demmer	Erhardt	Hackbarth	Hornstein
Anderson, S.	Brynaert	Dettmer	Erickson	Hamilton	Hortman
Anzelc	Buesgens	Dill	Faust	Hansen	Hosch
Atkins	Bunn	Dittrich	Finstad	Hausman	Howes
Beard	Carlson	Dominguez	Fritz	Haws	Huntley
Benson	Clark	Doty	Gardner	Heidgerken	Jaros
Berns	Cornish	Drazkowski	Garofalo	Hilstrom	Johnson
Bigham	Davnie	Eastlund	Gottwalt	Hilty	Juhnke
Bly	Dean	Eken	Greiling	Holberg	Kahn

Kalin	Loeffler	Mullery	Peppin	Severson	Tschumper
Knuth	Madore	Murphy, E.	Peterson, A.	Shimanski	Urdahl
Koenen	Magnus	Murphy, M.	Peterson, N.	Simon	Wagenius
Kohls	Mahoney	Nelson	Peterson, S.	Simpson	Walker
Kranz	Mariani	Nornes	Poppe	Slawik	Ward
Laine	Marquart	Norton	Rukavina	Slocum	Wardlow
Lanning	Masin	Olin	Ruth	Smith	Welti
Lenczewski	McFarlane	Olson	Ruud	Solberg	Westrom
Lesch	McNamara	Otremba	Sailer	Swails	Winkler
Liebling	Moe	Ozment	Scalze	Thao	Wollschlager
Lieder	Morgan	Paymar	Seifert	Thissen	Zellers
Lillie	Morrow	Pelowski	Sertich	Tillberry	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. 2368.

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. 2368

A bill for an act relating to human services; requiring the commissioner to notify the legislature prior to the closure or transfer of an enterprise activity; amending Minnesota Statutes 2006, section 246.0136, by adding a subdivision.

May 16, 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. 2368 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. 2368 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 246.0136, subdivision 1, is amended to read:

Subdivision 1. **Planning for enterprise activities.** (a) The commissioner of human services is directed to study and make recommendations to the legislature on establishing, relocating, or closing enterprise activities within state-operated services. Before implementing, relocating, or closing an enterprise activity, the commissioner must obtain statutory authorization for its implementation, relocation, or closing except that the commissioner has authority to implement enterprise activities for adult mental health, adolescent services, and to establish a public group practice without statutory authorization.

(b) Enterprise activities are defined as the range of services, which are delivered by state employees, needed by people with disabilities and are fully funded by public or private third-party health insurance or other revenue sources available to clients that provide reimbursement for the services provided. Enterprise activities within state-operated services shall specialize in caring for vulnerable people for whom no other providers are available or for whom state-operated services may be the provider selected by the payer.

(c) In subsequent biennia after an enterprise activity is established within a state-operated service, the base state appropriation for that state-operated service shall be reduced proportionate to the size of the enterprise activity.

(d) Any funds in a revolving account dedicated to any enterprise activity under section 246.18, subdivision 6, are available to the commissioner to pay costs incurred by the commissioner in relocating or closing that or any other enterprise activity.

Sec. 2. Minnesota Statutes 2006, section 246.18, subdivision 6, is amended to read:

Subd. 6. **Collections dedicated.** Except for state-operated programs funded through a direct appropriation from the legislature, any state-operated program or service established and operated as an enterprise activity shall retain the revenues earned in an interest-bearing account.

When the commissioner determines the intent to transition from a direct appropriation to enterprise activity for which the commissioner has authority, all collections for the targeted state-operated service shall be retained and deposited into an interest-bearing account. At the end of the fiscal year, prior to establishing the enterprise activity, collections up to the amount of the appropriation for the targeted service shall be deposited to the general fund. All funds in excess of the amount of the appropriation ~~will~~ must be retained and used (1) by the enterprise activity for cash flow purposes, or (2) by the commissioner to pay any costs incurred by the commissioner in relocating or closing an enterprise activity under section 246.0136, subdivision 1 paragraph (d).

These funds must be deposited in the state treasury in a revolving account and funds in the revolving account are appropriated to the commissioner to operate the services or pay the costs authorized, and any unexpended balances do not cancel but are available until spent."

Delete the title and insert:

"A bill for an act relating to human services; requiring authorization before implementing, relocating, or closing an enterprise activity; providing for the payment of costs; amending Minnesota Statutes 2006, sections 246.0136, subdivision 1; 246.18, subdivision 6."

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

Senate Conferees: PAUL E. KOERING AND RICHARD J. COHEN.

House Conferees: JOHN WARD, AL JUHNKE AND LARRY HOWES.

Ward moved that the report of the Conference Committee on S. F. No. 2368 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 2368, A bill for an act relating to human services; requiring the commissioner to notify the legislature prior to the closure or transfer of an enterprise activity; amending Minnesota Statutes 2006, section 246.0136, 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 123 yeas and 9 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Buesgens	Emmer	Finstad	Lanning	Peppin
Drazkowski	Erickson	Holberg	Olson	

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

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Sertich from the Committee on Rules and Legislative Administration, pursuant to rule 1.21, designated the following bill to be placed on the Supplemental Calendar for the Day for Saturday, May 17, 2008:

S. F. No. 2809.

CALENDAR FOR THE DAY

S. F. No. 2809 was reported to the House.

Buesgens, Heidgerken, Howes, Holberg, Erickson, Hackbarth, Smith and Magnus offered an amendment to S. F. No. 2809, the first engrossment.

POINT OF ORDER

Kahn raised a point of order pursuant to rule 3.21 that the Buesgens et al amendment was not in order. Speaker pro tempore Juhnke ruled the point of order well taken and the Buesgens et al amendment out of order.

Buesgens appealed the decision of Speaker pro tempore Juhnke.

A roll call was requested and properly seconded.

CALL OF THE HOUSE

On the motion of Westrom and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

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	

Simon moved that further proceedings of the roll call be suspended and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

The vote was taken on the question "Shall the decision of Speaker pro tempore Juhnke stand as the judgment of the House?" and the roll was called. There were 86 yeas and 48 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, B.	DeLaForest	Finstad	Hoppe	Moe	Shimanski
Anderson, S.	Demmer	Garofalo	Howes	Nornes	Simpson
Beard	Dettmer	Gottwalt	Koenen	Olson	Smith
Berns	Dill	Gunther	Kohls	Ozment	Tingelstad
Brod	Drazkowski	Hackbarth	Lesch	Pelowski	Urdahl
Buesgens	Eastlund	Hamilton	Magnus	Peppin	Wardlow
Cornish	Emmer	Heidgerken	Mahoney	Rukavina	Westrom
Dean	Erickson	Holberg	McNamara	Seifert	Zellers

So it was the judgment of the House that the decision of Speaker pro tempore Juhnke should stand.

CALL OF THE HOUSE LIFTED

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

Heidgerken and Buesgens offered an amendment to S. F. No. 2809, the first engrossment.

POINT OF ORDER

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

Heidgerken offered an amendment to S. F. No. 2809, the first engrossment.

POINT OF ORDER

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

Heidgerken appealed the decision of Speaker pro tempore Juhnke.

A roll call was requested and properly seconded.

CALL OF THE HOUSE

On the motion of Erickson and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

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	Tillberry
Beard	Eastlund	Hornstein	Magnus	Peppin	Tingelstad
Benson	Eken	Hortman	Mahoney	Peterson, A.	Tschumper
Berns	Erhardt	Hosch	Mariani	Peterson, N.	Urdahl
Bigham	Erickson	Howes	Masin	Peterson, S.	Wagenius
Bly	Faust	Huntley	McFarlane	Poppe	Walker
Brod	Finstad	Jaros	McNamara	Rukavina	Ward
Brown	Fritz	Johnson	Moe	Ruth	Wardlow
Brynaert	Gardner	Juhnke	Morgan	Ruud	Welti
Buesgens	Garofalo	Kahn	Morrow	Sailer	Westrom
Bunn	Gottwalt	Kalin	Mullery	Scalze	Winkler
Carlson	Greiling	Knuth	Murphy, E.	Sertich	Wollschlager
Clark	Gunther	Koenen	Murphy, M.	Severson	Zellers
Cornish	Hackbarth	Kohls	Nelson	Shimanski	Spk. Kelliher
Davnie	Hamilton	Kranz	Nornes	Simon	
DeLaForest	Hansen	Laine	Norton	Simpson	
Demmer	Hausman	Lanning	Olin	Slawik	
Dettmer	Haws	Lesch	Olson	Slocum	

Simon moved that further proceedings of the roll call be suspended and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

The vote was taken on the question "Shall the decision of Speaker pro tempore Juhnke stand as the judgment of the House?" and the roll was called.

Sertich moved that those not voting be excused from voting. The motion prevailed.

There were 82 yeas and 48 nays as follows:

Those who voted in the affirmative were:

Abeler	Brown	Dittrich	Gardner	Hilty	Juhnke
Anzelc	Brynaert	Dominguez	Gottwalt	Hornstein	Kahn
Atkins	Bunn	Eken	Hansen	Hortman	Kalin
Benson	Carlson	Erhardt	Hausman	Hosch	Knuth
Bigham	Clark	Faust	Haws	Huntley	Kranz
Bly	Davnie	Fritz	Hilstrom	Johnson	Laine

Lanning	Mariani	Norton	Poppe	Slocum	Walker
Lenczewski	Masin	Olin	Ruud	Solberg	Ward
Liebling	Morgan	Paulsen	Sailer	Swails	Welti
Lieder	Morrow	Paymar	Scalze	Thao	Winkler
Lillie	Mullery	Pelowski	Sertich	Thissen	Wollschlager
Loeffler	Murphy, E.	Peterson, A.	Severson	Tillberry	Spk. Kelliher
Madore	Murphy, M.	Peterson, N.	Simon	Tschumper	
Mahoney	Nelson	Peterson, S.	Slawik	Wagenius	

Those who voted in the negative were:

Anderson, B.	Demmer	Garofalo	Jaros	Moe	Shimanski
Anderson, S.	Dettmer	Gunther	Koenen	Nornes	Simpson
Beard	Dill	Hackbarth	Kohls	Olson	Smith
Berns	Doty	Hamilton	Lesch	Otremba	Tingelstad
Brod	Drazkowski	Heidgerken	Magnus	Ozment	Urdahl
Buesgens	Emmer	Holberg	Marquart	Peppin	Wardlow
Cornish	Erickson	Hoppe	McFarlane	Ruth	Westrom
DeLaForest	Finstad	Howes	McNamara	Seifert	Zellers

So it was the judgment of the House that the decision of Speaker pro tempore Juhnke should stand.

CALL OF THE HOUSE LIFTED

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

S. F. No. 2809, A bill for an act relating to health; increasing the penalty for smoking in a nonsmoking hotel room; providing for civil and criminal penalties; amending Minnesota Statutes 2006, section 327.742, subdivisions 2, 3, by adding subdivisions.

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 94 yeas and 39 nays as follows:

Those who voted in the affirmative were:

Abeler	Dill	Hansen	Kranz	Morgan	Peterson, S.
Anzelc	Dittrich	Hausman	Laine	Morrow	Poppe
Atkins	Dominguez	Haws	Lenczewski	Murphy, E.	Ruth
Benson	Doty	Hornstein	Liebling	Murphy, M.	Ruud
Bly	Eastlund	Hosch	Lieder	Nelson	Sailer
Brown	Eken	Howes	Lillie	Nornes	Scalze
Brynaert	Erhardt	Huntley	Loeffler	Norton	Sertich
Bunn	Faust	Jaros	Madore	Olin	Severson
Carlson	Fritz	Johnson	Mariani	Otremba	Simon
Clark	Gardner	Juhnke	Marquart	Ozment	Simpson
Davnie	Garofalo	Kahn	Masin	Paulsen	Slawik
Dean	Gottwalt	Kalin	McFarlane	Peterson, A.	Slocum
Dettmer	Greiling	Knuth	McNamara	Peterson, N.	Smith

Solberg	Thissen	Tschumper	Walker	Westrom	Spk. Kelliher
Swails	Tillberry	Urdahl	Ward	Winkler	
Thao	Tingelstad	Wagenius	Wardlow	Wollschlager	

Those who voted in the negative were:

Anderson, B.	Cornish	Gunther	Hortman	Moe	Seifert
Anderson, S.	DeLaForest	Hackbarth	Koenen	Mullery	Shimanski
Beard	Demmer	Hamilton	Kohls	Olson	Welti
Berns	Drazkowski	Heidgerken	Lanning	Paymar	Zellers
Bigham	Emmer	Hilstrom	Lesch	Pelowski	
Brod	Erickson	Holberg	Magnus	Peppin	
Buesgens	Finstad	Hoppe	Mahoney	Rukavina	

The bill was passed and its title agreed to.

Sertich moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by Speaker pro tempore Juhnke.

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

MESSAGES FROM THE SENATE

The following message was received from 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. 3096.

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. 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.

May 12, 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. 3096 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. 3096 be further amended as follows:

Delete everything after the enacting clause and insert:

"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 office, 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 the energy improvement financing program created by 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 shall 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. **Targeted 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.

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 shall 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 is calculated to result in a positive cash flow in each year the financing agreement is in effect;

(5) the project proposer has fully explored the use of conservation investment plan opportunities under section 216B.241 with the utilities providing gas and electric service to the energy improvement project;

(6) if a renewable energy improvement, the project is calculated to reduce use of fossil-fuel energy; and

(7) if a geothermal energy improvement, the project is calculated to produce savings in terms of nongeothermal energy and costs.

For the purpose of clause (6), "renewable energy" is energy produced by an eligible energy technology as defined in section 216B.1691, subdivision 1, paragraph (a), clause (1).

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 money made available to the commissioner under section 216C.43, subdivision 10.

Subd. 7. **Conservation investment plan savings goals.** A utility or association may count toward its energy savings goals under section 216B.241, subdivision 1c, the energy savings resulting from its investment in an energy improvement project.

Subd. 8. **Report.** Beginning January 15, 2009, and each year thereafter, the commissioner of administration shall submit to the chairs and ranking minority members of the senate and house committees on energy finance a report containing, at a minimum, the following information regarding projects implemented under this section:

(1) the total number of projects;

(2) the amount of calculated and, if available, actual energy savings for each project;

(3) the cost of each project; and

(4) the total amount paid for technical services provided under subdivision 3 for each project.

Sec. 3. **[116J.437] COORDINATING ECONOMIC DEVELOPMENT AND ENVIRONMENTAL POLICY.**

Subdivision 1. **Definitions.** For the purpose of this section, "green economy" means products, processes, methods, technologies, or services intended to do one or more of the following:

(1) increase the use of energy from renewable sources, including through achieving the renewable energy standard established in section 216B.1691;

(2) achieve the statewide energy savings goal established in section 216B.2401, including energy savings achieved by the conservation investment program under section 216B.241;

(3) achieve the greenhouse gas emission reduction goals of section 216H.02, subdivision 1, including through reduction of greenhouse gas emissions, as defined in section 216H.01, subdivision 2, or mitigation of the greenhouse gas emissions through, but not limited to, carbon capture, storage, or sequestration;

(4) monitor, protect, restore, and preserve the quality of surface waters, including actions to further the purposes of the Clean Water Legacy Act as provided in section 114D.10, subdivision 1; or

(5) expand the use of biofuels, including by expanding the feasibility or reducing the cost of producing biofuels or the types of equipment, machinery, and vehicles that can use biofuels, including activities to achieve the biofuels 25 by 2025 initiative in sections 41A.10, subdivision 2, and 41A.11.

For the purpose of clause (3), "green economy" includes strategies that reduce carbon emissions, such as utilizing existing buildings and other infrastructure, and utilizing mass transit or otherwise reducing commuting for employees.

Subd. 2. **Coordinating economic development and environmental policy.** The commissioner and the Jobs Skills Partnership Board shall cooperate to promote job training that complements green economy business development.

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

Sec. 4. Minnesota Statutes 2007 Supplement, section 116J.575, subdivision 1a, is amended to read:

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

(1) the need for redevelopment in conjunction with contamination remediation needs;

(2) the redevelopment project meets current tax increment financing requirements for a redevelopment district and tax increments will contribute to the project;

(3) the redevelopment potential within the municipality;

(4) proximity to public transit if located in the metropolitan area;

(5) redevelopment costs related to expansion of a bioscience business in Minnesota; ~~and~~

(6) multijurisdictional projects that take into account the need for affordable housing, transportation, and environmental impact; or

(7) the project advances or promotes the green economy as defined in section 116J.437.

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

Sec. 5. Minnesota Statutes 2006, section 116J.8731, subdivision 4, is amended to read:

Subd. 4. **Eligible projects.** Assistance must be evaluated on the existence of the following conditions:

(1) creation of new jobs, retention of existing jobs, or improvements in the quality of existing jobs as measured by the wages, skills, or education associated with those jobs;

(2) increase in the tax base;

(3) the project can demonstrate that investment of public dollars induces private funds;

(4) the project can demonstrate an excessive public infrastructure or improvement cost beyond the means of the affected community and private participants in the project;

(5) the project provides higher wage levels to the community or will add value to current workforce skills;

(6) whether assistance is necessary to retain existing business; ~~and~~

(7) whether assistance is necessary to attract out-of-state business; and

(8) the project promotes or advances the green economy as defined in section 116J.437.

A grant or loan cannot be made based solely on a finding that the conditions in clause (6) or (7) exist. A finding must be made that a condition in clause (1), (2), (3), (4), or (5) also exists.

Applications recommended for funding shall be submitted to the commissioner.

Sec. 6. 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. 7. **[216C.145] MICROENERGY LOAN PROGRAM.**

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

(b) "Small-scale renewable energy" projects include solar thermal water heating, solar electric or photovoltaic equipment, small wind energy conversion systems of less than 250 kW, anaerobic digester gas systems, microhydro systems up to 100 kW, and heating and cooling applications using geothermal energy.

(c) "Unit of local government" means any home rule charter or statutory city, county, commission, district, authority, or other political subdivision or instrumentality of this state, including a sanitary district, park district, the Metropolitan Council, a port authority, an economic development authority, or a housing and redevelopment authority.

Subd. 2. **Program established.** The commissioner of commerce shall develop, implement, and administer a microenergy loan program under this section.

Subd. 3. **Loan purposes.** (a) The commissioner may issue low-interest, long-term loans to units of local government to finance community-owned or publicly owned small scale renewable energy systems or to provide loans or other aids to small businesses to install small-scale renewable energy systems.

(b) The commissioner may participate in loans made by the Housing Finance Agency to residential property owners, private developers, nonprofit organizations, or units of local government under sections 462A.05, subdivisions 14 and 18; and 462A.33 for the construction, purchase, or rehabilitation of residential housing, to facilitate the installation of small-scale renewable energy systems in residential housing and cost-effective energy conservation improvements identified in an energy efficiency audit. The commissioner shall assist the Housing Finance Agency in assessing the technical qualifications of loan applicants.

Subd. 4. **Technical standards.** The commissioner shall determine technical standards for small-scale renewable energy systems to qualify for loans under this section.

Subd. 5. **Loan proposals.** (a) At least once a year, the commissioner shall publish in the State Register a request for proposals from units of local government for a loan under this section. Within 45 days after the deadline for receipt of proposals, the commissioner shall select proposals based on the following criteria:

(1) the reliability and cost-effectiveness of the renewable technology to be installed under the proposal;

(2) the extent to which the proposal effectively integrates with the conservation and energy efficiency programs of the energy utilities serving the proposer;

(3) the total life cycle energy use and greenhouse gas emissions reductions per dollar of installed cost;

(4) the diversity of the renewable energy technology installed under the proposal;

(5) the geographic distribution of projects throughout the state;

(6) the percentage of total project cost requested;

(7) the proposed security for payback of the loan; and

(8) other criteria the commissioner may determine to be necessary and appropriate.

Subd. 6. **Loan terms.** A loan under this section must be issued at the lowest interest rate required to recover principal and interest plus the costs of issuing the loan, and must be for a minimum of 15 years, unless the commissioner determines that a shorter loan period of no less than ten years is necessary and feasible.

Subd. 7. **Account.** A microenergy loan account is established in the state treasury. Money in the account consists of the proceeds of revenue bonds issued under section 216C.146, interest and other earnings on money in the account, money received in repayment of loans from the account, legislative appropriations, and money from any other source credited to the account.

Subd. 8. **Appropriation.** Money in the account is appropriated to the commissioner of commerce to make microenergy loans under this section and to the commissioner of finance to pay debt service and other costs under section 216C.146. Payment of debt service costs and funding reserves take priority over use of money in the account for any other purpose.

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

Sec. 8. **[216C.146] MICROENERGY LOAN REVENUE BONDS.**

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

(1) to make microenergy loans under section 216C.145;

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

(3) to refund bonds issued under this section.

(b) The aggregate principal amount of bonds for the purposes of paragraph (a), clause (1), that may be outstanding at any time may not exceed $20,000,000; the principal amount of bonds that may be issued for the purposes of paragraph (a), clauses (2) and (3), is not limited.

(c) For the purpose of this section, "commissioner" means the commissioner of finance.

Subd. 2. **Procedure.** The commissioner may sell and issue the bonds on the terms and conditions the commissioner determines to be in the best interests of the state. The bonds may be sold at public or private sale. The commissioner may enter into any agreements or pledges the commissioner determines necessary or useful to sell the bonds that are not inconsistent with section 216C.145. Sections 16A.672 to 16A.675 apply to the bonds. The proceeds of the bonds issued under this section must be credited to the microenergy loan account created under section 216C.145.

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

(1) revenue credited to the microenergy loan account from the sources identified in section 216C.145 or from any other source; and

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

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

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

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

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

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

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

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

Sec. 9. **[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, construction, 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;

(5) calculations sufficient to demonstrate the expected energy savings; and

(6) if a geothermal energy improvement, whether the project is calculated to produce savings in terms of nongeothermal energy and costs.

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, park 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. 10. **[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 4 to local governments 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 local governments to conduct energy project studies. The commissioner may contract with one or more qualified technical service providers to conduct energy project studies for targeted local governments. 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 before 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 may 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 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.

(c) The commissioner must limit aggregate exposure to liability for payments under existing supplemental cash flow agreements to an amount no more than the appropriation available to make those payments.

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 proposer has fully explored the use of conservation investment plan opportunities under section 216B.241 with the utilities providing gas and electric service to the project;

(5) the project is calculated to result in a positive cash flow in each year the financing agreement is in effect; and

(6) adequate money will be available to the commissioner to fulfill the supplemental cash flow agreement.

Energy improvement projects under this section are not subject to section 123B.71.

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 money 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.

Subd. 11. **CIP energy savings goals.** A utility or association may count toward its energy savings goals under section 216B.241, subdivision 1c, the energy savings resulting from its investment in an energy improvement project.

Subd. 12. **Report.** Beginning January 15, 2009, and each year thereafter, the commissioner shall submit to the chairs and ranking minority members of the senate and house committees on energy finance a report containing, at a minimum, the following information regarding projects implemented under this section:

(1) the total number of projects;

(2) the amount of calculated and, if available, actual energy savings for each project;

(3) the cost of each project; and

(4) the total amount paid for technical services provided under subdivision 4 for each project.

Sec. 11. Minnesota Statutes 2007 Supplement, section 471.345, subdivision 13, is amended to read:

Subd. 13. **Energy efficiency projects.** The following definitions apply to this subdivision.

(a) "Energy conservation measure" means a training program or facility alteration designed to reduce energy consumption or operating costs and includes:

(1) insulation of the building structure and systems within the building;

(2) storm windows and doors, caulking or weatherstripping, multiglazed windows and doors, heat absorbing or heat reflective glazed and coated window and door systems, additional glazing, reductions in glass area, and other window and door system modifications that reduce energy consumption;

(3) automatic energy control systems;

(4) heating, ventilating, or air conditioning system modifications or replacements;

(5) replacement or modifications of lighting fixtures to increase the energy efficiency of the lighting system without increasing the overall illumination of a facility, unless an increase in illumination is necessary to conform to the applicable state or local building code for the lighting system after the proposed modifications are made;

(6) energy recovery systems;

(7) cogeneration systems that produce steam or forms of energy such as heat, as well as electricity, for use primarily within a building or complex of buildings;

(8) energy conservation measures that provide long-term operating cost reductions.

(b) "Guaranteed energy savings contract" means a contract for the evaluation and recommendations of energy conservation measures, and for one or more energy conservation measures. The contract must provide that all payments, except obligations on termination of the contract before its expiration, are to be made over time, but not to exceed ~~15~~ 20 years from the date of final installation, and the savings are guaranteed to the extent necessary to make payments for the systems.

(c) "Qualified provider" means a person or business experienced in the design, implementation, and installation of energy conservation measures. A qualified provider to whom the contract is awarded shall give a sufficient bond to the municipality for its faithful performance.

Notwithstanding any law to the contrary, a municipality may enter into a guaranteed energy savings contract with a qualified provider to significantly reduce energy or operating costs.

Before entering into a contract under this subdivision, the municipality shall provide published notice of the meeting in which it proposes to award the contract, the names of the parties to the proposed contract, and the contract's purpose.

Before installation of equipment, modification, or remodeling, the qualified provider shall first issue a report, summarizing estimates of all costs of installations, modifications, or remodeling, including costs of design, engineering, installation, maintenance, repairs, or debt service, and estimates of the amounts by which energy or operating costs will be reduced.

A guaranteed energy savings contract that includes a written guarantee that savings will meet or exceed the cost of energy conservation measures is not subject to competitive bidding requirements of section 471.345 or other law or city charter. The contract is not subject to section 123B.52.

A municipality may enter into a guaranteed energy savings contract with a qualified provider if, after review of the report, it finds that the amount it would spend on the energy conservation measures recommended in the report is not likely to exceed the amount to be saved in energy and operation costs over ~~15~~ 20 years from the date of final installation if the recommendations in the report were followed, and the qualified provider provides a written guarantee that the energy or operating cost savings will meet or exceed the costs of the system. The guaranteed energy savings contract may provide for payments over a period of time, not to exceed ~~15~~ 20 years.

A municipality may enter into an installment payment contract for the purchase and installation of energy conservation measures. The contract must provide for payments of not less than ~~1/15~~ 1/20 of the price to be paid within two years from the date of the first operation, and the remaining costs to be paid monthly, not to exceed a ~~15-year~~ 20-year term from the date of ~~the first operation~~ final acceptance.

A municipality entering into a guaranteed energy savings contract shall provide a copy of the contract and the report from the qualified provider to the commissioner of commerce within 30 days of the effective date of the contract.

Guaranteed energy savings contracts may extend beyond the fiscal year in which they become effective. The municipality shall include in its annual appropriations measure for each later fiscal year any amounts payable under guaranteed energy savings contracts during the year. Failure of a municipality to make such an appropriation does not affect the validity of the guaranteed energy savings contract or the municipality's obligations under the contracts.

Sec. 12. **REPORT TO COMMISSIONER OF EDUCATION.**

The commissioner of commerce must report to the commissioner of education by January 15, 2009, and January 15, 2010, the school districts that have applied for financing under Minnesota Statutes, section 216C.43. The report must indicate the type of project for which each district requested approval, the amount of the loan requested, and whether the project was approved. If the district's project was not approved, the commissioner must report the reason for the lack of approval. This section expires January 16, 2010.

Sec. 13. **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. 14. **GREEN ECONOMY REPORT.**

(a) Each state agency, other than the Iron Range Resources and Rehabilitation Board or the Office of the Commissioner of Iron Range Resources and Rehabilitation, that administers a loan or grant program must assess those programs to determine their potential to advance or promote the growth of the green economy, as defined in Minnesota Statutes, section 116J.437. An agency must report on its determination to the commissioner of commerce by September 15, 2008.

(b) If a program is determined to have significant potential, the agency must develop a plan to integrate program elements appropriate to that program to advance or promote the growth of the green economy in this state. An agency must report on its plan to the commissioner of commerce by November 15, 2008.

(c) The commissioner of commerce, in consultation with the commissioner of employment and economic development, must develop guidelines to be followed by state agencies in complying with this section.

(d) By January 15, 2009, the commissioner of commerce, in consultation with the commissioner of employment and economic development, must submit a report containing the plans developed under paragraph (b), and any recommended implementing legislation, to the chairs and ranking minority members of the senate and house committees with primary jurisdiction over energy, environmental and economic development policy, and finance.

(e) The commissioner of commerce may contract for services to fulfill the commissioner's duties under this section.

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

Sec. 15. **GREEN JOBS TASK FORCE.**

Subdivision 1. **Task force.** (a) A Green Jobs Task Force is created to advise and assist the governor and legislature regarding activities to advance the state's economy, and to develop a statewide action plan as provided under subdivision 2. The task force shall be appointed no later than June 30, 2008, and consist of:

(1) three members of the house of representatives, including one member of the minority party appointed by the speaker;

(2) three members of the senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration, including one member of the minority;

(3) seven representatives from state agencies and institutions appointed by the governor, including one member from the Office of Energy Security, one member from the Department of Employment and Economic Development, one member from the Job Skills Partnership Board, one member from the University of Minnesota, one member from Minnesota State Colleges and Universities, one member from the Pollution Control Agency, and one member from the Department of Natural Resources;

(4) three public members appointed by the governor, including one member representing the manufacturing industry, one member representing a statewide organization dedicated to commerce, and one member representing the Agricultural Utilization Research Institute;

(5) four public members appointed by the speaker of the house of representatives, including one member representing labor, one member representing a statewide environmental organization, one member representing financial institutions or venture capital, and one member from a local economic development authority from greater Minnesota; and

(6) four public members appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration, including one member from a local economic development authority from the metropolitan area, one member from a statewide organization dedicated to furthering the green economy, one member from a firm currently engaged in green manufacturing, and one local workforce development representative from an area that has experienced significant manufacturing job loss.

(b) The commissioner of commerce, in cooperation with the commissioner of employment and economic development, shall provide staff support to the task force. The task force may accept outside resources to help support its efforts.

(c) Each of the legislative appointing authorities must name a cochair of the task force from the legislative members appointed by that authority.

(d) Public members of the task force must be compensated as provided in Minnesota Statutes, section 15.059, subdivision 3.

Subd. 2. **Duties.** (a) By January 15, 2009, the task force shall develop and present to the legislature under Minnesota Statutes, section 3.195, and to the governor a statewide action plan to optimize the growth of the green economy. For the purpose of this section, "green economy" has the meaning given it by Minnesota Statutes, section 116J.437.

(b) The plan must include necessary draft legislation and budget requests and may include administrative actions of governmental entities, collaborative actions, and actions of individuals and individual organizations. The plan must be developed following the analysis described in this paragraph and must be based on the analysis. The analysis must include:

(1) a market analysis of the business opportunities and needs created by the laws enumerated in paragraph (a), including local, state, national, and international markets;

(2) an analysis of the labor force needs related to the market analysis opportunities identified in clause (1), including educational, training, and retraining needs; and

(3) an inventory of the current labor and business assets available to respond to the opportunities identified in clause (1) and the labor needs identified in clause (2).

The task force shall contract for the analysis required by this paragraph.

Subd. 3. **Expiration.** The task force expires June 30, 2009.

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

Sec. 16. **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 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; modifying or adding provisions relating to green economy activities; creating Green Jobs Task Force; requiring reports; appropriating money; amending Minnesota Statutes 2006, sections 116J.8731, subdivision 4; 216C.09; Minnesota Statutes 2007 Supplement, sections 116J.575, subdivision 1a; 471.345, subdivision 13; proposing coding for new law in Minnesota Statutes, chapters 16B; 116J; 216C; repealing Laws 2007, chapter 57, article 2, section 30."

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

Senate Conferees: D. SCOTT DIBBLE, JULIE A. ROSEN AND ELLEN R. ANDERSON.

House Conferees: JEREMY KALIN, ANDY WELTI AND DOUG MAGNUS.

Kalin moved that the report of the Conference Committee on S. F. No. 3096 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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 by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 121 yeas and 10 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Beard	Drazkowski	Garofalo	Holberg	Peppin
Buesgens	Emmer	Hackbarth	Olson	Shimanski

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

Simon 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 Juhnke.

Pursuant to rule 1.50, Simon moved that the House be allowed to continue in session after 12:00 midnight. The motion prevailed.

FISCAL CALENDAR

Pursuant to rule 1.22, Solberg requested immediate consideration of S. F. No. 2492.

S. F. No. 2492 was reported to the House.

Hackbarth moved to amend S. F. No. 2492, the unofficial engrossment, as follows:

Page 1, after line 6, insert:

"ARTICLE 1

MINNESOTA RESOURCES APPROPRIATION"

Page 1, lines 11, 12, 13, 19, and 23, delete "2008" and insert "2009" and delete "2009" and insert "2010"

Page 1, delete lines 14 and 15

Page 2, line 7, delete "2008" and insert "2009"

Page 9, line 7, delete "2008" and insert "2009"

Page 24, line 7, delete "2008" and insert "2009"

Page 27, after line 11, insert:

"ARTICLE 2

LAKE VERMILION STATE PARK

Section 1. Minnesota Statutes 2006, section 85.012, is amended by adding a subdivision to read:

Subd. 38a. Lake Vermilion State Park, St. Louis County.

EFFECTIVE DATE. This section is effective upon acquisition by the state of all lands described in section 5, subdivision 3.

Sec. 2. Minnesota Statutes 2006, section 116P.04, is amended by adding a subdivision to read:

Subd. 1a. **Bond proceeds account.** Money received from the revenue bonds sold under section 116P.085 shall be placed in a special bond proceeds account in the trust fund.

Sec. 3. Minnesota Statutes 2006, section 116P.08, subdivision 1, is amended to read:

Subdivision 1. **Expenditures.** All money in the trust fund necessary to make debt service payments on revenue bonds issued under section 116P.085, is appropriated annually to the commissioner of finance. Any remaining money in the trust fund may be spent only for:

(1) the reinvest in Minnesota program as provided in section 84.95, subdivision 2;

(2) research that contributes to increasing the effectiveness of protecting or managing the state's environment or natural resources;

(3) collection and analysis of information that assists in developing the state's environmental and natural resources policies;

(4) enhancement of public education, awareness, and understanding necessary for the protection, conservation, restoration, and enhancement of air, land, water, forests, fish, wildlife, and other natural resources;

(5) capital projects for the preservation and protection of unique natural resources;

(6) activities that preserve or enhance fish, wildlife, land, air, water, and other natural resources that otherwise may be substantially impaired or destroyed in any area of the state;

(7) administrative and investment expenses incurred by the State Board of Investment in investing deposits to the trust fund; and

(8) administrative expenses subject to the limits in section 116P.09.

Sec. 4. **[116P.085] LAKE VERMILION STATE PARK ACQUISITION REVENUE BONDS.**

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

(1) to acquire real property for Lake Vermilion State Park and develop the park;

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

(3) to refund bonds issued under this section.

(b) The amount of bonds that may be issued for the purposes of paragraph (a), clause (1), may not exceed $20,000,000. The amount of bonds that may be issued for the purposes of paragraph (a), clauses (2) and (3), is not limited.

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

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

(1) the environment and natural resources trust fund; and

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

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

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

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

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

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

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

Sec. 5. **LAKE VERMILION STATE PARK.**

Subdivision 1. **Lake Vermilion State Park.** Lake Vermilion State Park is established in St. Louis County.

Subd. 2. **Management.** All lands acquired for Lake Vermilion State Park must be administered in the same manner as provided for other state parks and must be perpetually dedicated for that use.

Subd. 3. **Boundaries.** The following described lands are located within the boundaries of Lake Vermilion State Park:

(1) Government Lots 4, 5, 6, 7, 8, 9, and the South Half of the Southeast Quarter, all in Section 13, Township 62 North, Range 15 West;

(2) Government Lots 6 and 8, Section 14, Township 62 North, Range 15 West;

(3) Government Lots 1 and 7 and the Northeast Quarter of the Southeast Quarter, all in Section 22, Township 62 North, Range 15 West;

(4) Government Lots 1, 2, 3, 4, the Southeast Quarter of the Northeast Quarter, and the South Half, all in Section 23, Township 62 North, Range 15 West;

(5) all of Section 24, Township 62 North, Range 15 West;

(6) all of Section 25, Township 62 North, Range 15 West;

(7) all of Section 26, Township 62 North, Range 15 West, excepting therefrom all that part of the Southeast Quarter of the Southwest Quarter lying South of the south right-of-way line of State Highway 169 and also excepting therefrom the East 845 feet of the Southwest Quarter of the Southwest Quarter lying South of the south right-of-way line of State Highway 169;

(8) the Southeast Quarter of the Northeast Quarter and the Northeast Quarter of the Southeast Quarter of Section 27, Township 62 North, Range 15 West;

(9) the Southeast Quarter of the Northeast Quarter of Section 29, Township 62 North, Range 15 West, except that part lying South of the centerline of the McKinley Park Road; and

(10) Government Lots 1 and 2 and the East Half of the Northwest Quarter, Section 19, Township 62 North, Range 14 West.

Sec. 6. **ACQUISITION; LAKE VERMILION STATE PARK.**

The commissioner of natural resources may acquire by gift or purchase the lands for Lake Vermilion State Park. Minnesota Statutes, section 84.0272, subdivision 1, does not apply to a purchase, except for the requirement that the lands be appraised. Prior to the purchase of any land within the boundaries described, the state must receive from St. Louis County a resolution supporting the purchase. Notwithstanding Minnesota Statutes, section 92.45, or any other law to the contrary, within 24 months of the acquisition of the state park established in section 5, the state shall transfer to St. Louis County or sell at public auction state lands within St. Louis County of equal ad valorem value to the lands described to be purchased in section 5. The state lands transferred or sold at auction must not be located in the Boundary Waters Canoe Area and may include school trust fund lands as defined in Minnesota Statutes, section 92.025. The state lands transferred or sold at auction must include shoreland footage equaling the shoreland footage described in section 5, including any island shorelands.

Sec. 7. **VERMILION STATE PARK; APPROPRIATION.**

$22,866,000 is appropriated from the environment and natural resources trust fund to the commissioner of natural resources in fiscal year 2009 for the acquisition of the land for Vermilion State Park described in section 5, subdivision 3. This appropriation is available until all the lands described in section 5, subdivision 3, are acquired. Any unexpended funds remaining after the purchase of all the land described in section 5, subdivision 3, shall be returned to the environment and natural resources trust fund.

Sec. 8. **VERMILION STATE PARK; BOND APPROPRIATION.**

$20,000,000 is appropriated from the bond proceeds account in new Minnesota Statutes, section 116P.085, to the commissioner of natural resources for the development of the land for Vermilion State Park described in section 5, subdivision 3.

Sec. 9. **EFFECTIVE DATE.**

This article is effective the day following final enactment unless otherwise specified."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Hackbarth amendment and the roll was called. There were 43 yeas and 91 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dean	Erickson	Holberg	Paulsen	Urdahl
Anderson, S.	DeLaForest	Finstad	Hoppe	Peppin	Westrom
Beard	Demmer	Garofalo	Hortman	Ruth	Zellers
Berns	Dettmer	Gottwalt	Kohls	Seifert	
Brod	Dill	Gunther	Lanning	Severson	
Buesgens	Drazkowski	Hackbarth	Magnus	Shimanski	
Bunn	Eastlund	Hamilton	McFarlane	Simpson	
Cornish	Emmer	Heidgerken	Nornes	Smith	

Those who voted in the negative were:

Abeler	Dittrich	Haws	Kalin	Madore	Murphy, M.
Anzelc	Dominguez	Hilstrom	Knuth	Mahoney	Nelson
Atkins	Doty	Hilty	Koenen	Mariani	Norton
Benson	Eken	Hornstein	Kranz	Marquart	Olin
Bigham	Erhardt	Hosch	Laine	Masin	Olson
Bly	Faust	Howes	Lenczewski	McNamara	Otremba
Brown	Fritz	Huntley	Lesch	Moe	Ozment
Brynaert	Gardner	Jaros	Liebling	Morgan	Paymar
Carlson	Greiling	Johnson	Lieder	Morrow	Pelowski
Clark	Hansen	Juhnke	Lillie	Mullery	Peterson, A.
Davnie	Hausman	Kahn	Loeffler	Murphy, E.	Peterson, N.

Peterson, S.	Scalze	Solberg	Tingelstad	Wardlow
Poppe	Sertich	Swails	Tschumper	Welti
Rukavina	Simon	Thao	Wagenius	Winkler
Ruud	Slawik	Thissen	Walker	Wollschlager
Sailer	Slocum	Tillberry	Ward	Spk. Kelliher

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

Solberg moved to amend S. F. No. 2492, the unofficial engrossment, as follows:

Page 20, delete subdivision 9

The motion prevailed and the amendment was adopted.

Speaker pro tempore Juhnke called Pelowski to the Chair.

S. F. No. 2492, A bill for an act relating to state government; appropriating money for environment and natural resources; providing for repayment of certain appropriations from the environment and natural resources trust fund; amending Minnesota Statutes 2006, section 116P.10.

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 122 yeas and 12 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, B.	Drazkowski	Emmer	Finstad	Hackbarth	Olson
Buesgens	Eastlund	Erickson	Gottwalt	Heidgerken	Severson

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

CALENDAR FOR THE DAY

H. F. No. 2554 was reported to the House.

Carlson moved to amend H. F. No. 2554, the first engrossment, as follows:

Page 1, line 14, delete the new language and insert "Upon a request by the president and majority leader of the senate and the speaker and majority leader of the house of representatives, and with the concurrence of the committee in each house with jurisdiction over its rules,"

Page 1, delete line 15

Page 1, line 16, delete everything before the third "the"

Page 2, line 5, delete everything after "upon" and insert "the request of the president and majority leader of the senate and the speaker and majority leader of the house of representatives, and with the concurrence of the committee in each house with jurisdiction over its rules?"

Page 2, delete line 6

Kohls moved to amend the Carlson amendment to H. F. No. 2554, the first engrossment, as follows:

Page 1, line 4, delete "the concurrence" and insert "a majority vote"

Page 1, line 10, delete "the concurrence" and insert "a majority vote"

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Carlson amendment, as amended, to H. F. No. 2554. The motion prevailed and the amendment, as amended, was adopted.

Peppin offered an amendment to H. F. No. 2554, the first engrossment, as amended.

POINT OF ORDER

Carlson raised a point of order pursuant to rule 3.21 that the Peppin amendment was not in order. Speaker pro tempore Pelowski ruled the point of order well taken and the Peppin amendment out of order.

Peppin appealed the decision of Speaker pro tempore Pelowski.

A roll call was requested and properly seconded.

CALL OF THE HOUSE

On the motion of Peppin and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

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	

Simon 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.

Carlson moved that H. F. No. 2554, as amended, be continued on the Calendar for the Day. The motion prevailed.

CALL OF THE HOUSE LIFTED

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

Simon 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 Pelowski.

MOTION TO SUSPEND JOINT RULE 2.06

Seifert moved that Joint Rule 2.06, relating to Conference Committees be suspended. The motion prevailed.

Simon 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.

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

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 3056.

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. 3056

A bill for an act relating to natural resources; modifying permanent school fund provisions; providing for disposition of proceeds from sale of administrative sites; modifying certain requirements for environmental learning centers; appropriating money; amending Minnesota Statutes 2006, sections 16A.06, by adding a subdivision; 84.027, by adding a subdivision; 84.0857; 84.0875; 94.16, subdivision 3; 127A.30.

May 17, 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. 3056 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. 3056 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 16A.06, is amended by adding a subdivision to read:

Subd. 10. **Permanent school fund reporting.** The commissioner shall biannually report to the Permanent School Fund Advisory Committee and the legislature on the management of the permanent school trust fund that shows how the commissioner maximized the long-term economic return of the permanent school trust fund.

Sec. 2. Minnesota Statutes 2006, section 84.027, is amended by adding a subdivision to read:

Subd. 18. **Permanent school fund authority; reporting.** The commissioner of natural resources has the authority and responsibility for the administration of school trust lands under sections 92.121 and 127A.31. The commissioner shall biannually report to the Permanent School Fund Advisory Committee and the legislature on the management of the school trust lands that shows how the commissioner has and will continue to achieve the following goals:

(1) manage the school trust lands efficiently;

(2) reduce the management expenditures of school trust lands and maximize the revenues deposited in the permanent school trust fund;

(3) manage the sale, exchange, and commercial leasing of school trust lands to maximize the revenues deposited in the permanent school trust fund and retain the value from the long-term appreciation of the school trust lands; and

(4) manage the school trust lands to maximize the long-term economic return for the permanent school trust fund while maintaining sound natural resource conservation and management principals.

Sec. 3. Minnesota Statutes 2006, section 84.0857, is amended to read:

84.0857 FACILITIES MANAGEMENT ACCOUNT.

(a) The commissioner of natural resources may bill organizational units within the Department of Natural Resources for the costs of providing them with building and infrastructure facilities. Costs billed may include modifications and adaptations to allow for appropriate building occupancy, building code compliance, insurance, utility services, maintenance, repair, and other direct costs as determined by the commissioner. Receipts shall be credited to a special account in the state treasury and are appropriated to the commissioner to pay the costs for which the billings were made.

(b) Money deposited in the special account from the proceeds of a sale under section 94.16, subdivision 3, paragraph (b), is appropriated to the commissioner to acquire facilities or renovate existing buildings for administrative use or to acquire land for, design, and construct administrative buildings for the Department of Natural Resources.

Sec. 4. Minnesota Statutes 2006, section 84.0875, is amended to read:

84.0875 ENVIRONMENTAL LEARNING CENTERS.

(a) The commissioner may acquire and better, or make grants to counties, home rule charter or statutory cities, or school districts to acquire and better, residential environmental learning centers where students may learn how to use, preserve, and renew the natural resources of this state. A facility and reasonable access to it must be owned by

the state or a political subdivision but may be leased to or managed by a nonprofit organization to carry out an environmental learning program established by the commissioner. The lease or management agreement must comply with the requirements of section 16A.695 and must provide for the procurement of liability insurance by the nonprofit organization. A nonprofit organization that is operating an environmental learning center under this section is a municipality for purposes of the liability limitations of section 466.04 while acting within the scope of these activities.

(b) During the time the center is used for educational programs offered in conjunction with a college or university, the rules and standards related to space requirements are governed by section 144.74.

Sec. 5. **[84.66] MINNESOTA FORESTS FOR THE FUTURE PROGRAM.**

Subdivision 1. **Purpose.** The Minnesota forests for the future program identifies and protects private, working forest lands for their timber, scenic, recreational, fish and wildlife habitat, threatened and endangered species, and other cultural and environmental values.

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

(1) "forest land" has the meaning given under section 89.001, subdivision 4;

(2) "forest resources" has the meaning given under section 89.001, subdivision 8;

(3) "guidelines" has the meaning given under section 89A.01, subdivision 8;

(4) "riparian land" has the meaning given under section 103F.511, subdivision 8a; and

(5) "working forest land" means land that provides a broad range of goods and services, including forest products, recreation, fish and wildlife habitat, clean air and water, and carbon sequestration.

Subd. 3. **Establishment.** The commissioner of natural resources shall establish and administer a Minnesota forests for the future program. Land selected for inclusion in the program shall be evaluated on the land's potential for:

(1) producing timber and other forest products;

(2) maintaining forest landscapes;

(3) providing public recreation; and

(4) providing ecological, fish and wildlife habitat, and other cultural and environmental values and values consistent with working forest lands.

Subd. 4. **Land eligibility.** Land may be placed in the Minnesota forests for the future program if it:

(1) is:

(i) forest land;

(ii) desirable land adjacent to forest land, as determined by the commissioner; or

(iii) beneficial to forest resource protection;

(2) is at least five acres in size, except for a riparian area or an area providing access to state forest land; and

(3) is not set aside, enrolled, or diverted under another federal or state program, unless enrollment in the Minnesota forests for the future program would provide additional conservation benefits or a longer enrollment term than under the current federal or state program.

Subd. 5. **Land interests.** The commissioner may acquire permanent interests in lands by fee title, easement acquisition, gift, or donation. An acquired easement shall require a forestry management plan unless the requirement is waived or modified by the commissioner. The plan will guide forest management activities consistent with the purposes and terms of the easement and shall incorporate guidelines and other forest management practices as determined by the commissioner to provide perpetuation of the forest. The plan shall be developed in accordance with the guidelines.

Subd. 6. **Application.** The commissioner shall accept applications from owners of eligible lands at the time, in the form, and containing the information as the commissioner may prescribe. If the number of applications exceeds the ability to fund them all, priority shall be given to those applications covering lands providing the greatest public benefits for timber productivity, public access, and ecological and wildlife values.

Subd. 7. **Landowner responsibilities.** The commissioner may enroll eligible land in the program by signing an easement in recordable form with a landowner in which the landowner agrees to:

(1) convey to the state a permanent easement that is not subject to any prior title, lien, or encumbrance; and

(2) manage the land in a manner consistent with the purposes for which the land was selected for the program and not convert the land to other uses.

Subd. 8. **Correction of easement boundary lines.** To correct errors in legal descriptions for easements that affect the ownership interests in the state and adjacent landowners, the commissioner may, in the name of the state, convey without consideration, interests of the state necessary to correct legal descriptions of boundaries. The conveyance must be by quitclaim deed or release in a form approved by the attorney general.

Subd. 9. **Terminating or changing an easement.** The commissioner may terminate an easement, with the consent of the property owner, if the commissioner determines termination to be in the public interest. The commissioner may modify the terms of an easement if the commissioner determines that modification will help implement the Minnesota forests for the future program or facilitate the program's administration.

Subd. 10. **Payments.** Payments to landowners under the Minnesota forests for the future program shall be made in accordance with law and Department of Natural Resources acquisition policies, procedures, and other funding requirements.

Subd. 11. **Monitoring, enforcement, and damages.** (a) The commissioner shall establish a long-term program for monitoring and enforcing Minnesota forests for the future easements. The program must require that a financial contribution be made for each easement to cover the costs of managing, monitoring, and enforcing the easement.

(b) A landowner who violates the terms of an easement under this section or induces, assists, or allows another to do so is liable to the state for damages due to the loss of timber, scenic, recreational, fish and wildlife habitat, threatened and endangered species, and other cultural and environmental values.

(c) Upon request of the commissioner, the attorney general may commence an action for specific performance, injunctive relief, damages, including attorney fees, and any other appropriate relief to enforce this section in district court in the county where all or part of the violation is alleged to have been committed or where the landowner resides or has a principal place of business.

Sec. 6. **[84.67] FORESTS FOR THE FUTURE REVOLVING ACCOUNT.**

A forests for the future revolving account is created in the natural resources fund. Money in the account is appropriated to the commissioner of natural resources for the acquisition of forest lands that meet the eligibility criteria in section 84.66, subdivision 4. The commissioner shall sell the lands acquired under this section, subject to an easement as provided in section 84.66. Money received from the sale of forest lands acquired under this section and interest earned on the account shall be deposited into the account. The commissioner must file a report to the house of representatives Ways and Means and the senate Finance Committees and the environment and natural resources finance committees or divisions of the senate and house of representatives by October 1 of each year indicating all purchases of forest land using money from this account and sales of forest land for which revenue is deposited into this account.

Sec. 7. Minnesota Statutes 2006, section 84.788, subdivision 3, is amended to read:

Subd. 3. **Application; issuance; reports.** (a) Application for registration or continued registration must be made to the commissioner or an authorized deputy registrar of motor vehicles in a form prescribed by the commissioner. The form must state the name and address of every owner of the off-highway motorcycle.

(b) A person who purchases from a retail dealer an off-highway motorcycle shall make application for registration to the dealer at the point of sale. The dealer shall issue a dealer temporary ~~ten-day~~ 21-day registration permit to each purchaser who applies to the dealer for registration. The dealer shall submit the completed registration applications and fees to the deputy registrar at least once each week. No fee may be charged by a dealer to a purchaser for providing the temporary permit.

(c) Upon receipt of the application and the appropriate fee, the commissioner or deputy registrar shall issue to the applicant, or provide to the dealer, an assigned registration number or a commissioner or deputy registrar temporary ~~ten-day~~ 21-day permit. Once issued, the registration number must be affixed to the motorcycle according to paragraph (f). A dealer subject to paragraph (b) shall provide the registration materials or temporary permit to the purchaser within the ~~ten-day~~ 21-day temporary permit period.

(d) The commissioner shall develop a registration system to register vehicles under this section. A deputy registrar of motor vehicles acting under section 168.33, is also a deputy registrar of off-highway motorcycles. The commissioner of natural resources in agreement with the commissioner of public safety may prescribe the accounting and procedural requirements necessary to ensure efficient handling of registrations and registration fees. Deputy registrars shall strictly comply with the accounting and procedural requirements.

(e) In addition to other fees prescribed by law, a filing fee of $4.50 is charged for each off-highway motorcycle registration renewal, duplicate or replacement registration card, and replacement decal and a filing fee of $7 is charged for each off-highway motorcycle registration and registration transfer issued by:

(1) a deputy registrar and must be deposited in the treasury of the jurisdiction where the deputy is appointed, or kept if the deputy is not a public official; or

(2) the commissioner and must be deposited in the state treasury and credited to the off-highway motorcycle account.

(f) Unless exempted in paragraph (g), the owner of an off-highway motorcycle must display a registration decal issued by the commissioner. If the motorcycle is licensed as a motor vehicle, a registration decal must be affixed on the upper left corner of the rear license plate. If the motorcycle is not licensed as a motor vehicle, the decal must be

attached on the side of the motorcycle and may be attached to the fork tube. The decal must be attached in a manner so that it is visible while a rider is on the motorcycle. The issued decals must be of a size to work within the constraints of the electronic licensing system, not to exceed three inches high and three inches wide.

(g) Display of a registration decal is not required for an off-highway motorcycle:

(1) while being operated on private property; or

(2) while competing in a closed-course competition event.

Sec. 8. Minnesota Statutes 2006, section 84.82, subdivision 2, is amended to read:

Subd. 2. **Application, issuance, reports, additional fee.** (a) Application for registration or reregistration shall be made to the commissioner or an authorized deputy registrar of motor vehicles in a format prescribed by the commissioner and shall state the legal name and address of every owner of the snowmobile.

(b) A person who purchases a snowmobile from a retail dealer shall make application for registration to the dealer at the point of sale. The dealer shall issue a dealer temporary ~~ten-day~~ 21-day registration permit to each purchaser who applies to the dealer for registration. The temporary permit must contain the dealer's identification number and phone number. Each retail dealer shall submit completed registration and fees to the deputy registrar at least once a week. No fee may be charged by a dealer to a purchaser for providing the temporary permit.

(c) Upon receipt of the application and the appropriate fee as hereinafter provided, the commissioner or deputy registrar shall issue to the applicant, or provide to the dealer, an assigned registration number or a commissioner or deputy registrar temporary ~~ten-day~~ 21-day permit. Once issued, the registration number must be affixed to the snowmobile in a clearly visible and permanent manner for enforcement purposes as the commissioner of natural resources shall prescribe. A dealer subject to paragraph (b) shall provide the registration materials or temporary permit to the purchaser within the temporary ~~ten-day~~ 21-day permit period. The registration is not valid unless signed by at least one owner. The temporary permit must indicate whether a snowmobile state trail sticker under section 84.8205 was purchased.

(d) Each deputy registrar of motor vehicles acting pursuant to section 168.33, shall also be a deputy registrar of snowmobiles. The commissioner of natural resources in agreement with the commissioner of public safety may prescribe the accounting and procedural requirements necessary to assure efficient handling of registrations and registration fees. Deputy registrars shall strictly comply with these accounting and procedural requirements.

(e) A fee of $2 in addition to that otherwise prescribed by law shall be charged for:

(1) each snowmobile registered by the registrar or a deputy registrar and the additional fee shall be disposed of in the manner provided in section 168.33, subdivision 2; or

(2) each snowmobile registered by the commissioner and the additional fee shall be deposited in the state treasury and credited to the snowmobile trails and enforcement account in the natural resources fund.

Sec. 9. Minnesota Statutes 2006, section 84.82, is amended by adding a subdivision to read:

Subd. 3a. **Expiration.** All snowmobile registrations, excluding temporary registration permits, required under this section expire June 30 of the year of expiration.

Sec. 10. Minnesota Statutes 2007 Supplement, section 84.8205, subdivision 1, is amended to read:

Subdivision 1. **Sticker required; fee.** (a) Except as provided in paragraph (b), a person may not operate a snowmobile on a state or grant-in-aid snowmobile trail unless a snowmobile state trail sticker is affixed to the snowmobile. The commissioner of natural resources shall issue a sticker upon application and payment of a $15 fee. The fee for a three-year snowmobile state trail sticker that is purchased at the time of snowmobile registration is $30. In addition to other penalties prescribed by law, a person in violation of this subdivision must purchase an annual state trail sticker for a fee of $30. The sticker is valid from November 1 through ~~April~~ June 30. Fees collected under this section, except for the issuing fee for licensing agents, shall be deposited in the state treasury and credited to the snowmobile trails and enforcement account in the natural resources fund and, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, must be used for grants-in-aid, trail maintenance, grooming, and easement acquisition.

(b) A state trail sticker is not required under this section for:

(1) a snowmobile owned by the state or a political subdivision of the state that is registered under section 84.82, subdivision 5;

(2) a snowmobile that is owned and used by the United States, another state, or a political subdivision thereof that is exempt from registration under section 84.82, subdivision 6;

(3) a collector snowmobile that is operated as provided in a special permit issued for the collector snowmobile under section 84.82, subdivision 7a;

(4) a person operating a snowmobile only on the portion of a trail that is owned by the person or the person's spouse, child, or parent; or

(5) a snowmobile while being used to groom a state or grant-in-aid trail.

(c) A temporary registration permit issued by a dealer under section 84.82, subdivision 2, may include a snowmobile state trail sticker if the trail sticker fee is included with the registration application fee.

Sec. 11. Minnesota Statutes 2006, section 84.922, subdivision 2, is amended to read:

Subd. 2. **Application, issuance, reports.** (a) Application for registration or continued registration shall be made to the commissioner or an authorized deputy registrar of motor vehicles in a form prescribed by the commissioner. The form must state the name and address of every owner of the vehicle.

(b) A person who purchases an all-terrain vehicle from a retail dealer shall make application for registration to the dealer at the point of sale. The dealer shall issue a dealer temporary ~~ten-day~~ 21-day registration permit to each purchaser who applies to the dealer for registration. The dealer shall submit the completed registration application and fees to the deputy registrar at least once each week. No fee may be charged by a dealer to a purchaser for providing the temporary permit.

(c) Upon receipt of the application and the appropriate fee, the commissioner or deputy registrar shall issue to the applicant, or provide to the dealer, an assigned registration number or a commissioner or deputy registrar temporary ~~ten-day~~ 21-day permit. Once issued, the registration number must be affixed to the vehicle in a manner prescribed by the commissioner. A dealer subject to paragraph (b) shall provide the registration materials or temporary permit to the purchaser within the ~~ten-day~~ 21-day temporary permit period. The commissioner shall use the snowmobile registration system to register vehicles under this section.

(d) Each deputy registrar of motor vehicles acting under section 168.33, is also a deputy registrar of all-terrain vehicles. The commissioner of natural resources in agreement with the commissioner of public safety may prescribe the accounting and procedural requirements necessary to assure efficient handling of registrations and registration fees. Deputy registrars shall strictly comply with the accounting and procedural requirements.

(e) In addition to other fees prescribed by law, a filing fee of $4.50 is charged for each all-terrain vehicle registration renewal, duplicate or replacement registration card, and replacement decal and a filing fee of $7 is charged for each all-terrain vehicle registration and registration transfer issued by:

(1) a deputy registrar and shall be deposited in the treasury of the jurisdiction where the deputy is appointed, or retained if the deputy is not a public official; or

(2) the commissioner and shall be deposited to the state treasury and credited to the all-terrain vehicle account in the natural resources fund.

Sec. 12. Minnesota Statutes 2006, section 84.9256, subdivision 1, is amended to read:

Subdivision 1. **Prohibitions on youthful operators.** (a) Except for operation on public road rights-of-way that is permitted under section 84.928, a driver's license issued by the state or another state is required to operate an all-terrain vehicle along or on a public road right-of-way.

(b) A person under 12 years of age shall not:

(1) make a direct crossing of a public road right-of-way;

(2) operate an all-terrain vehicle on a public road right-of-way in the state; or

(3) operate an all-terrain vehicle on public lands or waters, except as provided in paragraph (f).

(c) Except for public road rights-of-way of interstate highways, a person 12 years of age but less than 16 years may make a direct crossing of a public road right-of-way of a trunk, county state-aid, or county highway or operate on public lands and waters or state or grant-in-aid trails, only if that person possesses a valid all-terrain vehicle safety certificate issued by the commissioner and is accompanied on another all-terrain vehicle by a person 18 years of age or older who holds a valid driver's license.

(d) To be issued an all-terrain vehicle safety certificate, a person at least 12 years old, but less than 16 years old, must:

(1) successfully complete the safety education and training program under section 84.925, subdivision 1, including a riding component; and

(2) be able to properly reach and control the handle bars and reach the foot pegs while sitting upright on the seat of the all-terrain vehicle.

(e) A person at least 11 years of age may take the safety education and training program and may receive an all-terrain vehicle safety certificate under paragraph (d), but the certificate is not valid until the person reaches age 12.

(f) A person at least ten years of age but under 12 years of age may operate an all-terrain vehicle with an engine capacity up to 90cc on public lands or waters if accompanied by a parent or legal guardian.

(g) A person under 15 years of age shall not operate a class 2 all-terrain vehicle.

(h) A person under the age of 16 may not operate an all-terrain vehicle on public lands or waters or on state or grant-in-aid trails if the person cannot properly reach and control the handle bars and reach the foot pegs while sitting upright on the seat of the all-terrain vehicle.

Sec. 13. Minnesota Statutes 2006, section 85.011, is amended to read:

85.011 CONFIRMATION OF CREATION AND ESTABLISHMENT OF STATE PARKS, ~~MONUMENTS,~~ STATE RECREATION ~~RESERVES~~ AREAS, AND WAYSIDES.

The legislature of this state has provided for the creation and establishment of state parks, designated ~~monuments,~~ state recreation ~~reserves~~ areas, and waysides for the purpose of conserving the scenery, natural and historic objects and wildlife and to provide for the enjoyment of the same in ~~such~~ a manner ~~and by such means as~~ that will leave them unimpaired for the enjoyment of future generations.

The establishment of ~~such~~ the state parks, designated ~~monuments,~~ state recreation ~~reserves~~ areas, and waysides is hereby confirmed as provided in this section and sections 85.012 and 85.013 and they shall remain perpetually dedicated for the use of the people of the state for park purposes.

The enumerated state parks, ~~state monuments,~~ state recreation areas, and state waysides shall consist of the lands and other property authorized therefor before January 1, 1969, together with such other lands and properties as may be authorized therefor on or after January 1, 1969.

Sec. 14. Minnesota Statutes 2006, section 85.012, subdivision 28, is amended to read:

Subd. 28. Interstate State Park, Chisago County, which is hereby renamed from Dalles of Saint Croix State Park.

Sec. 15. Minnesota Statutes 2006, section 85.012, subdivision 49a, is amended to read:

Subd. 49a. ~~St. Croix~~ Wild River State Park, Chisago County.

Sec. 16. Minnesota Statutes 2006, section 85.013, subdivision 1, is amended to read:

Subdivision 1. **Names, acquisition; administration.** (a) Designated ~~monuments,~~ recreation reserves~~,~~ and waysides heretofore established and hereby confirmed as ~~state monuments,~~ state recreation areas and state waysides together with the counties in which they are situated are listed in this section and shall hereafter be named as indicated in this section.

(b) Any land that now is or hereafter becomes tax-forfeited land and is located within the described boundaries of a state recreation area as defined by session laws is hereby withdrawn from sale and is transferred from the custody, control, and supervision of the county board of the county to the commissioner of natural resources, free from any trust in favor of the interested taxing districts. The commissioner shall execute a certificate of acceptance of the lands on behalf of the state for such purposes and transmit the same to the county auditor of the county for record as provided by law in the case of tax-forfeited land transferred to the commissioner by resolution of the county board for conservation purposes.

Sec. 17. Minnesota Statutes 2006, section 85.053, is amended by adding a subdivision to read:

Subd. 10. **Free entrance; totally and permanently disabled veterans.** The commissioner shall issue an annual park permit for no charge for any veteran with a total and permanent service-connected disability who presents each year a copy of their determination letter to a park attendant or commissioner's designee. For the

purposes of this section, "veteran with a total and permanent service-connected disability" means a resident who has a total and permanent service-connected disability as adjudicated by the United States Veterans Administration or by the retirement board of one of the several branches of the armed forces.

Sec. 18. Minnesota Statutes 2006, section 85.054, is amended by adding a subdivision to read:

Subd. 14. **Grand Portage State Park.** A state park permit is not required and a fee may not be charged for motor vehicle entry or parking at the Class 1 highway rest area parking lot located adjacent to marked Trunk Highway 61 and Pigeon River at Grand Portage State Park.

Sec. 19. Minnesota Statutes 2006, section 86B.401, subdivision 2, is amended to read:

Subd. 2. **Temporary certificate.** A person who applies for a watercraft license may be issued a temporary license certificate to operate the watercraft. The temporary license certificate is valid for ~~the period of time specified by the commissioner~~ 21 days.

Sec. 20. Minnesota Statutes 2006, section 88.15, subdivision 2, is amended to read:

Subd. 2. **Not to be left burning.** Every person who starts or maintains a campfire shall:

(1) exercise every reasonable precaution to prevent the campfire from spreading ~~and shall~~;

(2) before lighting the campfire, clear the ground of all combustible material ~~within a radius of~~ five feet from the base of the campfire~~. The person lighting the campfire shall~~;

(3) remain with the campfire at all times; and ~~shall~~

(4) before leaving the site, completely extinguish the campfire.

For the purposes of this section, "maintains" means tending or adding substantial fuel to a campfire with the effect of extending the life of the campfire.

Sec. 21. Minnesota Statutes 2006, section 89.715, is amended to read:

89.715 ALTERNATIVE RECORDING FOR STATE FOREST ROAD.

Subdivision 1. **Authorization.** The commissioner may adopt a ~~recorded state~~ forest road map under this section to record the department's state forest road prescriptive easements. For purposes of this section, "~~recorded~~ state forest road map" means the official map of state forest roads adopted by the commissioner.

Subd. 2. **Map requirements.** The ~~recorded~~ state forest road map must:

(1) show state forest roads at the time the map is adopted;

(2) be prepared at a scale ~~of at least four inches equals one mile~~ compliant with standards of the county recorder where the state forest roads are located;

(3) include section numbers;

(4) include a north point arrow;

(5) include the name of the county and state;

(6) include a blank and a description under the blank for the date of public hearing and date of adoption;

(7) include blanks for signatures and dates of signatures for the commissioner; and

(8) include a list of legal descriptions of all parcels crossed by state forest road prescriptive easements.

Subd. 3. **Procedure to adopt map.** (a) The commissioner must prepare an official map for each county or smaller geographic area as determined by the commissioner as provided in subdivision 2, and set a time, place, and date for a public hearing on adopting a ~~recorded state~~ forest road map to record roads.

(b) The hearing notice must state that the roads to be recorded will be to the width of the actual use including ditches, backslopes, fills, and maintained rights-of-way, unless otherwise specified in a prior easement of record. The hearing notice must be published once a week for two successive weeks in a qualified newspaper of general circulation that serves the county or smaller geographic areas as determined by the commissioner, the last publication to be made at least ten days before the date of the public hearing. At least 30 days before the hearing, the hearing notice must be sent by certified mail to the property owners directly affected in the county or smaller geographic areas as determined by the commissioner at the addresses listed on the tax assessment notices at least seven days before appearing in the qualified newspaper. The hearing notice may be sent with the tax assessment, but all additional costs incurred shall be billed to the department.

(c) After the public hearing is held, the commissioner may amend and adopt the ~~recorded state~~ forest road map. The ~~recorded~~ state forest road map must be dated and signed by the commissioner and must be ~~recorded~~ filed for recording with the county recorder within 90 days after the map is adopted. The map is effective when filed with the county recorder.

(d) The ~~recorded~~ state forest road map that is recorded with the county recorder must comply with the standards of the county recorder where the state forest roads are located.

(e) A ~~recorded~~ state forest road map that was prepared by using aerial photographs to establish road centerlines and that has been duly recorded with the county recorder is an adequate description for purposes of recording road easements and the map is the legally constituted description and prevails when a deed for a parcel abutting a road contains no reference to a road easement. Nothing prevents the commissioner from accepting a more definitive metes and bounds or survey description of a road easement for a road of record if the description of the easement is referenced to equal distance on both sides of the existing road centerline.

(f) The commissioner shall consult with representatives of county land commissioners, county auditors, county recorders, and Torrens examiners in implementing this subdivision.

Subd. 4. **Appeal.** (a) ~~Before filing an appeal under paragraph (b), a person may seek resolution of concerns regarding a decision to record a road under this section by contacting the commissioner in writing.~~

~~(b) A person may appeal a decision to record or exclude recording a road under this section to the district court within 120 days after the date the commissioner adopts the state forest road map.~~ Appeals may be filed only by property owners who are directly affected by a proposed map designation and only for those portions of the map designation that directly affect them.

(b) A property owner may appeal the map designation to the commissioner within 60 days of the map being recorded by filing a written request for review. The commissioner shall review the request and any supporting evidence and render a decision within 45 days of receipt of the request for review.

(c) If a property owner wishes to appeal a decision of the commissioner after review under paragraph (b), the property owner must file an appeal with the district court within 60 days of the commissioner's decision.

(d) If any portion of a map appealed under paragraph (b) is modified or found to be invalid by a court of competent jurisdiction under paragraph (c), the remainder of the map shall not be affected and its recording with the county recorder shall stand.

Subd. 5. **Unrecorded road or trail not affected.** This section does not affect or diminish the legal status or state obligations of roads and trails not shown on the ~~recorded~~ state forest road map.

Subd. 6. **Exemption.** Adoption of a ~~recorded~~ state forest road map under this section is exempt from the rulemaking requirements of chapter 14 and section 14.386 does not apply.

Sec. 22. Minnesota Statutes 2006, section 94.16, subdivision 3, is amended to read:

Subd. 3. **Proceeds from natural resources land.** (a) Except as provided in paragraph (b), the remainder of the proceeds from the sale of lands that were under the control and supervision of the commissioner of natural resources shall be credited to the land acquisition account in the natural resources fund.

(b) The remainder of the proceeds from the sale of administrative sites under the control and supervision of the commissioner of natural resources shall be credited to the facilities management account established under section 84.0857 and used to acquire facilities or renovate existing buildings for administrative use or to acquire land for, design, and construct administrative buildings for the Department of Natural Resources.

Sec. 23. **[94.3495] EXPEDITED EXCHANGES OF LAND INVOLVING THE STATE AND GOVERNMENTAL SUBDIVISIONS OF THE STATE.**

Subdivision 1. **Purpose and scope.** (a) The purpose of this section is to expedite the exchange of public land ownership. Consolidation of public land reduces management costs and aids in the reduction of forest fragmentation.

(b) This section applies to exchanges of land between the state and a governmental subdivision of the state. For land exchanges under this section, sections 94.342 to 94.347 apply only to the extent specified in this section.

Subd. 2. **Classes of land; definitions.** The classes of public land that may be involved in an expedited exchange under this section are:

(1) Class 1 land, which for the purpose of this section is Class A land as defined in section 94.342, subdivision 1, except for:

(i) school trust land as defined in section 92.025; and

(ii) university land granted to the state by acts of Congress;

(2) Class 2 land, which for the purpose of this section is Class B land as defined in section 94.342, subdivision 2; and

(3) Class 3 land, which for the purpose of this section is all land owned in fee by a governmental subdivision of the state.

Subd. 3. **Valuation of land.** (a) In an exchange of Class 1 land for Class 2 or 3 land, the value of all the land shall be determined by the commissioner of natural resources. In an exchange of Class 2 land for Class 3 land, the value of all the land shall be determined by the county board of the county in which the land lies. To determine the value of the land, the parties to the exchange may cause the land to be appraised, utilize the valuation process provided under section 84.0272, subdivision 3, or obtain a market analysis from a qualified real estate broker. Merchantable timber value must be determined and considered in finalizing valuation of the lands.

(b) All lands exchanged under this section shall be exchanged only for lands of at least substantially equal value. For the purposes of this subdivision, "substantially equal value" has the meaning given under section 94.343, subdivision 3, paragraph (b). No payment is due either party if the lands are of substantially equal value but are not of the same value.

Subd. 4. **Title.** Title to the land must be examined to the extent necessary for the parties to determine that the title is good, with any encumbrances identified. The parties to the exchange may utilize title insurance to aid in the determination.

Subd. 5. **Approval by Land Exchange Board.** All expedited land exchanges under this section, and the terms and conditions of the exchanges, require the unanimous approval of the Land Exchange Board.

Subd. 6. **Conveyance.** (a) Conveyance of Class 1 land given in exchange shall be made by deed executed by the commissioner of natural resources in the name of the state. Conveyance of Class 2 land given in exchange shall be by a deed executed by the commissioner of revenue in the name of the state. Conveyance of Class 3 land shall be by a deed executed by the governing body in the name of the governing authority.

(b) If Class 1 land is given in exchange for Class 2 or 3 land, the deed to the Class 2 or 3 land shall first be delivered to the commissioner of natural resources. Following the recording of the deed, the commissioner of natural resources shall deliver the deed conveying the Class 1 land.

(c) If Class 2 land is given in exchange for Class 3 land, the deed to the Class 3 land shall first be delivered to the county auditor. Following the recording of the deed, the commissioner of revenue shall deliver the deed conveying the Class 2 land.

(d) All deeds shall be recorded or registered in the county in which the lands lie.

Subd. 7. **Reversionary interest; mineral and water power rights and other reservations.** (a) All deeds conveying land given in an expedited land exchange under this section shall include a reverter that provides that title to the land automatically reverts to the conveying governmental unit if:

(1) the receiving governmental unit sells, exchanges, or otherwise transfers title of the land within 40 years of the date of the deed conveying ownership; and

(2) there is no prior written approval for the transfer from the conveying governmental unit. The authority for granting approval is the commissioner of natural resources for former Class 1 land, the county board for former Class 2 land, and the governing body for former Class 3 land.

(b) Class 1 land given in exchange is subject to the reservation provisions of section 94.343, subdivision 4. Class 2 land given in exchange is subject to the reservation provisions of section 94.344, subdivision 4. County fee land given in exchange is subject to the reservation provisions of section 373.01, subdivision 1, paragraph (g).

Subd. 8. **Land status.** Land received in exchange for Class 1 land is subject to the same trust, if any, and otherwise has the same status as the land given in exchange. Land received in exchange for Class 2 land is subject to a trust in favor of the governmental subdivision wherein it lies and all laws relating to tax-forfeited land. Land received in exchange for Class 3 land has the same status as the land given in exchange.

Sec. 24. Minnesota Statutes 2006, section 97A.055, subdivision 4b, is amended to read:

Subd. 4b. **Citizen oversight subcommittees.** (a) The commissioner shall appoint subcommittees of affected persons to review the reports prepared under subdivision 4; review the proposed work plans and budgets for the coming year; propose changes in policies, activities, and revenue enhancements or reductions; review other relevant information; and make recommendations to the legislature and the commissioner for improvements in the management and use of money in the game and fish fund.

(b) The commissioner shall appoint the following subcommittees, each comprised of at least three affected persons:

(1) a Fisheries Operations Subcommittee to review fisheries funding, excluding activities related to trout and salmon stamp funding;

(2) a Wildlife Operations Subcommittee to review wildlife funding, excluding activities related to migratory waterfowl, pheasant, and turkey stamp funding and excluding review of the amounts available under section 97A.075, subdivision 1, paragraphs (b) and (c);

(3) a Big Game Subcommittee to review the report required in subdivision 4, paragraph (a), clause (2);

(4) an Ecological ~~Services Operations~~ Resources Subcommittee to review ecological services funding;

(5) a subcommittee to review game and fish fund funding of enforcement~~, support services, and Department of Natural Resources administration~~ and operations support;

(6) a subcommittee to review the trout and salmon stamp report and address funding issues related to trout and salmon;

(7) a subcommittee to review the report on the migratory waterfowl stamp and address funding issues related to migratory waterfowl;

(8) a subcommittee to review the report on the pheasant stamp and address funding issues related to pheasants; and

(9) a subcommittee to review the report on the turkey stamp and address funding issues related to wild turkeys.

(c) The chairs of each of the subcommittees shall form a Budgetary Oversight Committee to coordinate the integration of the subcommittee reports into an annual report to the legislature; recommend changes on a broad level in policies, activities, and revenue enhancements or reductions; provide a forum to address issues that transcend the subcommittees; and submit a report for any subcommittee that fails to submit its report in a timely manner.

(d) The Budgetary Oversight Committee shall develop recommendations for a biennial budget plan and report for expenditures on game and fish activities. By August 15 of each even-numbered year, the committee shall submit the budget plan recommendations to the commissioner and to the senate and house committees with jurisdiction over natural resources finance.

(e) Each subcommittee shall choose its own chair, except that the chair of the Budgetary Oversight Committee shall be appointed by the commissioner and may not be the chair of any of the subcommittees.

(f) The Budgetary Oversight Committee must make recommendations to the commissioner and to the senate and house committees with jurisdiction over natural resources finance for outcome goals from expenditures.

(g) Notwithstanding section 15.059, subdivision 5, or other law to the contrary, the Budgetary Oversight Committee and subcommittees do not expire until June 30, 2010.

Sec. 25. Minnesota Statutes 2006, section 97A.141, subdivision 1, is amended to read:

Subdivision 1. **Acquisition; generally.** The commissioner shall acquire access sites adjacent to public waters and easements and rights-of-way necessary to connect the access sites with public highways. The land may be acquired by gift, lease, or purchase, or by condemnation with approval of the Executive Council. ~~An access site may not exceed seven acres and may only be acquired where access is inadequate.~~

Sec. 26. **[103G.2251] STATE CONSERVATION EASEMENTS; WETLAND BANK CREDIT.**

In greater than 80 percent areas, preservation of wetlands owned by the state or a local unit of government, protected by a permanent conservation easement as defined under section 84C.01 and held by the board, may be eligible for wetland replacement or mitigation credits, according to rules adopted by the board. To be eligible for credit under this section, a conservation easement must be established after enactment of this section and approved by the board.

Sec. 27. **[115.0301] DEFINITIONS.**

Subdivision 1. **Application.** For purposes of sections 115.0301 to 115.0309, the following terms have the meanings given them.

Subd. 2. **Agency.** "Agency" means the Pollution Control Agency.

Subd. 3. **Ballast water.** "Ballast water" means water taken on board a vessel to control trim, list, draft, stability, or stresses of the vessel, including matter suspended in the water, or any water placed into a ballast tank during cleaning, maintenance, or other operations.

Subd. 4. **Ballast water management.** "Ballast water management" means mechanical, physical, chemical, and biological processes used, either singularly or in combination, to remove, render harmless, or avoid the uptake or discharge of harmful aquatic organisms and pathogens within ballast water and sediment.

Subd. 5. **Commissioner.** "Commissioner" means the commissioner of the Pollution Control Agency.

Subd. 6. **Constructed.** "Constructed" means a state of construction of a vessel at which the keel is laid, construction identifiable with the specific vessel begins, assembly of the vessel has begun comprising at least 50 tons or one percent of the estimated mass of all structural material of the vessel, whichever is less, or the vessel undergoes a major conversion.

Subd. 7. **Foreign vessel.** "Foreign vessel" means a vessel of foreign registry or operated under the authority of a foreign country.

Subd. 8. **Sediment.** "Sediment" means matter that has settled out of ballast water within a vessel.

Subd. 9. **State waters of Lake Superior.** "State waters of Lake Superior" means the surface waters of Lake Superior and waters that discharge, flow, or otherwise are transferred into Lake Superior that are under the jurisdiction of the state.

Sec. 28. **[115.0306] BALLAST WATER MANAGEMENT PLAN.**

Subdivision 1. **Ballast water management plan required.** (a) The operator of a vessel that is designed, constructed, or adapted to carry ballast water in state waters of Lake Superior shall conduct all ballast water management operations of the vessel according to a ballast water management plan that is designed to minimize the discharge of invasive species, meets the requirements prescribed by the commissioner under subdivision 2, and is approved by the commissioner.

(b) The owner or operator of a vessel required to have a ballast water management plan under paragraph (a) shall maintain a copy of the vessel's ballast water management plan on board at all times and keep the plan readily available for examination by the commissioner.

Subd. 2. **Ballast water management plan approval.** (a) The commissioner may not approve a ballast water management plan unless the commissioner determines that the plan:

(1) describes in detail the actions to be taken to implement ballast water management;

(2) describes in detail the procedures to be used for disposal of sediment at sea and on shore;

(3) describes in detail the safety procedures for the vessel and crew associated with ballast water management;

(4) designates the officer on board of the vessel in charge of ensuring that the plan is properly implemented;

(5) contains the reporting requirements for vessels as prescribed by the commissioner; and

(6) meets all other requirements prescribed by the commissioner.

(b) The commissioner may approve a ballast water management plan for a foreign vessel on the basis of a certificate of compliance with the criteria described in paragraph (a) issued by the vessel's country of registration according to standards established by the commissioner.

Sec. 29. **[115.0307] BALLAST WATER RECORD BOOK.**

Subdivision 1. **Ballast water record book required.** The owner or operator of a vessel required to have a ballast water management plan under section 115.0306 shall maintain, in English, on board the vessel, a ballast water record book in which each operation of the vessel involving ballast water or sediment discharge is recorded as required by the commissioner. The ballast water record book shall be kept readily available for examination by the commissioner. In cases where a vessel is without a crew and being towed, the ballast water record book may be kept on the towing vessel.

Subd. 2. **Retention period.** (a) Except as provided in paragraph (b), a ballast water record book required in subdivision 1 shall be retained on board the vessel for three years after the date on which the last entry in the book is made and shall be retained under the control of the vessel's owner for an additional three years.

(b) The commissioner may prescribe alternative time periods for record retention by foreign vessels that are consistent with international practices.

Subd. 3. **Regulations.** (a) The commissioner shall require, at a minimum, that:

(1) each entry in the ballast water record book be signed and dated by the officer in charge of the ballast water operation recorded;

(2) each completed page in the ballast water record book be signed and dated by the owner or operator of the vessel; and

(3) the owner or operator of the vessel transmit any information to the commissioner regarding the ballast operations of the vessel as the commissioner may require.

(b) The commissioner may provide for alternative methods of record keeping, including electronic record keeping, to comply with the requirements of this section. Any electronic record keeping method authorized by the commissioner shall comply with applicable standards of the state and the National Institute of Standards and Technology governing reliability, integrity, identity authentication, and nonrepudiation of stored electronic data.

Sec. 30. **[115.0309] CONSULTATION AND COOPERATION.**

Subdivision 1. **Great Lakes Panel on Aquatic Nuisance Species.** The commissioner of natural resources shall cooperate to the fullest extent practicable with the Great Lakes Panel on Aquatic Nuisance Species to ensure development of standards for the control of invasive species that are broadly protective of the state waters of Lake Superior and other natural resources. The commissioner of the Pollution Control Agency shall serve as the alternate to the commissioner of natural resources if necessary.

Subd. 2. **Cooperation with other state agencies.** In developing the permit process and any standards established under sections 115.0301 to 115.0309, the commissioner is encouraged to consult with the commissioners of commerce, agriculture, natural resources, and any other agency that the commissioner determines to be necessary to develop and implement an effective program for preventing the introduction and spread of invasive species through ballast water.

Subd. 3. **Canada and other foreign governments.** In developing the permit process and any standards established under sections 115.0301 to 115.0309, the commissioner is encouraged to consult with the government of Canada and any other government of a foreign country that the commissioner determines to be necessary to develop and implement an effective program for preventing the introduction and spread of invasive species through ballast water.

Sec. 31. Minnesota Statutes 2007 Supplement, section 115.56, subdivision 2, is amended to read:

Subd. 2. **License required.** (a) Except as provided in paragraph (b), ~~after March 31, 1996,~~ a person may not design, install, maintain, pump, ~~or~~ inspect, or provide service to an individual sewage treatment system without a license issued by the commissioner. Licenses issued under this section allow work on individual sewage treatment systems with a flow of 10,000 gallons of water per day or less using prescriptive designs and design guidances provided by the agency.

(b) A license is not required for a person who complies with the applicable requirements if the person is:

(1) a qualified employee of state or local government who has passed the examination described in paragraph (d) or a similar examination;

(2) an individual who constructs an individual sewage treatment system on land that is owned or leased by the individual and functions solely as the individual's dwelling or seasonal dwelling;

(3) a farmer who pumps and disposes of sewage waste from individual sewage treatment systems, holding tanks, and privies on land that is owned or leased by the farmer; or

(4) an individual who performs labor or services for a person licensed under this section in connection with the design, installation, maintenance, pumping, or inspection of an individual sewage treatment system at the direction and under the personal supervision of a person licensed under this section.

A person constructing an individual sewage treatment system under clause (2) must consult with a site evaluator or designer before beginning construction. In addition, the system must be inspected before being covered and a compliance report must be provided to the local unit of government after the inspection.

(c) The commissioner, in conjunction with the University of Minnesota Extension Service or another higher education institution, shall ensure adequate training and design guidance exists for individual sewage treatment system professionals.

(d) The commissioner shall conduct examinations to test the knowledge of applicants for licensing and shall issue documentation of licensing.

(e) Licenses may be issued only upon successful completion of the required examination and submission of proof of sufficient experience, proof of general liability insurance, and a corporate surety bond in the amount of at least $10,000.

(f) Notwithstanding paragraph (e), the examination and proof of experience are not required for an individual sewage treatment system professional who, on the effective date of the rules adopted under subdivision 1, holds a certification attained by examination and experience under a voluntary certification program administered by the agency.

(g) Local units of government may not require additional local licenses for individual sewage treatment system professionals.

(h) A pumper whose annual gross revenue from pumping systems is $9,000 or less and whose gross revenue from pumping systems during the year ending May 11, 1994, was at least $1,000 is not subject to training requirements in rules adopted under subdivision 1, except for any training required for initial licensure.

(i) ~~Until December 31, 2010,~~ No other professional license is required to~~:~~

~~(1)~~ design, install, maintain, ~~or~~ inspect, or provide service for an individual sewage treatment system with a flow of 10,000 gallons of water per day or less using prescriptive designs and design guidances provided by the agency if the system designer, installer, maintainer, ~~or~~ inspector, or service provider is licensed under this subdivision and the local unit of government has not adopted additional requirements~~; and~~

~~(2) operate an individual sewage treatment system with a flow of 10,000 gallons of water per day or less if the system operator is licensed as a system designer, installer, maintainer, or inspector under this subdivision and the local unit of government has not adopted additional requirements~~.

Sec. 32. Minnesota Statutes 2006, section 115A.03, subdivision 21, is amended to read:

Subd. 21. **Mixed municipal solid waste.** (a) "Mixed municipal solid waste" means garbage, refuse, and other solid waste from residential, commercial, industrial, and community activities that the generator of the waste aggregates for collection, except as provided in paragraph (b).

(b) Mixed municipal solid waste does not include auto hulks, street sweepings, ash, construction debris, mining waste, sludges, tree and agricultural wastes, tires, lead acid batteries, motor and vehicle fluids and filters, and other materials collected, processed, and disposed of as separate waste streams~~, but does include source-separated compostable materials~~.

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

Sec. 33. Minnesota Statutes 2006, section 115A.03, subdivision 32a, is amended to read:

Subd. 32a. **Source-separated compostable materials.** "Source-separated compostable materials" means ~~mixed municipal solid waste~~ materials that:

(1) ~~is~~ are separated at the source by waste generators for the purpose of preparing ~~it~~ them for use as compost;

(2) ~~is~~ are collected separately from ~~other~~ mixed municipal solid ~~wastes~~ waste, and are governed by the licensing provisions of section 115A.93;

(3) ~~is~~ are comprised of food wastes, fish and animal waste, plant materials, diapers, sanitary products, and paper that is not recyclable because the commissioner has determined that no other person is willing to accept the paper for recycling; ~~and~~

(4) ~~is~~ are delivered to a facility to undergo controlled microbial degradation to yield a humus-like product meeting the agency's class I or class II, or equivalent, compost standards and where process residues do not exceed 15 percent by weight of the total material delivered to the facility; and

(5) may be delivered to a transfer station, mixed municipal solid waste processing facility, or recycling facility only for the purposes of composting or transfer to a composting facility, unless the commissioner determines that no other person is willing to accept the materials.

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

Sec. 34. Minnesota Statutes 2006, section 116.07, subdivision 4a, is amended to read:

Subd. 4a. **Permits.** (a) The Pollution Control Agency may issue, continue in effect or deny permits, under such conditions as it may prescribe for the prevention of pollution, for the emission of air contaminants, or for the installation or operation of any emission facility, air contaminant treatment facility, treatment facility, potential air contaminant storage facility, or storage facility, or any part thereof, or for the sources or emissions of noise pollution.

The Pollution Control Agency may also issue, continue in effect or deny permits, under such conditions as it may prescribe for the prevention of pollution, for the storage, collection, transportation, processing, or disposal of waste, or for the installation or operation of any system or facility, or any part thereof, related to the storage, collection, transportation, processing, or disposal of waste.

The agency may not issue a permit to a facility without analyzing and considering the cumulative levels and effects of past and current environmental pollution from all sources on the environment and residents of the geographic area within which the facility's emissions are likely to be deposited, provided that the facility is located in a community in a city of the first class in Hennepin County that meets all of the following conditions:

(1) is within a half mile of a site designated by the federal government as an EPA superfund site due to residential arsenic contamination;

(2) a majority of the population are low-income persons of color and American Indians;

(3) a disproportionate percent of the children have childhood lead poisoning, asthma, or other environmentally related health problems;

(4) is located in a city that has experienced numerous air quality alert days of dangerous air quality for sensitive populations between February 2007 and February 2008; and

(5) is located near the junctions of several heavily trafficked state and county highways and two one-way streets which carry both truck and auto traffic.

The Pollution Control Agency may revoke or modify any permit issued under this subdivision and section 116.081 whenever it is necessary, in the opinion of the agency, to prevent or abate pollution.

(b) The Pollution Control Agency has the authority for approval over the siting, expansion, or operation of a solid waste facility with regard to environmental issues. However, the agency's issuance of a permit does not release the permittee from any liability, penalty, or duty imposed by any applicable county ordinances. Nothing in this chapter precludes, or shall be construed to preclude, a county from enforcing land use controls, regulations, and ordinances existing at the time of the permit application and adopted pursuant to sections 366.10 to 366.181, 394.21 to 394.37, or 462.351 to 462.365, with regard to the siting, expansion, or operation of a solid waste facility.

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

Sec. 35. **[116.482] PETROLEUM RELEASE NOTIFICATION.**

(a) When a potential receptor survey is conducted for a petroleum tank release as provided in agency guidance documents, the tank owner must provide information on the results of the survey, reports of all releases, and any corrective actions, as defined in section 115C.02, that are related to the petroleum tank release in an understandable manner to residents contacted in the survey. The information may be provided through personal contact, mail, or e-mail.

(b) An owner may delegate the owner's responsibility under paragraph (a) to the owner's consultant or contractor, as those terms are defined in section 115C.02, or to the operator of the tank.

Sec. 36. Minnesota Statutes 2006, section 127A.30, is amended to read:

127A.30 PERMANENT SCHOOL FUND ADVISORY COMMITTEE.

Subdivision 1. **Membership.** A state Permanent School Fund Advisory Committee is established to advise the Department of Natural Resources on the management of permanent school fund land, which is held in trust for the school districts of the state. The advisory committee must consist of the following persons or their designees: the chairs of the education committees of the legislature, the chairs of the legislative committees with jurisdiction over the K-12 education budget, the chairs of the legislative committees with jurisdiction over the environment and natural resources policy and budget, the ~~chairs~~ chair of the senate Committee on Finance and the chair of the house Committee on Ways and Means, the commissioner of education, one superintendent from a nonmetropolitan district, ~~and~~ one superintendent from a metropolitan area district, one person with an expertise in forestry, one person with an expertise in minerals and mining, one person with an expertise in real estate development, one person with an expertise in renewable energy, one person with an expertise in finance and land management, and one person with an expertise in natural resource conservation. The school district superintendents shall be appointed by the commissioner of education. The committee members with areas of expertise in forestry, minerals and mining, real estate development, renewable energy, finance and land management, and natural resource conservation shall be

appointed by the commissioner of natural resources. Members of the legislature shall be given the opportunity to recommend candidates for vacancies on the committee to the commissioners of education and natural resources. The advisory committee must also include a nonvoting member appointed by the commissioner of natural resources. The commissioner of natural resources shall provide administrative support to the committee. The members of the committee shall serve without compensation. The members of the Permanent School Fund Advisory Committee shall elect their chairperson and are bound by the provisions of sections 43A.38 and 116P.09, subdivision 6.

Subd. 2. **Duties.** The advisory committee shall review the policies of the Department of Natural Resources and current statutes on management of school trust fund lands at least ~~semiannually~~ annually and shall recommend necessary changes in statutes, policy, and implementation in order to ensure provident utilization of the permanent school fund lands. By January 15 of each year, the advisory committee shall submit a report to the legislature with recommendations for the management of school trust lands to secure long-term economic return for the permanent school fund, consistent with sections 92.121 and 127A.31. The committee's annual report may include recommendations to:

(1) manage the school trust lands efficiently;

(2) reduce the management expenditures of school trust lands and maximize the revenues deposited in the permanent school trust fund;

(3) manage the sale, exchange, and commercial leasing of school trust lands to maximize the revenues deposited in the permanent school trust fund and retain the value from the long-term appreciation of the school trust lands; and

(4) manage the school trust lands to maximize the long-term economic return for the permanent school trust fund while maintaining sound natural resource conservation and management principles.

Subd. 3. **Duration.** Notwithstanding section 15.059, subdivision 5, the advisory committee is permanent and does not expire.

Sec. 37. Minnesota Statutes 2006, section 299K.08, is amended by adding a subdivision to read:

Subd. 3a. **Use of alternative threshold and certifications; restrictions.** (a) For Minnesota facilities required to report under subdivision 3, the alternative threshold quantities outlined in Code of Federal Regulations, title 40, section 372.27, paragraphs (a)(1) and (a)(2)(ii), or a successor regulation, shall be changed back to the threshold levels prior to implementation of the toxic release inventory burden reduction rule of December 18, 2006.

(b) The use of Environmental Protection Agency certification form 9530-2, (Form A), or any equivalent successor to the form, shall not be used by facilities:

(1) if the total annual reportable amount is 500 pounds or more for nonpersistent bioaccumulative and toxic chemicals; or

(2) with respect to any chemical identified by the Environmental Protection Agency administrator as a chemical of special concern under Code of Federal Regulations, title 40, section 372.28, or a successor regulation.

(c) Facilities affected by paragraph (b) must use Environmental Protection Agency form 9350-1 (Form R), or any equivalent successor to the form.

EFFECTIVE DATE. This section is effective retroactively from January 1, 2007, and applies to reports due in 2007 for calendar year 2006 to ensure that no data gaps exist from previous toxic chemical inventory data.

Sec. 38. **EASEMENT ON TAX-FORFEITED LAND; ITASCA COUNTY.**

Notwithstanding Minnesota Statutes, section 282.04, or other law to the contrary, Itasca County may grant a 40-year easement of tax-forfeited land to the Itasca County Regional Rail Authority for a rail line right-of-way. The easement may be canceled only by resolution of the county board after reasonable notice for any substantial breach of the terms of the easement. The land subject to the easement may not be sold or otherwise conveyed by the county board during the period of the easement.

Sec. 39. **APPROPRIATION; ZOOS.**

(a) $33,000 is appropriated in fiscal year 2009 to the commissioner of natural resources from the general fund for a grant to the city of Little Falls for the Pine Grove Zoo to assist the zoo in obtaining accreditation. This is a onetime appropriation.

(b) $33,000 is appropriated in fiscal year 2009 to the commissioner of natural resources from the general fund for a grant to the city of Duluth for the Lake Superior Zoo to assist the zoo in obtaining accreditation. This is a onetime appropriation.

Sec. 40. **REPEALER.**

Minnesota Statutes 2006, sections 84.961, subdivision 4; 85.013, subdivision 21b; 85.054, subdivision 3; and 97A.141, subdivision 2, and Laws 1989, chapter 335, article 1, section 21, subdivision 8, as amended by Laws 2002, chapter 323, section 19, are repealed."

Delete the title and insert:

"A bill for an act relating to natural resources; modifying permanent school fund provisions; providing for disposition of proceeds from sale of administrative sites; modifying environmental learning center provisions; modifying recreational vehicle and watercraft provisions; modifying state park, wayside, and monument provisions; modifying campfire provisions; providing for alternative recording for state forest roads; modifying citizen oversight subcommittees; establishing the Minnesota forests for the future program; providing for expedited exchanges of public lands; providing for certain wetland banking credits; providing for regulation of ballast water; modifying licensing provisions for individual sewage treatment system professionals; providing for petroleum release notification; modifying toxic chemical release reporting requirements; modifying access site acquisition authority; modifying solid waste provisions; modifying air permit provisions; providing for certain easements on tax-forfeited land; eliminating certain positions and reports; appropriating money; amending Minnesota Statutes 2006, sections 16A.06, by adding a subdivision; 84.027, by adding a subdivision; 84.0857; 84.0875; 84.788, subdivision 3; 84.82, subdivision 2, by adding a subdivision; 84.922, subdivision 2; 84.9256, subdivision 1; 85.011; 85.012, subdivisions 28, 49a; 85.013, subdivision 1; 85.053, by adding a subdivision; 85.054, by adding a subdivision; 86B.401, subdivision 2; 88.15, subdivision 2; 89.715; 94.16, subdivision 3; 97A.055, subdivision 4b; 97A.141, subdivision 1; 115A.03, subdivisions 21, 32a; 116.07, subdivision 4a; 127A.30; 299K.08, by adding a subdivision; Minnesota Statutes 2007 Supplement, sections 84.8205, subdivision 1; 115.56, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 84; 94; 103G; 115; 116; repealing Minnesota Statutes 2006, sections 84.961, subdivision 4; 85.013, subdivision 21b; 85.054, subdivision 3; 97A.141, subdivision 2; Laws 1989, chapter 335, article 1, section 21, subdivision 8, as amended."

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

Senate Conferees: DENNIS R. FREDERICKSON, ELLEN R. ANDERSON, SATVEER S. CHAUDHARY, TOM SAXHAUG AND SANDY RUMMEL.

House Conferees: RICK HANSEN, KAREN CLARK, CARLOS MARIANI, DENISE DITTRICH AND DENNIS OZMENT.

Hansen moved that the report of the Conference Committee on S. F. No. 3056 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 3056, A bill for an act relating to natural resources; modifying permanent school fund provisions; providing for disposition of proceeds from sale of administrative sites; modifying certain requirements for environmental learning centers; appropriating money; amending Minnesota Statutes 2006, sections 16A.06, by adding a subdivision; 84.027, by adding a subdivision; 84.0857; 84.0875; 94.16, subdivision 3; 127A.30.

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

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

Those who voted in the affirmative were:

Abeler	Dill	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	

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. 2492, A bill for an act relating to state government; appropriating money for environment and natural resources; providing for repayment of certain appropriations from the environment and natural resources trust fund; amending Minnesota Statutes 2006, section 116P.10.

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

Senators Anderson, Vickerman and Frederickson.

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

Wagenius 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. 2492. The motion prevailed.

Madam Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 3780.

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. 3780

A bill for an act relating to occupations and professions; allowing optometrists to dispense a legend drug at retail under certain conditions; amending Minnesota Statutes 2006, sections 145.711, by adding a subdivision; 148.574.

May 17, 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. 3780 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. 3780 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

PUBLIC HEALTH

Section 1. **[145.986] STATEWIDE HEALTH IMPROVEMENT PROGRAM.**

Subdivision 1. **Grants to local communities.** (a) Beginning July 1, 2009, the commissioner of health shall award competitive grants to community health boards established pursuant to section 145A.09 and tribal governments to convene, coordinate, and implement evidence-based strategies targeted at reducing the percentage of Minnesotans who are obese or overweight and to reduce the use of tobacco.

(b) Grantee activities shall:

(1) be based on scientific evidence;

(2) be based on community input;

(3) address behavior change at the individual, community, and systems levels;

(4) occur in community, school, worksite, and health care settings; and

(5) be focused on policy, systems, and environmental changes that support healthy behaviors.

(c) To receive a grant under this section, community health boards and tribal governments must submit proposals to the commissioner. A local match of ten percent of the total funding allocation is required. This local match may include funds donated by community partners.

(d) In order to receive a grant, community health boards and tribal governments must submit a health improvement plan to the commissioner of health for approval. The commissioner may require the plan to identify a community leadership team, community partners, and a community action plan that includes an assessment of area strengths and needs, proposed action strategies, technical assistance needs, and a staffing plan.

(e) The grant recipient must implement the health improvement plan, evaluate the effectiveness of the interventions, and modify or discontinue interventions found to be ineffective.

(f) By January 15, 2011, the commissioner of health shall recommend whether any funding should be distributed to community health boards and tribal governments based on health disparities demonstrated in the populations served.

(g) Grant recipients shall report their activities and their progress toward the outcomes established under subdivision 2 to the commissioner in a format and at a time specified by the commissioner.

(h) All grant recipients shall be held accountable for making progress toward the measurable outcomes established in subdivision 2. The commissioner shall require a corrective action plan and may reduce the funding level of grant recipients that do not make adequate progress toward the measurable outcomes.

Subd. 2. **Outcomes.** (a) The commissioner shall set measurable outcomes to meet the goals specified in subdivision 1, and annually review the progress of grant recipients in meeting the outcomes.

(b) The commissioner shall measure current public health status, using existing measures and data collection systems when available, to determine baseline data against which progress shall be monitored.

Subd. 3. **Technical assistance and oversight.** The commissioner shall provide content expertise, technical expertise, and training to grant recipients and advice on evidence-based strategies, including those based on populations and types of communities served. The commissioner shall ensure that the statewide health improvement program meets the outcomes established under subdivision 2 by conducting a comprehensive statewide evaluation and assisting grant recipients to modify or discontinue interventions found to be ineffective.

Subd. 4. **Evaluation.** Using the outcome measures established in subdivision 3, the commissioner shall conduct a biennial evaluation of the statewide health improvement program funded under this section. Grant recipients shall cooperate with the commissioner in the evaluation and provide the commissioner with the information necessary to conduct the evaluation.

Subd. 5. **Report.** The commissioner shall submit a biennial report to the legislature on the statewide health improvement program funded under this section. These reports must include information on grant recipients, activities that were conducted using grant funds, evaluation data, and outcome measures, if available. In addition, the commissioner shall provide recommendations on future areas of focus for health improvement. These reports are due by January 15 of every other year, beginning in 2010. In the report due on January 15, 2010, the commissioner shall include recommendations on a sustainable funding source for the statewide health improvement program other than the health care access fund.

Subd. 6. **Supplantation of existing funds.** Community health boards and tribal governments must use funds received under this section to develop new programs, expand current programs that work to reduce the percentage of Minnesotans who are obese or overweight or who use tobacco, or replace discontinued state or federal funds previously used to reduce the percentage of Minnesotans who are obese or overweight or who use tobacco. Funds must not be used to supplant current state or local funding to community health boards or tribal governments used to reduce the percentage of Minnesotans who are obese or overweight or to reduce tobacco use.

ARTICLE 2

HEALTH CARE HOMES

Section 1. **[256B.0751] HEALTH CARE HOMES.**

Subdivision 1. **Definitions.** (a) For purposes of sections 256B.0751 to 256B.0753, the following definitions apply.

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

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

(d) "Health plan company" has the meaning provided in section 62Q.01, subdivision 4.

(e) "Personal clinician" means a physician licensed under chapter 147, a physician assistant registered and practicing under chapter 147A, or an advanced practice nurse licensed and registered to practice under chapter 148.

(f) "State health care program" means the medical assistance, MinnesotaCare, and general assistance medical care programs.

Subd. 2. **Development and implementation of standards.** (a) By July 1, 2009, the commissioners of health and human services shall develop and implement standards of certification for health care homes for state health care programs. In developing these standards, the commissioners shall consider existing standards developed by national independent accrediting and medical home organizations. The standards developed by the commissioners must meet the following criteria:

(1) emphasize, enhance, and encourage the use of primary care, and include the use of primary care physicians, advanced practice nurses, and physician assistants as personal clinicians;

(2) focus on delivering high-quality, efficient, and effective health care services;

(3) encourage patient-centered care, including active participation by the patient and family or a legal guardian, or a health care agent as defined in chapter 145C, as appropriate in decision making and care plan development, and providing care that is appropriate to the patient's race, ethnicity, and language;

(4) provide patients with a consistent, ongoing contact with a personal clinician or team of clinical professionals to ensure continuous and appropriate care for the patient's condition;

(5) ensure that health care homes develop and maintain appropriate comprehensive care plans for their patients with complex or chronic conditions, including an assessment of health risks and chronic conditions;

(6) enable and encourage utilization of a range of qualified health care professionals, including dedicated care coordinators, in a manner that enables providers to practice to the fullest extent of their license;

(7) focus initially on patients who have or are at risk of developing chronic health conditions;

(8) incorporate measures of quality, resource use, cost of care, and patient experience;

(9) ensure the use of health information technology and systematic follow-up, including the use of patient registries; and

(10) encourage the use of scientifically based health care, patient decision-making aids that provide patients with information about treatment options and their associated benefits, risks, costs, and comparative outcomes, and other clinical decision support tools.

(b) In developing these standards, the commissioners shall consult with national and local organizations working on health care home models, physicians, relevant state agencies, health plan companies, hospitals, other providers, patients, and patient advocates. The commissioners may satisfy this requirement by continuing the provider directed care coordination advisory committee.

(c) For the purposes of developing and implementing these standards, the commissioners may use the expedited rulemaking process under section 14.389.

Subd. 3. **Requirements for clinicians certified as health care homes.** (a) A personal clinician or a primary care clinic may be certified as a health care home. If a primary care clinic is certified, all of the primary care clinic's clinicians must meet the criteria of a health care home. In order to be certified as a health care home, a clinician or clinic must meet the standards set by the commissioners in accordance with this section. Certification as a health care home is voluntary. In order to maintain their status as health care homes, clinicians or clinics must renew their certification annually.

(b) Clinicians or clinics certified as health care homes must offer their health care home services to all their patients with complex or chronic health conditions who are interested in participation.

(c) Health care homes must participate in the health care home collaborative established under subdivision 5.

Subd. 4. **Alternative models.** Nothing in this section shall preclude the continued development of existing medical or health care home projects currently operating or under development by the commissioner of human services or preclude the commissioner from establishing alternative models and payment mechanisms for persons who are enrolled in integrated Medicare and Medicaid programs under section 256B.69, subdivisions 23 and 28, are enrolled in managed care long-term care programs under section 256B.69, subdivision 6b, are dually eligible for Medicare and medical assistance, are in the waiting period for Medicare, or who have other primary coverage.

Subd. 5. **Health care home collaborative.** By July 1, 2009, the commissioners shall establish a health care home collaborative to provide an opportunity for health care homes and state agencies to exchange information related to quality improvement and best practices.

Subd. 6. **Evaluation and continued development.** (a) For continued certification under this section, health care homes must meet process, outcome, and quality standards as developed and specified by the commissioners. The commissioners shall collect data from health care homes necessary for monitoring compliance with certification standards and for evaluating the impact of health care homes on health care quality, cost, and outcomes.

(b) The commissioners may contract with a private entity to perform an evaluation of the effectiveness of health care homes. Data collected under this subdivision is classified as nonpublic data under chapter 13.

Subd. 7. **Outreach.** Beginning July 1, 2009, the commissioner shall encourage state health care program enrollees who have a complex or chronic condition to select a primary care clinic with clinicians who have been certified as health care homes.

Sec. 2. **[256B.0752] HEALTH CARE HOME REPORTING REQUIREMENTS.**

Subdivision 1. **Annual reports on implementation and administration.** The commissioners shall report annually to the legislature on the implementation and administration of the health care home model for state health care program enrollees in the fee-for-service, managed care, and county-based purchasing sectors beginning December 15, 2009, and each December 15 thereafter.

Subd. 2. **Evaluation reports.** The commissioners shall provide to the legislature comprehensive evaluations of the health care home model three years and five years after implementation. The report must include:

(1) the number of state health care program enrollees in health care homes and the number and characteristics of enrollees with complex or chronic conditions, identified by income, race, ethnicity, and language;

(2) the number and geographic distribution of health care home providers;

(3) the performance and quality of care of health care homes;

(4) measures of preventive care;

(5) health care home payment arrangements, and costs related to implementation and payment of care coordination fees;

(6) the estimated impact of health care homes on health disparities; and

(7) estimated savings from implementation of the health care home model for the fee-for-service, managed care, and county-based purchasing sectors.

Sec. 3. **[256B.0753] PAYMENT RESTRUCTURING; CARE COORDINATION PAYMENTS.**

Subdivision 1. **Development.** The commissioner of human services, in coordination with the commissioner of health, shall develop a payment system that provides per-person care coordination payments to health care homes certified under section 256B.0751 for providing care coordination services and directly managing on-site or employing care coordinators. The care coordination payments under this section are in addition to the quality incentive payments in section 256B.0754, subdivision 1. The care coordination payment system must vary the fees paid by thresholds of care complexity, with the highest fees being paid for care provided to individuals requiring the most intensive care coordination. In developing the criteria for care coordination payments, the commissioner shall consider the feasibility of including the additional time and resources needed by patients with limited English-language skills, cultural differences, or other barriers to health care. The commissioner may determine a schedule for phasing in care coordination fees such that the fees will be applied first to individuals who have, or are at risk of developing, complex or chronic health conditions. Development of the payment system must be completed by January 1, 2010.

Subd. 2. **Implementation.** The commissioner of human services shall implement care coordination payments as specified under this section by July 1, 2010, or upon federal approval, whichever is later. For enrollees served under the fee-for-service system, the care coordination payment shall be determined by the commissioner in contracts with certified health care homes. For enrollees served by managed care or county-based purchasing plans, the commissioner's contracts with these plans shall require the payment of care coordination fees to certified health care homes.

Subd. 3. **Cost neutrality.** If initial savings from implementation of health care homes are not sufficient to allow implementation of the care coordination fee in a cost-neutral manner, the commissioner may make recommendations to the legislature on reallocating costs within the health care system.

Sec. 4. **[256B.0754] PAYMENT REFORM.**

Subdivision 1. **Quality incentive payments.** By July 1, 2010, the commissioner of human services shall implement quality incentive payments as established under section 62U.02 for all enrollees in state health care programs consistent with relevant state and federal statute and rule. This section does not limit the ability of the commissioner of human services to establish by contract and monitor, as part of its quality assurance obligations for state health care programs, outcome and performance measures for nonmedical services and health issues likely to occur in low-income populations or racial or cultural groups disproportionately represented in state health care program enrollment that would likely be underrepresented when using traditional measures that are based on longer-term enrollment.

Subd. 2. **Payment reform.** By January 1, 2011, the commissioner of human services shall use the information and methods developed under section 62U.04 to establish a payment system that:

(1) rewards high-quality, low-cost providers;

(2) creates enrollee incentives to receive care from high-quality, low-cost providers; and

(3) fosters collaboration among providers to reduce cost shifting from one part of the health continuum to another.

Sec. 5. **WORKFORCE SHORTAGE STUDY.**

To address health care workforce shortages, the commissioner of health, in consultation with the health licensing boards and professional associations, shall study changes necessary in health professional licensure and regulation to ensure full utilization of advanced practice registered nurses, physician assistants, and other licensed health care professionals in the health care home and primary delivery system. The commissioner shall make recommendations to the legislature by January 15, 2009.

ARTICLE 3

INCREASING ACCESS; CONTINUITY OF CARE

Section 1. **[124D.1115] FREE AND REDUCED SCHOOL LUNCH PROGRAM DATA SHARING.**

(a) Each school participating in the federal school lunch program shall electronically send to the Department of Education the eligibility information on each child who is eligible for the free and reduced lunch program, unless the child's parent or legal guardian after being notified of the potential disclosure of this information for the limited purpose stated in paragraph (b) elects not to have the information disclosed.

(b) Pursuant to United States Code, title 42, section 1758(b)(6)(A), the Department of Education shall enter into an agreement with the Department of Human Services to share the eligibility information provided by each school in paragraph (a) for the limited purpose of identifying children who may be eligible for medical assistance or MinnesotaCare. The Department of Human Services must ensure that this information remains confidential and shall only be used for this purpose. Any unauthorized disclosure shall be subject to a penalty.

Sec. 2. Minnesota Statutes 2006, section 256.01, is amended by adding a subdivision to read:

Subd. 27. **Application and renewal forms.** The commissioner shall make state health care program applications and renewals available on the department's Web site in the most common foreign languages.

Sec. 3. Minnesota Statutes 2007 Supplement, section 256.962, subdivision 5, is amended to read:

Subd. 5. **Incentive program.** Beginning January 1, 2008, the commissioner shall establish an incentive program for organizations and licensed insurance producers under chapter 60K that directly identify and assist potential enrollees in filling out and submitting an application. For each applicant who is successfully enrolled in MinnesotaCare, medical assistance, or general assistance medical care, the commissioner, within the available appropriation, shall pay the organization or licensed insurance producer a ~~$20~~ $25 application assistance bonus. The organization or licensed insurance producer may provide an applicant a gift certificate or other incentive upon enrollment.

Sec. 4. Minnesota Statutes 2007 Supplement, section 256.962, subdivision 6, is amended to read:

Subd. 6. **School districts.** (a) At the beginning of each school year, a school district shall provide information to each student on the availability of health care coverage through the Minnesota health care programs.

(b) For each child who is determined to be eligible for ~~a~~ the free ~~or~~ and reduced ~~priced~~ school lunch program, the district shall provide the child's family with ~~an application for the Minnesota health care programs and~~ information on how to obtain an application for the Minnesota health care programs and application assistance.

(c) A district shall also ensure that applications and information on application assistance are available at early childhood education sites and public schools located within the district's jurisdiction.

(d) Each district shall designate an enrollment specialist to provide application assistance and follow-up services with families ~~who are eligible for the reduced or free lunch program or~~ who have indicated an interest in receiving information or an application for the Minnesota health care program. A district is eligible for the application assistance bonus described in subdivision 5.

(e) Each school district shall provide on their Web site a link to information on how to obtain an application and application assistance.

Sec. 5. Minnesota Statutes 2007 Supplement, section 256B.057, subdivision 2c, as amended by Laws 2008, chapter 286, article 1, section 5, is amended to read:

Subd. 2c. **~~Extended coverage for~~ Seamless coverage for MinnesotaCare eligible children.** A child receiving medical assistance under subdivision 2, who becomes ineligible due to excess income, is eligible for ~~two additional months of~~ seamless coverage between medical assistance and MinnesotaCare. The child shall remain eligible under this section for two additional months and is deemed automatically eligible for MinnesotaCare until renewal. MinnesotaCare coverage begins in accordance with section 256L.05, subdivision 3. Eligibility under this section is effective following any coverage available under section 256B.0635.

~~A child eligible for extended coverage under this section is deemed automatically eligible for MinnesotaCare until renewal. MinnesotaCare coverage begins in accordance with section 256L.05, subdivision 3.~~

Sec. 6. Minnesota Statutes 2007 Supplement, section 256L.04, subdivision 1, is amended to read:

Subdivision 1. **Families with children.** (a) Families with children with family income equal to or less than 275 percent of the federal poverty guidelines for the applicable family size shall be eligible for MinnesotaCare according to this section. All other provisions of sections 256L.01 to 256L.18, including the insurance-related barriers to enrollment under section 256L.07, shall apply unless otherwise specified.

(b) Parents who enroll in the MinnesotaCare program must also enroll their children, if the children are eligible. Children may be enrolled separately without enrollment by parents. However, if one parent in the household enrolls, both parents must enroll, unless other insurance is available. If one child from a family is enrolled, all children must be enrolled, unless other insurance is available. If one spouse in a household enrolls, the other spouse in the household must also enroll, unless other insurance is available. Families cannot choose to enroll only certain uninsured members.

(c) Beginning October 1, 2003, the dependent sibling definition no longer applies to the MinnesotaCare program. These persons are no longer counted in the parental household and may apply as a separate household.

(d) Beginning July 1, 2003, or upon federal approval, whichever is later, parents are not eligible for MinnesotaCare if their gross income exceeds ~~$50,000~~ $57,500.

(e) Children formerly enrolled in medical assistance and automatically deemed eligible for MinnesotaCare according to section 256B.057, subdivision 2c, are exempt from the requirements of this section until renewal.

EFFECTIVE DATE. This section is effective July 1, 2010, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 7. Minnesota Statutes 2007 Supplement, section 256L.04, subdivision 7, is amended to read:

Subd. 7. **Single adults and households with no children.** (a) The definition of eligible persons includes all individuals and households with no children who have gross family incomes that are equal to or less than 200 percent of the federal poverty guidelines.

(b) Effective July 1, 2009, the definition of eligible persons includes all individuals and households with no children who have gross family incomes that are equal to or less than ~~215~~ 250 percent of the federal poverty guidelines.

Sec. 8. Minnesota Statutes 2007 Supplement, section 256L.05, subdivision 3a, is amended to read:

Subd. 3a. **Renewal of eligibility.** (a) Beginning July 1, 2007, an enrollee's eligibility must be renewed every 12 months. The 12-month period begins in the month after the month the application is approved.

(b) Each new period of eligibility must take into account any changes in circumstances that impact eligibility and premium amount. An enrollee must provide all the information needed to redetermine eligibility by the first day of the month that ends the eligibility period. If there is no change in circumstances, the enrollee may renew eligibility at designated locations that include community clinics and health care providers' offices. The designated sites shall forward the renewal forms to the commissioner. The commissioner may establish criteria and timelines for sites to forward applications to the commissioner or county agencies. The premium for the new period of eligibility must be received as provided in section 256L.06 in order for eligibility to continue.

(c) For single adults and households with no children formerly enrolled in general assistance medical care and enrolled in MinnesotaCare according to section 256D.03, subdivision 3, the first period of eligibility begins the month the enrollee submitted the application or renewal for general assistance medical care.

(d) An enrollee who fails to submit renewal forms and related documentation necessary for verification of continued eligibility in a timely manner shall remain eligible for one additional month beyond the end of the current eligibility period before being disenrolled. The enrollee remains responsible for MinnesotaCare premiums for the additional month.

EFFECTIVE DATE. This section is effective January 1, 2009, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 9. Minnesota Statutes 2006, section 256L.06, subdivision 3, is amended to read:

Subd. 3. **Commissioner's duties and payment.** (a) Premiums are dedicated to the commissioner for MinnesotaCare.

(b) The commissioner shall develop and implement procedures to: (1) require enrollees to report changes in income; (2) adjust sliding scale premium payments, based upon both increases and decreases in enrollee income, at the time the change in income is reported; and (3) disenroll enrollees from MinnesotaCare for failure to pay required premiums. Failure to pay includes payment with a dishonored check, a returned automatic bank withdrawal, or a refused credit card or debit card payment. The commissioner may demand a guaranteed form of payment, including a cashier's check or a money order, as the only means to replace a dishonored, returned, or refused payment.

(c) Premiums are calculated on a calendar month basis and may be paid on a monthly, quarterly, or semiannual basis, with the first payment due upon notice from the commissioner of the premium amount required. The commissioner shall inform applicants and enrollees of these premium payment options. Premium payment is required before enrollment is complete and to maintain eligibility in MinnesotaCare. Premium payments received before noon are credited the same day. Premium payments received after noon are credited on the next working day.

(d) Nonpayment of the premium will result in disenrollment from the plan effective ~~for~~ the first day of the calendar month following the calendar month for which the premium was due. Persons disenrolled for nonpayment or who voluntarily terminate coverage from the program may not reenroll until four calendar months have elapsed. ~~Persons disenrolled for nonpayment who pay all past due premiums as well as current premiums due, including premiums due for the period of disenrollment, within 20 days of disenrollment, shall be reenrolled retroactively to the first day of disenrollment~~ The commissioner shall waive premiums for coverage provided under this paragraph to persons disenrolled for nonpayment who reapply under section 256L.05, subdivision 3b. Persons disenrolled for nonpayment or who voluntarily terminate coverage from the program may not reenroll for four calendar months unless the person demonstrates good cause for nonpayment. Good cause does not exist if a person chooses to pay other family expenses instead of the premium. The commissioner shall define good cause in rule.

EFFECTIVE DATE. This section is effective January 1, 2009, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 10. Minnesota Statutes 2007 Supplement, section 256L.07, subdivision 1, is amended to read:

Subdivision 1. **General requirements.** (a) Children enrolled in the original children's health plan as of September 30, 1992, children who enrolled in the MinnesotaCare program after September 30, 1992, pursuant to Laws 1992, chapter 549, article 4, section 17, and children who have family gross incomes that are equal to or less than 150 percent of the federal poverty guidelines are eligible without meeting the requirements of subdivision 2 and the four-month requirement in subdivision 3, as long as they maintain continuous coverage in the MinnesotaCare program or medical assistance. Children who apply for MinnesotaCare on or after the implementation date of the employer-subsidized health coverage program as described in Laws 1998, chapter 407, article 5, section 45, who have family gross incomes that are equal to or less than 150 percent of the federal poverty guidelines, must meet the requirements of subdivision 2 to be eligible for MinnesotaCare.

Families enrolled in MinnesotaCare under section 256L.04, subdivision 1, whose income increases above 275 percent of the federal poverty guidelines, are no longer eligible for the program and shall be disenrolled by the commissioner. Beginning January 1, 2008, individuals enrolled in MinnesotaCare under section 256L.04, subdivision 7, whose income increases above 200 percent of the federal poverty guidelines or ~~215~~ 250 percent of the federal poverty guidelines on or after July 1, 2009, are no longer eligible for the program and shall be disenrolled by the commissioner. For persons disenrolled under this subdivision, MinnesotaCare coverage terminates the last day of the calendar month following the month in which the commissioner determines that the income of a family or individual exceeds program income limits.

(b) Notwithstanding paragraph (a), children may remain enrolled in MinnesotaCare if ten percent of their gross individual or gross family income as defined in section 256L.01, subdivision 4, is less than the annual premium for a policy with a $500 deductible available through the Minnesota Comprehensive Health Association. Children who are no longer eligible for MinnesotaCare under this clause shall be given a 12-month notice period from the date that ineligibility is determined before disenrollment. The premium for children remaining eligible under this clause shall be the maximum premium determined under section 256L.15, subdivision 2, paragraph (b).

(c) Notwithstanding paragraphs (a) and (b), parents are not eligible for MinnesotaCare if gross household income exceeds ~~$50,000~~ $57,500 for the 12-month period of eligibility.

EFFECTIVE DATE. The effective date for the amendment to paragraph (a) is July 1, 2009, or upon federal approval, whichever is later. The effective date for the amendment to paragraph (c) is July 1, 2010, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 11. Minnesota Statutes 2007 Supplement, section 256L.15, subdivision 2, is amended to read:

Subd. 2. **Sliding fee scale; monthly gross individual or family income.** (a) The commissioner shall establish a sliding fee scale to determine the percentage of monthly gross individual or family income that households at different income levels must pay to obtain coverage through the MinnesotaCare program. The sliding fee scale must be based on the enrollee's monthly gross individual or family income. The sliding fee scale must contain separate tables based on enrollment of one, two, or three or more persons. Until June 30, 2009, the sliding fee scale begins with a premium of 1.5 percent of monthly gross individual or family income for individuals or families with incomes below the limits for the medical assistance program for families and children in effect on January 1, 1999, and proceeds through the following evenly spaced steps: 1.8, 2.3, 3.1, 3.8, 4.8, 5.9, 7.4, and 8.8 percent. These percentages are matched to evenly spaced income steps ranging from the medical assistance income limit for families and children in effect on January 1, 1999, to 275 percent of the federal poverty guidelines for the applicable family size, up to a family size of five. The sliding fee scale for a family of five must be used for families of more than five. The sliding fee scale and percentages are not subject to the provisions of chapter 14. If a family or individual reports increased income after enrollment, premiums shall be adjusted at the time the change in income is reported.

(b) ~~Families~~ Children in families whose gross income is above 275 percent of the federal poverty guidelines shall pay the maximum premium. The maximum premium is defined as a base charge for one, two, or three or more enrollees so that if all MinnesotaCare cases paid the maximum premium, the total revenue would equal the total cost of MinnesotaCare medical coverage and administration. In this calculation, administrative costs shall be assumed to equal ten percent of the total. The costs of medical coverage for pregnant women and children under age two and the enrollees in these groups shall be excluded from the total. The maximum premium for two enrollees shall be twice the maximum premium for one, and the maximum premium for three or more enrollees shall be three times the maximum premium for one.

(c) Beginning July 1, 2009, MinnesotaCare enrollees shall pay premiums according to the premium scale specified in paragraph (d) with the exception that children in families with income at or below 150 percent of the federal poverty guidelines shall pay a monthly premium of $4. For purposes of paragraph (d), "minimum" means a monthly premium of $4.

(d) The following premium scale is established for individuals and families with gross family incomes of 300 percent of the federal poverty guidelines or less:

Federal Poverty Guideline Range	**Percent of Average Gross Monthly Income**
0-45%	minimum
46-54%	1.1%
55-81%	1.6%
82-109%	2.2%
110-136%	2.9%
137-164%	3.6%
165-191%	4.6%
192-219%	5.6%
220-248%	6.5%
249-274%	7.2%
275-300%	8.0%

EFFECTIVE DATE. This section is effective January 1, 2009, or upon federal approval, whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

Sec. 12. **AUTOMATION AND COORDINATION FOR STATE HEALTH CARE PROGRAMS.**

(a) For purposes of this subdivision, "state health care program" means the medical assistance, MinnesotaCare, or general assistance medical care programs.

(b) By January 15, 2009, the commissioner of human services shall report to the legislature on ways to improve coordination between state health care programs and social service programs, including, but not limited to, WIC and food stamps. This report must include a review of options for the development of automated systems to identify persons served by social service programs who may be eligible for, but are not enrolled in, a state health care program. The report shall identify to the legislature statutory changes to state health care and social service programs necessary to improve coordination and automation between state health care programs and social service programs.

Sec. 13. **LONG-TERM CARE WORKER HEALTH COVERAGE STUDY.**

(a) The commissioner of human services shall study and report to the legislature by December 15, 2008, with recommendations for a rate increase to long-term care employers dedicated to the purchase of employee health insurance in the private market. The commissioner shall collect necessary actuarial data, employment data, current coverage data, and other needed information.

(b) The commissioner shall develop cost estimates for three levels of insurance coverage for long-term care workers:

(1) the coverage provided to state employees;

(2) the coverage provided to MinnesotaCare enrollees; and

(3) the benefits provided under an "average" private market insurance product, but with a deductible limited to $100 per person.

Premium cost sharing, waiting periods for eligibility, definitions of full- and part-time employment, and other parameters under the three options must be identical to those under the state employees health plan.

(c) For purposes of this section, a long-term care worker is a person employed by a nursing facility, an intermediate care facility for persons with developmental disabilities, or a service provider that:

(1) is eligible under Laws 2007, chapter 147, article 7, section 71; and

(2) provides long-term care services.

The commissioner may recommend a different definition of long-term care worker if this definition presents insurmountable implementation issues.

(d) The recommendations must include measures to:

(1) ensure equitable treatment between employers that currently have different levels of expenditure for employee health insurance costs; and

(2) enforce the requirement that the rate increase be expended for the intended purpose.

Sec. 14. **REPEALER.**

Minnesota Statutes 2006, section 256L.15, subdivision 3, is repealed.

EFFECTIVE DATE. This section is effective July 1, 2009, or upon federal approval of the amendments to Minnesota Statutes, section 256L.15, subdivision 2, paragraphs (c) and (d), whichever is later. The commissioner of human services shall notify the revisor of statutes when federal approval is obtained.

ARTICLE 4

HEALTH INSURANCE PURCHASING AND AFFORDABILITY REFORM

Section 1. Minnesota Statutes 2007 Supplement, section 43A.23, subdivision 1, is amended to read:

Subdivision 1. **General.** (a) The commissioner is authorized to request proposals or to negotiate and to enter into contracts with parties which in the judgment of the commissioner are best qualified to provide service to the benefit plans. Contracts entered into are not subject to the requirements of sections 16C.16 to 16C.19. The commissioner may negotiate premium rates and coverage. The commissioner shall consider the cost of the plans, conversion options relating to the contracts, service capabilities, character, financial position, and reputation of the carriers, and any other factors which the commissioner deems appropriate. Each benefit contract must be for a uniform term of at least one year, but may be made automatically renewable from term to term in the absence of notice of termination by either party. A carrier licensed under chapter 62A is exempt from the taxes imposed by chapter 297I on premiums paid to it by the state.

(b) All self-insured hospital and medical service products must comply with coverage mandates, data reporting, and consumer protection requirements applicable to the licensed carrier administering the product, had the product been insured, including chapters 62J, 62M, and 62Q. Any self-insured products that limit coverage to a network of providers or provide different levels of coverage between network and nonnetwork providers shall comply with section 62D.123 and geographic access standards for health maintenance organizations adopted by the commissioner of health in rule under chapter 62D.

(c) Notwithstanding paragraph (b), a self-insured hospital and medical product offered under sections 43A.22 to 43A.30 is not required to extend dependent coverage to an eligible employee's unmarried child under the age of 25 to the full extent required under chapters 62A and 62L. Dependent coverage must, at a minimum, extend to an eligible employee's unmarried child who is under the age of 19 or an unmarried child under the age of 25 who is a full-time student. The definition of "full-time student" for purposes of this paragraph includes any student who by reason of illness, injury, or physical or mental disability as documented by a physician is unable to carry what the educational institution considers a full-time course load so long as the student's course load is at least 60 percent of what otherwise is considered by the institution to be a full-time course load. Any notice regarding termination of coverage due to attainment of the limiting age must include information about this definition of "full-time student."

(d) Beginning January 1, 2010, the health insurance benefit plans offered in the commissioner's plan under section 43A.18, subdivision 2, and the managerial plan under section 43A.18, subdivision 3, must include an option for a health plan that is compatible with the definition of a high-deductible health plan in section 223 of the United States Internal Revenue Code.

Sec. 2. Minnesota Statutes 2007 Supplement, section 62J.495, is amended by adding a subdivision to read:

Subd. 3. **Interoperable electronic health record requirements.** (a) To meet the requirements of subdivision 1, hospitals and health care providers must meet the following criteria when implementing an interoperable electronic health records system within their hospital system or clinical practice setting.

(b) The electronic health record must be certified by the Certification Commission for Healthcare Information Technology, or its successor. This criterion only applies to hospitals and health care providers whose practice setting is a practice setting covered by Certification Commission for Healthcare Information Technology certifications. This criterion shall be considered met if a hospital or health care provider is using an electronic health records system that has been certified within the last three years, even if a more current version of the system has been certified within the three-year period.

(c) A health care provider who is a prescriber or dispenser of controlled substances must have an electronic health record system that meets the requirements of section 62J.497.

Sec. 3. **[62J.497] ELECTRONIC PRESCRIPTION DRUG PROGRAM.**

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

(a) "Dispense" or "dispensing" has the meaning given in section 151.01, subdivision 30. Dispensing does not include the direct administering of a controlled substance to a patient by a licensed health care professional.

(b) "Dispenser" means a person authorized by law to dispense a controlled substance, pursuant to a valid prescription.

(c) "Electronic media" has the meaning given under Code of Federal Regulations, title 45, part 160.103.

(d) "E-prescribing" means the transmission using electronic media of prescription or prescription-related information between a prescriber, dispenser, pharmacy benefit manager, or group purchaser, either directly or through an intermediary, including an e-prescribing network. E-prescribing includes, but is not limited to, two-way transmissions between the point of care and the dispenser.

(e) "Electronic prescription drug program" means a program that provides for e-prescribing.

(f) "Group purchaser" has the meaning given in section 62J.03, subdivision 6.

(g) "HL7 messages" means a standard approved by the standards development organization known as Health Level Seven.

(h) "National Provider Identifier" or "NPI" means the identifier described under Code of Federal Regulations, title 45, part 162.406.

(i) "NCPDP" means the National Council for Prescription Drug Programs, Inc.

(j) "NCPDP Formulary and Benefits Standard" means the National Council for Prescription Drug Programs Formulary and Benefits Standard, Implementation Guide, Version 1, Release 0, October 2005.

(k) "NCPDP SCRIPT Standard" means the National Council for Prescription Drug Programs Prescriber/Pharmacist Interface SCRIPT Standard, Implementation Guide Version 8, Release 1 (Version 8.1), October 2005.

(l) "Pharmacy" has the meaning given in section 151.01, subdivision 2.

(m) "Prescriber" means a licensed health care professional who is authorized to prescribe a controlled substance under section 152.12, subdivision 1.

(n) "Prescription-related information" means information regarding eligibility for drug benefits, medication history, or related health or drug information.

(o) "Provider" or "health care provider" has the meaning given in section 62J.03, subdivision 8.

Subd. 2. **Requirements for electronic prescribing.** (a) Effective January 1, 2011, all providers, group purchasers, prescribers, and dispensers must establish and maintain an electronic prescription drug program that complies with the applicable standards in this section for transmitting, directly or through an intermediary, prescriptions and prescription-related information using electronic media.

(b) Nothing in this section requires providers, group purchasers, prescribers, or dispensers to conduct the transactions described in this section. If transactions described in this section are conducted, they must be done electronically using the standards described in this section. Nothing in this section requires providers, group purchasers, prescribers, or dispensers to electronically conduct transactions that are expressly prohibited by other sections or federal law.

(c) Providers, group purchasers, prescribers, and dispensers must use either HL7 messages or the NCPDP SCRIPT Standard to transmit prescriptions or prescription-related information internally when the sender and the recipient are part of the same legal entity. If an entity sends prescriptions outside the entity, it must use the NCPDP SCRIPT Standard or other applicable standards required by this section. Any pharmacy within an entity must be able to receive electronic prescription transmittals from outside the entity using the adopted NCPDP SCRIPT Standard. This exemption does not supersede any Health Insurance Portability and Accountability Act (HIPAA) requirement that may require the use of a HIPAA transaction standard within an organization.

(d) Entities transmitting prescriptions or prescription-related information where the prescriber is required by law to issue a prescription for a patient to a nonprescribing provider that in turn forwards the prescription to a dispenser are exempt from the requirement to use the NCPDP SCRIPT Standard when transmitting prescriptions or prescription-related information.

Subd. 3. **Standards for electronic prescribing.** (a) Prescribers and dispensers must use the NCPDP SCRIPT Standard for the communication of a prescription or prescription-related information. The NCPDP SCRIPT Standard shall be used to conduct the following transactions:

(1) get message transaction;

(2) status response transaction;

(3) error response transaction;

(4) new prescription transaction;

(5) prescription change request transaction;

(6) prescription change response transaction;

(7) refill prescription request transaction;

(8) refill prescription response transaction;

(9) verification transaction;

(10) password change transaction;

(11) cancel prescription request transaction; and

(12) cancel prescription response transaction.

(b) Providers, group purchasers, prescribers, and dispensers must use the NCPDP SCRIPT Standard for communicating and transmitting medication history information.

(c) Providers, group purchasers, prescribers, and dispensers must use the NCPDP Formulary and Benefits Standard for communicating and transmitting formulary and benefit information.

(d) Providers, group purchasers, prescribers, and dispensers must use the national provider identifier to identify a health care provider in e-prescribing or prescription-related transactions when a health care provider's identifier is required.

(e) Providers, group purchasers, prescribers, and dispensers must communicate eligibility information and conduct health care eligibility benefit inquiry and response transactions according to the requirements of section 62J.536.

Sec. 4. **[62U.01] DEFINITIONS.**

Subdivision 1. **Applicability.** For purposes of this chapter, the terms defined in this section have the meanings given, unless otherwise specified.

Subd. 2. **Basket or baskets of care.** "Basket" or "baskets of care" means a collection of health care services that are paid separately under a fee-for-service system, but which are ordinarily combined by a provider in delivering a full diagnostic or treatment procedure to a patient.

Subd. 3. **Clinically effective.** "Clinically effective" means that the use of a particular health technology or service improves or prevents a decline in patient clinical status, as measured by medical condition, survival rates, and other variables, and that the use of the particular technology or service demonstrates a clinical or outcome advantage over alternative technologies or services. This definition shall not be used to exclude or deny technology or treatment necessary to preserve life on the basis of an individual's age or expected length of life or of the individual's present or predicted disability, degree of medical dependency, or quality of life.

Subd. 4. **Commissioner.** "Commissioner" means the commissioner of health unless otherwise specified.

Subd. 5. **Cost-effective.** "Cost-effective" means that the economic costs of using a particular service, device, or health technology to achieve improvement or prevent a decline in a patient's health outcome are justified given the comparison to both the economic costs and the improvement or prevention of decline in patient health outcome resulting from the use of an alternative service, device, or technology, or from not providing the service, device, or technology. This definition shall not be used to exclude or deny technology or treatment necessary to preserve life on the basis of an individual's age or expected length of life or of the individual's present or predicted disability, degree of medical dependency, or quality of life.

Subd. 6. **Group purchaser.** "Group purchaser" has the meaning provided in section 62J.03.

Subd. 7. **Health plan.** "Health plan" means a health plan as defined in section 62A.011.

Subd. 8. **Health plan company.** "Health plan company" has the meaning provided in section 62Q.01, subdivision 4.

Subd. 9. **Participating provider.** "Participating provider" means a provider who has entered into a service agreement with a health plan company.

Subd. 10. **Provider or health care provider.** "Provider" or "health care provider" means a health care provider as defined in section 62J.03, subdivision 8.

Subd. 11. **Service agreement.** "Service agreement" means an agreement, contract, or other arrangement between a health plan company and a provider under which the provider agrees that when health services are provided for an enrollee, the provider shall not make a direct charge against the enrollee for those services or parts of services that are covered by the enrollee's contract, but shall look to the health plan company for the payment for covered services, to the extent they are covered.

Subd. 12. **State health care program.** "State health care program" means the medical assistance, MinnesotaCare, and general assistance medical care programs.

Subd. 13. **Third-party administrator.** "Third-party administrator" means a vendor of risk-management services or an entity administering a self-insurance or health insurance plan under section 60A.23.

Sec. 5. **[62U.02] PAYMENT RESTRUCTURING; INCENTIVE PAYMENTS BASED ON QUALITY OF CARE.**

Subdivision 1. **Development.** (a) The commissioner of health shall develop a standardized set of measures by which to assess the quality of health care services offered by health care providers, including health care providers certified as health care homes under section 256B.0751. Quality measures must be based on medical evidence and be developed through a process in which providers participate. The measures shall be used for the quality incentive payment system developed in subdivision 2 and must:

(1) include uniform definitions, measures, and forms for submission of data, to the greatest extent possible;

(2) seek to avoid increasing the administrative burden on health care providers;

(3) be initially based on existing quality indicators for physician and hospital services, which are measured and reported publicly by quality measurement organizations, including, but not limited to, Minnesota Community Measurement and specialty societies;

(4) place a priority on measures of health care outcomes, rather than process measures, wherever possible; and

(5) incorporate measures for primary care, including preventive services, coronary artery and heart disease, diabetes, asthma, depression, and other measures as determined by the commissioner.

(b) The measures shall be reviewed at least annually by the commissioner.

Subd. 2. **Quality incentive payments.** (a) By July 1, 2009, the commissioner shall develop a system of quality incentive payments under which providers are eligible for quality-based payments that are in addition to existing payment levels, based upon a comparison of provider performance against specified targets, and improvement over time. The targets must be based upon and consistent with the quality measures established under subdivision 1.

(b) To the extent possible, the payment system must adjust for variations in patient population, in order to reduce incentives to health care providers to avoid high-risk patients or populations.

(c) The requirements of section 62Q.101 do not apply under this incentive payment system.

Subd. 3. **Quality transparency.** The commissioner shall establish standards for measuring health outcomes, establish a system for risk adjusting quality measures, and issue annual public reports on provider quality beginning July 1, 2010. By January 1, 2010, physician clinics and hospitals shall submit standardized electronic information on the outcomes and processes associated with patient care to the commissioner or the commissioner's designee. In addition to measures of care processes and outcomes, the report may include other measures designated by the commissioner, including, but not limited to, care infrastructure and patient satisfaction. The commissioner shall ensure that any quality data reporting requirements established under this subdivision are not duplicative of publicly reported, communitywide quality reporting activities currently under way in Minnesota. Nothing in this subdivision is intended to replace or duplicate current privately supported activities related to quality measurement and reporting in Minnesota.

Subd. 4. **Contracting.** The commissioner may contract with a private entity or consortium of private entities to complete the tasks in subdivisions 1 to 3. The private entity or consortium must be nonprofit and have governance that includes representatives from the following stakeholder groups: health care providers, health plan companies, consumers, employers or other health care purchasers, and state government. No one stakeholder group shall have a majority of the votes on any issue or hold extraordinary powers not granted to any other governance stakeholder.

Subd. 5. **Implementation.** (a) By January 1, 2010, health plan companies shall use the standardized quality measures established under this section and shall not require providers to use and report health plan company-specific quality and outcome measures.

(b) By July 1, 2010, the commissioner of finance shall implement this incentive payment system for all participants in the state employee group insurance program.

Sec. 6. **[62U.03] PAYMENT RESTRUCTURING; CARE COORDINATION PAYMENTS.**

(a) By January 1, 2010, health plan companies shall include health care homes in their provider networks and by July 1, 2010, shall pay a care coordination fee for their members who choose to enroll in health care homes certified by the commissioners of health and human services under section 256B.0751. Health plan companies shall develop payment conditions and terms for the care coordination fee for health care homes participating in their network in a manner that is consistent with the system developed under section 256B.0753. Nothing in this section shall restrict the ability of health plan companies to selectively contract with health care providers, including health care homes. Health plan companies may reduce or reallocate payments to other providers to ensure that implementation of care coordination payments is cost neutral.

(b) By July 1, 2010, the commissioner of finance shall implement the care coordination payments for participants in the state employee group insurance program. The commissioner of finance may reallocate payments within the health care system in order to ensure that the implementation of this section is cost neutral.

Sec. 7. **[62U.04] PAYMENT REFORM TO REDUCE HEALTH CARE COSTS AND IMPROVE QUALITY.**

Subdivision 1. **Development of tools to improve costs and quality outcomes.** The commissioner of health shall develop a plan to create transparent prices, encourage greater provider innovation and collaboration across points on the health continuum in cost-effective, high-quality care delivery, reduce the administrative burden on providers and health plans associated with submitting and processing claims, and provide comparative information to consumers on variation in health care cost and quality across providers. The development must be complete by January 1, 2010.

Subd. 2. **Calculation of health care costs and quality.** The commissioner of health shall develop a uniform method of calculating providers' relative cost of care, defined as a measure of health care spending including resource use and unit prices, and relative quality of care. In developing this method, the commissioner must address the following issues:

(1) provider attribution of costs and quality;

(2) appropriate adjustment for outlier or catastrophic cases;

(3) appropriate risk adjustment to reflect differences in the demographics and health status across provider patient populations, using generally accepted and transparent risk adjustment methodologies;

(4) specific types of providers that should be included in the calculation;

(5) specific types of services that should be included in the calculation;

(6) appropriate adjustment for variation in payment rates;

(7) the appropriate provider level for analysis;

(8) payer mix adjustments, including variation across providers in the percentage of revenue received from government programs; and

(9) other factors that the commissioner determines are needed to ensure validity and comparability of the analysis.

Subd. 3. **Provider peer grouping.** (a) The commissioner shall develop a peer grouping system for providers based on a combined measure that incorporates both provider risk-adjusted cost of care and quality of care, and for specific conditions as determined by the commissioner. In developing this system, the commissioner shall consult and coordinate with health care providers, health plan companies, state agencies, and organizations that work to improve health care quality in Minnesota. For purposes of the final establishment of the peer grouping system, the commissioner shall not contract with any private entity, organization, or consortium of entities that has or will have a direct financial interest in the outcome of the system.

(b) Beginning June 1, 2010, the commissioner shall disseminate information to providers on their cost of care, resource use, quality of care, and the results of the grouping developed under this subdivision in comparison to an appropriate peer group. Any analyses or reports that identify providers may only be published after the provider has been provided the opportunity by the commissioner to review the underlying data and submit comments. The provider shall have 21 days to review the data for accuracy.

(c) The commissioner shall establish an appeals process to resolve disputes from providers regarding the accuracy of the data used to develop analyses or reports.

(d) Beginning September 1, 2010, the commissioner shall, no less than annually, publish information on providers' cost, quality, and the results of the peer grouping process. The results that are published must be on a risk-adjusted basis.

Subd. 4. **Encounter data.** (a) Beginning July 1, 2009, and every six months thereafter, all health plan companies and third-party administrators shall submit encounter data to a private entity designated by the commissioner of health. The data shall be submitted in a form and manner specified by the commissioner subject to the following requirements:

(1) the data must be de-identified data as described under the Code of Federal Regulations, title 45, section 164.514;

(2) the data for each encounter must include an identifier for the patient's health care home if the patient has selected a health care home; and

(3) except for the identifier described in clause (2), the data must not include information that is not included in a health care claim or equivalent encounter information transaction that is required under section 62J.536.

(b) The commissioner or the commissioner's designee shall only use the data submitted under paragraph (a) for the purpose of carrying out its responsibilities in this section, and must maintain the data that it receives according to the provisions of this section.

(c) Data on providers collected under this subdivision are private data on individuals or nonpublic data, as defined in section 13.02. Notwithstanding the definition of summary data in section 13.02, subdivision 19, summary data prepared under this subdivision may be derived from nonpublic data. The commissioner or the commissioner's designee shall establish procedures and safeguards to protect the integrity and confidentiality of any data that it maintains.

(d) The commissioner or the commissioner's designee shall not publish analyses or reports that identify, or could potentially identify, individual patients.

Subd. 5. **Pricing data.** (a) Beginning July 1, 2009, and annually on January 1 thereafter, all health plan companies and third-party administrators shall submit data on their contracted prices with health care providers to a private entity designated by the commissioner of health for the purposes of performing the analyses required under this subdivision. The data shall be submitted in the form and manner specified by the commissioner of health.

(b) The commissioner or the commissioner's designee shall only use the data submitted under this subdivision for the purpose of carrying out its responsibilities under this section.

(c) Data collected under this subdivision are nonpublic data as defined in section 13.02. Notwithstanding the definition of summary data in section 13.02, subdivision 19, summary data prepared under this section may be derived from nonpublic data. The commissioner shall establish procedures and safeguards to protect the integrity and confidentiality of any data that it maintains.

Subd. 6. **Contracting.** The commissioner may contract with a private entity or consortium of entities to develop the standards. The private entity or consortium must be nonprofit and have governance that includes representatives from the following stakeholder groups: health care providers, health plan companies, hospitals, consumers, employers or other health care purchasers, and state government. The entity or consortium must ensure that the representatives of stakeholder groups in the aggregate reflect all geographic areas of the state. No one stakeholder group shall have a majority of the votes on any issue or hold extraordinary powers not granted to any other governance stakeholder.

Subd. 7. **Consumer engagement.** The commissioner of health shall convene a work group to develop strategies for engaging consumers in understanding the importance of health care cost and quality, specifically as it relates to health care outcomes, consumer out-of-pocket costs, and variations in health care cost and quality across providers. The work group shall develop strategies to assist consumers in becoming advocates for higher value health care and a more efficient, effective health care system. The work group shall make recommendations to the commissioner and the legislature by January 1, 2010, and shall identify specific action steps needed to achieve the recommendations.

Subd. 8. **Provider innovation to reduce health care costs and improve quality.** (a) Nothing in this section shall prohibit group purchasers and health care providers, upon mutual agreement, from entering into arrangements that establish package prices for a comprehensive set of services or separately for the cost of care for specific health conditions in addition to the baskets of care established in section 62U.05, in order to give providers the flexibility to innovate on ways to reduce health care costs while improving overall quality of care and health outcomes.

(b) The commissioner of health may convene working groups of private sector payers and health care providers to discuss and develop new strategies for reforming health care payment systems to promote innovative care delivery that reduces health care costs and improves quality.

Subd. 9. **Uses of information.** (a) By January 1, 2011:

(1) the commissioner of finance shall use the information and methods developed under subdivision 3 to strengthen incentives for members of the state employee group insurance program to use high-quality, low-cost providers;

(2) all political subdivisions, as defined in section 13.02, subdivision 11, that offer health benefits to their employees must offer plans that differentiate providers on their cost and quality performance and create incentives for members to use better-performing providers;

(3) all health plan companies shall use the information and methods developed under subdivision 3 to develop products that encourage consumers to use high-quality, low-cost providers; and

(4) health plan companies that issue health plans in the individual market or the small employer market must offer at least one health plan that uses the information developed under subdivision 3 to establish financial incentives for consumers to choose higher-quality, lower-cost providers through enrollee cost-sharing or selective provider networks.

(b) By January 1, 2011, the commissioner of health shall report to the governor and the legislature on recommendations to encourage health plan companies to promote widespread adoption of products that encourage the use of high-quality, low-cost providers. The commissioner's recommendations may include tax incentives, public reporting of health plan performance, regulatory incentives or changes, and other strategies.

Sec. 8. **[62U.05] PROVIDER PRICING FOR BASKETS OF CARE.**

Subdivision 1. **Establishment of definitions.** (a) By July 1, 2009, the commissioner of health shall establish uniform definitions for baskets of care beginning with a minimum of seven baskets of care. In selecting health conditions for which baskets of care should be defined, the commissioner shall consider coronary artery and heart disease, diabetes, asthma, and depression. In selecting health conditions, the commissioner shall also consider the prevalence of the health conditions, the cost of treating the health conditions, and the potential for innovations to reduce cost and improve quality.

(b) The commissioner shall convene one or more work groups to assist in establishing these definitions. Each work group shall include members appointed by statewide associations representing relevant health care providers and health plan companies, and organizations that work to improve health care quality in Minnesota.

(c) To the extent possible, the baskets of care must incorporate a patient-directed, decision-making support model.

Subd. 2. **Package prices.** (a) Beginning January 1, 2010, health care providers may establish package prices for the baskets of care defined under subdivision 1.

(b) Beginning January 1, 2010, no health care provider or group of providers that has established a package price for a basket of care under this section shall vary the payment amount that the provider accepts as full payment for a health care service based upon the identity of the payer, upon a contractual relationship with a payer, upon the identity of the patient, or upon whether the patient has coverage through a group purchaser. This paragraph applies only to health care services provided to Minnesota residents or to non-Minnesota residents who obtain health insurance through a Minnesota employer. This paragraph does not apply to services paid for by Medicare, state public health care programs through fee-for-service or prepaid arrangements, workers' compensation, or no-fault automobile insurance. This paragraph does not affect the right of a provider to provide charity care or care for a reduced price due to financial hardship of the patient or due to the patient being a relative or friend of the provider.

Subd. 3. **Quality measurements for baskets of care.** (a) The commissioner shall establish quality measurements for the defined baskets of care by December 31, 2009. The commissioner may contract with an organization that works to improve health care quality to make recommendations about the use of existing measures or establishing new measures where no measures currently exist.

(b) Beginning July 1, 2010, the commissioner or the commissioner's designee shall publish comparative price and quality information on the baskets of care in a manner that is easily accessible and understandable to the public, as this information becomes available.

Sec. 9. **[62U.06] COORDINATION; LEGISLATIVE OVERSIGHT ON PAYMENT RESTRUCTURING.**

Subdivision 1. **Coordination.** In carrying out the responsibilities of this chapter, the commissioner of health shall ensure that the activities and data collection are implemented in an integrated and coordinated manner that avoids unnecessary duplication of effort. To the extent possible, the commissioner shall use existing data sources and implement methods to streamline data collection in order to reduce public and private sector administrative costs.

Subd. 2. **Legislative oversight.** Beginning January 15, 2009, the commissioner of health shall submit to the Legislative Commission on Health Care Access periodic progress reports on the implementation of this chapter and sections 256B.0751 to 256B.0754.

Subd. 3. **Rulemaking.** For purposes of this chapter, the commissioner may use the expedited rulemaking process under section 14.389.

Sec. 10. **[62U.07] SECTION 125 PLANS.**

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

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

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

(c) "Section 125 Plan" means a cafeteria or premium-only plan under section 125 of the Internal Revenue Code that allows employees to pay for health coverage premiums with pretax dollars.

(d) "Small employer" means an employer with two to 50 employees.

Subd. 2. **Section 125 Plan requirement.** (a) Effective July 1, 2009, all employers with 11 or more current full-time equivalent employees in this state shall establish and maintain a Section 125 Plan to allow their employees to purchase individual market or employer-based health coverage with pretax dollars. Nothing in this section requires employers to offer or purchase group health coverage for their employees. The following employers are exempt from the Section 125 Plan requirement:

(1) employers that offer a health plan as defined in section 62A.011, subdivision 3, that is group coverage;

(2) employers that provide self-insurance as defined in section 62E.02; or

(3) employers that have no employees who are eligible to participate in a Section 125 Plan.

(b) Notwithstanding paragraph (a), an employer may opt out of the requirement to establish a Section 125 Plan by sending a form to the commissioner of commerce. The commissioner of commerce shall create a check-box form for employers to opt out. The form must contain a check box indicating the employer is choosing to opt out and a check box indicating that the employer certifies they have received education and information on the advantages of Section 125 Plans. The commissioner of commerce shall make the form available through their Web site by April 1, 2009.

Subd. 3. **Employer requirements.** (a) Employers that do not offer a health plan as defined in section 62A.011, subdivision 3, that is group coverage and are required to offer or choose to offer a Section 125 Plan shall:

(1) allow employees to purchase an individual market health plan for themselves and their dependents;

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

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

(4) provide notice to employees that individual market health plans purchased by employees through payroll deduction are not employer-sponsored or administered.

(b) Employers shall be held harmless from any and all claims related to the individual market health plans purchased by employees under a Section 125 Plan.

Subd. 4. **Section 125 Plan employer incentives.** (a) The commissioner of employment and economic development shall award grants to eligible small employers that establish Section 125 Plans.

(b) In order to be eligible for a grant, a small employer must:

(1) not have offered health insurance to employees through a group health insurance plan as defined in section 62A.10 or through a self-insured plan as defined in section 62E.02 in the 12 months prior to applying for grant funding under this section;

(2) have established a Section 125 Plan within 90 days prior to applying for grant funding under this section, and must not have offered a Section 125 Plan to employees for at least a nine-month period prior to the establishment of the Section 125 Plan under this section; and

(3) certify to the commissioner that the employer has established a Section 125 Plan and meets the requirements of subdivision 3.

(c) The amount of the grant awarded to a small employer under this section shall be $350.

Sec. 11. **[62U.08] ESSENTIAL BENEFIT SET.**

Subdivision 1. **Work group created.** The commissioner of health shall convene a work group to make recommendations on the design of a health benefit set that provides coverage for a broad range of services and technologies, is based on scientific evidence that the services and technologies are clinically effective and cost-effective, and provides lower enrollee cost sharing for services and technologies that have been determined to be cost-effective. The work group shall include representatives of health care providers, health plans, state agencies, and employers. Members of the work group must have expertise in standards for evidence-based care, benefit design and development, actuarial analysis, or knowledge relating to the analysis of the cost impact of coverage of specified benefits. The work group must meet at least once per year and at other times as necessary to make recommendations to the commissioner on updating the benefit set as necessary to ensure that the benefit set continues to be safe, effective, and scientifically based.

Subd. 2. **Duties.** By October 15, 2009, the work group shall develop and submit to the commissioner an initial essential benefit set and design that includes coverage for a broad range of services, is based on scientific evidence that services are clinically effective and cost-effective, and provides lower enrollee cost sharing for services that have been determined to be cost-effective. The benefit set must include necessary evidence-based health care services, procedures, diagnostic tests, and technologies that are scientifically proven to be both clinically effective and cost-effective. In developing its recommendations, the work group may consult with the Institute for Clinical Systems Improvement (ICSI) to assemble existing scientifically based practice standards.

Subd. 3. **Report.** By January 15, 2010, the commissioner shall report the recommendations of the work group to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over health care policy and finance.

Sec. 12. **[62U.09] HEALTH CARE REFORM REVIEW COUNCIL.**

Subdivision 1. **Establishment.** The Health Care Reform Review Council is established for the purpose of periodically reviewing the progress of implementation of this chapter and sections 256B.0751 to 256B.0754.

Subd. 2. **Members.** (a) The Health Care Reform Review Council shall consist of 14 members who are appointed as follows:

(1) two members appointed by the Minnesota Medical Association, at least one of whom must represent rural physicians;

(2) one member appointed by the Minnesota Nurses Association;

(3) two members appointed by the Minnesota Hospital Association, at least one of whom must be a rural hospital administrator;

(4) one member appointed by the Minnesota Academy of Physician Assistants;

(5) one member appointed by the Minnesota Business Partnership;

(6) one member appointed by the Minnesota Chamber of Commerce;

(7) one member appointed by the SEIU Minnesota State Council;

(8) one member appointed by the AFL-CIO;

(9) one member appointed by the Minnesota Council of Health Plans;

(10) one member appointed by the Smart Buy Alliance;

(11) one member appointed by the Minnesota Medical Group Management Association; and

(12) one consumer member appointed by AARP Minnesota.

(b) If a member is no longer able or eligible to participate, a new member shall be appointed by the entity that appointed the outgoing member.

Subd. 3. **Operations of council.** (a) The commissioner of health shall convene the first meeting of the council on or before January 15, 2009, following the initial appointment of the members and the advisory council must meet at least quarterly thereafter.

(b) The council is governed by section 15.059, except that members shall not receive per diems and the council does not expire.

Sec. 13. **STUDY OF UNIFORM CLAIMS REVIEW PROCESS.**

The commissioner of health shall establish a work group including representatives of the Minnesota Hospital Association, Minnesota Medical Association, and Minnesota Council of Health Plans to make recommendations on the potential for reducing claims adjudication costs of health care providers and health plan companies by adopting more uniform payment methods, and the potential impact of establishing uniform prices that would replace current prices negotiated individually by providers with separate payers. The work group shall make its recommendations to the commissioner by January 1, 2010, and shall identify specific action steps needed to achieve the recommendations.

Sec. 14. **HEALTH CARE AFFORDABILITY PROPOSAL.**

The commissioner of health, in coordination with the commissioner of human services, shall develop a health care affordability proposal for eligible individuals and employees with access to employer-subsidized health coverage and with gross family incomes of 300 percent of the federal poverty guidelines or less. For purposes of this section, "employer-subsidized health coverage" has the meaning provided in Minnesota Statutes, section 256L.07, subdivision 2, paragraph (c). The commissioner must evaluate and report on direct payments to individuals, tax credits, including refundable tax credits, tax deductions and a combination of direct payments, tax credits, and tax deductions as mechanisms for providing affordable health coverage to individuals and families. The proposal must be designed so that qualified individuals and families have access to affordable coverage. For purposes of this section, coverage is "affordable" if the sum of premiums, deductibles, and other out-of-pocket costs paid by an individual or family for health coverage does not exceed the applicable percentage of the individual's or family's gross monthly income set forth in Minnesota Statutes, section 256L.15, subdivision 2, paragraph (d). The commissioner shall submit a report and recommendations to the legislature by January 15, 2009.

ARTICLE 5

APPROPRIATIONS

Section 1. **SUMMARY OF APPROPRIATIONS.**

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

	2009	**Total**
General Fund	$(3,254,000)	$(3,254,000)
Health Care Access Fund	14,526,000	14,526,000
Total	**$11,272,000**	**$11,272,000**

Sec. 2. **HEALTH AND HUMAN SERVICES APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2007, chapter 147, article 19, or other law to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal year indicated for each purpose. The figure "2009" used in this article means that the addition to or subtraction from the appropriation listed under it is available for the fiscal year ending June 30, 2009.

	APPROPRIATIONS Available for the Year Ending June 30
	2009

Sec. 3. **HUMAN SERVICES**

Subdivision 1. **Total Appropriation** **$3,063,000**

Appropriations by Fund

	2009
General	(2,430,000)
Health Care Access	5,493,000

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

Subd. 2. **Children and Economic Assistance Operations**

Health Care Access	6,000

This is a onetime appropriation.

Subd. 3. **Basic Health Care Grants**

The amounts that may be spent from the appropriation for each purpose are as follows:

APPROPRIATIONS
Available for the Year
Ending June 30
2009

(a) **MinnesotaCare Grants**

Health Care Access 3,657,000

Seamless Coverage for MinnesotaCare Eligible Children. In the fiscal year beginning July 1, 2008, the seamless coverage for MinnesotaCare eligible children under Minnesota Statutes, section 256B.057, subdivision 2c, shall be paid for out of the health care access fund. Notwithstanding any contrary provision in this article, this paragraph shall not expire.

(b) **MA Basic Health Care Grants Families and Children**

General Fund (3,657,000)

Subd. 4. **Health Care Management**

The amounts that may be spent from the appropriation for each purpose are as follows:

(a) **Health Care Policy Administration**

General 1,008,000

Health Care Access 1,004,000

Base Adjustment. The health care access fund is decreased by $954,000 in fiscal year 2010 and decreased by $954,000 in fiscal year 2011.

Base Adjustment. The general fund base is decreased by $80,000 in both fiscal years 2010 and 2011.

Department of Education Computer System. Of the health care access fund appropriation, $50,000 is for the commissioner to enter into an agreement with the Department of Education for the modification of the department's computer system to implement Minnesota Statutes, section 124D.1115. This is a onetime appropriation.

Health Care Homes. The health care access fund appropriation to the commissioner to implement and administer health care homes under Minnesota Statutes, sections 256B.0751 to 256B.0753, is available through June 30, 2011. The base funding for this activity in fiscal year 2012 and beyond is zero. Notwithstanding any contrary provision in this article, this paragraph expires December 31, 2011.

APPROPRIATIONS
Available for the Year
Ending June 30
2009

(b) **Health Care Operations**

General	219,000
Health Care Access	826,000

Incentive Program and Outreach Grants. Of the appropriation for the Minnesota health care outreach program in Laws 2007, chapter 147, article 19, section 3, subdivision 7, paragraph (b):

(1) $400,000 in fiscal year 2009 from the general fund and $200,000 in fiscal year 2009 from the health care access fund are for the incentive program under Minnesota Statutes, section 256.962, subdivision 5. For the biennium beginning July 1, 2009, base level funding for this activity shall be $360,000 from the general fund and $160,000 from the health care access fund; and

(2) $100,000 in fiscal year 2009 from the general fund and $50,000 in fiscal year 2009 from the health care access fund are for the outreach grants under Minnesota Statutes, section 256.962, subdivision 2. For the biennium beginning July 1, 2009, base level funding for this activity shall be $90,000 from the general fund and $40,000 from the health care access fund.

Outreach Funding. (1) The health care access fund base funding for the incentive program under Minnesota Statutes, section 256.962, subdivision 5, shall be increased by $100,000 for the fiscal year beginning July 1, 2009.

(2) Notwithstanding Minnesota Statutes, section 295.581, the commissioner of finance shall reimburse the medical assistance general fund account from the health care access fund by $701,000 in fiscal year 2010 and $1,527,000 in fiscal year 2011 for the cost to the general fund for the increase in enrollment to the medical assistance program for families with children due to the outreach efforts.

Base Adjustment. The health care access fund base is decreased by $379,000 in fiscal year 2010 and decreased by $340,000 in fiscal year 2011. The general fund appropriation is onetime.

Sec. 4. **COMMISSIONER OF HEALTH**

Subdivision 1. **Total Appropriation** **$8,209,000**

APPROPRIATIONS
Available for the Year
Ending June 30
2009

Appropriations by Fund

	2009
Health Care Access	9,033,000
General	(824,000)

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

Subd. 2. **Community and Family Health Promotion**

Health Care Access	1,188,000

Base Adjustment. The health care access fund base shall be increased by $20,454,000 in fiscal year 2010 and $27,531,000 in fiscal year 2011. Of these base adjustments, $19,587,000 in fiscal year 2010 and $26,175,000 in fiscal year 2011 is for grants to local communities in accordance with Minnesota Statutes, section 145.986, subdivision 2; $413,000 in fiscal year 2010 and $825,000 in fiscal year 2011 is for staffing, operating costs, contracts for evaluation, and administration costs. The base for this program in fiscal year 2012 is $0. Notwithstanding any contrary provision in this article, this paragraph expires December 31, 2012.

Health Care Homes. The commissioner of health shall coordinate with the commissioner of human services to maximize federal financial participation for this activity.

Subd. 3. **Policy, Quality, and Compliance**

Health Care Access	7,845,000
General	(824,000)

Health Savings Projections and Measurement. $152,000 in fiscal year 2009 is for statewide health savings research and measurement.

Open Door Health Center. Of the health care access fund appropriation, $350,000 is to be awarded as a grant to the Open Door Health Center to act as bridge funding to meet the demand for health care services in medically underserved areas.

APPROPRIATIONS
Available for the Year
Ending June 30
2009

Community Benefit Standards. Of this appropriation, $84,000 is for the commissioner to make recommendations to the legislature on community benefit standards to be required of nonprofit health plan companies doing business in the state. The expectations of the community benefits provided and reported should be related to the statutory expectations in Minnesota Statutes, sections 62C.01 and 62D.01, and focus on supporting public health, improving the art and science of medical care, and addressing the need for financial assistance to access ongoing coverage, and not related to general philanthropic endeavors. The commissioner shall seek public input regarding the range of options to be explored and the accountability measures.

The recommendations must include a procedure by which each nonprofit health plan company would periodically and uniformly report to the state and to the public regarding the company's compliance with the requirements.

The commissioner shall recommend a fair and effective enforcement and remediation mechanism.

Federally Qualified Health Centers. Of the health care access fund appropriation, $1,824,000 is for subsidies to federally qualified health centers under Minnesota Statutes, section 145.9269. The health care access fund base for this activity shall be $2,500,000 for fiscal years 2010 and 2011. Notwithstanding any contrary provision in this article, this paragraph expires December 31, 2012.

The general fund appropriation for this program shall be reduced by $824,000 for fiscal year 2009, and by $1,500,000 in both fiscal years 2010 and 2011. The general fund appropriation for this program shall be increased by $2,500,000 in both fiscal years 2012 and 2013.

Health Care Reform. Funds appropriated to the commissioner to implement article 4 shall be available until expended. Base funding for these activities in fiscal year 2013 is $0.

Section 125 Employer Incentives. $1,000,000 from the health care access fund is appropriated to the commissioner of health to be transferred to the Department of Employment and Economic Development for grants authorized under Minnesota Statutes, section 62U.07. This appropriation is available until expended.

APPROPRIATIONS
Available for the Year
Ending June 30
2009

Base Adjustment. The health care access fund base shall be reduced by $1,851,000 in fiscal year 2010, by $2,419,000 in fiscal year 2011, and by $4,159,000 in fiscal year 2012.

Sec. 5. **COMMISSIONER OF REVENUE**

The health care access fund base shall be increased by $27,000 in fiscal year 2010 and $15,000 in fiscal year 2011 for administrative costs. The health care access fund base for fiscal year 2012 and beyond is $0.

Sec. 6. **COMMISSIONER OF FINANCE**

Health Insurance Premiums Credit. The commissioner of finance shall report to the legislature the amount of any funds transferred from the health care access fund to the general fund for general fund costs related to implementation of the health insurance premiums credit under Minnesota Statutes, section 290.0678, and shall include this amount in the health care access fund balance.

Sec. 7. **SUNSET OF UNCODIFIED LANGUAGE.**

All uncodified language contained in this article expires on June 30, 2009, unless a different expiration date is specified.

Sec. 8. **EFFECTIVE DATE.**

The provisions in this article are effective July 1, 2008, unless a different effective date is specified."

Delete the title and insert:

"A bill for an act relating to health care; establishing a statewide health improvement program; establishing health care homes and reporting requirements; establishing a care coordination payment; requiring a workforce shortage study; establishing requirements for interoperable health records; establishing electronic prescription drug program; requiring recommendations for an essential benefit set for health benefits; providing for health care payment restructuring; requiring uniform standards; establishing a health care reform review council; establishing Section 125 Plan; providing for fees; requiring reports; authorizing rulemaking; appropriating money; amending Minnesota Statutes 2006, sections 256.01, by adding a subdivision; 256L.06, subdivision 3; Minnesota Statutes 2007 Supplement, sections 43A.23, subdivision 1; 62J.495, by adding a subdivision; 256.962, subdivisions 5, 6; 256B.057, subdivision 2c, as amended; 256L.04, subdivisions 1, 7; 256L.05, subdivision 3a; 256L.07, subdivision 1; 256L.15, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 62J; 124D; 145; 256B; proposing coding for new law as Minnesota Statutes, chapter 62U; repealing Minnesota Statutes 2006, section 256L.15, subdivision 3."

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

Senate Conferees: LINDA BERGLIN, JULIE A. ROSEN, TONY LOUREY, ANN LYNCH AND KATHY SHERAN.

House Conferees: THOMAS HUNTLEY, PAUL THISSEN, KIM NORTON, DIANE LOEFFLER AND LAURA BROD.

Huntley moved that the report of the Conference Committee on S. F. No. 3780 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 3780, A bill for an act relating to occupations and professions; allowing optometrists to dispense a legend drug at retail under certain conditions; amending Minnesota Statutes 2006, sections 145.711, by adding a subdivision; 148.574.

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 127 yeas and 7 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, B.	Buesgens	Hackbarth	Olson
Bly	Emmer	Madore	

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. 2492:

Wagenius, Tingelstad and Rukavina.

CALENDAR FOR THE DAY

Simon moved that the remaining bills on the Calendar for the Day be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Davnie moved that the name of Clark be added as an author on H. F. No. 3612. The motion prevailed.

Kalin moved that the name of Clark be added as an author on H. F. No. 3669. The motion prevailed.

Paulsen moved that the names of Nelson, Hilstrom and Hortman be added as authors on H. F. No. 4221. The motion prevailed.

ADJOURNMENT

Moe moved that when the House adjourns today it adjourn until 1:00 p.m., Sunday, May 18, 2008. The motion prevailed.

Moe moved that the House adjourn. The motion prevailed, and Speaker pro tempore Sertich declared the House stands adjourned until 1:00 p.m., Sunday, May 18, 2008.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives