

## STATE OF MINNESOTA

## EIGHTY-SIXTH SESSION — 2010

## SEVENTY-SEVENTH DAY

SAINT PAUL, MINNESOTA, MONDAY, MARCH 22, 2010

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

Prayer was offered by Representative Mary Murphy, District 6B, Hermantown, 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	Hayden	Lenczewski	Nornes	Simon
Anderson, B.	Dill	Hilstrom	Lesch	Norton	Slawik
Anderson, P.	Dittrich	Hilty	Liebling	Obermueller	Slocum
Anderson, S.	Doepke	Holberg	Lieder	Olin	Smith
Anzenc	Doty	Hoppe	Lillie	Otremba	Solberg
Atkins	Downey	Hornstein	Loeffler	Paymar	Sterner
Beard	Drazkowski	Hortman	Loon	Pelowski	Swails
Benson	Eastlund	Hosch	Mack	Peppin	Thao
Bigham	Eken	Howes	Magnus	Persell	Thissen
Bly	Emmer	Huntley	Mahoney	Peterson	Tillberry
Brod	Falk	Jackson	Mariani	Poppe	Torkelson
Brown	Faust	Johnson	Marquart	Reinert	Urdahl
Brynaert	Fritz	Juhnke	Masin	Rosenthal	Wagenius
Buesgens	Gardner	Kahn	McFarlane	Rukavina	Ward
Bunn	Garofalo	Kalin	McNamara	Ruud	Walti
Carlson	Gottwalt	Kath	Morgan	Sailer	Westrom
Champion	Greiling	Kelly	Morrow	Sanders	Winkler
Clark	Gunther	Kiffmeyer	Mullery	Scalze	Zellers
Cornish	Hackbarth	Knuth	Murdock	Scott	Spk. Kelliher
Davids	Hamilton	Koenen	Murphy, E.	Seifert	
Davnie	Hansen	Kohls	Murphy, M.	Sertich	
Dean	Hausman	Laine	Nelson	Severson	
Demmer	Haws	Lanning	Newton	Shimanski	

A quorum was present.

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

**REPORTS OF STANDING COMMITTEES AND DIVISIONS**

Mullery from the Committee on Civil Justice to which was referred:

H. F. No. 776, A bill for an act relating to judgments; enacting the Uniform Foreign-Country Money Judgments Recognition Act adopted and recommended for passage by the National Conference of Commissioners on Uniform State Laws; proposing coding for new law in Minnesota Statutes, chapter 548; repealing Minnesota Statutes 2008, section 548.35.

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

The report was adopted.

Mullery from the Committee on Civil Justice to which was referred:

H. F. No. 910, A bill for an act relating to notaries public; modifying fees; regulating commissions and notarial stamps and seals; providing clarifications; providing for the accommodations of physical limitations; amending Minnesota Statutes 2008, sections 358.028; 358.09; 358.15; 358.47; 358.48; 359.01, subdivision 2; 359.02; 359.03, subdivisions 1, 2, 3, 4; 359.061; 359.12; Minnesota Statutes 2009 Supplement, sections 357.021, subdivision 2; 359.01, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 359; repealing Minnesota Statutes 2008, section 359.05.

Reported the same back with the following amendments:

Page 3, line 16, before "The" insert "(a)"

Page 4, line 1, before "An" insert "(b)"

Page 4, after line 3, insert:

"(c) The county auditor and county recorder, and their deputies, and the clerk or recorder of a town or city with ex officio powers under this section may authenticate official acts related to the statutory duties of their respective offices without using the official stamp for 90 days after initially assuming the office, or until the officer acquires an official stamp, whichever is earlier.

**EFFECTIVE DATE; APPLICABILITY.** This section is effective August 1, 2010, except that an officer with ex officio powers subject to paragraph (c) may authenticate official acts related to the officer's statutory duties without using the official stamp for up to 90 days after the effective date of this section, or until the officer acquires an official stamp, whichever is earlier.

Page 4, line 10, delete "signature" and insert "commission"

Page 4, line 12, before the comma, insert "affixed in black ink"

Page 8, line 15, after "notary" insert "as it appears on the commission"

Page 8, line 16, before "ex officio" insert "the name of the"

Page 9, line 2, after "359.01" insert ", together with: (1) a signature that matches the first, middle, and last name as listed on the notary's commission and shown on the notarial stamp, and (2) a sample signature in the style in which the notary will actually execute notarial acts."

With the recommendation that when so amended the bill pass.

The report was adopted.

Hornstein from the Transportation and Transit Policy and Oversight Division to which was referred:

H. F. No. 1191, A bill for an act relating to metropolitan government; highways; modifying provisions relating to loans to acquire highway right-of-way in the metropolitan area; amending Minnesota Statutes 2008, section 473.167, subdivision 2a.

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

The report was adopted.

Mullery from the Committee on Civil Justice to which was referred:

H. F. No. 1557, A bill for an act relating to civil actions; providing time limit for appealing decisions of a governing body or board of adjustment to district court; requiring posting of a bond for an appeal to Court of Appeals in certain cases; clarifying actions involving public participation in government; amending Minnesota Statutes 2008, sections 462.354, subdivision 2; 462.361, subdivision 1, by adding a subdivision; 554.01, subdivision 6; 554.03.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2008, section 462.361, subdivision 1, is amended to read:

Subdivision 1. **Review of action.** ~~Any~~ A person aggrieved by an ordinance, rule, regulation, decision or order of a governing body or board of adjustments and appeals acting ~~pursuant to~~ under sections 462.351 to 462.364 may have ~~such the~~ ordinance, rule, regulation, decision, or order; reviewed by ~~an appropriate remedy in~~ the district court; subject to ~~the provisions of~~ this section. The appeal must be filed with the district court within 180 days of the final decision of the governing body or board of adjustments and appeals.

**EFFECTIVE DATE; APPLICATION.** This section applies to a final decision made before, on, or after the effective date of this act. If a final decision was made before the effective date, an appeal must be filed within 180 days of the effective date.

Sec. 2. Minnesota Statutes 2008, section 462.361, is amended by adding a subdivision to read:

Subd. 3. **Bond upon appeal.** A party may not be ordered to post a surety bond or damages bond as a condition of an appeal under this section."

Delete the title and insert:

"A bill for an act relating to civil actions; providing time limit for appealing decisions of a governing body or board of adjustment to district court; prohibiting the posting of a bond for an appeal; amending Minnesota Statutes 2008, section 462.361, subdivision 1, by adding a subdivision."

With the recommendation that when so amended the bill pass.

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with House Concurrent Resolution No. 3, H. F. No. 1557 was re-referred to the Committee on Rules and Legislative Administration.

Mullery from the Committee on Civil Justice to which was referred:

H. F. No. 2231, A bill for an act relating to transportation; allowing road authorities to remove snow from certain roads in uncompleted subdivisions; amending Minnesota Statutes 2008, section 160.21, by adding a subdivision.

Reported the same back with the following amendments:

Page 2, line 5, after the period, insert "This paragraph does not apply to a claim for injury that is affirmatively caused by a negligent act of the road authority or its officers and employees."

With the recommendation that when so amended the bill pass.

The report was adopted.

Mullery from the Committee on Civil Justice to which was referred:

H. F. No. 2639, A bill for an act relating to public safety; authorizing wireless telecommunications service providers to provide call locations for emergencies; amending Minnesota Statutes 2008, section 626A.01, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 626A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[237.82] DEFINITIONS.**

(a) "Call location information" means information indicating the geographical location of a telecommunications device.

(b) "Law enforcement agency" has the meaning given in section 626.84, subdivision 1, paragraph (f).

(c) "Wireless telecommunications service provider" has the meaning given in section 403.02, subdivision 21.

Sec. 2. **[237.83] AUTHORIZATION FOR CALL LOCATION INFORMATION DISCLOSURE.**

(a) Upon written request of a law enforcement agency, a wireless telecommunications service provider shall provide call location information for the telecommunications device of the user identified in the request to the law enforcement agency to assist the law enforcement agency to respond to an emergency situation that involves the risk of death or serious physical harm to the user.

(b) A wireless telecommunications service provider shall establish protocols consistent with this section that govern its response to a request of a law enforcement agency under paragraph (a).

(c) No cause of action shall lie in any court against any wireless telecommunications service provider, its officers, employees, agents, or other specified persons for providing call location information while acting in good faith and according to this section. All wireless telecommunications service providers shall be held harmless from any and all claims, damages, costs, and expenses, including attorneys fees, arising from or related to the release of call location information, provided the wireless telecommunications service provider has acted according to this section.

(d) The bureau of criminal apprehension shall:

(1) obtain contact information for all wireless telecommunications service providers authorized to do business in Minnesota or submitting to the jurisdiction of Minnesota in order to facilitate a request from a law enforcement agency for call location information according to this section; and

(2) disseminate the information obtained pursuant to clause (1) on a quarterly basis or immediately as changes occur to all public safety answering points in the state.

Sec. 3. **EFFECTIVE DATE.**

Sections 1 and 2 are effective August 1, 2010."

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

Mullery from the Committee on Civil Justice to which was referred:

H. F. No. 2766, A bill for an act relating to higher education; clarifying disclosure of educational data; amending Minnesota Statutes 2008, section 13.32, subdivision 3.

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

The report was adopted.

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

H. F. No. 2769, A bill for an act relating to human services; modifying duties of the commissioner of human services related to controlled substance abuse prevention; amending Minnesota Statutes 2008, section 256B.0636.

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

The report was adopted.

Pelowski from the Committee on State and Local Government Operations Reform, Technology and Elections to which was referred:

H. F. No. 2894, A bill for an act relating to natural resources; increasing watershed district borrowing authority; amending Minnesota Statutes 2008, section 103D.335, subdivision 17.

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

The report was adopted.

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

H. F. No. 2898, A bill for an act relating to human services; prohibiting certain restrictions on waived service living arrangements; requiring the transfer of certain clients from group residential housing to waived services; modifying certain group residential housing supplementary service payment rate caps; amending Minnesota Statutes 2008, section 256B.49, by adding subdivisions.

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

The report was adopted.

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

H. F. No. 2926, A bill for an act relating to human services; amending children's mental health policy provisions; making a technical change to community health workers; amending Minnesota Statutes 2008, section 260C.157, subdivision 3; Minnesota Statutes 2009 Supplement, sections 245.4885, subdivisions 1, 1a; 256B.0625, subdivision 49; 256B.0943, subdivision 9.

Reported the same back with the following amendments:

Page 3, after line 3, insert:

"Sec. 3. Minnesota Statutes 2009 Supplement, section 254B.05, subdivision 1, is amended to read:

Subdivision 1. **Licensure required.** Programs licensed by the commissioner are eligible vendors. Hospitals may apply for and receive licenses to be eligible vendors, notwithstanding the provisions of section 245A.03. American Indian programs ~~located on federally recognized tribal lands~~ that provide chemical dependency primary

treatment, extended care, transitional residence, or outpatient treatment services, and are licensed by tribal government are eligible vendors. Detoxification programs are not eligible vendors. Programs that are not licensed as a chemical dependency residential or nonresidential treatment program by the commissioner or by tribal government are not eligible vendors. To be eligible for payment under the Consolidated Chemical Dependency Treatment Fund, a vendor of a chemical dependency service must participate in the Drug and Alcohol Abuse Normative Evaluation System and the treatment accountability plan.

Effective January 1, 2000, vendors of room and board are eligible for chemical dependency fund payment if the vendor:

(1) has rules prohibiting residents bringing chemicals into the facility or using chemicals while residing in the facility and provide consequences for infractions of those rules;

(2) has a current contract with a county or tribal governing body;

(3) is determined to meet applicable health and safety requirements;

(4) is not a jail or prison; and

(5) is not concurrently receiving funds under chapter 256I for the recipient."

Page 6, after line 8, insert:

"Sec. 5. Minnesota Statutes 2008, section 256B.761, is amended to read:

**256B.761 REIMBURSEMENT FOR MENTAL HEALTH SERVICES.**

(a) Effective for services rendered on or after July 1, 2001, payment for medication management provided to psychiatric patients, outpatient mental health services, day treatment services, home-based mental health services, and family community support services shall be paid at the lower of (1) submitted charges, or (2) 75.6 percent of the 50th percentile of 1999 charges.

(b) Effective July 1, 2001, the medical assistance rates for outpatient mental health services provided by an entity that operates: (1) a Medicare-certified comprehensive outpatient rehabilitation facility; and (2) a facility that was certified prior to January 1, 1993, with at least 33 percent of the clients receiving rehabilitation services in the most recent calendar year who are medical assistance recipients, will be increased by 38 percent, when those services are provided within the comprehensive outpatient rehabilitation facility and provided to residents of nursing facilities owned by the entity.

(c) The commissioner shall establish three levels of payment for mental health diagnostic assessment, based on three levels of complexity. The aggregate payment under the tiered rates must not exceed the projected aggregate payments for mental health diagnostic assessment under the previous single rate. The new rate structure is effective January 1, 2011, or upon federal approval, whichever is later."

Page 7, line 29, after "or" insert "co-occurring emotional disturbance and"

Renumber the sections in sequence and correct the internal references

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

Mullery from the Committee on Civil Justice to which was referred:

H. F. No. 2970, A bill for an act relating to legislation; correcting erroneous, ambiguous, and omitted text and obsolete references; eliminating redundant, conflicting, and superseded provisions; making miscellaneous technical corrections to laws and statutes; amending Minnesota Statutes 2008, sections 3.7393, subdivision 12; 12A.05, subdivision 3; 13.321, subdivision 10; 13.411, subdivision 5; 13.861, subdivision 2; 16B.24, subdivision 5; 16D.11, subdivision 7; 53C.01, subdivision 12a; 84.797, subdivision 6; 84.803, subdivision 2; 84.8045; 115A.932, subdivision 1; 116.155, subdivision 3; 125A.64, subdivision 6; 126C.55, subdivision 6; 128D.03, subdivision 2; 129C.10, subdivision 8; 136F.61; 168.002, subdivision 13; 168.013, subdivision 1; 169.67, subdivision 1; 190.025, subdivision 3; 214.04, subdivision 1; 216B.1691, subdivision 1; 245A.18, subdivision 2; 256L.04, subdivision 1; 260C.301, subdivision 1; 270.41, subdivision 5; 273.1115, subdivisions 1, 3; 273.124, subdivision 11; 290.0921, subdivision 3a; 297A.61, subdivision 3; 309.72; 325F.675, subdivision 6; 325F.732, subdivision 2; 332.37; 332.40, subdivision 2; 332.52, subdivision 3; 374.02; 469.154, subdivision 3; 473.599, subdivision 8; 490.133; 507.071, subdivision 16; 515B.1-102; Minnesota Statutes 2009 Supplement, sections 16A.126, subdivision 1; 16C.138, subdivision 2; 47.60, subdivisions 4, 6; 53.09, subdivision 2; 69.772, subdivision 6; 116J.401, subdivision 2; 120B.30, subdivisions 1, 2; 122A.60, subdivision 2; 124D.10, subdivisions 3, 8, 14, 15, 23, 25; 152.025; 168.33, subdivision 7; 169.011, subdivision 71; 169.865, subdivision 1; 176.135, subdivision 8; 246B.06, subdivision 7; 256.969, subdivision 3b; 256B.0659, subdivision 3; 256B.5012, subdivision 8; 260C.212, subdivision 7; 270.97; 270C.445, subdivision 7; 299A.61, subdivision 1; 332B.07, subdivisions 1, 4; 332B.09, subdivision 3; 424A.02, subdivision 10; 571.914, subdivision 4; 626.557, subdivision 20; Laws 2009, chapter 78, article 8, section 22, subdivision 3; Laws 2009, chapter 79, article 10, section 48; repealing Minnesota Statutes 2008, sections 13.6435, subdivision 9; 15.38, subdivision 5; 168.098; 256B.041, subdivision 5; 256D.03, subdivision 5; Laws 2005, First Special Session chapter 4, article 8, section 87; Laws 2006, chapter 277, article 1, sections 1; 3; Laws 2008, chapter 287, article 1, section 104; Laws 2008, chapter 300, section 6; Laws 2009, chapter 78, article 4, section 41; Laws 2009, chapter 88, article 6, sections 14; 15; 16; Laws 2009, chapter 169, article 10, section 32; Minnesota Rules, parts 9525.0750; 9525.0760; 9525.0770; 9525.0780; 9525.0790; 9525.0800; 9525.0810; 9525.0820; 9525.0830.

Reported the same back with the following amendments:

Page 64, after line 30, insert:

"Sec. 79. Minnesota Statutes 2009 Supplement, section 524.5-701, is amended to read:

**524.5-701 DEFINITIONS; SIGNIFICANT CONNECTION FACTORS.**

(a) In sections 524.5-701 to 524.5-709:

(1) "emergency" means a circumstance that likely will result in substantial harm to a respondent's health, safety, or welfare, and for which the appointment of a guardian is necessary because no other person has authority and is willing to act on the respondent's behalf;

(2) "home state" means the state in which the respondent was physically present, including any period of temporary absence, for at least six consecutive months immediately before the filing of a petition for a protective order or the appointment of a guardian; or if none, the state in which the respondent was physically present, including any period of temporary absence, for at least six consecutive months ending within the six months prior to the filing of the petition; and

(3) "significant-connection state" means a state, other than the home state, with which a respondent has a significant connection other than mere physical presence and in which substantial evidence concerning the respondent is available.

(b) In determining under sections ~~534.5-703~~ 524.5-703 and 524.5-801, paragraph (e), whether a respondent has a significant connection with a particular state, the court shall consider:

(1) the location of the respondent's family and other persons required to be notified of the guardianship or protective proceeding;

(2) the length of time the respondent at any time was physically present in the state and the duration of any absence;

(3) the location of the respondent's property; and

(4) the extent to which the respondent has ties to the state such as voting registration, state or local tax return filing, vehicle registration, driver's license, social relationship, and receipt of services."

Page 67, after line 6, insert:

"Sec. 84. Laws 2009, chapter 88, article 5, section 17, is amended to read:

**Sec. 17. SEAWAY PORT AUTHORITY OF DULUTH; TAX INCREMENT FINANCING DISTRICT; SPECIAL RULES.**

(a) If the Seaway Port Authority of Duluth adopts a tax increment financing plan and the governing body of the city of Duluth approves the plan for the tax increment financing district consisting of one or more parcels identified as: 010-2730-00010; 010-2730-00020; 010-2730-00040; 010-2730-00050; 010-2730-00070; 010-2730-00080; 010-2730-00090; 010-2730-00100; 010-2730-00160; 010-2730-00180; 010-2730-00200; ~~010-2730-01250; 010-2730-01340; 010-2730-01350; 010-2730-01490; 010-2730-01500; 010-2730-01510; 010-2730-01520; 010-2730-01530; 010-2730-01540; 010-2730-01550; 010-2730-01560; 010-2730-01570; 010-2730-01580; 010-2730-01590; 010-2730-1300; 010-2730-00300; 010-2746-01250; 010-2746-1330; 010-2746-01340; 010-2746-01350; 010-2746-1440; 010-2746-1380; 010-2746-01490; 010-2746-01500; 010-2746-01510; 010-2746-01520; 010-2746-01530; 010-2746-01540; 010-2746-01550; 010-2746-01560; 010-2746-01570; 010-2746-01580; 010-2746-01590;~~ 010-3300-4560; 010-3300-4565; 010-3300-04570; 010-3300-04580; 010-3300-04640; 010-3300-04645; and 010-3300-04650, the five-year rule under Minnesota Statutes, section 469.1763, subdivision 3, that activities must be undertaken within a five-year period from the date of certification of the tax increment financing district, must be considered to be met if the activities are undertaken within five years after the date all qualifying parcels are delisted from the Federal Superfund list.

(b) The requirements of Minnesota Statutes, section 469.1763, subdivision 4, beginning in the sixth year following certification of the district requirement, will begin in the sixth year following the date all qualifying parcels are delisted from the Federal Superfund list.

(c) The action required under Minnesota Statutes, section 469.176, subdivision 6, are satisfied if the action is commenced within four years after the date all qualifying parcels are delisted from the Federal Superfund list and evidence of the action required is submitted to the county auditor by February 1 of the fifth year following the year in which all qualifying parcels are delisted from the Federal Superfund list.

(d) For purposes of this section, "qualifying parcels" means United States Steel parcels listed in paragraph (a) and shown by the Minnesota Pollution Control Agency as part of the USS Site (USEPA OU 02) that are included in the tax increment financing district.

(e) In addition to the reporting requirements of Minnesota Statutes, section 469.175, subdivision 5, the Seaway Port Authority of Duluth shall report the status of all parcels listed in paragraph (a) and shown as part of the USS Site (USEPA OU 02). The status report must show the parcel numbers, the listed or delisted status, and if delisted, the delisting date.

**EFFECTIVE DATE.** This section is effective upon approval by the governing body of the city of Duluth and compliance with Minnesota Statutes, section 645.021, subdivision 3."

Renumber the sections in sequence

Amend the memorandum of explanation accordingly

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 3010, A bill for an act relating to human services; allowing certain firefighters and volunteer ambulance attendants to purchase MinnesotaCare coverage at full cost; amending Minnesota Statutes 2008, section 256L.07, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2008, section 256L.07, is amended by adding a subdivision to read:

**Subd. 9. Firefighters; volunteer ambulance attendants.** (a) For purposes of this subdivision, "qualified individual" means:

(1) a volunteer firefighter with a department as defined in section 299N.01, subdivision 2, who has passed the probationary period; and

(2) a volunteer ambulance attendant as defined in section 144E.001, subdivision 15.

(b) A qualified individual who documents to the satisfaction of the commissioner, status as a qualified individual, by completing and submitting a one-page form developed by the commissioner, is eligible for MinnesotaCare without meeting other eligibility requirements of this chapter, but must pay the maximum premium, as defined in section 256L.15, subdivision 2, paragraph (b)."

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

The report was adopted.

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

H. F. No. 3024, A bill for an act relating to labor and industry; modifying the requirements of the Manufactured Home Building Code; amending Minnesota Statutes 2008, sections 327.31, by adding a subdivision; 327.32, subdivision 1, by adding subdivisions; repealing Minnesota Statutes 2008, section 327.32, subdivision 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2008, section 327.31, subdivision 17, is amended to read:

Subd. 17. **Installation.** "Installation" of a manufactured home means ~~assembly~~ installation or reinstallation, at the site of occupancy, of all portions of a manufactured home, connection of the manufactured home to existing utility connections and installation of support and/or anchoring systems.

Sec. 2. Minnesota Statutes 2008, section 327.31, is amended by adding a subdivision to read:

Subd. 21. **Used manufactured home.** "Used manufactured home" means a home being offered for sale not less than 24 months after the first purchaser took legal ownership or possession of the home.

Sec. 3. Minnesota Statutes 2008, section 327.31, is amended by adding a subdivision to read:

Subd. 22. **Seller.** "Seller" means either the homeowner, manufactured home retailer or dealer, broker, or limited dealer or retailer.

Sec. 4. Minnesota Statutes 2008, section 327.32, subdivision 1, is amended to read:

Subdivision 1. **Requirement; new manufactured homes.** No person shall sell, or offer for sale, in this state, any new manufactured home ~~manufactured after July 1, 1972, or~~ manufacture any manufactured home in this state ~~or install for occupancy any manufactured home manufactured after July 1, 1972, in any manufactured home park in this state~~ unless the manufactured home complies with the Manufactured Home Building Code and: bears a label as required by the secretary.

~~(a) bears a seal issued by the commissioner, and is, whenever possible, accompanied by a certificate by the manufacturer or dealer, both evidencing that it complies with the Manufactured Home Building Code; or~~

~~(b) if manufactured after June 14, 1976, bears a label as required by the secretary.~~

Sec. 5. Minnesota Statutes 2008, section 327.32, is amended by adding a subdivision to read:

Subd. 1a. **Requirement; used manufactured homes.** No person shall sell or offer for sale in this state any used manufactured home manufactured after June 14, 1976, or install for occupancy any used manufactured home manufactured after June 14, 1976, unless the used manufactured home complies with the Notice of Compliance Form as provided in this subdivision. If manufactured after June 14, 1976, the home must bear a label as required by the secretary. The Notice of Compliance Form shall be signed by the seller and purchaser indicating which party is responsible for either making or paying for any necessary corrections prior to the sale and transferring ownership of the manufactured home.

The Notice of Compliance Form shall be substantially in the following form:

**"Notice of Compliance Form as required in Minnesota Statutes, section 327.32, subdivision 1.**

This notice must be completed and signed by the purchaser(s) and the seller(s) of the used manufactured home described in the purchase agreement and on the bottom of this notice before the parties transfer ownership of a used manufactured home constructed after June 14, 1976.

Electric ranges and clothes dryers must have required four-conductor cords and plugs.

Complies .....

Correction required .....

Initialed by Responsible Party: Buyer .....

Seller .....

Solid fuel-burning fireplaces or stoves must be listed for use in manufactured homes, Code of Federal Regulations, title 24, section 3280.709(g), and installed correctly in accordance with their listing or standards (i.e., chimney, doors, hearth, combustion, or intake, etc., Code of Federal Regulations, title 24, section 3280.709(g)).

Complies .....

Correction required .....

Initialed by Responsible Party: Buyer .....

Seller .....

Gas water heaters and furnaces must be listed for manufactured home use, Code of Federal Regulations, title 24, section 3280.709(a) and (d)(1) and (2) and installed correctly, in accordance with their listing or standards.

Complies .....

Correction required .....

Initialed by Responsible Party: Buyer .....

Seller .....

Smoke alarms are required to be installed and operational in accordance with Code of Federal Regulations, title 24, section 3280.208.

Complies .....

Correction required .....

Initialed by Responsible Party: Buyer .....

Seller .....

Carbon monoxide alarms or CO detectors that are approved and operational are required to be installed within ten feet of each room lawfully used for sleeping purposes.

Complies .....

Correction required .....

Initialed by Responsible Party: Buyer .....

Seller .....

Egress windows are required in every bedroom with at least one operable window with a net clear opening of 20 inches wide and 24 inches high, five square feet in area, with the bottom of windows opening no more than 36 inches above the floor. Locks, latches, operating handles, tabs, or other operational devices shall not be located more than 54 inches above the finished floor.

Complies .....

Correction required .....

Initialed by Responsible Party: Buyer .....

Seller .....

The furnace compartment of the home is required to have interior finish with a flame spread rating not exceeding 25 feet, as specified in the 1976 United States Department of Housing and Urban Development Code governing manufactured housing construction.

Complies .....

Correction required .....

Initialed by Responsible Party: Buyer .....

Seller .....

The water heater enclosure in this home is required to have interior finish with a flame spread rating not exceeding 25 feet, as specified in the 1976 United States Department of Housing and Urban Development Code governing manufactured housing construction.

Complies .....

Correction required .....

Initialed by Responsible Party: Buyer .....

Seller .....

The home complies with the snowload and heat zone requirements for the state of Minnesota as indicated by the data plate.

Complies .....

Correction required .....

Initialed by Responsible Party: Buyer .....

Seller .....

The parties to this agreement have initialed all required sections and agree by their signature to complete any necessary corrections prior to the sale or transfer of ownership of the home described below as listed in the purchase agreement. The state of Minnesota or a local building official has the authority to inspect the home in the manner described in Minnesota Statutes, section 327.33, prior to or after the sale to ensure compliance was properly executed as provided under the Manufactured Home Building Code.

Signature of Purchaser(s) of Home

.....date.....

.....date.....

.....  
Print name as appears on purchase agreement

.....  
Print name as appears on purchase agreement

Signature of Seller(s) of Home

.....date.....

.....date.....

.....  
Print name and license number, if applicable

.....  
Print name and license number, if applicable

**(Street address of home at time of sale)**

.....

**(City/State/Zip).....**

**Name of manufacturer of home.....**

**Model and Year.....**

**Serial Number....."**

Sec. 6. Minnesota Statutes 2008, section 327.32, is amended by adding a subdivision to read:

Subd. 1b. **Alternative design plan.** An alternative frost-free design slab that is submitted to the department, stamped by a licensed professional engineer or architect, and is in compliance with either the federal installation standards in effect at the date of manufacture or the Minnesota State Building Code, when applicable, shall be issued a permit by the department within ten days.

Sec. 7. Minnesota Statutes 2008, section 327.32, is amended by adding a subdivision to read:

Subd. 1c. **Manufacturer's installation instructions; new home.** All new single-section manufactured homes and new multisection manufactured homes shall be installed in compliance with either the manufacturer's installation instructions in effect at the date of manufacture or, when applicable, the Minnesota State Building Code.

Sec. 8. Minnesota Statutes 2008, section 327.32, is amended by adding a subdivision to read:

Subd. 1d. **Manufacturer's installation instructions; used multisection homes.** All used multisection manufactured homes shall be installed in compliance with either the manufacturer's installation instructions in effect at the date of manufacture, approved addenda or, when applicable, the Minnesota State Building Code.

Sec. 9. Minnesota Statutes 2008, section 327.32, is amended by adding a subdivision to read:

Subd. 1e. **Reinstallation requirements for single-section used manufactured homes.** (a) All single-section used manufactured homes reinstalled less than 24 months from the date of installation by the first purchaser must be reinstalled in compliance with subdivision 1c. All single-section used manufactured homes reinstalled more than 24 months from the date of installation by the first purchaser may be reinstalled without a frost-protected foundation if the home is reinstalled in compliance with Minnesota Rules, chapter 1350, for above frost-line installations and the notice requirement of subdivision 1f is complied with by the seller and the purchaser of the single-section used manufactured home.

(b) The installer shall affix an installation seal issued by the department to the outside of the home as required by the Minnesota State Building Code. The certificate of installation issued by the installer of record shall clearly state that the home has been reinstalled with an above frost-line foundation. Fees for inspection of a reinstallation and for issuance of reinstallation seals shall follow the requirements of sections 326B.802 to 326B.885. Fees for review of plans, specifications, and on-site inspections shall be those as specified in section 326B.153, subdivision 1, paragraph (c). Whenever an installation certificate for an above frost-line installation is issued to a single-section used manufactured home being listed for sale, the purchase agreement must disclose that the home is installed on a nonfrost-protected foundation and recommend that the purchaser have the home inspected to determine the effects of frost on the home.

Sec. 10. Minnesota Statutes 2008, section 327.32, is amended by adding a subdivision to read:

Subd. 1f. **Notice requirement.** The seller of the single-section used manufactured home being reinstalled under subdivision 1e shall provide the following notice to the purchaser and secure signatures of all parties to the purchase agreement on or before signing a purchase agreement prior to submitting an application for an installation certificate. Whenever a current owner of a manufactured home reinstalls the manufactured home under subdivision 1e, the current owner is not required to comply with the notice requirement under this subdivision. The notice shall be in at least 14-point font, except the heading, "WHICH MAY VOID WARRANTY," must be in capital letters, in

20-point font. The notice must be printed on a separate sheet of paper in a color different than the paper on which the purchase agreement is printed. The notice becomes a part of the purchase agreement, and it shall be substantially in the following form:

**"Notice of Reinstalling of a Single-Section Used Manufactured Home Above Frost-Line;**

**WHICH MAY VOID WARRANTY**

It is recommended that the single-section used manufactured home being reinstalled follow the instructions in the manufacturer's installation manual. By signing this notice, the purchaser(s) are acknowledging they have elected to use footings placed above the local frost line in accordance with the Minnesota State Building Code.

The seller has explained the differences between the manufacturer's installation instructions and the installation system selected by the purchaser(s) with respect to possible effects of frost on the manufactured home.

The purchaser(s) acknowledge by signing this notice that there is no manufacturer's original warranty remaining on the home and recognize that any other extended or ancillary warranty could be adversely affected if any applicable warranty stipulates that the home be installed in accordance with the manufacturer's installation manual to remain effective.

After the reinstallation of the manufactured home, it is highly recommended that the purchaser(s) have a licensed manufactured home installer recheck the home's installation for any releveling needs or anchoring system adjustments each freeze-thaw cycle.

The purchaser(s) of the used manufactured home described below that is being reinstalled acknowledge they have read this notice and have been advised to contact the manufacturer of the home and/or the Department of Labor and Industry if they desire additional information before signing this notice. It is the intent of this notice to inform the purchaser(s) that the purchaser(s) elected not to use a frost-protected foundation system for the reinstallation of the manufactured home as originally required by the home's installation manual.

**Plain language notice.**

I understand that because this home will be installed with footings placed above the local frost-line, this home may be subject to adverse effects from frost heave that may damage this home. Purchaser(s) initials: .....

I understand that the installation of this home with footings placed above the local frost-line could affect my ability to obtain a mortgage or mortgage insurance on this home. Purchaser(s) initials: .....

I understand that the installation of this home with footings placed above the local frost-line could void my warranty on the home if any warranty is still in place on this home. Purchaser(s) initials: .....

Signature of Purchaser(s)

.....date.....

.....date.....

Print name

Print name

**(Street address of location where manufactured home is being reinstalled)**

.....

(City/State/Zip).....

Name of manufacturer of home.....

Model and year.....

Serial number.....

Name of licensed installer and license number or homeowner responsible for the installation of the home as described above.

Installer name:.....

License number:....."

Sec. 11. Minnesota Statutes 2008, section 327.34, subdivision 1, is amended to read:

Subdivision 1. **Generally.** It shall be a misdemeanor for any person,

(a) to sell, lease, or offer to sell or lease, any manufactured home manufactured after ~~July 1, 1972~~ June 14, 1976, which does not comply with the Manufactured Home Building Code or which does not bear a seal or label as required by sections 327.31 to 327.34, unless the action is subject to the provisions of section 327.35;

(b) to affix a seal or label, or cause a seal or label to be affixed, to any manufactured home which does not comply with the Manufactured Home Building Code unless the action is subject to the provisions of section 327.35;

(c) to alter a manufactured home manufactured after ~~July 1, 1972~~ June 14, 1976, in a manner prohibited by sections 327.31 to 327.34; or

(d) to fail to correct a Manufactured Home Building Code violation in a manufactured home manufactured after ~~July 1, 1972~~ June 14, 1976, which is owned, manufactured, or sold by that person, within 40 days of being ordered to do so in writing by an authorized representative of the commissioner, unless the correction is subject to the provisions of section 327.35; ~~or.~~

~~(e) to interfere with, obstruct, or hinder any authorized representative of the commissioner in the performance of duties relating to manufactured homes manufactured after July 1, 1972, and prior to June 15, 1976.~~

Sec. 12. **REPEALER.**

Minnesota Statutes 2008, sections 327.32, subdivision 4; and 327C.07, subdivisions 3, 3a, and 8, are repealed."

Delete the title and insert:

"A bill for an act relating to labor and industry; modifying the requirements of the Manufactured Home Building Code; amending Minnesota Statutes 2008, sections 327.31, subdivision 17, by adding subdivisions; 327.32, subdivision 1, by adding subdivisions; 327.34, subdivision 1; repealing Minnesota Statutes 2008, sections 327.32, subdivision 4; 327C.07, subdivisions 3, 3a, 8."

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

The report was adopted.

Mullery from the Committee on Civil Justice to which was referred:

H. F. No. 3025, A bill for an act relating to business organizations; regulating the organization and operation of business corporations, nonprofit corporations, and limited liability companies; providing for consistent law relating to registered agents and offices of business entities; repealing the prohibition against certain business names; amending Minnesota Statutes 2008, sections 5.16, subdivision 1; 222.18, subdivision 1; 302A.011, subdivision 18; 302A.121; 302A.123; 302A.215, subdivision 3; 302A.311; 302A.341, subdivision 2; 302A.402, subdivisions 3, 4; 302A.429, subdivision 2; 302A.435, subdivision 1; 302A.461, subdivision 2; 302A.661, subdivision 1; 303.05, subdivision 1; 303.10; 308A.025; 308A.131, subdivision 1; 308B.115; 317A.011, subdivision 15; 317A.111, subdivisions 1, 3, 4, by adding a subdivision; 317A.121; 317A.123; 317A.133, subdivisions 1, 2, 3; 317A.181, subdivision 2, by adding a subdivision; 317A.203; 317A.227; 317A.231, subdivisions 1, 4; 317A.237; 317A.239, subdivisions 1, 3; 317A.241, subdivision 2, by adding a subdivision; 317A.255, subdivision 1; 317A.301; 317A.311; 317A.315; 317A.321; 317A.341, subdivision 2; 317A.521, subdivision 9; 317A.613, subdivision 2; 317A.661; 317A.721, subdivisions 1, 3; 321.0114; 321.0905; 322B.03, subdivision 29; 322B.13; 322B.135; 322B.34, subdivision 1; 322B.373, subdivision 2; 322B.676; 322B.686, subdivision 2; 322B.77, subdivision 1; 322B.935; 323A.1001; 323A.1102; 333.20, subdivision 1; 333.22, subdivisions 1, 3; Minnesota Statutes 2009 Supplement, sections 5.15; 5.34; 5.35; 303.06, subdivision 2; 321.0809; 321.0902; 321.0906; Laws 2008, chapter 233, article 3, section 8; proposing coding for new law in Minnesota Statutes, chapter 5; repealing Minnesota Statutes 2008, section 333.17.

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

The report was adopted.

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

H. F. No. 3065, A bill for an act relating to local government; providing for securities lending agreements and holding of municipal funds; amending Minnesota Statutes 2008, sections 118A.05, subdivision 3; 118A.06.

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

The report was adopted.

Hornstein from the Transportation and Transit Policy and Oversight Division to which was referred:

H. F. No. 3080, A bill for an act relating to transportation; exempting certain school buses from child passenger restraint requirements; amending Minnesota Statutes 2008, section 169.685, subdivision 6.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2008, section 169.685, subdivision 6, is amended to read:

Subd. 6. **Exceptions.** (a) This section does not apply to:

(1) a person transporting a child in an emergency medical vehicle while in the performance of official duties and when the physical or medical needs of the child make the use of a child passenger restraint system unreasonable or when a child passenger restraint system is not available;

(2) a peace officer transporting a child while in the performance of official duties and when a child passenger restraint system is not available, provided that a seat belt must be substituted; ~~and~~

(3) a person while operating a motor vehicle for hire, including a taxi, airport limousine, and bus, but excluding a rented, leased, or borrowed motor vehicle;

(4) a person while operating a school bus; and

(5) a person while operating a type III vehicle described in section 169.011, subdivision 71, paragraph (h), if the vehicle meets the seating and crash protection requirements of Federal Motor Vehicle Safety Standard 222, Code of Federal Regulations, title 49, part 571.

(b) A child passenger restraint system is not required for a child who cannot, in the judgment of a licensed physician, be safely transported in a child passenger restraint system because of a medical condition, body size, or physical disability. A motor vehicle operator claiming exemption for a child under this paragraph must possess a typewritten statement from the physician stating that the child cannot be safely transported in a child passenger restraint system. The statement must give the name and birth date of the child, be dated within the previous six months, and be made on the physician's letterhead or contain the physician's name, address, and telephone number. A person charged with violating subdivision 5 may not be convicted if the person produces the physician's statement in court or in the office of the arresting officer.

(c) A person offering a motor vehicle for rent or lease shall provide a child passenger restraint device to a customer renting or leasing the motor vehicle who requests the device. A reasonable rent or fee may be charged for use of the child passenger restraint device.

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

With the recommendation that when so amended the bill pass.

The report was adopted.

Mullery from the Committee on Civil Justice to which was referred:

H. F. No. 3085, A bill for an act relating to interest rates; exempting eminent domain awards and property tax adjustments and refunds from increased interest rates on certain judgments; amending Minnesota Statutes 2008, sections 117.195, subdivision 1; 278.08.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2009 Supplement, section 549.09, subdivision 1, is amended to read:

Subdivision 1. **When owed; rate.** (a) When a judgment or award is for the recovery of money, including a judgment for the recovery of taxes, interest from the time of the verdict, award, or report until judgment is finally entered shall be computed by the court administrator or arbitrator as provided in paragraph (c) and added to the judgment or award.

(b) Except as otherwise provided by contract or allowed by law, preverdict, preaward, or prereport interest on pecuniary damages shall be computed as provided in paragraph (c) from the time of the commencement of the action or a demand for arbitration, or the time of a written notice of claim, whichever occurs first, except as provided herein. The action must be commenced within two years of a written notice of claim for interest to begin to accrue from the time of the notice of claim. If either party serves a written offer of settlement, the other party may serve a written acceptance or a written counteroffer within 30 days. After that time, interest on the judgment or award shall be calculated by the judge or arbitrator in the following manner. The prevailing party shall receive interest on any judgment or award from the time of commencement of the action or a demand for arbitration, or the time of a written notice of claim, or as to special damages from the time when special damages were incurred, if later, until the time of verdict, award, or report only if the amount of its offer is closer to the judgment or award than the amount of the opposing party's offer. If the amount of the losing party's offer was closer to the judgment or award than the prevailing party's offer, the prevailing party shall receive interest only on the amount of the settlement offer or the judgment or award, whichever is less, and only from the time of commencement of the action or a demand for arbitration, or the time of a written notice of claim, or as to special damages from when the special damages were incurred, if later, until the time the settlement offer was made. Subsequent offers and counteroffers supersede the legal effect of earlier offers and counteroffers. For the purposes of clause (2), the amount of settlement offer must be allocated between past and future damages in the same proportion as determined by the trier of fact. Except as otherwise provided by contract or allowed by law, preverdict, preaward, or prereport interest shall not be awarded on the following:

- (1) judgments, awards, or benefits in workers' compensation cases, but not including third-party actions;
- (2) judgments or awards for future damages;
- (3) punitive damages, fines, or other damages that are noncompensatory in nature;
- (4) judgments or awards not in excess of the amount specified in section 491A.01; and
- (5) that portion of any verdict, award, or report which is founded upon interest, or costs, disbursements, attorney fees, or other similar items added by the court or arbitrator.

(c)(1) For a judgment or award of \$50,000 or less or a judgment or award for or against the state or a political subdivision of the state, regardless of the amount, the interest shall be computed as simple interest per annum. The rate of interest shall be based on the secondary market yield of one year United States Treasury bills, calculated on a bank discount basis as provided in this section.

On or before the 20th day of December of each year the state court administrator shall determine the rate from the one-year constant maturity treasury yield for the most recent calendar month, reported on a monthly basis in the latest statistical release of the board of governors of the Federal Reserve System. This yield, rounded to the nearest one percent, or four percent, whichever is greater, shall be the annual interest rate during the succeeding calendar year. The state court administrator shall communicate the interest rates to the court administrators and sheriffs for use in computing the interest on verdicts and shall make the interest rates available to arbitrators.

This clause applies to any section that references section 549.09 by citation for the purposes of computing an interest rate on any amount owed to or by the state or a political subdivision of the state, regardless of if the amount is greater than or less than \$50,000.

(2) For a judgment or award over \$50,000, other than a judgment or award for or against the state or a political subdivision of the state, the interest rate shall be ten percent per year until paid.

(3) When a judgment creditor, or the judgment creditor's attorney or agent, has received a payment after entry of judgment, whether the payment is made voluntarily by or on behalf of the judgment debtor, or is collected by legal process other than execution levy where a proper return has been filed with the court administrator, the judgment creditor, or the judgment creditor's attorney, before applying to the court administrator for an execution shall file with the court administrator an affidavit of partial satisfaction. The affidavit must state the dates and amounts of payments made upon the judgment after the most recent affidavit of partial satisfaction filed, if any; the part of each payment that is applied to taxable disbursements and to accrued interest and to the unpaid principal balance of the judgment; and the accrued, but the unpaid interest owing, if any, after application of each payment.

(d) This section does not apply to arbitrations between employers and employees under chapter 179 or 179A. An arbitrator is neither required to nor prohibited from awarding interest under chapter 179 or under section 179A.16 for essential employees.

(e) For purposes of this subdivision:

(1) "state" includes a department, board, agency, commission, court, or other entity in the executive, legislative, or judicial branch of the state; and

(2) "political subdivision" includes a town, statutory or home rule charter city, county, school district, or any other political subdivision of the state.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to judgments and awards finally entered on or after that date or to interest computed on or after that date."

Delete the title and insert:

"A bill for an act relating to civil actions; exempting the state and political subdivisions and others from increased interest rates on certain judgments and awards; amending Minnesota Statutes 2009 Supplement, section 549.09, subdivision 1."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 3122, A bill for an act relating to commerce; providing for the licensing and regulation of appraisal management companies; proposing coding for new law as Minnesota Statutes, chapter 82C.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

## "ARTICLE 1

### REAL ESTATE APPRAISAL MANAGEMENT COMPANIES

Section 1. **[82C.01] TITLE.**

This chapter shall be known as the Minnesota Appraisal Management Company Licensing and Regulation Act.

Sec. 2. **[82C.02] DEFINITIONS.**

Subdivision 1. **Terms.** As used in this chapter, the terms in this section have the meanings given them.

Subd. 2. **Appraisal.** In conformance with the Uniform Standards of Professional Appraisal Practice (USPAP), "appraisal" is defined as: (noun) the act or process of developing an opinion of value; an opinion of value; (adjective) of or pertaining to appraising and related functions such as appraisal practice or appraisal services. For purposes of this chapter, all appraisals or assignments that are referred to involve one to four unit single-family properties.

Subd. 3. **Appraisal assignment.** "Appraisal assignment" means an engagement for which an appraiser is employed or retained to act, as a disinterested third party in giving an unbiased analysis, opinion, or conclusion relating to the nature, quality, value, or utility of named interests in, or aspects of, identified real estate.

Subd. 4. **Appraisal management company.** "Appraisal management company" means a corporation, partnership, sole proprietorship, subsidiary, unit, or other business entity that directly or indirectly performs the following appraisal management services:

(1) administers networks of independent contractors and/or employee appraisers to perform residential real estate appraisal assignments for clients;

(2) receives requests for residential real estate appraisal services from clients and, for a fee paid by the client, enters into an agreement with one or more independent appraisers to perform the real estate appraisal services contained in the request; or

(3) serves as a third-party broker of appraisal management services between clients and appraisers.

Subd. 5. **Appraisal management services.** "Appraisal management services" means the process of directly or indirectly performing any of the following functions on behalf of a lender, financial institution, client, or any other person to:

(1) administer an appraiser panel;

(2) recruit, qualify, verify licensing or certification, and negotiate fees and service level expectations with persons who are part of an appraiser panel;

(3) receive an order for an appraisal from one person, and deliver the order for the appraisal to an appraiser that is part of an appraiser panel for completion;

(4) track and determine the status of orders for appraisals;

(5) conduct quality control of a completed appraisal prior to the delivery of the appraisal to the person that ordered the appraisal; or

(6) provide a completed appraisal performed by an appraiser to one or more clients.

Subd. 6. **Appraiser.** "Appraiser" means a person who is expected to perform valuation services competently and in a manner that is independent, impartial, and objective, and who is licensed under chapter 82B.

Subd. 7. **Appraiser panel.** "Appraiser panel" means a network of licensed or certified appraisers who are independent contractors to the appraisal management company that have:

(1) responded to an invitation, request, or solicitation from an appraisal management company, in any form, to perform appraisals for persons that have ordered appraisals through the appraisal management company, or to perform appraisals for the appraisal management company directly, on a periodic basis, as requested and assigned by the appraisal management company; and

(2) been selected and approved by an appraisal management company to perform appraisals for any client of the appraisal management company that has ordered an appraisal through the appraisal management company, or to perform appraisals for the appraisal management company directly, on a periodic basis, as assigned by the appraisal management company.

Subd. 8. **Appraisal review.** "Appraisal review" means the act of developing and communicating an opinion about the quality of another appraiser's work that was performed as part of an appraisal assignment, except that an examination of an appraisal for grammatical, typographical, or other similar errors that do not make a substantive valuation change shall not be an appraisal review.

Subd. 9. **Client.** "Client" means any person or entity that contracts with, or otherwise enters into an agreement with, an appraisal management company for the performance of real estate appraisal services or appraisal management services. For purposes of this chapter, the appraisal management company is the party engaging the independent appraiser and can be the appraiser's client. However, this does not preclude an appraisal management company from acting as a duly authorized agent for a lender.

Subd. 10. **Commissioner.** "Commissioner" means the commissioner of commerce.

Subd. 11. **Controlling person.** "Controlling person" means:

(1) any owner, officer, or director of an appraisal management company seeking to offer appraisal management services in this state;

(2) an individual employed, appointed, or authorized by an appraisal management company that has the authority to enter into a contractual relationship with other persons for the performance of appraisal management services and has the authority to enter into agreements with appraisers for the performance of appraisals;

(3) an individual who possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of an appraisal management company; or

(4) an individual who enters into:

(i) contractual relationships with clients for the performance of appraisal management services; and

(ii) agreements with employed and independent appraisers for the performance of real estate appraisal services.

Subd. 12. **Employee.** "Employee" means an individual who is treated as an employee for purposes of compliance with federal income tax laws.

Subd. 13. **Person.** "Person" means a natural person, firm, partnership, limited liability partnership, corporation, association, limited liability company, or other form of business organization and the officers, directors, employees, or agents of that person.

Subd. 14. **USPAP.** "USPAP" means the Uniform Standards of Professional Appraisal Practice as established by the Appraisal Foundation. State and federal regulatory authorities enforce the content of the current or applicable edition of USPAP.

Sec. 3. **[82C.03] LICENSING.**

**Subdivision 1. Requirement.** It is unlawful for a person, corporation, partnership, sole proprietorship, subsidiary, unit, or other business entity to directly or indirectly engage or attempt to engage in business as an appraisal management company, to directly or indirectly engage or attempt to perform appraisal management services, or to advertise or hold itself out as engaging in or conducting business as an appraisal management company without first obtaining a license issued by the commissioner under the provisions of this chapter.

**Subd. 2. Owner requirements.** (a) An appraisal management company applying to the commissioner for a license in this state may not be more than ten percent owned by any person that is currently subject to any cease and desist order or injunctive order that would preclude involvement with an appraisal management company, or that has ever:

(1) voluntarily surrendered in lieu of disciplinary action an appraiser certification, registration or license, or an appraisal management company license;

(2) been the subject of a final order revoking or denying an appraiser certification, registration or license, or an appraisal management company license; or

(3) a final order barring involvement in any industry or profession issued by this or another state or federal regulatory agency.

(b) A person that owns more than ten percent of an appraisal management company in this state shall:

(1) be of good moral character, as determined by the commissioner;

(2) submit to a background investigation, as determined by the commissioner; and

(3) certify to the commissioner that the person has never been the subject of an order of certificate, registration or license suspension, revocation, or denial; cease and desist order; injunctive order; or order barring involvement in an industry or profession issued by this or another state or federal regulatory agency.

**Subd. 3. Designated controlling person requirements.** **(a) Designation.** Each appraisal management company applying to the commissioner for a license in this state shall designate a controlling person that will be the main contact for all communication between the commissioner and the appraisal management company.

**(b) Requirements.** In order to serve as a designated controlling person of an appraisal management company, a person must:

(1) certify to the commissioner that the person is not currently subject to any cease and desist order or injunctive order that would preclude involvement with an appraisal management company, and has never been the subject of an order suspending, revoking, or denying a certification, registration, or license for real estate services, or a final order barring involvement in any industry or profession issued by this or another state or federal regulatory agency;

(2) be of good moral character, as determined by the commissioner; and

(3) submit to a background investigation, as determined by the commissioner.

**Subd. 4. Application for license.** Application for an appraisal management company license must be submitted on a form prescribed by the commissioner.

Subd. 5. **Minimum information.** The application must, at a minimum, include the following information:

- (1) the name of the entity seeking registration;
- (2) the business address or addresses of the entity seeking registration;
- (3) telephone contact and e-mail information of the entity seeking registration;
- (4) if the entity is not a corporation that is domiciled in this state, the name and contact information for the company's agent for service of process in this state;
- (5) the name, address, and contact information for an individual or corporation, partnership, limited liability company, association, or other business entity that owns ten percent or more of the appraisal management company;
- (6) the name, address, and contact information for a controlling person or persons;
- (7) a certification that the entity has a system and process in place to verify that a person being added to the employment or appraiser panel of the appraisal management company for appraisal services within this state holds an active appraisal license in this state pursuant to chapter 82B if a license is required to perform appraisals;
- (8) a certification that the entity has a system in place to review the work of all employed and independent appraisers that are performing real estate appraisal services for the appraisal management company on a periodic basis to verify that the real estate appraisal assignments are being conducted in accordance with USPAP and chapter 82B;
- (9) a certification that the entity maintains a detailed record of each service request that it receives and the independent appraiser that performs the real estate appraisal services for the appraisal management company, pursuant to section 82C.13;
- (10) a certification that the employees of the appraisal management company will be appropriately trained and familiar with the appraisal process;
- (11) a certification that the appraisal management company has a system and process in place to verify that a person being added to the appraiser panel of the appraisal management company holds a license in good standing in this state pursuant to chapter 82B; and
- (12) an irrevocable Uniform Consent to Service of Process, pursuant to section 82C.07.

Subd. 6. **Effective date of license.** Initial licenses issued under this chapter are effective upon issuance and remain valid, subject to denial, suspension, or revocation under this chapter, until the following August 31.

Sec. 4. **[82C.04] TERM OF LICENSE.**

Initial licenses issued under this chapter are valid for a period not to exceed two years. Each initial license must expire on August 31 of the expiration year assigned by the commissioner.

Sec. 5. **[82C.05] LICENSE RENEWAL.**

Subdivision 1. **Term.** Licenses renewed under this chapter are valid for a period of 24 months.

Subd. 2. **Timely renewal.** (a) Application for timely renewal of a license is considered timely filed if received by the commissioner before the date of the license expiration.

(b) An application for renewal is considered properly filed if made upon a form prescribed by the commissioner, accompanied by fees prescribed by this chapter, and containing any information the commissioner requires.

(c) A licensee failing to make timely application for renewal of the license is unlicensed until the renewal license has been issued by the commissioner and is received by the licensee.

Subd. 3. **Contents of renewal application.** Application for the renewal of an existing license must contain the information specified in section 82C.03. However, only the requested information having changed from the most recent prior application need be submitted.

Subd. 4. **Cancellation.** A licensee ceasing an activity or activities regulated by this chapter and desiring to no longer be licensed shall so inform the commissioner in writing and, at the same time, surrender the license and all other symbols or indicia of licensure.

Sec. 6. **[82C.06] EXEMPTIONS.**

This chapter does not apply to:

(1) a person that exclusively employs appraisers on an employer and employee basis for the performance of appraisals, and:

(i) the employer is responsible for ensuring that the appraisals are performed by employees in accordance with USPAP; and

(ii) the employer accepts all liability associated with the performance of the appraisal by the employee;

(2) a department or unit within a financial institution that is subject to direct regulation by an agency of the United States government, or to regulation by an agency of this state, that receives a request for the performance of an appraisal from one employee of the financial institution, and another employee of the same financial institution assigns the request for the appraisal to an appraiser that is an independent contractor to the institution, except that an appraisal management company that is a wholly owned subsidiary of a financial institution shall not be considered a department or unit within a financial institution to which the provisions of this chapter do not apply;

(3) a person that enters into an agreement, whether written or otherwise, with an appraiser for the performance of an appraisal, and upon the completion of the appraisal, the report of the appraiser performing the appraisal is signed by both the appraiser who completed the appraisal and the appraiser who requested the completion of the appraisal, except that an appraisal management company may not avoid the requirements of this chapter by requiring that an employee of the appraisal management company that is an appraiser to sign an appraisal that is completed by an appraiser that is part of the appraisal panel of the appraisal management company; or

(4) any governmental agency performing appraisals on behalf of that level of government or any agency performing ad valorem tax appraisals for county assessors.

Sec. 7. **[82C.07] CONSENT TO SERVICE OF PROCESS.**

Each entity applying for a license as an appraisal management company in this state shall complete an irrevocable Uniform Consent to Service of Process as prescribed by the commissioner.

Sec. 8. **[82C.08] LICENSING FEES.**

Subdivision 1. Establishment and retention. The fees shall be retained by the commissioner for the sole purpose of administering this licensing and regulation program.

Subd. 2. Amounts. (a) Each application for initial licensure shall be accompanied by a fee of \$2,000.

(b) Each application for renewal of the license must be received prior to the two-year expiration period with the renewal fee of \$1,000.

Subd. 3. Forfeiture. All fees are nonrefundable except that an overpayment of a fee must be refunded upon proper application.

Sec. 9. **[82C.09] INVESTIGATIONS AND SUBPOENAS.**

The commissioner has under this chapter the same powers with respect to chapter 45.027, including the authority to impose a civil penalty not to exceed \$10,000 per violation.

Sec. 10. **[82C.10] EMPLOYEE REQUIREMENTS.**

An employee of the appraisal management company that has the responsibility to review the work of employed and independent appraisers where the subject properties are located within this state, which include the reviewer's opinion of value or concurrence with the original appraiser's value, must be licensed according to chapter 82B and perform the review assignments in compliance with USPAP and chapter 82B. This requirement does not apply to employees who review appraisals for completeness and compliance in connection with an appraisal management company's internal quality control processes, but who do not perform appraisal reviews that are subject to Standard 3 of USPAP.

Sec. 11. **[82C.11] LIMITATIONS.**

An appraisal management company licensed in this state pursuant to this chapter may enter into contracts or agreements for appraisal assignments in this state only with an employee or independent appraiser holding an active Minnesota real estate appraiser license pursuant to chapter 82B.

Sec. 12. **[82C.12] ADHERENCE TO STANDARDS.**

An appraisal management company must have a system in place to review the work of all employed and independent appraisers that are performing real estate appraisal assignments for the appraisal management company on a periodic basis to verify that the real estate appraisal services are being conducted in accordance with USPAP and chapter 82B. An appraisal management company is required to make referrals directly to state appraiser regulatory authorities when a state licensed or certified appraiser violates USPAP, applicable state law, or engages in other unethical or unprofessional conduct.

Sec. 13. **[82C.13] RECORD KEEPING.**

An appraisal management company must maintain a detailed record of each service request that it receives and the employee appraiser or independent appraiser that performs the appraisal assignment for the appraisal management company.

Records must be kept for a period of at least five years after the appraisal assignment request is sent to the independent appraiser or completion of the appraisal report, whichever period expires later.

Sec. 14. **[82C.14] APPRAISER INDEPENDENCE; PROHIBITIONS.**

(a) It is unlawful for any employee, director, officer, or agent of an appraisal management company licensed in this state pursuant to this chapter to influence or attempt to influence the development, reporting, or review of an appraisal through coercion, extortion, collusion, compensation, inducement, intimidation, or bribery, including but not limited to:

- (1) withholding or threatening to withhold timely payment for an appraisal;
- (2) withholding or threatening to withhold future business or assignments for an employed or independent appraiser, or demoting or terminating or threatening to demote or terminate an employed or independent appraiser;
- (3) expressly or impliedly promising future business, assignments, promotions, or increased compensation for an employed or independent appraiser;
- (4) conditioning the request for an appraisal assignment on the payment of an appraisal fee or salary or bonus on the opinion, conclusion, or valuation to be reached, or on a preliminary estimate or opinion requested from an employed or independent appraiser;
- (5) requesting that an employed or independent appraiser provide an estimated, predetermined, or desired valuation in an appraisal report, or provide estimated values or comparable sales at any time prior to the completion of an appraisal assignment;
- (6) providing to an employed or independent appraiser an anticipated, estimated, encouraged, or desired value for a subject property or a proposed or target amount to be loaned to the borrower, except that a copy of the sales contract for purchase transactions may be provided;
- (7) providing to an employed or independent appraiser, or any entity or person related to the appraiser, stock, or other financial or nonfinancial benefits;
- (8) allowing the removal of an employed or independent appraiser from a list of qualified appraisers used by any entity, without prior written notice to the appraiser, which notice must include documented evidence of the appraiser's violation of USPAP, chapter 82B, substandard performance, or otherwise improper or unprofessional behavior;
- (9) request or require any employed or independent appraiser to provide the appraisal management company or any of its employees, or any of its clients, with the appraiser's digital signature;
- (10) alter, amend, or change an appraisal report submitted by an appraiser, to include removing or applying a signature, adding or deleting information from the appraisal report;
- (11) require the appraiser to collect the fee from a borrower, homeowner, or other person;
- (12) require an appraiser to sign any indemnification agreement that would require the appraiser to defend and hold harmless the appraisal management company or any of its agents, or employees for any liability, damage, losses, or claims arising out of the services performed by the appraisal management company or its agents, employees, or independent contractors and not the services performed by the appraiser;
- (13) use an appraiser directly selected or referred by any member of a loan production staff for an individual assignment; or

(14) any other act or practice that impairs or attempts to impair an appraiser's independence, objectivity, or impartiality.

(b) Nothing in paragraph (a) prohibits the appraisal management company from requesting that an independent appraiser:

(1) consider additional appropriate property information;

(2) provide further detail, substantiation, or explanation for the appraiser's value conclusion; or

(3) correct objective factual errors in an appraisal report.

**Sec. 15. [82C.15] ADJUDICATION OF DISPUTES BETWEEN AN APPRAISAL MANAGEMENT COMPANY AND AN INDEPENDENT APPRAISER.**

Except within the first 30 days after an independent appraiser is first added to the appraiser panel of an appraisal management company, an appraisal management company may not remove an appraiser from its appraiser panel, or otherwise refuse to assign requests for real estate appraisal services to an independent appraiser without:

(1) notifying the appraiser in writing of the reasons why the appraiser is being removed from the appraiser panel or is not receiving appraisal requests from the appraisal management company;

(2) if the appraiser is being removed from the panel for illegal conduct, having determined that the appraiser has violated USPAP, or chapter 82B, taking into account the nature of the alleged conduct or violation; and

(3) providing an opportunity for the appraiser to respond and appeal the notification of the appraisal management company.

**Sec. 16. [82C.16] DENIAL, SUSPENSION, REVOCATION OF LICENSES.**

Subdivision 1. **Powers of commissioner.** The commissioner may by order take any or all of the following actions:

(1) bar a person from serving as an officer, director, partner, controlling person, or any similar role at an appraisal management company, if such person has ever been the subject of a final order suspending, revoking or denying a certification, registration or license as a realtor, broker, or appraiser, or a final order barring involvement in any industry or profession issued by this or another state or federal regulatory agency;

(2) deny, suspend, or revoke an appraisal management company license;

(3) censure an appraisal management company license; and

(4) impose a civil penalty as provided for in chapter 45.027.

(b) In order to take the action in paragraph (a), the commissioner must find:

(1) that the order is in the public interest; and

(2) that an officer, director, partner, employee, agent, controlling person or persons, or any person occupying a similar status or performing similar functions, has:

(i) violated any provision of this chapter;

(ii) filed an application for a license that is incomplete in any material respect or contains a statement that, in light of the circumstances under which it is made, is false or misleading with respect to a material fact;

(iii) failed to maintain compliance with the affirmations made under section 80C.03, subdivision 5;

(iv) violated a standard of conduct or engaged in a fraudulent, coercive, deceptive, or dishonest act or practice, whether or not the act or practice involves the appraisal management company;

(v) engaged in an act or practice, whether or not the act or practice involves the business of appraisal management, appraisal assignments, or real estate mortgage related practices, that demonstrates untrustworthiness, financial irresponsibility, or incompetence;

(vi) pled guilty, with or without explicitly admitting guilt, pled nolo contendere, or been convicted of a felony, gross misdemeanor, or a misdemeanor involving moral turpitude;

(vii) paid a civil penalty or been the subject of disciplinary action by the commissioner, or an order of suspension or revocation, cease and desist order, or injunction order, or an order barring involvement in an industry or profession issued by this or any other state or federal regulatory agency or government-sponsored enterprise, or by the secretary of Housing and Urban Development;

(viii) been found by a court of competent jurisdiction to have engaged in conduct evidencing gross negligence, fraud, misrepresentation, or deceit;

(ix) refused to cooperate with an investigation or examination by the commissioner;

(x) failed to pay any fee or assessment imposed by the commissioner; or

(xi) failed to comply with state and federal tax obligations.

**Subd. 2. Orders of the commissioner.** To begin a proceeding under this section, the commissioner shall issue an order requiring the subject of the proceeding to show cause why action should not be taken against the licensee according to this section. The order must be calculated to give reasonable notice of the time and place for the hearing and must state the reasons for entry of the order. The commissioner may by order summarily suspend a license pending a final determination of an order to show cause. If a license is summarily suspended, pending final determination of an order to show cause, a hearing on the merits must be held within 30 days of the issuance of the order of summary suspension. All hearings must be conducted under chapter 14. After the hearing, the commissioner shall enter an order disposing of the matter as the facts require. If the subject of the order fails to appear at a hearing after having been duly notified of it, the subject is considered in default, and the proceeding may be determined against the subject of the order upon consideration of the order to show cause, the allegations of which may be considered to be true.

**Subd. 3. Actions against lapsed license.** If a license lapses, is surrendered, withdrawn, terminated, or otherwise becomes ineffective, the commissioner may institute a proceeding under this subdivision within two years after the license was last effective and enter a revocation or suspension order as of the last date which the license was in effect, and may impose a civil penalty as provided for in this section or section 45.027.

## ARTICLE 2

### REAL ESTATE APPRAISER ADVISORY BOARD

Section 1. Minnesota Statutes 2009 Supplement, section 82B.05, subdivision 1, is amended to read:

Subdivision 1. **Members.** The Real Estate Appraiser Advisory Board consists of ~~15~~ nine members appointed by the commissioner of commerce. Three of the members ~~must be public members, four~~ must be consumers of appraisal services, and ~~eight~~ three must be ~~real estate appraisers of whom not less than two members must be trainee real property appraisers, licensed real property appraisers, or certified residential real property appraisers, not less than two members~~ and three must be certified general real property appraisers, and not less than one ~~member of those members~~ must be certified by the Appraisal Qualification Board of the Appraisal Foundation to teach the Uniform Standards of Professional Appraisal Practice. Each of the three categories of members must include at least one member who lives or works outside of the seven-county metropolitan area. The board is governed by section 15.0575.

**EFFECTIVE DATE.** This section is effective August 1, 2010.

Sec. 2. Minnesota Statutes 2008, section 82B.05, subdivision 5, is amended to read:

Subd. 5. **Conduct of meetings.** Places of regular board meetings must be decided by the vote of members. Written notice must be given to each member of the time and place of each meeting of the board at least ten days before the scheduled date of regular board meetings. The board shall establish procedures for emergency board meetings and other operational procedures, subject to the approval of the commissioner.

The members of the board shall elect a chair from among the members to preside at board meetings.

A quorum of the board is ~~eight~~ five members.

The board shall meet at least once every six months as determined by a majority vote of the members or a call of the commissioner. The chair of the board may call a meeting at any other time, subject to the notice requirements of this section.

**EFFECTIVE DATE.** This section is effective August 1, 2010.

Sec. 3. Minnesota Statutes 2008, section 82B.05, is amended by adding a subdivision to read:

Subd. 7. **Enforcement reports.** The commissioner shall, on a regular basis, provide the board with the commissioner's enforcement reports.

**EFFECTIVE DATE.** This section is effective August 1, 2010.

Sec. 4. Minnesota Statutes 2008, section 82B.06, is amended to read:

**82B.06 POWERS OF THE BOARD.**

The board shall make recommendations to the commissioner as the commissioner requests or at the board's own initiative on:

(1) rules with respect to each category of licensed real estate appraiser, the type of educational experience, appraisal experience, and equivalent experience that will meet the requirements of this chapter;

(2) examination specifications for each category of licensed real estate appraiser, to assist in providing or obtaining appropriate examination questions and answers, and procedures for grading examinations;

(3) rules with respect to each category of licensed real estate appraiser, the continuing education requirements for the renewal of licensing that will meet the requirements provided in this chapter;

(4) periodic review of the standards for the development and communication of real estate appraisals provided in this chapter and rules explaining and interpreting the standards; and

(5) other matters necessary in carrying out the provisions of this chapter.

**EFFECTIVE DATE.** This section is effective August 1, 2010."

Delete the title and insert:

"A bill for an act relating to commerce; providing for the licensing and regulation of appraisal management companies; regulating the real estate appraiser advisory board; amending Minnesota Statutes 2008, sections 82B.05, subdivision 5, by adding a subdivision; 82B.06; Minnesota Statutes 2009 Supplement, section 82B.05, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 82C."

With the recommendation that when so amended the bill pass.

The report was adopted.

Mullery from the Committee on Civil Justice to which was referred:

H. F. No. 3128, A bill for an act relating to probate; clarifying the powers of health care agents, guardians, and others to make health care decisions for wards and protected persons; modifying provisions governing guardians and conservators; amending Minnesota Statutes 2008, sections 145C.09, subdivision 3; 524.5-303; 524.5-403; 525A.09; Minnesota Statutes 2009 Supplement, sections 524.5-120; 524.5-304; 524.5-309; 524.5-310; 524.5-315; 524.5-316; 524.5-406; 524.5-420.

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

The report was adopted.

Hornstein from the Transportation and Transit Policy and Oversight Division to which was referred:

H. F. No. 3172, A bill for an act relating to education; permitting advertisements within a baseball field.

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

The report was adopted.

Pelowski from the Committee on State and Local Government Operations Reform, Technology and Elections to which was referred:

H. F. No. 3184, A bill for an act relating to state government; creating employment guidance for using bond proceeds; requiring reports.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[16A.697] CONTRACTING REQUIREMENTS FOR CERTAIN BOND PROCEEDS RECIPIENTS.**

**Subdivision 1. Use of proceeds.** (a) For the purposes of this section, "bond proceeds recipient" includes:

(1) an agency under section 16A.011, subdivision 2;

(2) the Minnesota State Colleges and Universities;

(3) the University of Minnesota; or

(4) after January 1, 2012, counties, municipalities, and other political subdivisions of the state.

(b) Before a bond proceeds recipient may spend money from the bond proceeds fund established under section 16A.631, the bond proceeds recipient must require as part of any bid or proposal for a contract or agreement from any business, a plan to:

(1) recruit individuals to perform work who are unemployed, especially targeting communities experiencing disproportionately high rates of unemployment including, but not limited to, disabled persons, veterans, and low-income, rural, and tribal communities and communities of color;

(2) recruit individuals to perform work from available training providers, including, but not limited to, opportunities industrialization centers, construction trades unions, tribal colleges or nonprofits working in tribal communities, community action partnerships, and nonprofit organizations providing pertinent job training;

(3) disseminate information about subcontract and employment opportunities generated by bond proceeds to disadvantaged groups, including, but not limited to, disabled persons, veterans, and low-income, rural, and tribal communities and communities of color; and

(4) for building construction, renewal, and renovation projects, demonstrate the total calculated and document the actual calculated energy savings created by the project.

**Subd. 2. Reporting requirements.** (a) A bond proceeds recipient shall report electronically to the commissioner of employment and economic development a complete accounting of the following:

(1) within six months of the awarding of project contracts, and every six months thereafter until the completion of a project, the number of jobs created and retained by the project, and the total number of hours worked by individuals from low-income, rural, and tribal communities and communities of color;

(2) within six months of the awarding of project contracts, and every six months thereafter until the completion of a project, the number of workers recruited from available apprentice and training programs, including the name and location of the program, total number of hours worked, and length of job retention;

(3) within six months of the awarding of project contracts, a detailed description of contract and employment information dissemination efforts to disadvantaged groups; and

(4) within six months of the completion of building construction, renovation, and renewal projects, the total calculated and actual energy savings for the project.

(b) The commissioner of employment and economic development shall compile the data and reports submitted under paragraph (a) and shall prepare an annual summary report that shall be submitted electronically by January 15 of each year beginning in 2011 to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over capital investment and the Department of Management and Budget."

Delete the title and insert:

"A bill for an act relating to state government; placing certain restrictions on the use of bond proceeds; requiring reports; proposing coding for new law in Minnesota Statutes, chapter 16A."

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

The report was adopted.

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

H. F. No. 3196, A bill for an act relating to health; modifying provisions regulating home health care services; amending Minnesota Statutes 2008, sections 144A.45, subdivisions 2, 4; 144A.46, subdivisions 2, 3; Minnesota Statutes 2009 Supplement, section 144A.46, subdivision 1.

Reported the same back with the following amendments:

Page 4, line 15, delete "by the provider,"

Page 4, line 28, before "or" insert ", client's legal guardian," and delete "that"

Page 4, line 29, delete everything before "a"

Page 4, line 30, after "commissioner" insert ", which must include contact information for Office of Ombudsman for Long-Term Care"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 3234, A bill for an act relating to human services; making changes to continuing care policy and technical provisions; amending Minnesota Statutes 2008, section 626.557, subdivision 9a; Minnesota Statutes 2009 Supplement, sections 144.0724, subdivision 11; 256B.0625, subdivision 19c; 256B.0651, by adding a subdivision; 256B.0652, subdivision 6; 256B.0659, subdivisions 10, 11, 21, 30, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

CONTINUING CARE POLICY

Section 1. Minnesota Statutes 2009 Supplement, section 144.0724, subdivision 11, is amended to read:

Subd. 11. **Nursing facility level of care.** (a) For purposes of medical assistance payment of long-term care services, a recipient must be determined, using assessments defined in subdivision 4, to meet one of the following nursing facility level of care criteria:

(1) the person requires formal clinical monitoring at least once per day;

~~(1)~~ (2) the person needs the assistance of another person or constant supervision to begin and complete at least four of the following activities of living: bathing, bed mobility, dressing, eating, grooming, toileting, transferring, and walking;

~~(2)~~ (3) the person needs the assistance of another person or constant supervision to begin and complete toileting, transferring, or positioning and the assistance cannot be scheduled;

~~(3)~~ (4) the person has significant difficulty with memory, using information, daily decision making, or behavioral needs that require intervention;

~~(4)~~ (5) the person has had a qualifying nursing facility stay of at least 90 days;

(6) the person meets the nursing facility level of care criteria determined 90 days after admission or on the first quarterly assessment after admission, whichever is later; or

~~(5)~~ (7) the person is determined to be at risk for nursing facility admission or readmission through a face-to-face long-term care consultation assessment as specified in section 256B.0911, subdivision 3a, 3b, or 4d, by a county, tribe, or managed care organization under contract with the Department of Human Services. The person is considered at risk under this clause if the person currently lives alone or will live alone upon discharge and also meets one of the following criteria:

(i) the person has experienced a fall resulting in a fracture;

(ii) the person has been determined to be at risk of maltreatment or neglect, including self-neglect; or

(iii) the person has a sensory impairment that substantially impacts functional ability and maintenance of a community residence.

(b) The assessment used to establish medical assistance payment for nursing facility services must be the most recent assessment performed under subdivision 4, paragraph (b), that occurred no more than 90 calendar days before the effective date of medical assistance eligibility for payment of long-term care services. In no case shall medical assistance payment for long-term care services occur prior to the date of the determination of nursing facility level of care.

(c) The assessment used to establish medical assistance payment for long-term care services provided under sections 256B.0915 and 256B.49 and alternative care payment for services provided under section 256B.0913 must be the most recent face-to-face assessment performed under section 256B.0911, subdivision 3a, 3b, or 4d, that occurred no more than 60 calendar days before the effective date of medical assistance eligibility for payment of long-term care services.

Sec. 2. Minnesota Statutes 2008, section 144A.071, subdivision 4b, is amended to read:

Subd. 4b. **Licensed beds on layaway status.** A licensed and certified nursing facility may lay away, upon prior written notice to the commissioner of health, ~~up to 50 percent of its~~ licensed and certified beds. A nursing facility may not discharge a resident in order to lay away a bed. Notice to the commissioner shall be given 60 days prior to the effective date of the layaway. Beds on layaway shall have the same status as voluntarily delicensed and decertified beds and shall not be subject to license fees and license surcharge fees. In addition, beds on layaway may be removed from layaway at any time on or after one year after the effective date of layaway in the facility of origin, with a 60-day notice to the commissioner. A nursing facility that removes beds from layaway may not place beds on layaway status for one year after the effective date of the removal from layaway. The commissioner may approve the immediate removal of beds from layaway if necessary to provide access to those nursing home beds to residents relocated from other nursing homes due to emergency situations or closure. In the event approval is granted, the one-year restriction on placing beds on layaway after a removal of beds from layaway shall not apply. Beds may remain on layaway for up to ~~five~~ ten years. The commissioner may approve placing and removing beds on layaway at any time during renovation or construction related to a moratorium project approved under this section or section 144A.073. Nursing facilities are not required to comply with any licensure or certification requirements for beds on layaway status.

Sec. 3. Minnesota Statutes 2008, section 144A.161, subdivision 1a, is amended to read:

Subd. 1a. **Scope.** Where a facility is undertaking closure, curtailment, reduction, or change in operations, or where a housing with services unit registered under chapter 144D is closed because the space that it occupies is being replaced by a nursing facility bed that is being reactivated from layaway status, the facility and the county social services agency must comply with the requirements of this section.

Sec. 4. Minnesota Statutes 2008, section 245A.03, is amended by adding a subdivision to read:

Subd. 9. **Permitted services by an individual who is related.** Notwithstanding subdivision 2, paragraph (a), clause (1), and subdivision 7, an individual who is related to a person receiving supported living services may provide licensed services to that person if:

- (1) the person who receives supported living services received these services in a residential site on July 1, 2005;
- (2) the services under clause (1) were provided in a corporate foster care setting for adults and were funded by the developmental disabilities home and community-based services waiver defined in section 256B.092;
- (3) the individual who is related obtains and maintains both a license under chapter 245B and an adult foster care license under Minnesota Rules, parts 9555.5105 to 9555.6265; and
- (4) the individual who is related is not the guardian of the person receiving supported living services.

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

Sec. 5. Minnesota Statutes 2009 Supplement, section 256B.0625, subdivision 19c, is amended to read:

Subd. 19c. **Personal care.** Medical assistance covers personal care assistance services provided by an individual who is qualified to provide the services according to subdivision 19a and sections 256B.0651 to 256B.0656, provided in accordance with a plan, and supervised by a qualified professional.

"Qualified professional" means a mental health professional as defined in section 245.462, subdivision 18, or 245.4871, subdivision 27; or a registered nurse as defined in sections 148.171 to 148.285, a licensed social worker as defined in ~~section 148B.21~~ sections 148D.010 and 148D.055, or a qualified developmental disabilities specialist under section 245B.07, subdivision 4. The qualified professional shall perform the duties required in section 256B.0659.

Sec. 6. Minnesota Statutes 2009 Supplement, section 256B.0651, is amended by adding a subdivision to read:

**Subd. 17. Recipient protection.** (a) Providers of home care services must provide each recipient with a copy of the home care bill of rights under section 144A.44 at least 30 days prior to terminating services to a recipient, if the termination results from provider sanctions under section 256B.064, such as a payment withhold, a suspension of participation, or a termination of participation. If a home care provider determines it is unable to continue providing services to a recipient, the provider must notify the recipient, the recipient's responsible party, and the commissioner 30 days prior to terminating services to the recipient because of an action under section 256B.064, and must assist the commissioner and lead agency in supporting the recipient in transitioning to another home care provider of the recipient's choice.

(b) In the event of a payment withhold from a home care provider, a suspension of participation, or a termination of participation of a home care provider under section 256B.064, the commissioner may inform the Office of Ombudsman for Long-Term Care and the lead agencies for all recipients with active service agreements with the provider. At the commissioner's request, the lead agencies must contact recipients to ensure that the recipients are continuing to receive needed care, and that the recipients have been given free choice of provider if they transfer to another home care provider. In addition, the commissioner or the commissioner's delegate may directly notify recipients who receive care from the provider that payments have been withheld or that the provider's participation in medical assistance has been suspended or terminated, if the commissioner determines that notification is necessary to protect the welfare of the recipients. For purposes of this subdivision, "lead agencies" means counties, tribes, and managed care organizations.

Sec. 7. Minnesota Statutes 2009 Supplement, section 256B.0652, subdivision 6, is amended to read:

**Subd. 6. Authorization; personal care assistance and qualified professional.** (a) All personal care assistance services, supervision by a qualified professional, and additional services beyond the limits established in subdivision 11, must be authorized by the commissioner or the commissioner's designee before services begin except for the assessments established in subdivision 11 and section 256B.0911. The authorization for personal care assistance and qualified professional services under section 256B.0659 must be completed within 30 days after receiving a complete request.

(b) The amount of personal care assistance services authorized must be based on the recipient's home care rating. The home care rating shall be determined by the commissioner or the commissioner's designee based on information submitted to the commissioner identifying the following:

- (1) total number of dependencies of activities of daily living as defined in section 256B.0659;
- (2) ~~number~~ presence of complex health-related needs as defined in section 256B.0659; and
- (3) ~~number~~ presence of behavior ~~descriptions~~ as defined in section 256B.0659.

(c) The methodology to determine total time for personal care assistance services for each home care rating is based on the median paid units per day for each home care rating from fiscal year 2007 data for the personal care assistance program. Each home care rating has a base level of hours assigned. Additional time is added through the assessment and identification of the following:

- (1) 30 additional minutes per day for a dependency in each critical activity of daily living as defined in section 256B.0659;
- (2) 30 additional minutes per day for each complex health-related function as defined in section 256B.0659; and

(3) 30 additional minutes per day for each behavior issue as defined in section 256B.0659.

(d) A limit of 96 units of qualified professional supervision may be authorized for each recipient receiving personal care assistance services. A request to the commissioner to exceed this total in a calendar year must be requested by the personal care provider agency on a form approved by the commissioner.

Sec. 8. Minnesota Statutes 2009 Supplement, section 256B.0659, subdivision 10, is amended to read:

Subd. 10. **Responsible party; duties; delegation.** (a) A responsible party shall enter into a written agreement with a personal care assistance provider agency, on a form determined by the commissioner, to perform the following duties:

(1) be available while care is provided in a method agreed upon by the individual or the individual's legal representative and documented in the recipient's personal care assistance care plan;

(2) monitor personal care assistance services to ensure the recipient's personal care assistance care plan is being followed; and

(3) review and sign personal care assistance time sheets after services are provided to provide verification of the personal care assistance services.

Failure to provide the support required by the recipient must result in a referral to the county common entry point.

(b) Responsible parties who are parents of minors or guardians of minors or incapacitated persons may delegate the responsibility to another adult who is not the personal care assistant during a temporary absence of at least 24 hours but not more than six months. The person delegated as a responsible party must be able to meet the definition of the responsible party. The responsible party must ensure that the delegate performs the functions of the responsible party, is identified at the time of the assessment, and is listed on the personal care assistance care plan. The responsible party must communicate to the personal care assistance provider agency about the need for a ~~delegate~~ ~~delegated~~ responsible party, including the name of the delegated responsible party, ~~dates the delegated responsible party will be living with the recipient,~~ and contact numbers.

Sec. 9. Minnesota Statutes 2009 Supplement, section 256B.0659, subdivision 11, is amended to read:

Subd. 11. **Personal care assistant; requirements.** (a) A personal care assistant must meet the following requirements:

(1) be at least 18 years of age with the exception of persons who are 16 or 17 years of age with these additional requirements:

(i) supervision by a qualified professional every 60 days; and

(ii) employment by only one personal care assistance provider agency responsible for compliance with current labor laws;

(2) be employed by a personal care assistance provider agency;

(3) enroll with the department as a personal care assistant after clearing a background study. Except as provided in subdivision 11a, before a personal care assistant provides services, the personal care assistance provider agency must initiate a background study on the personal care assistant under chapter 245C, and the personal care assistance provider agency must have received a notice from the commissioner that the personal care assistant is:

(i) not disqualified under section 245C.14; or

(ii) is disqualified, but the personal care assistant has received a set aside of the disqualification under section 245C.22;

(4) be able to effectively communicate with the recipient and personal care assistance provider agency;

(5) be able to provide covered personal care assistance services according to the recipient's personal care assistance care plan, respond appropriately to recipient needs, and report changes in the recipient's condition to the supervising qualified professional or physician;

(6) not be a consumer of personal care assistance services;

(7) maintain daily written records including, but not limited to, time sheets under subdivision 12;

(8) effective January 1, 2010, complete standardized training as determined by the commissioner before completing enrollment. Personal care assistant training must include successful completion of the following training components: basic first aid, vulnerable adult, child maltreatment, OSHA universal precautions, basic roles and responsibilities of personal care assistants including information about assistance with lifting and transfers for recipients, emergency preparedness, orientation to positive behavioral practices, fraud issues, and completion of time sheets. Upon completion of the training components, the personal care assistant must demonstrate the competency to provide assistance to recipients;

(9) complete training and orientation on the needs of the recipient within the first seven days after the services begin; and

(10) be limited to providing and being paid for up to 310 hours per month of personal care assistance services regardless of the number of recipients being served or the number of personal care assistance provider agencies enrolled with.

(b) A legal guardian may be a personal care assistant if the guardian is not being paid for the guardian services and meets the criteria for personal care assistants in paragraph (a).

(c) Effective January 1, 2010, persons who do not qualify as a personal care assistant include parents and stepparents of minors, spouses, paid legal guardians, family foster care providers, except as otherwise allowed in section 256B.0625, subdivision 19a, or staff of a residential setting.

**EFFECTIVE DATE.** This section is effective retroactively from July 1, 2009.

Sec. 10. Minnesota Statutes 2009 Supplement, section 256B.0659, is amended by adding a subdivision to read:

Subd. 11a. **Exception to personal care assistant; requirements.** The personal care assistant for a recipient may be allowed to enroll with a different personal care assistant provider agency upon initiation of a new background study according to chapter 245C if all of the following are met:

(1) the commissioner determines that a change in enrollment or affiliation of the personal care assistant is needed in order to ensure continuity of services and protect the health and safety of the recipient;

(2) the chosen agency has been continuously enrolled as a personal care assistance provider agency for at least two years;

(3) the recipient chooses to transfer to the personal care assistance provider agency;

(4) the personal care assistant has been continuously enrolled with the former personal care assistance provider agency since the last background study was completed; and

(5) the personal care assistant continues to meet requirements of subdivision 11, excluding paragraph (a), clause (3).

**EFFECTIVE DATE.** This section is effective retroactively from July 1, 2009.

Sec. 11. Minnesota Statutes 2009 Supplement, section 256B.0659, subdivision 13, is amended to read:

Subd. 13. **Qualified professional; qualifications.** (a) The qualified professional must ~~be employed by~~ work for a personal care assistance provider agency and meet the definition under section 256B.0625, subdivision 19c. Before a qualified professional provides services, the personal care assistance provider agency must initiate a background study on the qualified professional under chapter 245C, and the personal care assistance provider agency must have received a notice from the commissioner that the qualified professional:

(1) is not disqualified under section 245C.14; or

(2) is disqualified, but the qualified professional has received a set aside of the disqualification under section 245C.22.

(b) The qualified professional shall perform the duties of training, supervision, and evaluation of the personal care assistance staff and evaluation of the effectiveness of personal care assistance services. The qualified professional shall:

(1) develop and monitor with the recipient a personal care assistance care plan based on the service plan and individualized needs of the recipient;

(2) develop and monitor with the recipient a monthly plan for the use of personal care assistance services;

(3) review documentation of personal care assistance services provided;

(4) provide training and ensure competency for the personal care assistant in the individual needs of the recipient; and

(5) document all training, communication, evaluations, and needed actions to improve performance of the personal care assistants.

(c) Effective January 1, 2010, the qualified professional shall complete the provider training with basic information about the personal care assistance program approved by the commissioner within six months of the date hired by a personal care assistance provider agency. Qualified professionals who have completed the required ~~trainings~~ training as ~~an employee with a worker from~~ a personal care assistance provider agency do not need to repeat the required ~~trainings~~ training if they are hired by another agency, if they have completed the training within the last three years.

Sec. 12. Minnesota Statutes 2009 Supplement, section 256B.0659, subdivision 21, is amended to read:

Subd. 21. **Requirements for initial enrollment of personal care assistance provider agencies.** (a) All personal care assistance provider agencies must provide, at the time of enrollment as a personal care assistance provider agency in a format determined by the commissioner, information and documentation that includes, but is not limited to, the following:

(1) the personal care assistance provider agency's current contact information including address, telephone number, and e-mail address;

(2) proof of surety bond coverage in the amount of \$50,000 or ten percent of the provider's payments from Medicaid in the previous year, whichever is less;

(3) proof of fidelity bond coverage in the amount of \$20,000;

(4) proof of workers' compensation insurance coverage;

(5) proof of liability insurance;

~~(5)~~ (6) a description of the personal care assistance provider agency's organization identifying the names of all owners, managing employees, staff, board of directors, and the affiliations of the directors, owners, or staff to other service providers;

~~(6)~~ (7) a copy of the personal care assistance provider agency's written policies and procedures including: hiring of employees; training requirements; service delivery; and employee and consumer safety including process for notification and resolution of consumer grievances, identification and prevention of communicable diseases, and employee misconduct;

~~(7)~~ (8) copies of all other forms the personal care assistance provider agency uses in the course of daily business including, but not limited to:

(i) a copy of the personal care assistance provider agency's time sheet if the time sheet varies from the standard time sheet for personal care assistance services approved by the commissioner, and a letter requesting approval of the personal care assistance provider agency's nonstandard time sheet;

(ii) the personal care assistance provider agency's template for the personal care assistance care plan; and

(iii) the personal care assistance provider agency's template for the written agreement in subdivision 20 for recipients using the personal care assistance choice option, if applicable;

~~(8)~~ (9) a list of all ~~trainings~~ training and classes that the personal care assistance provider agency requires of its staff providing personal care assistance services;

~~(9)~~ (10) documentation that the personal care assistance provider agency and staff have successfully completed all the training required by this section;

~~(10)~~ (11) documentation of the agency's marketing practices;

~~(11)~~ (12) disclosure of ownership, leasing, or management of all residential properties that is used or could be used for providing home care services; and

~~(12)~~ (13) documentation that the agency will use the following percentages of revenue generated from the medical assistance rate paid for personal care assistance services for employee personal care assistant wages and benefits: 72.5 percent of revenue in the personal care assistance choice option and 72.5 percent of revenue from other personal care assistance providers.

(b) Personal care assistance provider agencies shall provide the information specified in paragraph (a) to the commissioner at the time the personal care assistance provider agency enrolls as a vendor or upon request from the commissioner. The commissioner shall collect the information specified in paragraph (a) from all personal care assistance providers beginning July 1, 2009.

(c) All personal care assistance provider agencies shall complete mandatory training as determined by the commissioner before enrollment as a provider. Personal care assistance provider agencies are required to send all owners, qualified professionals employed by the agency, and all other managing employees to the initial and subsequent ~~trainings~~ training. Personal care assistance provider agency billing staff shall complete training about personal care assistance program financial management. This training is effective July 1, 2009. Any personal care assistance provider agency enrolled before that date shall, if it has not already, complete the provider training within 18 months of July 1, 2009. Any new owners, new qualified professionals, and new managing employees are required to complete mandatory training as a requisite of hiring.

Sec. 13. Minnesota Statutes 2009 Supplement, section 256B.0659, subdivision 30, is amended to read:

Subd. 30. **Notice of service changes to recipients.** The commissioner must provide:

(1) by October 31, 2009, information to recipients likely to be affected that (i) describes the changes to the personal care assistance program that may result in the loss of access to personal care assistance services, and (ii) includes resources to obtain further information; and

(2) notice of changes in medical assistance ~~home care~~ personal care assistant services to each affected recipient at least 30 days before the effective date of the change.

The notice shall include how to get further information on the changes, how to get help to obtain other services, a list of community resources, and appeal rights. Notwithstanding section 256.045, a recipient may request continued services pending appeal within the time period allowed to request an appeal.

Sec. 14. Minnesota Statutes 2009 Supplement, section 256B.0911, subdivision 1a, is amended to read:

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

(a) "Long-term care consultation services" means:

(1) assistance in identifying services needed to maintain an individual in the most inclusive environment;

(2) providing recommendations on cost-effective community services that are available to the individual;

(3) development of an individual's person-centered community support plan;

(4) providing information regarding eligibility for Minnesota health care programs;

(5) face-to-face long-term care consultation assessments, which may be completed in a hospital, nursing facility, intermediate care facility for persons with developmental disabilities (ICF/DDs), regional treatment centers, or the person's current or planned residence;

(6) federally mandated screening to determine the need for a institutional level of care under section 256B.0911, subdivision 4, paragraph (a);

(7) determination of home and community-based waiver service eligibility including level of care determination for individuals who need an institutional level of care as defined under section 144.0724, subdivision 11, or 256B.092, service eligibility including state plan home care services identified in ~~section sections~~ 256B.0625, subdivisions 6, 7, and 19, paragraphs (a) and (c), and 256B.0657, based on assessment and support plan development with appropriate referrals, including the option for consumer-directed community supports;

(8) providing recommendations for nursing facility placement when there are no cost-effective community services available; and

(9) assistance to transition people back to community settings after facility admission.

(b) "Long-term care options counseling" means the services provided by the linkage lines as mandated by sections 256.01 and 256.975, subdivision 7, and also includes telephone assistance and follow up once a long-term care consultation assessment has been completed.

(c) "Minnesota health care programs" means the medical assistance program under chapter 256B and the alternative care program under section 256B.0913.

(d) "Lead agencies" means counties or a collaboration of counties, tribes, and health plans administering long-term care consultation assessment and support planning services.

Sec. 15. Minnesota Statutes 2009 Supplement, section 256B.0911, subdivision 2b, is amended to read:

Subd. 2b. **Certified assessors.** (a) Beginning January 1, 2011, each lead agency shall use certified assessors who have completed training and the certification processes determined by the commissioner in subdivision 2c. Certified assessors shall demonstrate best practices in assessment and support planning including person-centered planning principals and have a common set of skills that must ensure consistency and equitable access to services statewide. Assessors must be part of a multidisciplinary team of professionals that includes public health nurses, social workers, and other professionals as defined in paragraph (b). For persons with complex health care needs, a public health nurse or registered nurse from a multidisciplinary team must be consulted. A lead agency may choose, according to departmental policies, to contract with a qualified, certified assessor to conduct assessments and reassessments on behalf of the lead agency.

(b) Certified assessors are persons with a minimum of a bachelor's degree in social work, nursing with a public health nursing certificate, or other closely related field with at least one year of home and community-based experience or a two-year registered nursing degree with at least three years of home and community-based experience that have received training and certification specific to assessment and consultation for long-term care services in the state.

Sec. 16. Minnesota Statutes 2009 Supplement, section 256B.0911, subdivision 3a, is amended to read:

Subd. 3a. **Assessment and support planning.** (a) Persons requesting assessment, services planning, or other assistance intended to support community-based living, including persons who need assessment in order to determine waiver or alternative care program eligibility, must be visited by a long-term care consultation team within 15 calendar days after the date on which an assessment was requested or recommended. After January 1, 2011, these requirements also apply to personal care assistance services, private duty nursing, and home health agency services, on timelines established in subdivision 5. Face-to-face assessments must be conducted according to paragraphs (b) to (i).

(b) The county may utilize a team of either the social worker or public health nurse, or both. After January 1, 2011, lead agencies shall use certified assessors to conduct the assessment in a face-to-face interview. The consultation team members must confer regarding the most appropriate care for each individual screened or assessed.

(c) The assessment must be comprehensive and include a person-centered assessment of the health, psychological, functional, environmental, and social needs of referred individuals and provide information necessary to develop a support plan that meets the consumers needs, using an assessment form provided by the commissioner.

(d) The assessment must be conducted in a face-to-face interview with the person being assessed and the person's legal representative, as required by legally executed documents, and other individuals as requested by the person, who can provide information on the needs, strengths, and preferences of the person necessary to develop a support plan that ensures the person's health and safety, but who is not a provider of service or has any financial interest in the provision of services.

(e) The person, or the person's legal representative, must be provided with written recommendations for community-based services, including consumer-directed options, or institutional care that include documentation that the most cost-effective alternatives available were offered to the individual. For purposes of this requirement, "cost-effective alternatives" means community services and living arrangements that cost the same as or less than institutional care.

(f) If the person chooses to use community-based services, the person or the person's legal representative must be provided with a written community support plan, regardless of whether the individual is eligible for Minnesota health care programs. A person may request assistance in identifying community supports without participating in a complete assessment. Upon a request for assistance identifying community support, the person must be transferred or referred to the services available under sections 256.975, subdivision 7, and 256.01, subdivision 24, for telephone assistance and follow up.

(g) The person has the right to make the final decision between institutional placement and community placement after the recommendations have been provided, except as provided in subdivision 4a, paragraph (c).

(h) The team must give the person receiving assessment or support planning, or the person's legal representative, materials, and forms supplied by the commissioner containing the following information:

- (1) the need for and purpose of preadmission screening if the person selects nursing facility placement;
- (2) the role of the long-term care consultation assessment and support planning in waiver and alternative care program eligibility determination;
- (3) information about Minnesota health care programs;
- (4) the person's freedom to accept or reject the recommendations of the team;
- (5) the person's right to confidentiality under the Minnesota Government Data Practices Act, chapter 13;
- (6) the long-term care consultant's decision regarding the person's need for institutional level of care as determined under criteria established in section 144.0724, subdivision 11, or 256B.092; and
- (7) the person's right to appeal the decision regarding the need for nursing facility level of care or the county's final decisions regarding public programs eligibility according to section 256.045, subdivision 3.

(i) Face-to-face assessment completed as part of eligibility determination for the alternative care, elderly waiver, community alternatives for disabled individuals, community alternative care, and traumatic brain injury waiver programs under sections 256B.0915, 256B.0917, and 256B.49 is valid to establish service eligibility for no more than 60 calendar days after the date of assessment. The effective eligibility start date for these programs can never be prior to the date of assessment. If an assessment was completed more than 60 days before the effective waiver or alternative care program eligibility start date, assessment and support plan information must be updated in a face-to-face visit and documented in the department's Medicaid Management Information System (MMIS). The effective date of program eligibility in this case cannot be prior to the date the updated assessment is completed.

Sec. 17. Minnesota Statutes 2009 Supplement, section 256B.0911, subdivision 3b, is amended to read:

Subd. 3b. **Transition assistance.** (a) A long-term care consultation team shall provide assistance to persons residing in a nursing facility, hospital, regional treatment center, or intermediate care facility for persons with developmental disabilities who request or are referred for assistance. Transition assistance must include assessment, community support plan development, referrals to long-term care options counseling under section 256B.975, subdivision 10, for community support plan implementation and to Minnesota health care programs, including home and community-based waiver services and consumer-directed options through the waivers, and referrals to programs that provide assistance with housing. Transition assistance must also include information about the Centers for Independent Living and the Senior LinkAge Line, and about other organizations that can provide assistance with relocation efforts, and information about contacting these organizations to obtain their assistance and support.

(b) The county shall develop transition processes with institutional social workers and discharge planners to ensure that:

(1) persons admitted to facilities receive information about transition assistance that is available;

(2) the assessment is completed for persons within ten working days of the date of request or recommendation for assessment; and

(3) there is a plan for transition and follow-up for the individual's return to the community. The plan must require notification of other local agencies when a person who may require assistance is screened by one county for admission to a facility located in another county.

(c) If a person who is eligible for a Minnesota health care program is admitted to a nursing facility, the nursing facility must include a consultation team member or the case manager in the discharge planning process.

Sec. 18. Minnesota Statutes 2008, section 256B.0911, subdivision 4d, is amended to read:

Subd. 4d. **Preadmission screening of individuals under 65 years of age.** (a) It is the policy of the state of Minnesota to ensure that individuals with disabilities or chronic illness are served in the most integrated setting appropriate to their needs and have the necessary information to make informed choices about home and community-based service options.

(b) Individuals under 65 years of age who are admitted to a nursing facility from a hospital must be screened prior to admission as outlined in subdivisions 4a through 4c.

(c) Individuals under 65 years of age who are admitted to nursing facilities with only a telephone screening must receive a face-to-face assessment from the long-term care consultation team member of the county in which the facility is located or from the recipient's county case manager within 40 calendar days of admission.

(d) Individuals under 65 years of age who are admitted to a nursing facility without preadmission screening according to the exemption described in subdivision 4b, paragraph (a), clause (3), and who remain in the facility longer than 30 days must receive a face-to-face assessment within 40 days of admission.

(e) At the face-to-face assessment, the long-term care consultation team member or county case manager must perform the activities required under subdivision 3b.

(f) For individuals under 21 years of age, a screening interview which recommends nursing facility admission must be face-to-face and approved by the commissioner before the individual is admitted to the nursing facility.

(g) In the event that an individual under 65 years of age is admitted to a nursing facility on an emergency basis, the county must be notified of the admission on the next working day, and a face-to-face assessment as described in paragraph (c) must be conducted within 40 calendar days of admission.

(h) At the face-to-face assessment, the long-term care consultation team member or the case manager must present information about home and community-based options, including consumer-directed options, so the individual can make informed choices. If the individual chooses home and community-based services, the long-term care consultation team member or case manager must complete a written relocation plan within 20 working days of the visit. The plan shall describe the services needed to move out of the facility and a time line for the move which is designed to ensure a smooth transition to the individual's home and community.

(i) An individual under 65 years of age residing in a nursing facility shall receive a face-to-face assessment at least every 12 months to review the person's service choices and available alternatives unless the individual indicates, in writing, that annual visits are not desired. In this case, the individual must receive a face-to-face assessment at least once every 36 months for the same purposes.

(j) Notwithstanding the provisions of subdivision 6, the commissioner may pay county agencies directly for face-to-face assessments for individuals under 65 years of age who are being considered for placement or residing in a nursing facility.

Sec. 19. Minnesota Statutes 2008, section 626.557, subdivision 9a, is amended to read:

Subd. 9a. **Evaluation and referral of reports made to common entry point unit.** The common entry point must screen the reports of alleged or suspected maltreatment for immediate risk and make all necessary referrals as follows:

(1) if the common entry point determines that there is an immediate need for adult protective services, the common entry point agency shall immediately notify the appropriate county agency;

(2) if the report contains suspected criminal activity against a vulnerable adult, the common entry point shall immediately notify the appropriate law enforcement agency;

~~(3) if the report references alleged or suspected maltreatment and there is no immediate need for adult protective services, the common entry point shall notify~~ refer all reports of alleged or suspected maltreatment to the appropriate lead agency as soon as possible, but in any event no longer than two working days; and

~~(4) if the report does not reference alleged or suspected maltreatment, the common entry point may determine whether the information will be referred; and~~

~~(5)~~ (4) if the report contains information about a suspicious death, the common entry point shall immediately notify the appropriate law enforcement agencies, the local medical examiner, and the ombudsman established under section 245.92. Law enforcement agencies shall coordinate with the local medical examiner and the ombudsman as provided by law.

Sec. 20. **ELDERLY WAIVER CONVERSION.**

Notwithstanding Minnesota Statutes, section 256B.0915, subdivision 3b, a person age 65 or older with an MT home care rating on January 1, 2010, is eligible for the elderly waiver program and shall be considered a conversion for purposes of accessing monthly budget caps equal to no more than the person's monthly spending under the personal care assistance program on January 1, 2010.

Sec. 21. **DIRECTION TO COMMISSIONER; CONSULTATION WITH STAKEHOLDERS.**

The commissioner shall consult with stakeholders experienced in using and providing services through the consumer-directed community supports option during the identification of data to be used in future development of an individualized budget methodology for the home and community-based waivers under the new comprehensive assessment.

ARTICLE 2

PERSONAL CARE ASSISTANT SERVICES

Section 1. Minnesota Statutes 2009 Supplement, section 256B.0653, subdivision 3, is amended to read:

Subd. 3. **Home health aide visits.** (a) Home health aide visits must be provided by a certified home health aide using a written plan of care that is updated in compliance with Medicare regulations. A home health aide shall provide hands-on personal care, perform simple procedures as an extension of therapy or nursing services, and assist in instrumental activities of daily living as defined in section 256B.0659, including ensuring that the person gets to medical appointments if identified in the written plan of care. Home health aide visits must be provided in the recipient's home.

(b) All home health aide visits must have authorization under section 256B.0652. The commissioner shall limit home health aide visits to no more than one visit per day per recipient.

(c) Home health aides must be supervised by a registered nurse or an appropriate therapist when providing services that are an extension of therapy.

Sec. 2. Minnesota Statutes 2009 Supplement, section 256B.0659, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of this section, the terms defined in paragraphs (b) to ~~(r)~~ (r) have the meanings given unless otherwise provided in text.

(b) "Activities of daily living" means grooming, dressing, bathing, transferring, mobility, positioning, eating, and toileting.

(c) "Behavior," effective January 1, 2010, means a category to determine the home care rating and is based on the criteria found in this section. "Level I behavior" means physical aggression towards self, others, or destruction of property that requires the immediate response of another person.

(d) "Complex health-related needs," effective January 1, 2010, means a category to determine the home care rating and is based on the criteria found in this section.

(e) "Critical activities of daily living," effective January 1, 2010, means transferring, mobility, eating, and toileting.

(f) "Dependency in activities of daily living" means a person requires assistance to begin and complete one or more of the activities of daily living.

(g) "Extended personal care assistance service" means personal care assistance services included in a service plan under one of the home and community-based services waivers authorized under sections 256B.49, 256B.0915, and 256B.092, subdivision 5, which exceed the amount, duration, and frequency of the state plan personal care assistance services for participants who:

(1) need assistance provided periodically during a week, but less than daily will not be able to remain in their home without the assistance, and other replacement services are more expensive or are not available when personal care assistance services are to be terminated; or

(2) need additional personal care assistance services beyond the amount authorized by the state plan personal care assistance assessment in order to ensure that their safety, health, and welfare are provided for in their homes.

(h) "Health-related procedures and tasks" means procedures and tasks that can be delegated or assigned by a licensed health care professional under state law to be performed by a personal care assistant.

~~(h)~~ (i) "Instrumental activities of daily living" means activities to include meal planning and preparation; basic assistance with paying bills; shopping for food, clothing, and other essential items; performing household tasks integral to the personal care assistance services; communication by telephone and other media; and traveling, including to medical appointments and to participate in the community.

~~(i)~~ (j) "Managing employee" has the same definition as Code of Federal Regulations, title 42, section 455.

~~(j)~~ (k) "Qualified professional" means a professional providing supervision of personal care assistance services and staff as defined in section 256B.0625, subdivision 19c.

~~(k)~~ (l) "Personal care assistance provider agency" means a medical assistance enrolled provider that provides or assists with providing personal care assistance services and includes a personal care assistance provider organization, personal care assistance choice agency, class A licensed nursing agency, and Medicare-certified home health agency.

~~(l)~~ (m) "Personal care assistant" or "PCA" means an individual employed by a personal care assistance agency who provides personal care assistance services.

~~(m)~~ (n) "Personal care assistance care plan" means a written description of personal care assistance services developed by the personal care assistance provider according to the service plan.

~~(n)~~ (o) "Responsible party" means an individual who is capable of providing the support necessary to assist the recipient to live in the community.

~~(o)~~ (p) "Self-administered medication" means medication taken orally, by injection or insertion, or applied topically without the need for assistance.

~~(p)~~ (q) "Service plan" means a written summary of the assessment and description of the services needed by the recipient.

(r) "Wages and benefits" means wages and salaries, the employer's share of FICA taxes, Medicare taxes, state and federal unemployment taxes, workers' compensation, mileage reimbursement, health and dental insurance, life insurance, disability insurance, long-term care insurance, uniform allowance, and contributions to employee retirement accounts.

Sec. 3. Minnesota Statutes 2009 Supplement, section 256B.0659, subdivision 3, is amended to read:

Subd. 3. **Noncovered personal care assistance services.** (a) Personal care assistance services are not eligible for medical assistance payment under this section when provided:

(1) by the recipient's spouse, parent of a recipient under the age of 18, paid legal guardian, licensed foster provider, except as allowed under section 256B.0651, subdivision 10, or responsible party;

(2) in lieu of other staffing options in a residential or child care setting;

(3) solely as a child care or babysitting service; or

(4) without authorization by the commissioner or the commissioner's designee.

(b) The following personal care services are not eligible for medical assistance payment under this section when provided in residential settings:

(1) effective January 1, 2010, when the provider of home care services who is not related by blood, marriage, or adoption owns or otherwise controls the living arrangement, including licensed or unlicensed services; or

(2) when personal care assistance services are the responsibility of a residential or program license holder under the terms of a service agreement and administrative rules.

(c) Other specific tasks not covered under paragraph (a) or (b) that are not eligible for medical assistance reimbursement for personal care assistance services under this section include:

(1) sterile procedures;

(2) injections of fluids and medications into veins, muscles, or skin;

(3) home maintenance or chore services;

(4) homemaker services not an integral part of assessed personal care assistance services needed by a recipient;

(5) application of restraints or implementation of procedures under section 245.825;

(6) instrumental activities of daily living for children under the age of 18, except when immediate attention is needed for health or hygiene reasons integral to the personal care services or traveling to medical appointments and the need is listed in the service plan by the assessor; and

(7) assessments for personal care assistance services by personal care assistance provider agencies or by independently enrolled registered nurses.

Sec. 4. Minnesota Statutes 2009 Supplement, section 256B.0659, subdivision 4, is amended to read:

Subd. 4. **Assessment for personal care assistance services; limitations.** (a) An assessment as defined in subdivision 3a must be completed for personal care assistance services.

(b) The following limitations apply to the assessment:

(1) a person must be assessed as dependent in an activity of daily living based on the person's ongoing need, ~~on a daily basis~~, for:

(i) cuing and constant supervision to complete the task; or

(ii) hands-on assistance to complete the task; and

(2) a child may not be found to be dependent in an activity of daily living if because of the child's age an adult would either perform the activity for the child or assist the child with the activity. Assistance needed is the assistance appropriate for a typical child of the same age.

(c) Assessment for complex health-related needs must meet the criteria in this paragraph. During the assessment process, a recipient qualifies as having complex health-related needs if the recipient has one or more of the interventions that are ordered by a physician, specified in a personal care assistance care plan, and found in the following:

(1) tube feedings requiring:

(i) a gastro/jejunostomy tube; or

(ii) continuous tube feeding lasting longer than 12 hours per day;

(2) wounds described as:

(i) stage III or stage IV;

(ii) multiple wounds;

(iii) requiring sterile or clean dressing changes or a wound vac; or

(iv) open lesions such as burns, fistulas, tube sites, or ostomy sites that require specialized care;

(3) parenteral therapy described as:

(i) IV therapy more than two times per week lasting longer than four hours for each treatment; or

(ii) total parenteral nutrition (TPN) daily;

(4) respiratory interventions including:

(i) oxygen required more than eight hours per day;

(ii) respiratory vest more than one time per day;

(iii) bronchial drainage treatments more than two times per day;

(iv) sterile or clean suctioning more than six times per day;

(v) dependence on another to apply respiratory ventilation augmentation devices such as BiPAP and CPAP; and

(vi) ventilator dependence under section 256B.0652;

(5) insertion and maintenance of catheter including:

(i) sterile catheter changes more than one time per month;

(ii) clean self-catheterization more than six times per day; or

(iii) bladder irrigations;

(6) bowel program more than two times per week requiring more than 30 minutes to perform each time;

(7) neurological intervention including:

(i) seizures more than two times per week and requiring significant physical assistance to maintain safety; or

(ii) swallowing disorders diagnosed by a physician and requiring specialized assistance from another on a daily basis; and

(8) other congenital or acquired diseases creating a need for significantly increased direct hands-on assistance and interventions in six to eight activities of daily living.

(d) An assessment of behaviors must meet the criteria in this paragraph. A recipient qualifies as having a need for assistance due to behaviors if the recipient's behavior requires assistance at least four times per week and shows one or more of the following behaviors:

(1) physical aggression towards self or others, or destruction of property that requires the immediate response of another person;

(2) increased vulnerability due to cognitive deficits or socially inappropriate behavior; or

(3) verbally aggressive and resistive to care.

Sec. 5. Minnesota Statutes 2009 Supplement, section 256B.0659, subdivision 11, is amended to read:

Subd. 11. **Personal care assistant; requirements.** (a) A personal care assistant must meet the following requirements:

(1) be at least 18 years of age with the exception of persons who are 16 or 17 years of age with these additional requirements:

(i) supervision by a qualified professional every 60 days; and

(ii) employment by only one personal care assistance provider agency responsible for compliance with current labor laws;

(2) be employed by a personal care assistance provider agency;

(3) enroll with the department as a personal care assistant after clearing a background study. Before a personal care assistant provides services, the personal care assistance provider agency must initiate a background study on the personal care assistant under chapter 245C, and the personal care assistance provider agency must have received a notice from the commissioner that the personal care assistant is:

(i) not disqualified under section 245C.14; or

(ii) is disqualified, but the personal care assistant has received a set aside of the disqualification under section 245C.22;

(4) be able to effectively communicate with the recipient and personal care assistance provider agency;

(5) be able to provide covered personal care assistance services according to the recipient's personal care assistance care plan, respond appropriately to recipient needs, and report changes in the recipient's condition to the supervising qualified professional or physician;

(6) not be a consumer of personal care assistance services;

(7) maintain daily written records including, but not limited to, time sheets under subdivision 12;

(8) effective January 1, 2010, complete standardized training as determined by the commissioner before completing enrollment. The training must be available in languages other than English and to those who need accommodations due to disabilities. Personal care assistant training must include successful completion of the following training components: basic first aid, vulnerable adult, child maltreatment, OSHA universal precautions, basic roles and responsibilities of personal care assistants including information about assistance with lifting and transfers for recipients, emergency preparedness, orientation to positive behavioral practices, fraud issues, and completion of time sheets. Upon completion of the training components, the personal care assistant must demonstrate the competency to provide assistance to recipients;

(9) complete training and orientation on the needs of the recipient within the first seven days after the services begin; and

(10) be limited to providing and being paid for up to 310 hours per month of personal care assistance services regardless of the number of recipients being served or the number of personal care assistance provider agencies enrolled with. The number of hours worked per day shall not be disallowed by the department unless in violation of the law.

(b) A legal guardian may be a personal care assistant if the guardian is not being paid for the guardian services and meets the criteria for personal care assistants in paragraph (a).

(c) Effective January 1, 2010, persons who do not qualify as a personal care assistant include parents and stepparents of minors, spouses, paid legal guardians, family foster care providers, except as otherwise allowed in section 256B.0625, subdivision 19a, or staff of a residential setting.

Sec. 6. Minnesota Statutes 2009 Supplement, section 256B.0659, subdivision 13, is amended to read:

Subd. 13. **Qualified professional; qualifications.** (a) The qualified professional must be employed by a personal care assistance provider agency and meet the definition under section 256B.0625, subdivision 19c. Before a qualified professional provides services, the personal care assistance provider agency must initiate a background study on the qualified professional under chapter 245C, and the personal care assistance provider agency must have received a notice from the commissioner that the qualified professional:

(1) is not disqualified under section 245C.14; or

(2) is disqualified, but the qualified professional has received a set aside of the disqualification under section 245C.22.

(b) The qualified professional shall perform the duties of training, supervision, and evaluation of the personal care assistance staff and evaluation of the effectiveness of personal care assistance services. The qualified professional shall:

(1) develop and monitor with the recipient a personal care assistance care plan based on the service plan and individualized needs of the recipient;

- (2) develop and monitor with the recipient a monthly plan for the use of personal care assistance services;
- (3) review documentation of personal care assistance services provided;
- (4) provide training and ensure competency for the personal care assistant in the individual needs of the recipient; and
- (5) document all training, communication, evaluations, and needed actions to improve performance of the personal care assistants.

(c) Effective ~~January~~ July 1, 2010, the qualified professional shall complete the provider training with basic information about the personal care assistance program approved by the commissioner within six months of the date hired by a personal care assistance provider agency. Qualified professionals who have completed the required trainings as an employee with a personal care assistance provider agency do not need to repeat the required trainings if they are hired by another agency, if they have completed the training within the last three years. The required training shall be available in languages other than English and to those who need accommodations due to disabilities, online, or by electronic remote connection, and provide for competency testing to demonstrate an understanding of the content without attending in-person training. A qualified professional is allowed to be employed and is not subject to the training requirement until the training is offered online or through remote electronic connection. A qualified professional employed by a personal care assistance provider agency certified for participation in Medicare as a home health agency is exempt from the training required in this subdivision. The commissioner shall ensure there is a mechanism in place to verify the identity of persons completing the competency testing electronically.

Sec. 7. Minnesota Statutes 2009 Supplement, section 256B.0659, subdivision 14, is amended to read:

Subd. 14. **Qualified professional; duties.** (a) Effective January 1, 2010, all personal care assistants must be supervised by a qualified professional.

(b) Through direct training, observation, return demonstrations, and consultation with the staff and the recipient, the qualified professional must ensure and document that the personal care assistant is:

- (1) capable of providing the required personal care assistance services;
- (2) knowledgeable about the plan of personal care assistance services before services are performed; and
- (3) able to identify conditions that should be immediately brought to the attention of the qualified professional.

(c) The qualified professional shall evaluate the personal care assistant within the first 14 days of starting to provide regularly scheduled services for a recipient except for the personal care assistance choice option under subdivision 19, paragraph (a), clause (4). For the initial evaluation, the qualified professional shall evaluate the personal care assistance services for a recipient through direct observation of a personal care assistant's work. Subsequent visits to evaluate the personal care assistance services provided to a recipient do not require direct observation of each personal care assistant's work and shall occur:

- (1) at least every 90 days thereafter for the first year of a recipient's services; ~~and~~
- (2) every 120 days after the first year of a recipient's service or whenever needed for response to a recipient's request for increased supervision of the personal care assistance staff; and

(3) after the first 180 days of a recipient's service, supervisory visits may alternate between unscheduled phone or Internet technology and in-person visits, unless the in-person visits are needed according to the care plan.

(d) Communication with the recipient is a part of the evaluation process of the personal care assistance staff.

(e) At each supervisory visit, the qualified professional shall evaluate personal care assistance services including the following information:

(1) satisfaction level of the recipient with personal care assistance services;

(2) review of the month-to-month plan for use of personal care assistance services;

(3) review of documentation of personal care assistance services provided;

(4) whether the personal care assistance services are meeting the goals of the service as stated in the personal care assistance care plan and service plan;

(5) a written record of the results of the evaluation and actions taken to correct any deficiencies in the work of a personal care assistant; and

(6) revision of the personal care assistance care plan as necessary in consultation with the recipient or responsible party, to meet the needs of the recipient.

(f) The qualified professional shall complete the required documentation in the agency recipient and employee files and the recipient's home, including the following documentation:

(1) the personal care assistance care plan based on the service plan and individualized needs of the recipient;

(2) a month-to-month plan for use of personal care assistance services;

(3) changes in need of the recipient requiring a change to the level of service and the personal care assistance care plan;

(4) evaluation results of supervision visits and identified issues with personal care assistance staff with actions taken;

(5) all communication with the recipient and personal care assistance staff; and

(6) hands-on training or individualized training for the care of the recipient.

(g) The documentation in paragraph (f) must be done on agency forms.

(h) The services that are not eligible for payment as qualified professional services include:

(1) direct professional nursing tasks that could be assessed and authorized as skilled nursing tasks;

(2) supervision of personal care assistance completed by telephone;

(3) agency administrative activities;

(4) training other than the individualized training required to provide care for a recipient; and

(5) any other activity that is not described in this section.

Sec. 8. Minnesota Statutes 2009 Supplement, section 256B.0659, subdivision 18, is amended to read:

Subd. 18. **Personal care assistance choice option; generally.** (a) The commissioner may allow a recipient of personal care assistance services to use a fiscal intermediary to assist the recipient in paying and accounting for medically necessary covered personal care assistance services. Unless otherwise provided in this section, all other statutory and regulatory provisions relating to personal care assistance services apply to a recipient using the personal care assistance choice option.

(b) Personal care assistance choice is an option of the personal care assistance program that allows the recipient who receives personal care assistance services to be responsible for the hiring, training, scheduling, and firing of personal care assistants according to the terms of the written agreement with the personal care assistance choice agency required under subdivision 20, paragraph (a). This program offers greater control and choice for the recipient in who provides the personal care assistance service and when the service is scheduled. The recipient or the recipient's responsible party must choose a personal care assistance choice provider agency as a fiscal intermediary. This personal care assistance choice provider agency manages payroll, invoices the state, is responsible for all payroll-related taxes and insurance, and is responsible for providing the consumer training and support in managing the recipient's personal care assistance services.

Sec. 9. Minnesota Statutes 2009 Supplement, section 256B.0659, subdivision 19, is amended to read:

Subd. 19. **Personal care assistance choice option; qualifications; duties.** (a) Under personal care assistance choice, the recipient or responsible party shall:

(1) recruit, hire, schedule, and terminate personal care assistants ~~and a qualified professional~~ according to the terms of the written agreement required under subdivision 20, paragraph (a);

(2) develop a personal care assistance care plan based on the assessed needs and addressing the health and safety of the recipient with the assistance of a qualified professional as needed;

(3) orient and train the personal care assistant with assistance as needed from the qualified professional;

(4) effective January 1, 2010, supervise and evaluate the personal care assistant with the qualified professional, who is required to visit the recipient at least every 180 days;

(5) monitor and verify in writing and report to the personal care assistance choice agency the number of hours worked by the personal care assistant and the qualified professional;

(6) engage in an annual face-to-face reassessment to determine continuing eligibility and service authorization; and

(7) use the same personal care assistance choice provider agency if shared personal assistance care is being used.

(b) The personal care assistance choice provider agency shall:

(1) meet all personal care assistance provider agency standards;

(2) enter into a written agreement with the recipient, responsible party, and personal care assistants;

(3) not be related as a parent, child, sibling, or spouse to the recipient, qualified professional, or the personal care assistant; and

(4) ensure arm's-length transactions without undue influence or coercion with the recipient and personal care assistant.

(c) The duties of the personal care assistance choice provider agency are to:

(1) be the employer of the personal care assistant and the qualified professional for employment law and related regulations including, but not limited to, purchasing and maintaining workers' compensation, unemployment insurance, surety and fidelity bonds, and liability insurance, and submit any or all necessary documentation including, but not limited to, workers' compensation and unemployment insurance;

(2) bill the medical assistance program for personal care assistance services and qualified professional services;

(3) request and complete background studies that comply with the requirements for personal care assistants and qualified professionals;

(4) pay the personal care assistant and qualified professional based on actual hours of services provided;

(5) withhold and pay all applicable federal and state taxes;

(6) verify and keep records of hours worked by the personal care assistant and qualified professional;

(7) make the arrangements and pay taxes and other benefits, if any, and comply with any legal requirements for a Minnesota employer;

(8) enroll in the medical assistance program as a personal care assistance choice agency; and

(9) enter into a written agreement as specified in subdivision 20 before services are provided.

Sec. 10. Minnesota Statutes 2009 Supplement, section 256B.0659, subdivision 20, is amended to read:

Subd. 20. **Personal care assistance choice option; administration.** (a) Before services commence under the personal care assistance choice option, and annually thereafter, the personal care assistance choice provider agency; ~~recipient, or responsible party, each personal care assistant, and the qualified professional~~ and the recipient or responsible party shall enter into a written agreement. The annual agreement must be provided to the recipient or responsible party, each personal care assistant, and the qualified professional when completed, and include at a minimum:

(1) duties of the recipient, qualified professional, personal care assistant, and personal care assistance choice provider agency;

(2) salary and benefits for the personal care assistant and the qualified professional;

(3) administrative fee of the personal care assistance choice provider agency and services paid for with that fee, including background study fees;

(4) grievance procedures to respond to complaints;

(5) procedures for hiring and terminating the personal care assistant; and

(6) documentation requirements including, but not limited to, time sheets, activity records, and the personal care assistance care plan.

(b) Effective January 1, 2010, except for the administrative fee of the personal care assistance choice provider agency as reported on the written agreement, the remainder of the rates paid to the personal care assistance choice provider agency must be used to pay for the salary and benefits for the personal care assistant or the qualified professional. The provider agency must use a minimum of 72.5 percent of the revenue generated by the medical assistance rate for personal care assistance services for employee personal care assistant wages and benefits.

(c) The commissioner shall deny, revoke, or suspend the authorization to use the personal care assistance choice option if:

(1) it has been determined by the qualified professional or public health nurse that the use of this option jeopardizes the recipient's health and safety;

(2) the parties have failed to comply with the written agreement specified in this subdivision;

(3) the use of the option has led to abusive or fraudulent billing for personal care assistance services; or

(4) the department terminates the personal care assistance choice option.

(d) The recipient or responsible party may appeal the commissioner's decision in paragraph (c) according to section 256.045. The denial, revocation, or suspension to use the personal care assistance choice option must not affect the recipient's authorized level of personal care assistance services.

Sec. 11. Minnesota Statutes 2009 Supplement, section 256B.0659, subdivision 21, is amended to read:

Subd. 21. **Requirements for initial enrollment of personal care assistance provider agencies.** (a) All personal care assistance provider agencies must provide, at the time of enrollment as a personal care assistance provider agency in a format determined by the commissioner, information and documentation that includes, but is not limited to, the following:

(1) the personal care assistance provider agency's current contact information including address, telephone number, and e-mail address;

(2) proof of surety bond coverage in the amount of \$50,000 or ten percent of the provider's payments from Medicaid in the previous year, whichever is less;

(3) proof of fidelity bond coverage in the amount of \$20,000;

(4) proof of workers' compensation insurance coverage;

(5) a description of the personal care assistance provider agency's organization identifying the names of all owners, managing employees, staff, board of directors, and the affiliations of the directors, owners, or staff to other service providers;

(6) a copy of the personal care assistance provider agency's written policies and procedures including: hiring of employees; training requirements; service delivery; and employee and consumer safety including process for notification and resolution of consumer grievances, identification and prevention of communicable diseases, and employee misconduct;

(7) copies of all other forms the personal care assistance provider agency uses in the course of daily business including, but not limited to:

(i) a copy of the personal care assistance provider agency's time sheet if the time sheet varies from the standard time sheet for personal care assistance services approved by the commissioner, and a letter requesting approval of the personal care assistance provider agency's nonstandard time sheet;

(ii) the personal care assistance provider agency's template for the personal care assistance care plan; and

(iii) the personal care assistance provider agency's template for the written agreement in subdivision 20 for recipients using the personal care assistance choice option, if applicable;

(8) a list of all trainings and classes that the personal care assistance provider agency requires of its staff providing personal care assistance services;

(9) documentation that the personal care assistance provider agency and staff have successfully completed all the training required by this section;

(10) documentation of the agency's marketing practices;

(11) disclosure of ownership, leasing, or management of all residential properties that is used or could be used for providing home care services; ~~and~~

(12) documentation that the agency will use the following percentages of revenue generated from the medical assistance rate paid for personal care assistance services for employee personal care assistant wages and benefits: 72.5 percent of revenue in the personal care assistance choice option and 72.5 percent of revenue from other personal care assistance providers; and

(13) documentation that the agency does not burden recipients' free exercise of their right to choose service providers by requiring personal care assistants to sign an agreement not to work with any particular personal care assistance recipient or for another personal care assistance provider agency after leaving the agency.

(b) Personal care assistance provider agencies shall provide the information specified in paragraph (a) to the commissioner at the time the personal care assistance provider agency enrolls as a vendor or upon request from the commissioner. The commissioner shall collect the information specified in paragraph (a) from all personal care assistance providers beginning July 1, 2009.

(c) All personal care assistance provider agencies shall require all employees in management and supervisory positions and owners of the agency who are active in the day-to-day management and operations of the agency to complete mandatory training as determined by the commissioner before enrollment of the agency as a provider. Personal care assistance provider agencies are required to send all owners, qualified professionals employed by the agency, and all other managing employees to the initial and subsequent trainings. Employees in management and supervisory positions and owners who are active in the day-to-day operations of an agency who have completed the required training as an employee with a personal care assistance provider agency do not need to repeat the required training if they are hired by another agency, if they have completed the training within the past three years. By September 1, 2010, the required training must be available in languages other than English and to those who need accommodations due to disabilities, online, or by electronic remote connection, and provide for competency testing. Personal care assistance provider agency billing staff shall complete training about personal care assistance program financial management. This training is effective July 1, 2009. Any personal care assistance provider agency enrolled before that date shall, if it has not already, complete the provider training within 18 months of July 1, 2009. Any new owners, new qualified professionals, and new managing or employees in management and supervisory positions involved in the day-to-day operations are required to complete mandatory training as a requisite of hiring working for the agency. Personal care assistance provider agencies certified for participation in Medicare as home health agencies are exempt from the training required in this subdivision.

Sec. 12. Minnesota Statutes 2009 Supplement, section 256B.0659, subdivision 27, is amended to read:

Subd. 27. **Personal care assistance provider agency; ~~ventilator training.~~** (a) The personal care assistance provider agency is required to provide training for the personal care assistant responsible for working with a recipient who is ventilator dependent. All training must be administered by a respiratory therapist, nurse, or physician. Qualified professional supervision by a nurse must be completed and documented on file in the personal care assistant's employment record and the recipient's health record. If offering personal care services to a ventilator-dependent recipient, the personal care assistance provider agency shall demonstrate and document the ability to:

(1) train the personal care assistant;

(2) supervise the personal care assistant in ~~ventilator operation and maintenance~~ the care of a ventilator-dependent recipient; and

(3) supervise the recipient and responsible party in ~~ventilator operation and maintenance~~ the care of a ventilator-dependent recipient; and

(4) provide documentation of the training and supervision in clauses (1) to (3) upon request.

(b) A personal care assistant shall not undertake any clinical services, patient assessment, patient evaluation, or clinical education regarding the ventilator or the patient on the ventilator. These services may only be provided by health care professionals licensed or registered in this state.

(c) A personal care assistant may only perform tasks associated with ventilator maintenance that are approved by the Board of Medical Practice in consultation with the Respiratory Care Practitioner Advisory Council and the Department of Human Services.

(d) Personal care assistance provider agencies certified for participation in Medicare as home health agencies are exempt from providing the training required in this subdivision.

Sec. 13. Minnesota Statutes 2009 Supplement, section 256B.0659, subdivision 30, is amended to read:

Subd. 30. **Notice of service changes to recipients.** The commissioner must provide:

(1) by October 31, 2009, information to recipients likely to be affected that (i) describes the changes to the personal care assistance program that may result in the loss of access to personal care assistance services, and (ii) includes resources to obtain further information; ~~and~~

(2) notice of changes in medical assistance home care services to each affected recipient at least 30 days before the effective date of the change.

The notice shall include how to get further information on the changes, how to get help to obtain other services, a list of community resources, and appeal rights. Notwithstanding section 256.045, a recipient may request continued services pending appeal within the time period allowed to request an appeal; and

(3) a service agreement authorizing personal care assistance hours of service at the previously authorized level, throughout the appeal process period, when a recipient requests services pending an appeal."

Delete the title and insert:

"A bill for an act relating to human services; making changes to continuing care policy and personal care assistance services; amending Minnesota Statutes 2008, sections 144A.071, subdivision 4b; 144A.161, subdivision 1a; 245A.03, by adding a subdivision; 256B.0911, subdivision 4d; 626.557, subdivision 9a; Minnesota Statutes 2009 Supplement, sections 144.0724, subdivision 11; 256B.0625, subdivision 19c; 256B.0651, by adding a subdivision; 256B.0652, subdivision 6; 256B.0653, subdivision 3; 256B.0659, subdivisions 1, 3, 4, 10, 11, 13, 14, 18, 19, 20, 21, 27, 30, by adding a subdivision; 256B.0911, subdivisions 1a, 2b, 3a, 3b."

With the recommendation that when so amended the bill pass.

The report was adopted.

Mullery from the Committee on Civil Justice to which was referred:

H. F. No. 3277, A bill for an act relating to commerce; specifying that advertising of deceptive local telephone numbers for businesses is a deceptive trade practice; amending Minnesota Statutes 2008, section 325D.46, by adding a subdivision.

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

The report was adopted.

Mullery from the Committee on Civil Justice to which was referred:

H. F. No. 3300, A bill for an act relating to human services; modifying provisions relating to civilly committed sex offenders, sexually dangerous persons, and sexual psychopathic personalities; amending provisions relating to judicial holds in commitment cases; amending Minnesota Statutes 2008, sections 246B.01, by adding a subdivision; 253B.05, subdivision 1; 253B.07, subdivision 2b; 253B.10, subdivision 5; 253B.15, subdivision 1; 253B.18, subdivision 5a; 253B.185; 253B.19, subdivision 2; Minnesota Statutes 2009 Supplement, sections 246B.01, subdivisions 1a, 1b, 2a, 2d; 246B.02; 246B.03, subdivisions 2, 3; 246B.04, subdivision 3; 246B.05, subdivision 1; 246B.06, subdivisions 1, 6, 7, 8; 246B.07, subdivisions 1, 2; 246B.08; 246B.09; 246B.10; 253B.14.

Reported the same back with the following amendments:

Page 2, delete section 3

Page 9, line 25, delete the new language and insert "Except as provided in section 253B.045, subdivision 1a, in the case of an individual on a judicial hold due to a petition for civil commitment under section 253B.185, assignment"

Page 9, line 27, after "a" insert "secure" and delete "program" and insert "facility"

Page 10, after line 28, insert:

"Sec. 24. Minnesota Statutes 2008, section 253B.18, subdivision 4a, is amended to read:

Subd. 4a. **Release on pass; notification.** A patient who has been committed as a person who is mentally ill and dangerous and who is confined at a secure treatment facility or has been transferred out of a state-operated services facility according to section 253B.18, subdivision 6, shall not be released on a pass unless the pass is part of a pass

plan that has been approved by the medical director of the secure treatment facility. The pass plan must have a specific therapeutic purpose consistent with the treatment plan, must be established for a specific period of time, and must have specific levels of liberty delineated. The county case manager must be invited to participate in the development of the pass plan. At least ten days prior to a determination on the plan, the medical director shall notify the designated agency, the committing court, the county attorney of the county of commitment, an interested person, the local law enforcement agency where the facility is located, the county attorney and the local law enforcement agency in the location where the pass is to occur, the petitioner, and the petitioner's counsel of the plan, the nature of the passes proposed, and their right to object to the plan. If any notified person objects prior to the proposed date of implementation, the person shall have an opportunity to appear, personally or in writing, before the medical director, within ten days of the objection, to present grounds for opposing the plan. The pass plan shall not be implemented until the objecting person has been furnished that opportunity. Nothing in this subdivision shall be construed to give a patient an affirmative right to a pass plan."

Page 11, line 19, strike "or section 253B.185"

Page 12, lines 19 and 20, delete the new language

Page 12, lines 25 to 28, delete the new language

Page 13, line 36, strike "section 253B.18" and insert "subdivision 11"

Page 16, strike lines 22 and 23 and insert "court; the county attorneys of the counties of commitment, financial responsibility, and proposed placement; the designated agency; an interested person; the petitioner and the petitioner's counsel; and the committed person"

Page 16, strike lines 30 to 32 and insert "special review board before the hearing must also provide copies to the committed person; the committed person's counsel; the county attorneys of the counties of commitment, financial responsibility, and proposed placement; the case manager; and the commissioner. The special review board must consider any statements"

Page 18, line 2, after the second "county" insert "where the criminal conviction occurred or"

Page 18, line 3, after "or" insert ", following commitment,"

Page 18, line 4, delete "head" and insert "commissioner of human services."

Page 18, delete line 5

Page 21, line 14, strike "from which the person was committed or the county" and after "of" insert "commitment," and after "responsibility" insert ", or proposed placement"

Page 21, strike lines 26 and 27 and insert "patient; the county attorneys of the counties of commitment, financial responsibility, and proposed placement; the designated agency; the commissioner; the head of the treatment facility; any interested persons; and other persons"

Page 21, line 28, strike the comma

Page 21, line 30, strike everything after the period

Page 21, strike line 31 and insert "The patient; the patient's counsel; any of the county attorneys of the committing county, or the county of financial responsibility and county of placement, and the"

Page 21, line 33, after "and" insert ", except when the patient is solely committed as mentally ill and dangerous,"

Page 22, line 2, strike everything after the first "county"

Page 22, line 3, strike "the county of financial responsibility" and insert "attorneys"

Renumber the sections in sequence

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

Pelowski from the Committee on State and Local Government Operations Reform, Technology and Elections to which was referred:

H. F. No. 3327, A bill for an act relating to city and county employees; exempting employees of a city-owned or county-owned hospital from certain reporting requirements; amending Minnesota Statutes 2008, section 471.701.

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

The report was adopted.

Pelowski from the Committee on State and Local Government Operations Reform, Technology and Elections to which was referred:

H. F. No. 3350, A bill for an act relating to local government; prohibiting city employees from serving on the city council; amending Minnesota Statutes 2008, section 412.02, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 410.

Reported the same back with the following amendments:

Page 1, line 7, delete "no" and insert "neither the mayor nor any"

Page 1, delete lines 10 and 11 and insert:

"EFFECTIVE DATE. This section is effective August 1, 2010, and applies to persons elected or appointed to serve as mayor or city council member on or after that date."

Page 1, line 14, delete "No" and insert "Neither the mayor nor any"

Page 1, delete lines 17 and 18 and insert:

"EFFECTIVE DATE. This section is effective August 1, 2010, and applies to persons elected or appointed to serve as mayor or city council member on or after that date."

Amend the title as follows:

Page 1, line 3, after "council" insert "or as mayor"

With the recommendation that when so amended the bill pass.

The report was adopted.

Pelowski from the Committee on State and Local Government Operations Reform, Technology and Elections to which was referred:

H. F. No. 3359, A bill for an act relating to local government; authorizing Hennepin County to purchase energy under forward pricing mechanisms; proposing coding for new law in Minnesota Statutes, chapter 383B.

Reported the same back with the following amendments:

Page 1, line 8, after "diesel fuel," insert "unleaded fuel,"

Page 2, line 11, delete "quarterly" and insert "annual"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 3360, A bill for an act relating to licensing; modifying contractor continuing education requirements; amending Minnesota Statutes 2008, section 326B.821, as amended.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2008, section 326B.821, as amended by Laws 2009, chapter 78, article 5, section 21, is amended to read:

**326B.821 CONTINUING EDUCATION.**

Subdivision 1. **Standards Purpose.** ~~The commissioner may by rule adopt standards for continuing education requirements and course and instructor approval. The purpose of this section is to establish standards for residential building contractor continuing education. The standards must include requirements for continuing education in the implementation of energy codes or energy conservation measures applicable to residential buildings and other building codes designed to conserve energy.~~

Subd. 2. **Hours.** A qualifying person of a licensee must provide proof of completion of 14 hours of continuing education per two-year licensure period ~~in the regulated industry in which the licensee is licensed.~~

Credit may not be earned if the licensee has previously obtained credit for the same course as either a student or instructor during the same licensing period.

Subd. 3. **Accessibility.** To the extent possible, the commissioner shall ensure that continuing education courses are offered throughout the state and are easily accessible to all licensees.

Subd. 4. **Renewal of approval.** The commissioner is authorized to establish a procedure for renewal of course approval.

Subd. 5. **Content.** (a) Continuing education consists of approved courses that impart appropriate and related knowledge in the ~~regulated industries~~ residential construction industry pursuant to sections 326B.802 to 326B.885 and other relevant federal and state laws, rules, and regulations. Courses may include relevant materials that are included in licensing exams subject to the limitations imposed in ~~paragraph (c) subdivision 11.~~ The burden of demonstrating that courses impart appropriate and related knowledge is upon the person seeking approval or credit.

(b) Except as required for Internet continuing education, course examinations will not be required for continuing education courses unless they are required by the sponsor.

(c) Textbooks are not required to be used for continuing education courses. If textbooks are not used, the ~~coordinator~~ sponsor must provide students with a syllabus containing, at a minimum, the course title, the times and dates of the course offering, the ~~names and addresses of~~ name, address, and telephone number of the course ~~coordinator and~~ sponsor, the name of the instructor, and a detailed outline of the subject materials to be covered. Any written or printed material given to students must be of readable quality and contain accurate and current information.

(d) Upon completion of an approved course, licensees shall earn one hour of continuing education credit for each hour approved by the commissioner. One credit hour of continuing education is equivalent to 50 minutes of educational content. Each continuing education course must be attended in its entirety in order to receive credit for the number of approved hours. Courses may be approved for full or partial credit, and for more than one regulated industry.

Continuing education credit in an approved course shall be awarded to presenting instructors on the basis of one credit for each hour of preparation for the duration of the initial presentation, ~~which may not exceed three hours total credit for each approved course.~~ Continuing education credit may not be earned if the licensee has previously obtained credit for the same course as a licensee or as an instructor within the three years immediately prior.

(e) Courses will be approved using the following guidelines:

(1) course content must demonstrate significant intellectual or practical content and deal with matters directly related to the practice of residential construction, workforce safety, or the business of running a residential construction company. Courses may also address the professional responsibility or ethical obligations of residential contractors to homeowners and suppliers;

(2) the following courses may be automatically approved if they are specifically designed for the residential construction industry and are in compliance with paragraph (f):

(i) courses approved by the Minnesota Board of Continuing Legal Education; or

(ii) courses approved by the International Code Council, National Association of Home Building, or other nationally recognized professional organization of the residential construction industry; and

(3) courses must be presented and attended in a suitable classroom or construction setting, except for Internet education courses which must meet the requirements of subdivision 5a. Courses presented via video recording, simultaneous broadcast, or teleconference may be approved provided the sponsor is available at all times during the presentation, except for Internet education courses which must meet the requirements of subdivision 5a.

~~(e)~~ (f) The following courses will not be approved for credit:

- (1) courses designed solely to prepare students for a license examination;
- (2) courses in mechanical office ~~or business~~ skills, including typing, speed reading, or other machines or equipment. Computer courses are allowed, if appropriate and related to the ~~regulated residential construction industry of the licensee;~~
- (3) courses in sales promotion, including meetings held in conjunction with the general business of the licensee;
- (4) courses in motivation, salesmanship, psychology, or personal time management, ~~or communication;~~ ~~or~~
- (5) courses that are primarily intended to impart knowledge of specific products of specific companies, if the use of the product or products relates to the sales promotion or marketing of one or more of the products discussed; or
- (6) courses that include code provisions that have not been adopted into the State Building Code unless the course materials clarify whether or not the code provisions have been officially adopted into a future version of the State Building Code and the effective date of enforcement, if applicable.

Subd. 5a. **Internet continuing education.** (a) The design and delivery of an Internet continuing education course must be approved by the International Distance Education Certification Center (IDECC) before the course is submitted for the commissioner's approval. The IDECC approval must accompany the course submittal.

(b) An Internet continuing education course must:

- (1) specify the minimum computer system requirements;
- (2) provide encryption that ensures that all personal information, including the student's name, address, and credit card number, cannot be read as it passes across the Internet;
- (3) include technology to guarantee seat time;
- (4) include a high level of interactivity;
- (5) include graphics that reinforce the content;
- (6) include the ability for the student to contact an instructor within a reasonable amount of time;
- (7) include the ability for the student to get technical support within a reasonable amount of time;
- (8) include a statement that the student's information will not be sold or distributed to any third party without prior written consent of the student. Taking the course does not constitute consent;
- (9) be available 24 hours a day, seven days a week, excluding minimal downtime for updating and administration, except that this provision does not apply to live courses taught by an actual instructor and delivered over the Internet;

(10) provide viewing access to the online course at all times to the commissioner, excluding minimal downtime for updating and administration;

(11) include a process to authenticate the student's identity;

(12) inform the student and the commissioner how long after its purchase a course will be accessible;

(13) inform the student that license education credit will not be awarded for taking the course after it loses its status as an approved course;

(14) provide clear instructions on how to navigate through the course;

(15) provide automatic bookmarking at any point in the course;

(16) provide questions after each unit or chapter that must be answered before the student can proceed to the next unit or chapter;

(17) include a reinforcement response when a quiz question is answered correctly;

(18) include a response when a quiz question is answered incorrectly;

(19) include a final examination in which the student must correctly answer 70 percent of the questions. The examination must consist of not fewer than ten questions for each hour of credit;

(20) allow the student to go back and review any unit at any time, except during the final examination;

(21) provide a course evaluation at the end of the course. At a minimum, the evaluation must ask the student to report any difficulties caused by the online education delivery method;

(22) provide a completion certificate when the course and exam have been completed and the provider has verified the completion. Electronic certificates are sufficient; and

(23) allow the commissioner the ability to electronically review the class to determine if credit can be approved.

(c) The final examination must be either an encrypted online examination or a paper examination that is monitored by a proctor who certifies that the student took the examination.

Subd. 6. **Course approval.** (a) Courses must be approved by the commissioner in advance and will be approved on the basis of the applicant's compliance with the provisions of this section relating to continuing education in the regulated industries. The commissioner shall make the final determination as to the approval and assignment of credit hours for courses. Courses must be at least one hour in length.

~~Individuals~~ Licensees requesting credit for continuing education courses that have not been previously approved shall, on a form prescribed by the commissioner, submit an application for approval of continuing education credit accompanied by a nonrefundable fee of ~~\$10~~ \$20 for each course to be reviewed. To be approved, courses must be in compliance with the provisions of this section governing the types of courses that will and will not be approved.

Approval will not be granted for time spent on meals or other unrelated activities. Breaks may not be accumulated in order to dismiss the class early. Classes shall not be offered by a provider to any one student for longer than eight hours in one day, excluding meal breaks.

(b) Application for course approval must be submitted 30 days before the course offering.

(c) Approval must be granted for a subsequent offering of identical continuing education courses without requiring a new application if a notice of the subsequent offering is filed with the commissioner at least 30 days in advance of the date the course is to be held. The commissioner shall deny future offerings of courses if they are found not to be in compliance with the laws relating to course approval.

Subd. 7. **Courses open to all.** All course offerings must be open to any interested individuals. Access may be restricted by the sponsor based on class size only. Courses must not be approved if attendance is restricted to any particular group of people, except for company-sponsored courses allowed by applicable law.

Subd. 8. **Course ~~coordinator~~ sponsor.** (a) Each course of study shall have at least one ~~coordinator~~ sponsor, approved by the commissioner, who is responsible for supervising the program and ensuring compliance with all relevant law. Sponsors may engage an additional approved ~~coordinator~~ sponsor in order to assist the ~~coordinator~~ sponsor or to act as a substitute for the ~~coordinator~~ sponsor in the event of an emergency or illness.

~~(b) The commissioner shall approve as a coordinator a person meeting one or more of the following criteria:~~

~~(1) at least three years of full-time experience in the administration of an education program during the five-year period immediately before the date of application;~~

~~(2) a degree in education plus two years' experience during the immediately preceding five-year period in one of the regulated industries for which courses are being approved; or~~

~~(3) a minimum of five years' experience within the previous six years in the regulated industry for which courses are held.~~

(b) Sponsors must submit an application and sworn statement stating they agree to abide by the requirements of this section and any other applicable statute or rule pertaining to residential construction continuing education.

(c) A sponsor may also be an instructor.

(d) Failure to comply with requirements may result in loss of sponsor approval for up to two years in accordance with section 326B.082.

Subd. 9. **Responsibilities.** A ~~coordinator~~ sponsor is responsible for:

(1) ensuring compliance with all laws and rules relating to continuing educational offerings governed by the commissioner;

(2) ensuring that students are provided with current and accurate information relating to the laws and rules governing their licensed activity;

(3) supervising and evaluating courses and instructors. Supervision includes ensuring that all areas of the curriculum are addressed without redundancy and that continuity is present throughout the entire course;

(4) ensuring that instructors are qualified to teach the course offering;

(5) furnishing the commissioner, upon request, with copies of course and instructor evaluations and qualifications of instructors. Evaluations must be completed by students at the time the course is offered and by ~~coordinators~~ sponsors within five days after the course offering;

(6) investigating complaints related to course offerings or instructors. A copy of the written complaint must be sent to the commissioner within ten days of receipt of the complaint and a copy of the complaint resolution must be sent not more than ten days after resolution is reached;

(7) maintaining accurate records relating to course offerings, instructors, tests taken by students if required, and student attendance for a period of three years from the date on which the course was completed. These records must be made available to the commissioner upon request. ~~In the event that a sponsor ceases operation for any reason, the coordinator is responsible for maintaining the records or providing a custodian for the records acceptable to the commissioner. The coordinator must notify the commissioner of the name and address of that person. In order to be acceptable to the commissioner, custodians must agree to make copies of acknowledgments available to students at a reasonable fee. Under no circumstances will the commissioner act as custodian of the records; In the event the sponsor ceases operations before termination of the sponsor application, the sponsor must provide to the commissioner digital copies of all course and attendance records of courses held for the previous three years;~~

~~(8) ensuring that the coordinator is available to instructors and students throughout course offerings and providing to the students and instructor the name of the coordinator and a telephone number at which the coordinator can be reached;~~

~~(9)~~ (8) attending workshops or instructional programs as reasonably required by the commissioner;

~~(10)~~ (9) providing course completion certificates within ten days of, but not before, completion of the entire course. Course completion certificates must be completed in their entirety. Course completion certificates must contain the following statement: "If you have any comments about this course offering, please mail them to the Minnesota Department of Labor and Industry." The current address of the department must be included. A ~~coordinator~~ sponsor may require payment of the course tuition as a condition for receiving the course completion certificate; and

~~(11)~~ (10) notifying the commissioner in writing within ten days of any change in the information in an application for approval on file with the commissioner.

Subd. 10. **Instructors.** (a) Each continuing education course shall have an instructor who is qualified by education, training, or experience to ensure competent instruction. Failure to have only qualified instructors teach at an approved course offering will result in loss of course approval. ~~Coordinators~~ Sponsors are responsible to ensure that an instructor is qualified to teach the course offering.

(b) Qualified continuing education instructors must have one of the following qualifications:

~~(1) a four year degree in any area plus two years' practical experience in the subject area being taught;~~

~~(2) five~~ (1) four years' practical experience in the subject area being taught; ~~or~~

~~(3)~~ (2) a college or graduate degree in the subject area being taught;:

(3) direct experience in the development of laws, rules, or regulations related to the residential construction industry; or

(4) demonstrated expertise in the subject area being taught.

(c) Approved instructors are responsible for:

(1) compliance with all laws and rules relating to continuing education;

- (2) providing students with current and accurate information;
- (3) maintaining an atmosphere conducive to learning in the classroom;
- (4) verifying attendance of students, and certifying course completion;
- (5) providing assistance to students and responding to questions relating to course materials; and
- (6) attending the workshops or instructional programs that are required by the commissioner.

Subd. 11. **Prohibited practices for ~~coordinators~~ sponsors and instructors.** (a) In connection with an approved continuing education course, ~~coordinators~~ sponsors and instructors shall not:

- (1) recommend or promote the services or practices of a particular business;
- (2) encourage or recruit individuals to engage the services of, or become associated with, a particular business;
- (3) use materials, ~~clothing, or other evidences of affiliation with~~ for the purpose of promoting a particular ~~entity~~ business;
- (4) require students to participate in other programs or services offered by ~~the~~ an instructor, ~~coordinator~~, or sponsor;
- (5) attempt, either directly or indirectly, to discover questions or answers on an examination for a license;
- (6) disseminate to any other person specific questions, problems, or information known or believed to be included in licensing examinations;
- (7) misrepresent any information submitted to the commissioner;
- (8) fail to cover, or ensure coverage of, all points, issues, and concepts contained in the course outline approved by the commissioner during the approved instruction; or
- (9) issue inaccurate course completion certificates.

(b) ~~Coordinators~~ Sponsors shall notify the commissioner within ten days of a felony or gross misdemeanor conviction or of disciplinary action taken against an occupational or professional license held by the ~~coordinator~~ sponsor or an instructor teaching an approved course. The notification shall be grounds for the commissioner to withdraw the approval of the ~~coordinator~~ sponsor and to disallow the use of the sponsor or instructor.

Subd. 12. **Fees.** Fees for an approved course of study and related materials must be clearly identified to students. In the event that a course is canceled for any reason, all fees must be returned within 15 days from the date of cancellation. In the event that a course is postponed for any reason, students shall be given the choice of attending the course at a later date or having their fees refunded in full within 15 days from the date of postponement. If a student is unable to attend a course or cancels the registration in a course, sponsor policies regarding refunds shall govern.

Subd. 13. **Facilities.** Except for Internet education offered pursuant to subdivision 5a, each course of study must be conducted in a classroom or other facility that is adequate to comfortably accommodate the instructors and the number of students enrolled. The sponsor may limit the number of students enrolled in a course. ~~Approved courses may be held on the premises of a company doing business in the regulated area only when the company is sponsoring the course offering, or where product application is appropriate and related.~~

Subd. 14. **Supplementary materials.** An adequate supply of supplementary materials to be used or distributed in connection with an approved course must be available at the time and place of the course offering in order to ensure that each student receives all of the necessary materials. Outlines and any other materials that are reproduced must be of readable quality.

Subd. 15. **Advertising courses.** (a) Paragraphs (b) to (g) govern the advertising of continuing education courses.

(b) Advertising must be truthful and not deceptive or misleading. Courses may not be advertised ~~in any manner~~ as approved for continuing education credit unless approval has been granted in writing by the commissioner.

(c) ~~No~~ Once a course is approved, all advertisement, pamphlet, circular, or other similar materials pertaining to an approved ~~offering may be~~ course circulated or distributed in this state, ~~unless~~ must prominently display the following statement is ~~prominently displayed~~:

"This course has been approved by the Minnesota Department of Labor and Industry for ..... (approved number of hours) hours for residential contractor continuing ..... (~~relevant industry~~) education."

(d) Advertising of approved courses must be clearly distinguishable from the advertisement of other nonapproved courses and services.

(e) Continuing education courses may not be advertised before approval unless the course is described in ~~the any~~ advertising as "approval pending," ~~and an application for approval has been timely submitted to the commissioner and a denial has not been received.~~ The sponsor must verbally notify licensees before commencement of the course if the course has been denied credit, has not been approved for credit, or has only been approved for partial credit by the commissioner.

(f) The number of hours for which a course has been approved must be prominently displayed on an advertisement for the course. If the course offering is longer than the number of hours of credit to be given, it must be clear that credit is not earned for the entire course.

(g) The course approval number must not be included in any advertisement.

Subd. 16. **Notice to students.** At the beginning of each approved offering, the following notice must be handed out in printed form or must be read to students:

"This educational offering is recognized by the Minnesota Department of Labor and Industry as satisfying ..... (insert number of hours approved) hours of credit toward residential contractor continuing ..... (~~insert appropriate industry~~) education requirements."

Subd. 17. **Audits.** The commissioner reserves the right to audit subject offerings with or without notice to the sponsor.

Subd. 18. **Falsification of reports.** A licensee, its qualified person, or an applicant found to have falsified an education report to the commissioner shall be considered to have violated the laws relating to the industry for which the person has a license and shall be subject to censure, limitation, condition, suspension, or revocation of the license or denial of the application for licensure.

The commissioner reserves the right to audit a licensee's continuing education records.

Subd. 19. **Waivers and extensions.** If a licensee provides documentation to the commissioner that the licensee or its qualifying person is unable, and will continue to be unable, to attend actual classroom course work because of a physical disability, medical condition, or similar reason, attendance at continuing education courses shall be waived for a period not to exceed one year. The commissioner shall require that the licensee or its qualifying person satisfactorily complete a self-study program to include reading a sufficient number of textbooks, or listening to a sufficient number of tapes, related to the ~~regulated residential building contractor~~ industry, as would be necessary for the licensee to satisfy continuing educational credit hour needs. The commissioner shall award the licensee credit hours for a self-study program by determining how many credit hours would be granted to a classroom course involving the same material and giving the licensee the same number of credit hours under this section. The licensee may apply each year for a new waiver upon the same terms and conditions as were necessary to secure the original waiver, and must demonstrate that in subsequent years, the licensee was unable to complete actual classroom course work. The commissioner may request documentation of the condition upon which the request for waiver is based as is necessary to satisfy the commissioner of the existence of the condition and that the condition does preclude attendance at continuing education courses.

Upon written proof demonstrating a medical hardship, the commissioner shall extend, for up to 90 days, the time period during which the continuing education must be successfully completed. Loss of income from either attendance at courses or cancellation of a license is not a bona fide financial hardship. Requests for extensions must be submitted to the commissioner in writing no later than 60 days before the education is due and must include an explanation with verification of the hardship, plus verification of enrollment at an approved course of study on or before the extension period expires.

Subd. 20. **Reporting requirements.** Required continuing education must be reported in a manner prescribed by the commissioner. Licensees are responsible for maintaining copies of course completion certificates.

Subd. 21. **Residential building contractor, remodeler, and roofer education.** ~~(a) Each licensee must, during the licensee's first complete continuing education reporting period, complete and report one hour of continuing education relating to lead abatement rules in safe lead abatement procedures.~~

~~(b)~~ (a) Each licensee must, during each continuing education reporting period, complete and report one hour of continuing education relating to energy codes ~~for~~ or energy conservation measures applicable to residential buildings and other building codes designed to conserve energy.

(b) Immediately following the adoption date of a new residential code, the commissioner may prescribe that up to seven of the required 14 hours of continuing education credit per licensure period include education hours specifically designated to instruct licensees on new or existing State Building Code provisions.

Subd. 22. **Continuing education approval.** (a) Continuing education courses must be approved in advance by the commissioner of labor and industry. "Sponsor" means any person or entity offering approved education.

~~(b) For coordinators with an initial approval date before August 1, 2005, approval will expire on December 31, 2005. For courses with an initial approval date on or before December 31, 2000, approval will expire on April 30, 2006. For courses with an initial approval date after January 1, 2001, but before August 1, 2005, approval will expire on April 30, 2007.~~

Subd. 23. **Continuing education fees.** The following fees shall be paid to the commissioner:

(1) initial course approval, ~~\$10~~ \$20 for each hour or fraction of one hour of continuing education course approval sought. Initial course approval expires on the last day of the 24th month after the course is approved;

(2) renewal of course approval, ~~\$10~~ \$20 per course. Renewal of course approval expires on the last day of the 24th month after the course is renewed;

(3) initial coordinator approval, \$100. Initial coordinator approval expires on the last day of the 24th month after the coordinator is approved; and

(4) renewal of coordinator approval, ~~\$10~~ \$20. Renewal of coordinator approval expires on the last day of the 24th month after the coordinator is renewed.

Subd. 24. **Refunds.** All fees paid to the commissioner under this section are nonrefundable, except that an overpayment of a fee shall be returned upon proper application.

Sec. 2. **REPEALER.**

Minnesota Statutes 2008, section 326B.82, subdivisions 3, 4, and 9, are repealed."

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

Pelowski from the Committee on State and Local Government Operations Reform, Technology and Elections to which was referred:

H. F. No. 3392, A bill for an act relating to youth development; authorizing county and state fair surcharges; authorizing municipalities to raise and spend money on 4-H; requiring a University of Minnesota Extension Service policy; amending Minnesota Statutes 2008, section 37.13, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 38.

Reported the same back with the following amendments:

Page 1, delete sections 1 and 2

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the first semicolon

Correct the title numbers accordingly

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

The report was adopted.

Mullery from the Committee on Civil Justice to which was referred:

H. F. No. 3393, A bill for an act relating to real property; amending the Minnesota Common Interest Ownership Act; making clarifying, conforming, and technical changes; amending Minnesota Statutes 2008, sections 515B.1-102; 515B.1-103; 515B.1-107; 515B.1-112; 515B.1-115; 515B.1-116; 515B.2-101; 515B.2-102; 515B.2-105; 515B.2-106; 515B.2-108; 515B.2-109; 515B.2-110; 515B.2-111; 515B.2-112; 515B.2-113; 515B.2-114;

515B.2-118; 515B.2-119; 515B.2-121; 515B.2-124; 515B.3-101; 515B.3-102; 515B.3-103; 515B.3-104; 515B.3-105; 515B.3-106; 515B.3-109; 515B.3-110; 515B.3-112; 515B.3-113; 515B.3-114; 515B.3-115; 515B.3-116; 515B.3-117; 515B.3-120; 515B.3-121; 515B.4-101; 515B.4-102; 515B.4-104; 515B.4-105; 515B.4-106; 515B.4-107; 515B.4-108; 515B.4-110; 515B.4-111; 515B.4-115; 515B.4-116; proposing coding for new law in Minnesota Statutes, chapter 515B.

Reported the same back with the following amendments:

Page 2, line 18, strike the second semicolon and insert "of"

Page 2, line 22, after "in" insert a comma

Page 3, line 9, after "(d)," insert "and" and strike "(f), and (h),"

Page 11, line 34, delete "the owner"

Page 11, line 35, delete "or owners of"

Page 12, delete lines 5 and 6 and insert: "(1) if the vacated property accrues to one or more units in a condominium or a planned community, title to the vacated property shall vest in the owner or owners of the unit or the units, but the"

Page 12, line 8, delete "and"

Page 12, delete lines 9 to 12 and insert:

"(2) if the vacated property accrues to common elements in a condominium, title to the vacated property shall vest in the unit owners in accordance with their allocated interests and the vacated property shall be treated as a part of the common elements; and

(3) if the vacated property accrues to common elements in a cooperative or planned community, title to the vacated property shall vest in the association and the vacated property shall be treated as a part of the common elements."

Page 18, lines 7 and 8, delete the new language

Page 20, line 26, delete everything after the stricken "(f)"

Page 20, line 27, delete the new language and strike the comma

Page 20, line 31, delete "more than one" and insert "one or more"

Page 73, line 33, reinstate the stricken "and"

Page 73, lines 35 and 36, delete the new language

Page 91, line 29, reinstate the stricken "(a)"

Page 92, lines 9 to 12, reinstate the stricken language

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 3412, A bill for an act relating to human services; modifying medical assistance coverage of medication therapy management services; amending Minnesota Statutes 2009 Supplement, section 256B.0625, subdivision 13h.

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

The report was adopted.

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

H. F. No. 3429, A bill for an act relating to energy; providing for large solar energy electric generation demonstration conservation improvement project; amending Minnesota Statutes 2008, section 216B.241, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2008, section 216B.241, is amended by adding a subdivision to read:

**Subd. 5c. Large solar electric generating plant.** (a) For the purpose of this subdivision:

(1) "project" means a solar electric generation project consisting of arrays of solar photovoltaic cells with a capacity of up to five megawatts located on the site of a closed landfill owned by the Minnesota Pollution Control Agency; and

(2) "cooperative electric association" means a generation and transmission cooperative electric association that has a member distribution cooperative association to which it provides wholesale electric service in whose service territory a project is located.

(b) A cooperative electric association may include in its conservation plan purchases of electric energy from a project. The cost-effectiveness of project purchases may be determined by a different standard than for other energy conservation improvements under this section if the commissioner determines that doing so is in the public interest in order to encourage the use of solar energy. The kilowatt hours of solar energy purchased from a project may be counted toward the energy-savings goal required under subdivision 1c. Expenditures made by a cooperative electric association for the purchase of energy from a project may not be used to meet the revenue expenditure requirements of subdivisions 1a and 1b."

With the recommendation that when so amended the bill pass.

The report was adopted.

Mullery from the Committee on Civil Justice to which was referred:

H. F. No. 3528, A bill for an act relating to higher education; regulating certain higher education data; amending Minnesota Statutes 2009 Supplement, section 136A.01, subdivision 2.

Reported the same back with the following amendments:

Page 2, line 5, after the period, insert "The office may match data from the following financial aid program databases with data from the student record enrollment database: tuition reciprocity; the state grant; the SELF loan; state work study; the postsecondary child care grant; the American Indian Scholarship; and the Achieve Scholarship."

With the recommendation that when so amended the bill pass.

The report was adopted.

Pelowski from the Committee on State and Local Government Operations Reform, Technology and Elections to which was referred:

H. F. No. 3591, A bill for an act relating to local government; authorizing the city of Minneapolis to restrict the duration of operation of mobile food units.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **MINNEAPOLIS; MOBILE FOOD UNITS.**

Notwithstanding Minnesota Statutes, section 157.15, subdivision 9, the city of Minneapolis may by ordinance restrict the operation of permitted mobile food units to a maximum annual number of days at any one place. The ordinance must include any requirements or limitations the city considers reasonably necessary to protect the health, safety, and general welfare of the public.

**EFFECTIVE DATE.** This section is effective the day following final enactment without local approval as provided by Minnesota Statutes, section 645.023, subdivision 1, paragraph (a)."

Delete the title and insert:

"A bill for an act relating to local government; authorizing the city of Minneapolis to adopt an ordinance to define the annual duration of operation of mobile food units."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 3630, A bill for an act relating to eliminating health disparities; requiring the commissioner of health to develop new categories for collecting granular data that accurately captures race, ethnicity, primary language, and socioeconomic status; amending Minnesota Statutes 2008, section 145.928, subdivisions 1, 2, 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **DATA COLLECTION ON HEALTH DISPARITIES.**

Subdivision 1. **Inventory.** The commissioners of health and human services shall conduct an inventory on the health-related data collected by each respective department including, but not limited to, health care programs and activities, vital statistics, disease surveillance registries and screenings, social determinants of health, and health outcome measurements.

The inventory must review the categories of data that are collected, describe the methods of collecting, organizing, and reporting data relating to race, ethnicity, country of origin, primary language, tribal enrollment status, and socioeconomic status, and specify whether the data being collected in these categories is currently required.

Subd. 2. **Review.** (a) Upon completion of the inventory in subdivision 1, the commissioners of health and human services shall consult with representatives of culturally based community groups, community health boards, tribal governments, hospitals, and health plan companies to review the compiled inventory and make recommendations on:

(1) how to improve data collection and reporting to better identify and describe health disparities for particular communities through the collection of additional types and categories of more granular data;

(2) how to make data in the categories identified in subdivision 1 more accessible to community groups, researchers, and to the legislature; and

(3) other ways to improve data collection efforts in order to ensure the collection of high-quality, reliable granular data in clauses (1) and (2) that will ensure accurate research, establish measurable program outcomes, guide planning and development of programs and activities to eliminate health disparities, and facilitate informed public policy decisions.

(b) In making recommendations, the commissioners shall consider national and state standardized data classification systems and federal or state requirements for collection of data based on predetermined classification systems that may impact data collection efforts.

Subd. 3. **Report.** By January 15, 2011, the commissioners of health and human services shall submit to the legislature the inventory compiled in subdivision 1 and the recommendations developed in subdivision 2. The report must include a proposed work plan, implementation schedule, and cost estimate for implementing improvements to data collection and reporting systems by incorporating more granular categories of data relating to race, ethnicity, country of origin, primary language, tribal enrollment status, and socioeconomic status, and making data and reports more accessible to community groups in usable formats."

Delete the title and insert:

"A bill for an act relating to eliminating health disparities and promoting health equity; requiring the commissioner of health to develop new categories for collecting granular data that accurately captures race, ethnicity, primary language, and socioeconomic status, and to develop a process for standardizing the collection, organization, and reporting of such data across all health and social determinants data sets."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 3635, A bill for an act relating to human services; modifying the Minnesota family investment program provisions; amending Minnesota Statutes 2008, section 256J.24, subdivision 6; Minnesota Statutes 2009 Supplement, section 256J.425, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2009 Supplement, section 256J.425, subdivision 3, is amended to read:

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

(1) a person who is diagnosed by a licensed physician, psychological practitioner, or other qualified professional, as developmentally disabled or mentally ill, and the condition severely limits the person's ability to obtain or maintain suitable employment;

(2) a person who:

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

(ii) has an IQ below 80 who has been assessed by a vocational specialist or a county agency to be employable, but the condition severely limits the person's ability to obtain or maintain suitable employment. The determination of IQ level must be made by a qualified professional. In the case of a non-English-speaking person: (A) the determination must be made by a qualified professional with experience conducting culturally appropriate assessments, whenever possible; (B) the county may accept reports that identify an IQ range as opposed to a specific score; (C) these reports must include a statement of confidence in the results;

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

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

(b) For purposes of this ~~section~~ chapter, "severely limits the person's ability to obtain or maintain suitable employment" means:

(1) that a qualified professional has determined that the person's condition prevents the person from working 20 or more hours per week; or

(2) for a person who meets the requirements of paragraph (a), clause (2), item (ii), or clause (3), a qualified professional has determined the person's condition:

(i) significantly restricts the range of employment that the person is able to perform; or

(ii) significantly interferes with the person's ability to obtain or maintain suitable employment for 20 or more hours per week."

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon and insert "modifying an MFIP definition of hard-to-employ participants;"

Page 1, line 3, delete "provisions;"

Correct the title numbers accordingly

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

The report was adopted.

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

H. F. No. 3640, A bill for an act relating to energy; allowing for advance determination of prudence determination by Public Utilities Commission for certain environmental projects of a public utility; proposing coding for new law in Minnesota Statutes, chapter 216B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[216B.1695] ENVIRONMENTAL PROJECTS; ADVANCE DETERMINATION OF PRUDENCE.**

Subdivision 1. **Qualifying project.** A public utility may petition the commission for an advance determination of prudence for a project undertaken to comply with federal or state air quality standards of states in which the utility's electric generation facilities are located, if the project has an expected jurisdictional cost to Minnesota ratepayers of at least \$10,000,000. A project is undertaken to comply with federal or state air quality standards if it is required:

(1) by the state in which the generation facility is located in a state implementation plan, permit, or order; or

(2) to comply with section 111 or 112 of the federal Clean Air Act, United States Code, title 42, section 7411 or 7412.

Subd. 2. **Regulatory cost assessments and reports.** A utility requesting an advance determination under subdivision 1 must, as part of the evidence required when filing a petition under subdivision 3, provide to the commission and the Pollution Control Agency an assessment of all anticipated state and federal environmental regulations related to the production of electricity from the utility's facility subject to the filing, including regulations relating to:

(1) air pollution by nitrogen oxide and sulfur dioxide, including an assumption that Minnesota will be included in the federal Clean Air Interstate Rule region, hazardous air pollutants, carbon dioxide, particulates, and ozone;

(2) coal waste; and

(3) water consumption and water pollution.

In addition, the utility shall provide an assessment of the financial and operational impacts of these pending regulations applicable to the generating facility that is subject to the filing and analyze a range of regulatory response scenarios that include, but are not limited to:

(1) the installation of pollution control equipment;

(2) the benefits of the retirement or repowering of the plant that is the subject of the filing with cleaner fuels considering the costs of complying with state and federal environmental regulations; and

(3) the use of pollution allowances to achieve compliance.

The utility shall consult with interested stakeholders in establishing the scope of the regulatory, financial, and operational assessments prior to or during the 60-day period of the notice under subdivision 4.

Subd. 3. **Petition.** A petition filed under this section must include a description of the project, evidence supporting the project's reasonableness, a discussion of project alternatives, a project implementation schedule, a cost estimate and support for the reasonableness of the estimated cost, and a description of the public utility's efforts to ensure the lowest reasonable costs. Following receipt of the Pollution Control Agency's verification under subdivision 4, the commission shall allow opportunity for oral and written comment on the petition. The commission shall make a final determination on the petition within ten months of its filing date. The commission must make findings in support of its determination.

Subd. 4. **Verification.** At least 60 days prior to filing a petition to the commission under subdivision 3, the utility shall file notice with the Pollution Control Agency that describes the project and how it qualifies under subdivision 1. The Pollution Control Agency shall, within 60 days of receipt of the notice, verify that the project qualifies under subdivision 1, and shall forward written verification to the commission.

Subd. 5. **Cost recovery.** The utility may begin recovery of costs that have been incurred by the utility in connection with implementation of the project in the next rate case following an advance determination of prudence. The commission shall review the costs incurred by the utility for the project. The utility must show that the project costs are reasonable and necessary, and demonstrate its efforts to ensure the lowest reasonable project costs. Notwithstanding the commission's prior determination of prudence, it may accept, modify, or reject any of the project costs. The commission may determine whether to require an allowance for funds used during construction offset.

Subd. 6. **Expiration.** A petition for an advance determination of prudence may not be filed after December 31, 2015.

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

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 3663, A bill for an act relating to health; specifying certain aspects of prepaid health plan contracts entered into by the commissioner of human services or county-based purchasing plans; requiring use of certain accounting procedures; providing health care providers and others a right to audit under those contracts; providing for resolution of disputes; amending Minnesota Statutes 2008, section 256B.69, subdivisions 5i, 9, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2008, section 256B.69, subdivision 5i, is amended to read:

Subd. 5i. **Administrative expenses.** (a) Managed care plan and county-based purchasing plan administrative costs for a prepaid health plan provided under this section or section 256B.692 must not exceed by more than five percent that prepaid health plan's or county-based purchasing plan's actual calculated administrative spending for the previous calendar year as a percentage of total revenue. The penalty for exceeding this limit must be the amount of administrative spending in excess of 105 percent of the actual calculated amount. The commissioner may waive this penalty if the excess administrative spending is the result of unexpected shifts in enrollment or member needs or new program requirements.

(b) Expenses listed under section 62D.12, subdivision 9a, clause (4), are not allowable administrative expenses for rate-setting purposes under this section, unless approved by the commissioner.

(c) A prepaid health plan must meet a loss ratio of not less than 91 percent, calculated as specified in this paragraph. The loss ratio consists of a numerator consisting only of direct expenses of providing patient care to persons covered under the program, excluding administrative expenses. The denominator consists of the total amount paid by the commissioner to the prepaid health plan.

(d) A bid submitted by a prepaid health plan may include a provision obligating the bidder to provide free services to uninsured, low-income persons as specified in the bid if necessary to meet the required loss ratio, to the extent that the loss ratio for that year would otherwise not reach 91 percent.

(e) Nothing in this subdivision requires the minimum loss ratio to be applied to any plan's business other than that business awarded by the commissioner, unless the plan fails to keep a separate and distinct accounting of funds received from the commissioner.

**EFFECTIVE DATE.** This section is effective January 1, 2011."

Delete the title and insert:

"A bill for an act relating to human services; requiring prepaid health plans to meet a certain loss ratio; amending Minnesota Statutes 2008, section 256B.69, subdivision 5i."

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

The report was adopted.

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

S. F. No. 1323, A bill for an act relating to environment; modifying Infectious Waste Control Act; amending Minnesota Statutes 2008, section 116.78, subdivision 4.

Reported the same back with the following amendments to the first unofficial engrossment:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2008, section 116.76, subdivision 18, is amended to read:

Subd. 18. **Sharps.** "Sharps" means:

(1) discarded items that can induce subdermal inoculation of infectious agents, including needles, lancets, scalpel blades, pipettes, and other items derived from human or animal patient care, blood banks, laboratories, mortuaries, research facilities, and industrial operations; and

(2) discarded glass or rigid plastic vials containing infectious agents.

Sec. 2. **[116.835] SAFE SHARPS MANAGEMENT.**

(a) A pharmaceutical manufacturer that sells or distributes a medication in Minnesota that is usually intended to be self-injected in a home resulting in the generation of sharps shall, on or before July 1, 2011, and annually thereafter, submit to the Pollution Control Agency a plan that describes how the manufacturer supports the safe collection and proper disposal of the sharps.

(b) The plan required under paragraph (a) shall include, at a minimum, a description of the actions, if any, taken by the manufacturer to do the following:

(1) provide for the safe collection and proper disposal of sharps;

(2) educate consumers about safe management and collection opportunities; and

(3) support efforts by retailers, pharmaceutical distributors, manufacturers of sharps, local governments, health care organizations, public health officers, solid waste service providers, and other groups with interest in protecting public health and safety through the sale, collection, and proper disposal of sharps.

(c) The manufacturer must post and maintain a copy of the plans required under paragraph (a) on its Web site.

(d) The commissioner of the Pollution Control Agency must post and maintain copies of plans submitted by manufacturers on the Pollution Control Agency Web site.

(e) For purposes of this section, "sharps" has the meaning given in section 116.76, subdivision 18.

**EFFECTIVE DATE.** This section is effective January 1, 2011."

Delete the title and insert:

"A bill for an act relating to environment; providing for safe sharps management; amending Minnesota Statutes 2008, section 116.76, subdivision 18; proposing coding for new law in Minnesota Statutes, chapter 116."

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

The report was adopted.

## SECOND READING OF HOUSE BILLS

H. F. Nos. 776, 910, 1191, 2231, 2639, 2766, 2926, 2970, 3025, 3065, 3080, 3085, 3122, 3128, 3172, 3196, 3234, 3277, 3300, 3327, 3350, 3359, 3360, 3393, 3429, 3528, 3591, 3630 and 3640 were read for the second time.

## INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Doepke introduced:

H. F. No. 3715, A bill for an act relating to the city of Wayzata; extending time for certain activities in a tax increment financing district.

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

Newton and Severson introduced:

H. F. No. 3716, A bill for an act relating to veterans; establishing a presumption of rehabilitation through a person's honorable military service following a prior offense; amending Minnesota Statutes 2008, section 364.03, subdivision 3.

The bill was read for the first time and referred to the Committee on Agriculture, Rural Economies and Veterans Affairs.

Atkins introduced:

H. F. No. 3717, A bill for an act relating to local government; relating to certain public improvement special assessment amounts on tax-forfeited property; amending Minnesota Statutes 2008, section 282.01, subdivision 3.

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

Westrom introduced:

H. F. No. 3718, A bill for an act relating to taxation; property; extending the homestead classification to certain property; amending Minnesota Statutes 2008, section 273.124, subdivision 8.

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

Clark introduced:

H. F. No. 3719, A bill for an act relating to health-related boards; annually appropriating fee revenue collected by the boards; amending Minnesota Statutes 2008, section 214.06, by adding a subdivision.

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

Emmer, Buesgens and Holberg introduced:

H. F. No. 3720, A bill for an act relating to the Minnesota business climate; permitting sales in this state of health insurance permitted in another state under certain conditions; modifying environmental review requirements; modifying payment of appropriations to public postsecondary systems; modifying certain conditions of employment; modifying the individual income, mining occupation, and property taxes; allowing an angel investment credit; conforming to section 179 expensing rules; reducing the commercial-industrial property tax class rate; repealing the state general tax on commercial and industrial property; repealing the corporate franchise tax; repealing prevailing wage requirement; amending Minnesota Statutes 2008, sections 62A.047; 62L.056; 115A.31; 135A.031, by adding subdivisions; 177.24, subdivision 2; 216B.243, subdivision 7; 273.13, subdivision 24; 275.025, subdivisions 1, 4; 289A.20, subdivision 1; 289A.30, subdivision 1; 289A.31, subdivision 1; 289A.38, subdivision 12; 289A.50, subdivision 1; 289A.60, subdivisions 1, 4; 290.01, subdivisions 19f, 22, 29; 290.03; 290.04, subdivision 1; 290.06, subdivision 33; 290.0922, subdivision 1; 290.095, subdivision 3; 290.17, subdivisions 1, 4; 290.191, subdivision 4; 290.32; Minnesota Statutes 2009 Supplement, sections 62L.02, subdivision 26; 289A.18, subdivision 1; 289A.38, subdivision 7; 290.01, subdivision 19a; proposing coding for new law in Minnesota Statutes, chapters 62Q; 116J; 179; repealing Minnesota Statutes 2008, sections 62A.0411; 62A.149, subdivision 1; 62A.152; 62A.25; 62A.26; 62A.28; 62A.304; 62Q.47; 116C.01; 116C.02; 116C.03, subdivisions 1, 2, 2a, 3a, 4, 5, 6; 116C.04, subdivisions 1, 2, 3, 4, 7, 10, 11; 116C.06; 116C.08; 116D.04, subdivisions 1a, 2a, 2b, 3a, 4a, 5a, 6, 6a, 7, 8, 9, 10, 11, 12, 13; 116D.045, subdivisions 1, 2, 3, 4; 177.41; 177.42, subdivisions 1, 2, 3, 4, 5; 177.43, subdivisions 1, 2, 4, 5, 6, 6a, 7; 177.435; 177.44; 275.025, subdivision 2; 289A.19, subdivision 2; 289A.26; 290.01, subdivisions 5, 5a, 6b, 19e; 290.014, subdivision 5; 290.02; 290.06, subdivisions 1, 24, 27; 290.068, subdivisions 1, 2, 3, 4, 5; 290.0921, subdivisions 1, 2, 3, 3a, 4, 6, 7, 8; 290.21, subdivisions 1, 4; 290.34, subdivisions 1, 2; 290.371, subdivisions 1, 2, 3, 4; 290.432; 298.01, subdivisions 3, 3a, 3b, 4, 4a, 4b, 4c, 5, 6; 298.17; Minnesota Statutes 2009 Supplement, sections 177.42, subdivisions 6, 7; 177.43, subdivision 3; 289A.08, subdivision 3; 290.01, subdivisions 19c, 19d; Minnesota Rules, parts 4410.0200; 4410.0300; 4410.0400; 4410.0500; 4410.1000; 4410.1100; 4410.1200; 4410.1300; 4410.1400; 4410.1500; 4410.1600; 4410.1700; 4410.2000; 4410.2100; 4410.2200; 4410.2300; 4410.2400; 4410.2500; 4410.2600; 4410.2700; 4410.2800; 4410.2900; 4410.3000; 4410.3100; 4410.3600; 4410.3610; 4410.3700; 4410.3800; 4410.3900; 4410.4000; 4410.4300; 4410.4400; 4410.4500; 4410.4600; 4410.5000; 4410.5100; 4410.5200; 4410.5300; 4410.5400; 4410.5500; 4410.5600; 4410.6000; 4410.6100; 4410.6200; 4410.6410; 4410.6500; 4410.7055.

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

Mack and Dean introduced:

H. F. No. 3721, A bill for an act relating to health; requiring the provision of information related to cord blood banking; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Hackbarth introduced:

H. F. No. 3722, A bill for an act relating to natural resources; appropriating money for a pilot walk-in public access program.

The bill was read for the first time and referred to the Committee on Environment Policy and Oversight.

Murphy, E., introduced:

H. F. No. 3723, A bill for an act relating to human services; providing medical assistance coverage of food and beverage thickeners; amending Minnesota Statutes 2008, section 256B.0625, by adding a subdivision.

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

Rukavina, Clark and Davids introduced:

H. F. No. 3724, A bill for an act relating to housing; providing a Minnesota low-income housing tax credit; proposing coding for new law in Minnesota Statutes, chapter 290.

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

Marquart, McFarlane, Davnie, Clark, Carlson, Champion, Mariani, Sailer and Hayden introduced:

H. F. No. 3725, A bill for an act relating to housing; appropriating a portion of the proceeds of the mortgage registry tax and the deed tax to the Minnesota Housing Finance Agency to be used for creation of affordable housing units.

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

Hornstein introduced:

H. F. No. 3726, A bill for an act relating to state government; establishing statewide telework requirements; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 43A.

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

Mullery introduced:

H. F. No. 3727, A bill for an act relating to taxation; providing for use of tax increment from the Homeless Assistance Tax Increment District in the city of Minneapolis; amending Laws 2006, chapter 259, article 10, section 14, subdivision 3.

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

Falk, Otremba, Juhnke, Gunther, Hansen, Hamilton, Welti and Eken introduced:

H. F. No. 3728, A bill for an act relating to natural resources; creating a native perennials establishment program; proposing coding for new law in Minnesota Statutes, chapter 103C.

The bill was read for the first time and referred to the Committee on Environment Policy and Oversight.

Lenczewski introduced:

H. F. No. 3729, A bill for an act relating to the financing of state and local government; making technical, policy, administrative, enforcement, and clarifying changes to individual income, corporate franchise, estate, sales and use, lodging, gross receipts, cigarette, tobacco, insurance, property, credits, payments, minerals, petroleum, local taxes, local government aid, job opportunity building zones, emergency debt certificates, and various taxes and tax-related provisions; clarifying nexus standards for sales and income taxes; specifying duties of assessors; tax increment financing; tax-forfeited lands; increasing watershed district borrowing authority; amending Minnesota Statutes 2008, sections 60A.209, subdivision 1; 82B.035, subdivision 2; 103D.335, subdivision 17; 270.41, subdivision 5; 270C.34, subdivision 1; 270C.52, subdivision 2; 270C.87; 270C.94, subdivision 3; 272.02, subdivision 42; 272.025, subdivisions 1, 3; 272.029, subdivisions 4, 7; 273.061, subdivisions 7, 8; 273.113, subdivision 3; 273.1392; 275.71, subdivision 5; 279.01, subdivision 3; 279.37, subdivision 1; 282.01, subdivisions 1, 1a, 1b, 1c, 1d, 2, 3, 4, 7, 7a, by adding subdivisions; 289A.08, subdivision 7; 289A.09, subdivision 2; 289A.10, subdivision 1; 289A.12, subdivision 14; 289A.30, subdivision 2; 289A.50, subdivisions 2, 4; 289A.60, subdivision 7; 290.014, subdivision 2; 290.067, subdivision 1; 290.0921, subdivision 3; 290.17, subdivision 2; 295.55, subdivisions 2, 3; 297A.61, subdivisions 3, 7, by adding subdivisions; 297A.62, as amended; 297A.66, by adding a subdivision; 297A.665; 297A.68, subdivision 39, by adding a subdivision; 297A.70, subdivision 13; 297A.995, subdivisions 10, 11; 297F.01, subdivision 22a; 297F.04, by adding a subdivision; 297F.07, subdivision 4; 297F.25, subdivision 1; 297I.01, subdivision 9; 297I.05, subdivision 7; 297I.30, subdivisions 1, 2, 7, 8; 297I.40, subdivisions 1, 5; 297I.65, by adding a subdivision; 298.282, subdivision 1; 469.319, subdivision 5; 469.3193; Minnesota Statutes 2009 Supplement, sections 134.34, subdivision 4; 273.111, subdivision 9; 273.114, subdivision 2; 273.124, subdivision 3a; 273.13, subdivision 25; 275.065, subdivision 3; 275.70, subdivision 5; 289A.18, subdivision 1; 290.01, subdivisions 19a, 19b, 19d; 290.06, subdivision 2c; 290.0671, subdivision 1; 290.091, subdivision 2; 291.005, subdivision 1; 297I.35, subdivision 2; 469.174, subdivision 22; 475.755; 477A.013, subdivision 8; Laws 2001, First Special Session chapter 5, article 3, section 50, as amended; Laws 2009, chapter 88, article 4, section 5; proposing coding for new law in Minnesota Statutes, chapters 270C; 296A; 645; repealing Minnesota Statutes 2008, sections 282.01, subdivisions 9, 10, 11; 297I.30, subdivisions 4, 5, 6; 383A.76; Laws 2009, chapter 88, article 12, section 21.

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

## MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

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

H. F. No. 3111, A bill for an act relating to elections; requiring use of a ballot board to process absentee ballots; permitting absentee ballots to be counted starting on the fourth day prior to an election; modifying other absentee ballot processing procedures; amending Minnesota Statutes 2008, sections 201.061, subdivision 4; 203B.04, subdivision 1; 203B.05, subdivision 1; 203B.07, subdivisions 2, 3; 203B.08, subdivisions 2, 3; 203B.125; 203B.23, subdivisions 1, 2; 203B.24, subdivision 1; 203B.26; 204B.45, subdivision 2; 204B.46, as amended; 204C.32, subdivision 1; 204C.33, subdivisions 1, 3; 205.065, subdivision 5; 205.185, subdivision 3; 205A.03, subdivision 4; 205A.10, subdivision 3; 206.89, subdivision 2; 208.05; proposing coding for new law in Minnesota Statutes, chapter 203B; repealing Minnesota Statutes 2008, sections 203B.10; 203B.12, subdivisions 1, 2, 3, 4, 6; 203B.13, subdivisions 1, 2, 3, 4; 203B.25.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

Madam Speaker:

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

S. F. No. 460.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

### **FIRST READING OF SENATE BILLS**

S. F. No. 460, A bill for an act relating to health care; establishing mental health urgent care and consultation services; creating a new general assistance medical care program; appropriating money; amending Minnesota Statutes 2008, sections 256.969, subdivision 27; 256B.0625, subdivision 13f, by adding a subdivision; 256B.0644; 256B.69, subdivision 20; 256L.05, subdivisions 1b, 3, 3a, 3c; 517.08, subdivision 1c; Minnesota Statutes 2009 Supplement, sections 256.969, subdivision 3a; 256B.0947, subdivision 1; 256B.196, subdivision 2; 256D.03, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 245; 256B; 256D; repealing Minnesota Statutes 2008, sections 256.742; 256.979, subdivision 8; 256B.195, subdivisions 4, 5; 256D.03, subdivision 9; 256L.07, subdivision 6; 256L.15, subdivision 4; 256L.17, subdivision 7; Minnesota Statutes 2009 Supplement, sections 256B.195, subdivisions 1, 2, 3; 256D.03, subdivision 4.

The bill was read for the first time.

Murphy, E., moved that S. F. No. 460 and H. F. No. 802, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

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

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

### **FISCAL CALENDAR**

Pursuant to rule 1.22, Solberg requested immediate consideration of H. F. No. 1671.

H. F. No. 1671 was reported to the House.

The Speaker called Pelowski to the Chair.

Carlson moved to amend H. F. No. 1671, the third engrossment, as follows:

Page 76, line 5, after "are" insert "also"

Page 129, line 27, after "State" insert "not designated"

Page 133, line 34, delete "city" and insert "town"

Page 135, line 10, delete everything after "effective"

Page 135, delete line 11 and insert "the day following final enactment and distribution must be made in August 2010."

The motion prevailed and the amendment was adopted.

Kiffmeyer moved to amend H. F. No. 1671, the third engrossment, as amended, as follows:

Page 118, after line 11, insert:

"Sec. 22. **[16A.106] ZERO-BASED BUDGETING.**

**Subdivision 1. Zero-based budget.** (a) For each biennium to be covered by a proposed state budget, the governor shall require the proposed budgets of each state department, institution, and agency of the executive department to prepare a budget using zero-based budgeting. The commissioner of management and budget shall provide any technical assistance necessary to enable each department, institution, or agency to complete its budgetary requests as specified by the commissioner of management and budget.

(b) The commissioner shall adopt rules necessary to provide instruction and guidance to each department, institution, and agency to facilitate the provisions of this section.

(c) As used in this section, "zero-based budgeting" means a method of determining the budget of a department, institution, or agency for which the budget of the department, institution, or agency for the biennium immediately preceding the biennium covered by the budget is:

(1) deemed to have been zero; and

(2) each proposed expenditure for the biennium covered by the budget must be justified as if it were a new expenditure.

**Subd. 2. Zero-based budget plan.** Each department, institution, and agency shall provide the following information:

(1) a description of activities that comprise the agency, and a justification for the existence of each activity by reference to statute or other legal authority;

(2) for each activity, a quantitative estimate of any adverse impacts that could reasonably be expected should the activity be discontinued, together with a full description of the methods by which the adverse impact is estimated;

(3) a list of quantifiable program outcomes which measure the efficiency and effectiveness of each program;

(4) for each activity, a total account of expenditures that would be required to maintain the activity at the minimum level of service required by the statutory authority, together with a concise statement of the quantity and quality of services required at that minimum level;

(5) for each activity, a total account of expenditures required to maintain the quantity and quality of services being provided and the number of personnel required to accomplish each program; and

(6) a ranking of all activities that shows the relative contribution of each activity to the overall goals and purposes of the agency at current service levels.

**Subd. 3. Legislature, judicial branch, and public employees' retirement system.** The legislature, judicial branch, and public employees' retirement system shall each submit a budget to the legislature in the same format as the proposed executive budget under this section. All projections of revenue and any other information concerning future state revenue contained in those budgets must be based upon projections and estimates prepared by Minnesota Management and Budget.

**EFFECTIVE DATE.** This section is effective the day following final enactment and must be implemented for the biennium beginning in fiscal year 2012."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

#### CALL OF THE HOUSE

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

Abeler	Dean	Hansen	Laine	Nornes	Simon
Anderson, B.	Demmer	Hausman	Lanning	Norton	Slawik
Anderson, P.	Dettmer	Haws	Liebling	Obermueller	Slocum
Anderson, S.	Dill	Hayden	Lieder	Olin	Smith
Anzelc	Dittrich	Hilstrom	Lillie	Paymar	Solberg
Atkins	Doepke	Hoppe	Loeffler	Pelowski	Sterner
Beard	Doty	Hornstein	Loon	Peppin	Swails
Benson	Downey	Hortman	Mack	Peterson	Thao
Bigham	Drazkowski	Howes	Magnus	Poppe	Thissen
Bly	Eastlund	Huntley	Mahoney	Rosenthal	Tillberry
Brod	Eken	Jackson	Mariani	Rukavina	Torkelson
Brown	Falk	Johnson	Marquart	Ruud	Urdahl
Brynaert	Faust	Juhnke	Masin	Sailer	Wagenius
Buesgens	Fritz	Kahn	McFarlane	Sanders	Ward
Bunn	Gardner	Kath	McNamara	Scalze	Welti
Carlson	Garofalo	Kelly	Morgan	Scott	Westrom
Champion	Gottwalt	Kiffmeyer	Morrow	Seifert	Winkler
Cornish	Greiling	Knuth	Mullery	Sertich	Spk. Kelliher
Davids	Hackbarth	Koenen	Murphy, E.	Severson	
Davnie	Hamilton	Kohls	Nelson	Shimanski	

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

The question recurred on the Kiffmeyer amendment and the roll was called. There were 71 yeas and 63 nays as follows:

Those who voted in the affirmative were:

Abeler	Dettmer	Gunther	Lanning	Norton	Severson
Anderson, B.	Dittrich	Hackbarth	Lenczewski	Obermueller	Shimanski
Anderson, P.	Doepke	Hamilton	Liebling	Olin	Slawik
Anderson, S.	Downey	Haws	Loon	Otremba	Smith
Beard	Drazkowski	Holberg	Mack	Peppin	Sterner
Brod	Eastlund	Hoppe	Magnus	Peterson	Swails
Buesgens	Emmer	Howes	Masin	Rosenthal	Torkelson
Bunn	Faust	Kalin	McFarlane	Ruud	Urdahl
Cornish	Fritz	Kath	McNamara	Sanders	Welti
Davids	Gardner	Kelly	Morgan	Scalze	Westrom
Dean	Garofalo	Kiffmeyer	Murdock	Scott	Zellers
Demmer	Gottwalt	Kohls	Nornes	Seifert	

Those who voted in the negative were:

Anzelc	Dill	Hortman	Lieder	Newton	Solberg
Atkins	Doty	Hosch	Lillie	Paymar	Thao
Benson	Eken	Huntley	Loeffler	Pelowski	Thissen
Bigham	Falk	Jackson	Mahoney	Persell	Tillberry
Bly	Greiling	Johnson	Mariani	Poppe	Wagenius
Brown	Hansen	Juhnke	Marquart	Reinert	Ward
Brynaert	Hausman	Kahn	Morrow	Rukavina	Winkler
Carlson	Hayden	Knuth	Mullery	Sailer	Spk. Kelliher
Champion	Hilstrom	Koenen	Murphy, E.	Sertich	
Clark	Hilty	Laine	Murphy, M.	Simon	
Davnie	Hornstein	Lesch	Nelson	Slocum	

The motion prevailed and the amendment was adopted.

Drazkowski offered an amendment to H. F. No. 1671, the third engrossment, as amended.

#### POINT OF ORDER

Kahn raised a point of order pursuant to rule 4.03, relating to Ways and Means Committee; Budget Resolution; Effect on Expenditure and Revenue Bills that the Drazkowski amendment was not in order. Speaker pro tempore Pelowski ruled the point of order well taken and the Drazkowski amendment out of order.

Drazkowski offered an amendment to H. F. No. 1671, the third engrossment, as amended.

#### POINT OF ORDER

Paymar raised a point of order pursuant to rule 4.03, relating to Ways and Means Committee; Budget Resolution; Effect on Expenditure and Revenue Bills that the Drazkowski amendment was not in order. Speaker pro tempore Pelowski ruled the point of order well taken and the Drazkowski amendment out of order.

Drazkowski appealed the decision of Speaker pro tempore Pelowski.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of Speaker pro tempore Pelowski 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 84 yeas and 49 nays as follows:

Those who voted in the affirmative were:

Anzelc	Eken	Hosch	Lillie	Obermueller	Simon
Atkins	Falk	Huntley	Loeffler	Olin	Slawik
Benson	Faust	Jackson	Mahoney	Paymar	Slocum
Bigham	Fritz	Johnson	Mariani	Pelowski	Solberg
Bly	Gardner	Juhnke	Marquart	Persell	Sterner
Brown	Greiling	Kahn	Masin	Peterson	Swails
Brynaert	Hansen	Kalin	Morgan	Poppe	Thao
Carlson	Hausman	Kath	Morrow	Reinert	Thissen
Champion	Haws	Knuth	Mullery	Rosenthal	Tillberry
Clark	Hayden	Koenen	Murphy, E.	Rukavina	Wagenius
Davnie	Hilstrom	Laine	Murphy, M.	Ruud	Ward
Dill	Hilty	Lesch	Nelson	Sailer	Welti
Dittrich	Hornstein	Liebling	Newton	Scalze	Winkler
Doty	Hortman	Lieder	Norton	Sertich	Spk. Kelliher

Those who voted in the negative were:

Abeler	Davids	Garofalo	Kiffmeyer	Murdock	Torkelson
Anderson, B.	Dean	Gottwalt	Kohls	Otremba	Urdahl
Anderson, P.	Demmer	Gunther	Lanning	Peppin	Westrom
Anderson, S.	Dettmer	Hackbarth	Lenczewski	Sanders	Zellers
Beard	Doepke	Hamilton	Loon	Scott	
Brod	Downey	Holberg	Mack	Seifert	
Buesgens	Drazkowski	Hoppe	Magnus	Severson	
Bunn	Eastlund	Howes	McFarlane	Shimanski	
Cornish	Emmer	Kelly	McNamara	Smith	

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

Gottwalt and Downey moved to amend H. F. No. 1671, the third engrossment, as amended, as follows:

Page 76, after line 14, insert:

"Sec. 14. Minnesota Statutes 2008, section 177.42, subdivision 4, is amended to read:

Subd. 4. **Prevailing hours of labor.** "Prevailing hours of labor" means the hours of labor per day and per week worked within the area by a larger number of workers of the same class than are employed within the area for any other number of hours per day and per week. The prevailing hours of labor may not be more than eight hours per day or more than 40 hours per week.

Sec. 15. Minnesota Statutes 2008, section 177.42, subdivision 6, is amended to read:

Subd. 6. **Prevailing wage rate.** "Prevailing wage rate" means the ~~hourly basic rate of pay plus the contribution for health and welfare benefits, vacation benefits, pension benefits, and any other economic benefit paid to the largest number of~~ median hourly compensation paid to workers engaged in the same class of labor within the area and includes, for the purposes of section 177.44, rental rates for truck hire paid to those who own and operate the truck. The median hourly compensation includes the hourly basic rate plus the contribution for health and welfare benefits, vacation benefits, pension benefits, and other economic benefits. The prevailing wage rate may not be less than a reasonable and living wage.

Sec. 16. Minnesota Statutes 2008, section 177.43, subdivision 1, is amended to read:

Subdivision 1. **Hours of labor.** Any contract which provides for a project must state that:

(1) no laborer or mechanic employed directly on the project work site by the contractor or any subcontractor, agent, or other person doing or contracting to do all or a part of the work of the project, is permitted or required to work more hours than the prevailing hours of labor unless paid for all hours in excess of the prevailing hours at a rate of at least 1-1/2 times the hourly basic rate of pay; provided that the rate is only paid on hours actually worked in excess of 40 hours per week; and

(2) a laborer or mechanic may not be paid a lesser rate of wages than the prevailing wage rate in the same or most similar trade or occupation in the area."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

#### CALL OF THE HOUSE LIFTED

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

Downey offered an amendment to H. F. No. 1671, the third engrossment, as amended.

#### POINT OF ORDER

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

Downey 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	Dettmer	Hayden	Lanning	Newton	Simon
Anderson, B.	Dill	Hilstrom	Lenczewski	Nornes	Slawik
Anderson, P.	Dittrich	Hilty	Lesch	Norton	Smith
Anderson, S.	Doepke	Holberg	Liebling	Obermueller	Solberg
Anzelc	Doty	Hoppe	Lieder	Olin	Sterner
Atkins	Downey	Hornstein	Lillie	Otremba	Swails
Beard	Drazkowski	Hortman	Loeffler	Paymar	Thao
Benson	Eastlund	Hosch	Loon	Pelowski	Tillberry
Bigham	Emmer	Howes	Mack	Peppin	Torkelson
Brod	Falk	Huntley	Magnus	Persell	Urdahl
Brown	Faust	Jackson	Mahoney	Poppe	Wagenius
Brynaert	Fritz	Johnson	Mariani	Reinert	Ward
Buesgens	Gardner	Juhnke	Marquart	Rosenthal	Welti
Bunn	Garofalo	Kahn	Masin	Ruud	Westrom
Carlson	Gottwalt	Kalin	McFarlane	Sailer	Winkler
Champion	Greiling	Kath	McNamara	Sanders	Zellers
Clark	Gunther	Kelly	Morgan	Scalze	Spk. Kelliher
Cornish	Hackbarth	Kiffmeyer	Morrow	Scott	
Davids	Hamilton	Knuth	Murdock	Seifert	
Davnie	Hansen	Koenen	Murphy, E.	Sertich	
Dean	Hausman	Kohls	Murphy, M.	Severson	
Demmer	Haws	Laine	Nelson	Shimanski	

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

The vote was taken on the question "Shall the decision of Speaker pro tempore Pelowski 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 81 yeas and 49 nays as follows:

Those who voted in the affirmative were:

Anzelc	Eken	Hosch	Lillie	Obermueller	Solberg
Atkins	Falk	Huntley	Loeffler	Olin	Sterner
Benson	Faust	Jackson	Mahoney	Paymar	Swails
Bigham	Fritz	Johnson	Mariani	Pelowski	Thao
Brown	Gardner	Juhnke	Marquart	Persell	Thissen
Brynaert	Greiling	Kahn	Masin	Poppe	Tillberry
Bunn	Hansen	Kalin	Morgan	Reinert	Wagenius
Carlson	Hausman	Knuth	Morrow	Rosenthal	Ward
Champion	Haws	Koenen	Mullery	Ruud	Welti
Clark	Hayden	Laine	Murphy, E.	Sailer	Winkler
Davnie	Hilstrom	Lenczewski	Murphy, M.	Scalze	Spk. Kelliher
Dill	Hilty	Lesch	Nelson	Sertich	
Dittrich	Hornstein	Liebling	Newton	Simon	
Doty	Hortman	Lieder	Norton	Slawik	

Those who voted in the negative were:

Abeler	Dean	Gottwalt	Kiffmeyer	Nornes	Torkelson
Anderson, B.	Demmer	Gunther	Kohls	Otremba	Urdahl
Anderson, P.	Dettmer	Hackbarth	Lanning	Peppin	Westrom
Anderson, S.	Doepke	Hamilton	Loon	Sanders	Zellers
Beard	Downey	Holberg	Mack	Scott	
Brod	Drazkowski	Hoppe	Magnus	Seifert	
Buesgens	Eastlund	Howes	McFarlane	Severson	
Cornish	Emmer	Kath	McNamara	Shimanski	
Davids	Garofalo	Kelly	Murdock	Smith	

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

Gottwalt and Downey moved to amend H. F. No. 1671, the third engrossment, as amended, as follows:

Page 84, after line 13, insert:

"Sec. 13. Minnesota Statutes 2008, section 177.43, is amended by adding a subdivision to read:

**Subd. 8. Waiver of requirements.** Notwithstanding any other law or rule to the contrary, a city may waive the requirements under this section. Any savings resulting from waiving the requirement to pay prevailing wages must be allocated as follows:

(1) 50 percent to the city;

(2) 25 percent must be deposited in the state general fund; and

(3) 25 percent must be deposited in the workforce development fund under section 116L.20.

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

Sec. 14. Minnesota Statutes 2008, section 177.44, is amended by adding a subdivision to read:

**Subd. 8. Waiver of requirements.** Notwithstanding any other law or rule to the contrary, a city may waive the requirements under this section. Any savings resulting from waiving the requirement to pay prevailing wages must be allocated as follows:

(1) 50 percent to the city;

(2) 25 percent must be deposited in the state general fund; and

(3) 25 percent must be deposited in the workforce development fund under section 116L.20.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Gottwalt and Downey amendment and the roll was called. There were 32 yeas and 102 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Doepke	Gunther	Kohls	Scott	Westrom
Anderson, P.	Downey	Hackbarth	Loon	Seifert	Zellers
Anderson, S.	Drazkowski	Holberg	Magnus	Severson	
Beard	Eastlund	Hoppe	Murdock	Shimanski	
Buesgens	Emmer	Kelly	Nornes	Torkelson	
Dettmer	Gottwalt	Kiffmeyer	Peppin	Urdahl	

Those who voted in the negative were:

Abeler	Demmer	Hilty	Lesch	Nelson	Scalze
Anzelc	Dill	Hornstein	Liebling	Newton	Sertich
Atkins	Dittrich	Hortman	Lieder	Norton	Simon
Benson	Doty	Hosch	Lillie	Obermueller	Slawik
Bigham	Eken	Howes	Loeffler	Olin	Slocum
Bly	Falk	Huntley	Mack	Otremba	Smith
Brod	Faust	Jackson	Mahoney	Paymar	Solberg
Brown	Fritz	Johnson	Mariani	Pelowski	Sterner
Brynaert	Gardner	Juhnke	Marquart	Persell	Swails
Bunn	Garofalo	Kahn	Masin	Peterson	Thao
Carlson	Greiling	Kalin	McFarlane	Poppe	Thissen
Champion	Hamilton	Kath	McNamara	Reinert	Tillberry
Clark	Hansen	Knuth	Morgan	Rosenthal	Wagenius
Cornish	Hausman	Koenen	Morrow	Rukavina	Ward
Davids	Haws	Laine	Mullery	Ruud	Welti
Davnie	Hayden	Lanning	Murphy, E.	Sailer	Winkler
Dean	Hilstrom	Lenczewski	Murphy, M.	Sanders	Spk. Kelliher

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

The Speaker resumed the Chair.

Sertich moved to amend H. F. No. 1671, the third engrossment, as amended, as follows:

Page 135, delete article 16 and insert:

#### "ARTICLE 16

#### PROPERTY TAXES, AIDS, AND PAYMENTS

Section 1. Minnesota Statutes 2008, section 273.1384, is amended by adding a subdivision to read:

Subd. 6. **Credit reduction.** In 2011 and thereafter, the annual market value credit reimbursement amount for each taxing jurisdiction determined under subdivisions 1 to 5 is reduced by the dollar amount of the reduction in market value credit reimbursements for that taxing jurisdiction in 2010 due to allotment reductions under section 16A.152 and the reductions under section 477A.0133. No taxing jurisdiction's market value credit reimbursements

are reduced to less than zero under this subdivision. The commissioner of revenue shall pay the annual market value credit reimbursement amounts, after reduction under this subdivision, to the affected taxing jurisdictions as provided in this section.

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

Sec. 2. Minnesota Statutes 2009 Supplement, section 275.70, subdivision 5, is amended to read:

Subd. 5. **Special levies.** "Special levies" means those portions of ad valorem taxes levied by a local governmental unit for the following purposes or in the following manner:

(1) to pay the costs of the principal and interest on bonded indebtedness or to reimburse for the amount of liquor store revenues used to pay the principal and interest due on municipal liquor store bonds in the year preceding the year for which the levy limit is calculated;

(2) to pay the costs of principal and interest on certificates of indebtedness issued for any corporate purpose except for the following:

(i) tax anticipation or aid anticipation certificates of indebtedness;

(ii) certificates of indebtedness issued under sections 298.28 and 298.282;

(iii) certificates of indebtedness used to fund current expenses or to pay the costs of extraordinary expenditures that result from a public emergency; or

(iv) certificates of indebtedness used to fund an insufficiency in tax receipts or an insufficiency in other revenue sources;

(3) to provide for the bonded indebtedness portion of payments made to another political subdivision of the state of Minnesota;

(4) to fund payments made to the Minnesota State Armory Building Commission under section 193.145, subdivision 2, to retire the principal and interest on armory construction bonds;

(5) property taxes approved by voters which are levied against the referendum market value as provided under section 275.61;

(6) to fund matching requirements needed to qualify for federal or state grants or programs to the extent that either (i) the matching requirement exceeds the matching requirement in calendar year 2001, or (ii) it is a new matching requirement that did not exist prior to 2002;

(7) to pay the expenses reasonably and necessarily incurred in preparing for or repairing the effects of natural disaster including the occurrence or threat of widespread or severe damage, injury, or loss of life or property resulting from natural causes, in accordance with standards formulated by the Emergency Services Division of the state Department of Public Safety, as allowed by the commissioner of revenue under section 275.74, subdivision 2;

(8) pay amounts required to correct an error in the levy certified to the county auditor by a city or county in a levy year, but only to the extent that when added to the preceding year's levy it is not in excess of an applicable statutory, special law or charter limitation, or the limitation imposed on the governmental subdivision by sections 275.70 to 275.74 in the preceding levy year;

(9) to pay an abatement under section 469.1815;

(10) to pay any costs attributable to increases in the employer contribution rates under chapter 353, or locally administered pension plans, that are effective after June 30, 2001;

(11) to pay the operating or maintenance costs of a county jail as authorized in section 641.01 or 641.262, or of a correctional facility as defined in section 241.021, subdivision 1, paragraph (f), to the extent that the county can demonstrate to the commissioner of revenue that the amount has been included in the county budget as a direct result of a rule, minimum requirement, minimum standard, or directive of the Department of Corrections, or to pay the operating or maintenance costs of a regional jail as authorized in section 641.262. For purposes of this clause, a district court order is not a rule, minimum requirement, minimum standard, or directive of the Department of Corrections. If the county utilizes this special levy, except to pay operating or maintenance costs of a new regional jail facility under sections 641.262 to 641.264 which will not replace an existing jail facility, any amount levied by the county in the previous levy year for the purposes specified under this clause and included in the county's previous year's levy limitation computed under section 275.71, shall be deducted from the levy limit base under section 275.71, subdivision 2, when determining the county's current year levy limitation. The county shall provide the necessary information to the commissioner of revenue for making this determination;

(12) to pay for operation of a lake improvement district, as authorized under section 103B.555. If the county utilizes this special levy, any amount levied by the county in the previous levy year for the purposes specified under this clause and included in the county's previous year's levy limitation computed under section 275.71 shall be deducted from the levy limit base under section 275.71, subdivision 2, when determining the county's current year levy limitation. The county shall provide the necessary information to the commissioner of revenue for making this determination;

(13) to repay a state or federal loan used to fund the direct or indirect required spending by the local government due to a state or federal transportation project or other state or federal capital project. This authority may only be used if the project is not a local government initiative;

(14) to pay for court administration costs as required under section 273.1398, subdivision 4b, less the (i) county's share of transferred fines and fees collected by the district courts in the county for calendar year 2001 and (ii) the aid amount certified to be paid to the county in 2004 under section 273.1398, subdivision 4c; however, for taxes levied to pay for these costs in the year in which the court financing is transferred to the state, the amount under this clause is limited to the amount of aid the county is certified to receive under section 273.1398, subdivision 4a;

(15) to fund a police or firefighters relief association as required under section 69.77 to the extent that the required amount exceeds the amount levied for this purpose in 2001;

(16) for purposes of a storm sewer improvement district under section 444.20;

(17) to pay for the maintenance and support of a city or county society for the prevention of cruelty to animals under section 343.11, but not to exceed in any year \$4,800 or the sum of \$1 per capita based on the county's or city's population as of the most recent federal census, whichever is greater. If the city or county uses this special levy, any amount levied by the city or county in the previous levy year for the purposes specified in this clause and included in the city's or county's previous year's levy limit computed under section 275.71, must be deducted from the levy limit base under section 275.71, subdivision 2, in determining the city's or county's current year levy limit;

(18) for counties, to pay for the increase in their share of health and human service costs caused by reductions in federal health and human services grants effective after September 30, 2007;

(19) for a city, for the costs reasonably and necessarily incurred for securing, maintaining, or demolishing foreclosed or abandoned residential properties, as allowed by the commissioner of revenue under section 275.74, subdivision 2. A city must have either (i) a foreclosure rate of at least 1.4 percent in 2007, or (ii) a foreclosure rate in 2007 in the city or in a zip code area of the city that is at least 50 percent higher than the average foreclosure rate in the metropolitan area, as defined in section 473.121, subdivision 2, to use this special levy. For purposes of this paragraph, "foreclosure rate" means the number of foreclosures, as indicated by sheriff sales records, divided by the number of households in the city in 2007;

(20) for a city, for the unreimbursed costs of redeployed traffic-control agents and lost traffic citation revenue due to the collapse of the Interstate 35W bridge, as certified to the Federal Highway Administration;

(21) to pay costs attributable to wages and benefits for sheriff, police, and fire personnel. If a local governmental unit did not use this special levy in the previous year its levy limit base under section 275.71 shall be reduced by the amount equal to the amount it levied for the purposes specified in this clause in the previous year;

(22) an amount equal to any reductions in the certified aids or credits payable under sections 477A.011 to 477A.014, and section 273.1384, due to unallotment under section 16A.152 or 477A.0133. In the case of an unallotment, the amount of the levy allowed under this clause is equal to the amount unallotted or reduced in the calendar year in which the tax is levied unless the unallotment amount is not known by September 1 of the levy year, and the local government has not adjusted its levy under section 275.065, subdivision 6, or 275.07, subdivision 6, in which case the unallotment amount may be levied in the following year;

(23) to pay for the difference between one-half of the costs of confining sex offenders undergoing the civil commitment process and any state payments for this purpose pursuant to section 253B.185, subdivision 5;

(24) for a county to pay the costs of the first year of maintaining and operating a new facility or new expansion, either of which contains courts, corrections, dispatch, criminal investigation labs, or other public safety facilities and for which all or a portion of the funding for the site acquisition, building design, site preparation, construction, and related equipment was issued or authorized prior to the imposition of levy limits in 2008. The levy limit base shall then be increased by an amount equal to the new facility's first full year's operating costs as described in this clause; and

(25) for the estimated amount of reduction to credits under section 273.1384 for credits payable in the year in which the levy is payable.

**EFFECTIVE DATE.** This section is effective for taxes payable in 2011 and thereafter.

Sec. 3. Minnesota Statutes 2008, section 290A.03, subdivision 11, is amended to read:

Subd. 11. **Rent constituting property taxes.** "Rent constituting property taxes" means ~~49~~ 15 percent of the gross rent actually paid in cash, or its equivalent, or the portion of rent paid in lieu of property taxes, in any calendar year by a claimant for the right of occupancy of the claimant's Minnesota homestead in the calendar year, and which rent constitutes the basis, in the succeeding calendar year of a claim for relief under this chapter by the claimant.

**EFFECTIVE DATE.** This section is effective for property tax refunds based on rent paid after December 31, 2009.

Sec. 4. Minnesota Statutes 2008, section 290A.03, subdivision 13, is amended to read:

Subd. 13. **Property taxes payable.** "Property taxes payable" means the property tax exclusive of special assessments, penalties, and interest payable on a claimant's homestead after deductions made under sections 273.135, 273.1384, 273.1391, 273.42, subdivision 2, and any other state paid property tax credits in any calendar

year, and after any refund claimed and allowable under section 290A.04, subdivision 2h, that is first payable in the year that the property tax is payable. In the case of a claimant who makes ground lease payments, "property taxes payable" includes the amount of the payments directly attributable to the property taxes assessed against the parcel on which the house is located. No apportionment or reduction of the "property taxes payable" shall be required for the use of a portion of the claimant's homestead for a business purpose if the claimant does not deduct any business depreciation expenses for the use of a portion of the homestead in the determination of federal adjusted gross income. For homesteads which are park trailers taxed as manufactured homes under section 168.012, subdivision 9, "property taxes payable" shall also include ~~49~~ 15 percent of the gross rent paid in the preceding year for the site on which the homestead is located. When a homestead is owned by two or more persons as joint tenants or tenants in common, such tenants shall determine between them which tenant may claim the property taxes payable on the homestead. If they are unable to agree, the matter shall be referred to the commissioner of revenue whose decision shall be final. Property taxes are considered payable in the year prescribed by law for payment of the taxes.

In the case of a claim relating to "property taxes payable," the claimant must have owned and occupied the homestead on January 2 of the year in which the tax is payable and (i) the property must have been classified as homestead property pursuant to section 273.124, on or before December 15 of the assessment year to which the "property taxes payable" relate; or (ii) the claimant must provide documentation from the local assessor that application for homestead classification has been made on or before December 15 of the year in which the "property taxes payable" were payable and that the assessor has approved the application.

**EFFECTIVE DATE.** This section is effective for property tax refunds based upon rent paid after December 31, 2009, and upon property taxes payable in 2011 and thereafter.

Sec. 5. Minnesota Statutes 2009 Supplement, section 290C.07, is amended to read:

**290C.07 CALCULATION OF INCENTIVE PAYMENT.**

An approved claimant under the sustainable forest incentive program is eligible to receive an annual payment. The payment shall equal the greater of:

(1) the difference between the property tax that would be paid on the land using the previous year's statewide average total township tax rate and a class rate of one percent, if the land were valued at (i) the average statewide managed forest land market value per acre calculated under section 290C.06, and (ii) the average statewide managed forest land current use value per acre calculated under section 290C.02, subdivision 5; or

(2) two-thirds of the property tax amount determined by using the previous year's statewide average total township tax rate, the estimated market value per acre as calculated in section 290C.06, and a class rate of one percent, provided that the payment shall be no less than \$7 per acre for each acre enrolled in the sustainable forest incentive program and the maximum payment per each Social Security Number or state or federal business tax identification number shall not exceed \$100,000.

**EFFECTIVE DATE.** This section is effective for payments made after June 30, 2011, based on certifications due in 2011 and thereafter.

Sec. 6. Minnesota Statutes 2008, section 477A.013, subdivision 9, is amended to read:

Subd. 9. **City aid distribution.** (a) ~~In calendar year 2009 and thereafter,~~ Each city shall receive an aid distribution equal to the sum of (1) the city formula aid under subdivision 8, and (2) its city aid base.

(b) For aids payable in ~~2009~~ 2011 only, the total aid for any city shall not exceed the sum of (1) 35 percent of the city's net levy for the year prior to the aid distribution, plus (2) its total aid in the previous year. For aid payable in 2011 only, the total aid for any city with a population of 2,500 or more may not be less than its total aid under this section in the previous year minus the lesser of \$125 multiplied by its population, or 50 percent of its net levy in the year prior to the aid distribution. The total aid for a city with a population less than 2,500 must not be less than the amount it was certified to receive in the previous year minus the lesser of \$125 multiplied by its population, or 40 percent of its 2003 certified aid amount.

(c) For aids payable in ~~2010~~ 2012 and thereafter, the total aid for any city shall not exceed the sum of (1) ten percent of the city's net levy for the year prior to the aid distribution plus (2) its total aid in the previous year. For aids payable in ~~2009~~ 2012 and thereafter, the total aid for any city with a population of 2,500 or more may not be less than its total aid under this section in the previous year minus the lesser of \$10 multiplied by its population, or ten percent of its net levy in the year prior to the aid distribution.

(d) For aids payable in ~~2010~~ 2012 and thereafter, the total aid for a city with a population less than 2,500 must not be less than the amount it was certified to receive in the previous year minus the lesser of \$10 multiplied by its population, or five percent of its 2003 certified aid amount. ~~For aids payable in 2009 only, the total aid for a city with a population less than 2,500 must not be less than what it received under this section in the previous year unless its total aid in calendar year 2008 was aid under section 477A.011, subdivision 36, paragraph (s), in which case its minimum aid is zero.~~

(e) For aid payable in 2012 and thereafter, a city's aid loss under this section may not exceed \$300,000 in any year in which the total city aid appropriation under section 477A.03, subdivision 2a, is equal or greater than the appropriation under that subdivision in the previous year, unless the city has an adjustment in its city net tax capacity under the process described in section 469.174, subdivision 28.

(f) If a city's net tax capacity used in calculating aid under this section has decreased in any year by more than 25 percent from its net tax capacity in the previous year due to property becoming tax-exempt Indian land, the city's maximum allowed aid increase under paragraph (c) shall be increased by an amount equal to (1) the city's tax rate in the year of the aid calculation, multiplied by (2) the amount of its net tax capacity decrease resulting from the property becoming tax exempt.

**EFFECTIVE DATE.** This section is effective for aid payable in 2011 and thereafter.

Sec. 7. **[477A.0133] ADDITIONAL 2010 AID AND REDUCTIONS.**

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

(b) The "2010 revenue base" for a county is the sum of the county's certified property tax levy for taxes payable in 2010, plus the amount of county program aid under section 477A.0124 that the county was certified to receive in 2010, plus the amount of taconite aids under sections 298.28 and 298.282 that the county was certified to receive in 2010 including any amounts required to be placed in a special fund for distribution in a later year.

(c) The "2010 revenue base" for a statutory or home rule charter city is the sum of the city's certified property tax levy for taxes payable in 2010, plus the amount of local government aid under section 477A.013, subdivision 9, that the city was certified to receive in 2010, plus the amount of taconite aids under sections 298.28 and 298.282 that the city was certified to receive in 2010 including any amounts required to be placed in a special fund for distribution in a later year.

Subd. 2. **2010 reductions; counties, cities, and towns.** After implementing any reduction of county program aid under section 477A.0124, local government aid under section 477A.013, or market value credit reimbursements under section 273.1384, for amounts payable in 2010 to reflect the reduction of allotments under section 16A.152, the commissioner of revenue must compute the additional aid reduction amounts for each county and city provided under this section.

The additional reduction amounts under this section are limited to the sum of the amount of county program aid under section 477A.0124, local government aid under section 477A.013, and market value credit reimbursements under section 273.1384 payable to the county or city in 2010 before the reductions in this section, but after the reductions for unallotments.

The reduction amount under this section is applied first to reduce the amount payable as either county program aid under section 477A.0124, in the case of a county, or local government aid under section 477A.013, in the case of a city, and then, if necessary, to reduce the amount payable to the county or city in 2010 as market value credit reimbursements under section 273.1384.

No aid or reimbursement amount is reduced to less than zero under this section.

The additional 2010 aid reduction amount for a county is equal to 4.354 percent of the county's 2010 revenue base. The additional 2010 aid reduction amount for a city is equal to 8.158 percent of the city's 2010 revenue base.

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

Sec. 8. Minnesota Statutes 2008, section 477A.03, subdivision 2a, is amended to read:

Subd. 2a. **Cities.** For aids payable in ~~2009~~ 2011 and thereafter, the total aid paid under section 477A.013, subdivision 9, is ~~\$526,148,487, subject to adjustment in subdivision 5 \$337,640,792.~~

**EFFECTIVE DATE.** This section is effective for aids payable in 2011 and thereafter.

Sec. 9. Minnesota Statutes 2008, section 477A.03, subdivision 2b, is amended to read:

Subd. 2b. **Counties.** (a) For aids payable in ~~2009~~ 2011 and thereafter, the total aid payable under section 477A.0124, subdivision 3, is ~~\$111,500,000 minus one half of the total aid amount determined under section 477A.0124, subdivision 5, paragraph (b), subject to adjustment in subdivision 5 \$33,059,086.~~ Each calendar year, \$500,000 shall be retained by the commissioner of revenue to make reimbursements to the commissioner of management and budget for payments made under section 611.27. For calendar year 2004, the amount shall be in addition to the payments authorized under section 477A.0124, subdivision 1. For calendar year 2005 and subsequent years, the amount shall be deducted from the appropriation under this paragraph. The reimbursements shall be to defray the additional costs associated with court-ordered counsel under section 611.27. Any retained amounts not used for reimbursement in a year shall be included in the next distribution of county need aid that is certified to the county auditors for the purpose of property tax reduction for the next taxes payable year.

(b) For aids payable in ~~2009~~ 2011 and thereafter, the total aid under section 477A.0124, subdivision 4, is ~~\$116,132,923 minus one half of the total aid amount determined under section 477A.0124, subdivision 5, paragraph (b), subject to adjustment in subdivision 5 \$34,082,538.~~ The commissioner of management and budget shall bill the commissioner of revenue for the cost of preparation of local impact notes as required by section 3.987, not to exceed \$207,000 in fiscal year 2004 and thereafter. The commissioner of education shall bill the commissioner of revenue for the cost of preparation of local impact notes for school districts as required by section 3.987, not to exceed

\$7,000 in fiscal year 2004 and thereafter. The commissioner of revenue shall deduct the amounts billed under this paragraph from the appropriation under this paragraph. The amounts deducted are appropriated to the commissioner of management and budget and the commissioner of education for the preparation of local impact notes.

**EFFECTIVE DATE.** This section is effective for aids payable in 2011 and thereafter.

Sec. 10. **REPEALER.**

Minnesota Statutes 2008, section 477A.03, subdivision 5, is repealed.

**EFFECTIVE DATE.** This section is effective for aids payable in 2011 and thereafter."

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Sertich amendment and the roll was called. There were 15 yeas and 119 nays as follows:

Those who voted in the affirmative were:

Buesgens	Downey	Garofalo	Kohls	Peppin
Dean	Drazkowski	Hackbarth	Loon	Scott
Doepke	Emmer	Hoppe	Mack	Severson

Those who voted in the negative were:

Abeler	Demmer	Hilty	Lesch	Nornes	Simon
Anderson, B.	Dettmer	Holberg	Liebling	Norton	Slawik
Anderson, P.	Dill	Hornstein	Lieder	Obermueller	Slocum
Anderson, S.	Dittrich	Hortman	Lillie	Olin	Smith
Anzelc	Doty	Hosch	Loeffler	Otremba	Solberg
Atkins	Eastlund	Howes	Magnus	Paymar	Sterner
Beard	Eken	Huntley	Mahoney	Pelowski	Swails
Benson	Falk	Jackson	Mariani	Persell	Thao
Bigham	Faust	Johnson	Marquart	Peterson	Thissen
Bly	Fritz	Juhnke	Masin	Poppe	Tillberry
Brod	Gardner	Kahn	McFarlane	Reinert	Torkelson
Brown	Gottwalt	Kalin	McNamara	Rosenthal	Urdahl
Brynaert	Greiling	Kath	Morgan	Rukavina	Wagenius
Bunn	Gunther	Kelly	Morrow	Ruud	Ward
Carlson	Hamilton	Kiffmeyer	Mullery	Sailer	Welti
Champion	Hansen	Knuth	Murdock	Sanders	Westrom
Clark	Hausman	Koenen	Murphy, E.	Scalze	Winkler
Cornish	Haws	Laine	Murphy, M.	Seifert	Zellers
Davids	Hayden	Lanning	Nelson	Sertich	Spk. Kelliher
Davnie	Hilstrom	Lenczewski	Newton	Shimanski	

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

## CALL OF THE HOUSE LIFTED

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

Buesgens moved to amend H. F. No. 1671, the third engrossment, as amended, as follows:

Page 29, line 6, delete "\$38,000" and insert "\$625,000"

Page 29, line 13, after the period, insert "The commissioner of management and budget shall transfer \$587,000 from the special revenue fund to the general fund."

Page 34, line 3, after "assets" insert "to the general fund: (1) first, from the total unobligated balance of money in the renewable development account, and then (2) the remainder necessary to total \$15,000,000 from" and delete "of"

Page 34, line 5, delete ", to" and insert a period

Page 34, delete line 6

Page 43, after line 31, insert:

"Sec. 14. **REPEALER.**

Minnesota Statutes 2009 Supplement, section 116C.779, subdivision 3, is repealed."

Adjust the totals accordingly

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 Buesgens amendment and the roll was called. There were 43 yeas and 91 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Demmer	Gottwalt	Kiffmeyer	Murdock	Torkelson
Anderson, S.	Dettmer	Gunther	Kohls	Peppin	Urdahl
Beard	Doepke	Hackbarth	Lanning	Sanders	Zellers
Brod	Downey	Hamilton	Loon	Scott	
Buesgens	Drazkowski	Holberg	Mack	Seifert	
Cornish	Eastlund	Hoppe	Magnus	Severson	
Dauids	Emmer	Howes	McFarlane	Shimanski	
Dean	Garofalo	Kelly	McNamara	Smith	

Those who voted in the negative were:

Abeler	Atkins	Bly	Bunn	Clark	Dittrich
Anderson, P.	Benson	Brown	Carlson	Davnie	Doty
Anzelc	Bigham	Brynaert	Champion	Dill	Eken

Falk	Hosch	Liebling	Nelson	Rosenthal	Thissen
Faust	Huntley	Lieder	Newton	Rukavina	Tillberry
Fritz	Jackson	Lillie	Nornes	Ruud	Wagenius
Gardner	Johnson	Loeffler	Norton	Sailer	Ward
Greiling	Juhnke	Mahoney	Obermueller	Scalze	Welti
Hansen	Kahn	Mariani	Olin	Sertich	Westrom
Hausman	Kalin	Marquart	Otremba	Simon	Winkler
Haws	Kath	Masin	Paymar	Slawik	Spk. Kelliher
Hayden	Knuth	Morgan	Pelowski	Slocum	
Hilstrom	Koenen	Morrow	Persell	Solberg	
Hilty	Laine	Mullery	Peterson	Sterner	
Hornstein	Lenczewski	Murphy, E.	Poppe	Swails	
Hortman	Lesch	Murphy, M.	Reinert	Thao	

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

Brod moved to amend H. F. No. 1671, the third engrossment, as amended, as follows:

Page 119, line 13, after "operation" insert "including the review of privatization potential and inappropriate competition with private enterprise required under subdivision 4, clauses (8) and (9)"

Page 119, line 14, after "personal" insert "including the preparation of a comprehensive statewide database of all assets owned by the state"

Page 119, after line 28, insert:

"Sec. 25. Minnesota Statutes 2008, section 16B.04, subdivision 4, is amended to read:

Subd. 4. **Mission; efficiency.** It is part of the department's mission that within the department's resources the commissioner shall endeavor to:

- (1) prevent the waste or unnecessary spending of public money;
- (2) use innovative fiscal and human resource practices to manage the state's resources and operate the department as efficiently as possible;
- (3) coordinate the department's activities wherever appropriate with the activities of other governmental agencies;
- (4) use technology where appropriate to increase agency productivity, improve customer service, increase public access to information about government, and increase public participation in the business of government;
- (5) utilize constructive and cooperative labor-management practices to the extent otherwise required by chapters 43A and 179A;
- (6) report to the legislature on the performance of agency operations and the accomplishment of agency goals in the agency's biennial budget according to section 16A.10, subdivision 1; ~~and~~
- (7) recommend to the legislature appropriate changes in law necessary to carry out the mission and improve the performance of the department;

(8) determine the privatization potential of governmental programs or activities, including the performance of corresponding cost-benefit and public-private performance analyses; and

(9) review the practices of state agencies and nonprofit organizations receiving state funds that may constitute inappropriate competition with private enterprise."

Page 129, after line 31, insert:

"Sec. 42. **REPORT ON PRIVATIZATION POTENTIAL AND COMPETITION WITH PRIVATE ENTERPRISES; METROPOLITAN AIRPORTS COMMISSION; STATE LOTTERY.**

By January 15, 2010, the commissioner of administration shall report to the chairs of the legislative committees with jurisdiction over the policy and budget for the Department of Administration regarding:

(1) the determinations and review required under Minnesota Statutes, section 16B.04, subdivision 4; and

(2) the development of evaluation criteria to be used in conducting reviews of any program or activity subject to a privatization review.

The report must apply the evaluation criteria developed under clause (2) to a privatization review of the activities conducted by the Metropolitan Airports Commission and the State Lottery."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Urdahl; Torkelson; Cornish; Hamilton; Drazkowski; Magnus; Anderson, P.; Zellers; Demmer and Seifert offered an amendment to H. F. No. 1671, the third engrossment, as amended.

#### POINT OF ORDER

Hortman raised a point of order pursuant to rule 3.21 that the Urdahl et al amendment was not in order. The Speaker ruled the point of order well taken and the Urdahl et al amendment out of order.

Urdahl appealed the decision of the Speaker.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called. There were 85 yeas and 48 nays as follows:

Those who voted in the affirmative were:

Anzelc	Bigham	Brynaert	Champion	Dill	Faust
Atkins	Bly	Bunn	Clark	Eken	Fritz
Benson	Brown	Carlson	Davnie	Falk	Gardner

Greiling	Johnson	Lillie	Newton	Rukavina	Thissen
Hansen	Juhnke	Loeffler	Norton	Ruud	Tillberry
Hausman	Kahn	Mahoney	Obermueller	Sailer	Wagenius
Haws	Kalin	Mariani	Olin	Scalze	Ward
Hayden	Kath	Marquart	Otremba	Sertich	Welti
Hilstrom	Knuth	Masin	Paymar	Simon	Winkler
Hilty	Koenen	Morgan	Pelowski	Slawik	Spk. Kelliher
Hornstein	Laine	Morrow	Persell	Slocum	
Hortman	Lenczewski	Mullery	Peterson	Solberg	
Hosch	Lesch	Murphy, E.	Poppe	Sterner	
Huntley	Liebling	Murphy, M.	Reinert	Swails	
Jackson	Lieder	Nelson	Rosenthal	Thao	

Those who voted in the negative were:

Abeler	Davids	Drazkowski	Holberg	Magnus	Seifert
Anderson, B.	Dean	Eastlund	Hoppe	McFarlane	Severson
Anderson, P.	Demmer	Emmer	Howes	McNamara	Shimanski
Anderson, S.	Dettmer	Garofalo	Kelly	Murdock	Smith
Beard	Dittrich	Gottwalt	Kohls	Nornes	Torkelson
Brod	Doepke	Gunther	Lanning	Peppin	Urdahl
Buesgens	Doty	Hackbarth	Loon	Sanders	Westrom
Cornish	Downey	Hamilton	Mack	Scott	Zellers

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

Seifert, Kiffmeyer, Smith, Westrom, Demmer, Severson, Scott and Eastlund offered an amendment to H. F. No. 1671, the third engrossment, as amended.

#### CALL OF THE HOUSE

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

Abeler	Davids	Gottwalt	Johnson	Mack	Olin
Anderson, B.	Davnie	Greiling	Juhnke	Magnus	Otremba
Anderson, P.	Dean	Gunther	Kahn	Mahoney	Paymar
Anderson, S.	Demmer	Hackbarth	Kalin	Mariani	Pelowski
Anzelc	Dettmer	Hamilton	Kath	Marquart	Peppin
Atkins	Dill	Hansen	Kelly	Masin	Persell
Beard	Dittrich	Hausman	Kiffmeyer	McFarlane	Peterson
Benson	Doepke	Haws	Knuth	McNamara	Poppe
Bigham	Doty	Hayden	Koenen	Morgan	Reinert
Bly	Downey	Hilstrom	Kohls	Morrow	Rosenthal
Brod	Drazkowski	Hilty	Laine	Mullery	Rosenthal
Brown	Eastlund	Holberg	Lanning	Murdock	Ruud
Brynaert	Eken	Hoppe	Lenczewski	Murphy, E.	Sailer
Buesgens	Emmer	Hornstein	Lesch	Murphy, M.	Sanders
Bunn	Falk	Hortman	Liebling	Nelson	Scalze
Carlson	Faust	Hosch	Lieder	Newton	Scott
Champion	Fritz	Howes	Lillie	Nornes	Seifert
Clark	Gardner	Huntley	Loeffler	Norton	Sertich
Cornish	Garofalo	Jackson	Loon	Obermueller	Severson

Shimanski	Smith	Thao	Urdahl	Westrom
Simon	Solberg	Thissen	Wagenius	Winkler
Slawik	Sterner	Tillberry	Ward	Zellers
Slocum	Swails	Torkelson	Welti	Spk. Kelliher

All members answered to the call and it was so ordered.

#### POINT OF ORDER

Carlson raised a point of order pursuant to rule 3.21 that the Seifert et al amendment was not in order. The Speaker ruled the point of order well taken and the Seifert et al amendment out of order.

Seifert appealed the decision of the Speaker.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker 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:

Anzelc	Falk	Jackson	Mahoney	Paymar	Solberg
Atkins	Faust	Johnson	Mariani	Pelowski	Sterner
Benson	Fritz	Juhnke	Marquart	Persell	Swails
Bigham	Gardner	Kahn	Masin	Peterson	Thao
Bly	Greiling	Kalin	Morgan	Poppe	Thissen
Brown	Hansen	Kath	Morrow	Reinert	Tillberry
Brynaert	Hausman	Knuth	Mullery	Rosenthal	Wagenius
Carlson	Haws	Koenen	Murphy, E.	Rukavina	Ward
Champion	Hayden	Laine	Murphy, M.	Ruud	Welti
Clark	Hilstrom	Lenczewski	Nelson	Sailer	Winkler
Davnie	Hilty	Lesch	Newton	Scalze	Spk. Kelliher
Dill	Hornstein	Liebling	Norton	Sertich	
Dittrich	Hortman	Lieder	Obermueller	Simon	
Doty	Hosch	Lillie	Olin	Slawik	
Eken	Huntley	Loeffler	Otremba	Slocum	

Those who voted in the negative were:

Abeler	Cornish	Eastlund	Hoppe	Magnus	Seifert
Anderson, B.	Dauids	Emmer	Hoves	McFarlane	Severson
Anderson, P.	Dean	Garofalo	Kelly	McNamara	Shimanski
Anderson, S.	Demmer	Gottwalt	Kiffmeyer	Murdock	Smith
Beard	Dettmer	Gunther	Kohls	Nornes	Torkelson
Brod	Doepke	Hackbarth	Lanning	Peppin	Urdahl
Buesgens	Downey	Hamilton	Loon	Sanders	Westrom
Bunn	Drazkowski	Holberg	Mack	Scott	Zellers

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

Juhnke, Wagenius and Hansen moved to amend H. F. No. 1671, the third engrossment, as amended, as follows:

Page 44, line 26, after the period, insert "The commissioner of agriculture must coordinate with the commissioner of natural resources and the commissioners may take actions necessary to retain eligibility for federal invasive species funding, including but not limited to, transferring resources."

The motion prevailed and the amendment was adopted.

Magnus; Torkelson; Anderson, P., and Hamilton moved to amend H. F. No. 1671, the third engrossment, as amended, as follows:

Page 139, after line 21, insert:

"Sec. 3. Minnesota Statutes 2009 Supplement, section 477A.013, subdivision 8, is amended to read:

Subd. 8. **City formula aid.** ~~(a) In calendar year 2009, the formula aid for a city is equal to the sum of (1) its city jobs base, (2) its small city aid base, and (3) the need increase percentage multiplied by its unmet need.~~

~~(b)~~ In calendar year 2011 and subsequent years the formula aid is equal to 50 percent of the amount certified under this section in 2010 for a city of the first class, as defined in section 410.015, based on its population from the 2000 federal census. In calendar year 2010 and subsequent years, the formula aid for a city that is not a city of the first class is equal to the sum of (1) its city jobs base, (2) its small city aid base, and (3) the need increase percentage multiplied by the average of its unmet need for the most recently available two years.

No city may have a formula aid amount less than zero. The need increase percentage must be the same for all cities.

The applicable need increase percentage must be calculated by the Department of Revenue so that the total of the aid under subdivision 9 equals the total amount available for aid under section 477A.03. For aids payable in 2009 only, all data used in calculating aid to cities under sections 477A.011 to 477A.013 will be based on the data available for calculating aid to cities for aids payable in 2008. For aids payable in 2010 and thereafter, data used in calculating aids to cities under sections 477A.011 to 477A.013 shall be the most recently available data as of January 1 in the year in which the aid is calculated except as provided in section 477A.011, subdivisions 3 and 35.

**EFFECTIVE DATE.** This section is effective for aids payable in calendar year 2011 and thereafter."

Page 139, lines 26 to 31, reinstate the stricken language and delete the new language

Page 139, line 32, after "(c)" insert "For aids payable in 2011 only, the total aid for any city shall not exceed the sum of 40 percent of the city's net levy for the year prior to the aid distribution plus its total aid in the previous year." and strike "2010" and insert "2012"

Page 140, after line 20, insert:

"(g) Notwithstanding paragraphs (a) through (f), the aid distribution for a city of the first class, as defined in section 410.015, based on its population from the 2000 federal census, is equal to 50 percent of the amount certified under this section in 2010 for a city of the first class."

Page 140, delete section 4 and insert:

"Sec. 4. **[477A.0133] ADDITIONAL 2010 AID AND CREDIT ADJUSTMENTS.**

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

(b) The "2010 revenue base" for a county is the sum of the county's certified property tax levy for taxes payable in 2010, plus the amount of county program aid under section 477A.0124 that the county was certified to receive in 2010, plus the amount of taconite aids under sections 298.28 and 298.282 that the county was certified to receive in 2010 including any amounts required to be placed in a special fund for distribution in a later year.

(c) A "city of the first class" is a city that is defined as first class under section 410.015.

**Subd. 2. 2010 reductions; counties.** The commissioner of revenue must compute additional 2010 aid and credit reimbursement reduction amounts for each county. The additional reduction amounts under this subdivision are limited to the sum of the amount of each county's county program aid under section 477A.0124, and market value credit reimbursements under section 273.1384 payable to the county before the reductions in this section, but after the reductions for unallotments under section 16A.152.

The additional 2010 aid reduction amount for a county is equal to 1.82767 percent of the county's 2010 revenue base. The reduction amount under this section is applied first to reduce the amount payable to the county in 2010 as market value credit reimbursements under section 273.1384, and then if necessary, to reduce the amount payable as county program aid under section 477A.0124. No aid or reimbursement amount is reduced to less than zero under this section.

**Subd. 3. City reductions and adjustments.** (a) Notwithstanding any actions by the commissioner of management and budget under section 16A.152, the commissioner of revenue shall pay each city its calendar year 2010 total certified aid amount as determined in section 477A.013, subdivision 9, except as provided in paragraph (b). Notwithstanding any actions by the commissioner of management and budget under section 16A.152 the commissioner of revenue shall not reduce any market value credit reimbursement to cities under section 273.1384 for reimbursements paid in calendar year 2010.

(b) For calendar year 2010, the aid paid to cities of the first class under section 477A.013, subdivision 9, is reduced by 50 percent.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Magnus et al amendment and the roll was called. There were 55 yeas and 79 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Beard	Cornish	Demmer	Downey	Emmer
Anderson, P.	Brown	Davids	Dettmer	Drazkowski	Falk
Anderson, S.	Buesgens	Dean	Doty	Eastlund	Faust

Fritz	Hoppe	Loon	Olin	Seifert	Westrom
Garofalo	Jackson	Mack	Otremba	Severson	Zellers
Gottwalt	Juhnke	Magnus	Pelowski	Shimanski	
Gunther	Kath	McNamara	Peppin	Smith	
Hackbarth	Kelly	Morrow	Poppe	Torkelson	
Hamilton	Kiffmeyer	Murdock	Sanders	Urdahl	
Holberg	Kohls	Nornes	Scott	Ward	

Those who voted in the negative were:

Abeler	Dittrich	Howes	Loeffler	Paymar	Sterner
Anzelc	Doepke	Huntley	Mahoney	Persell	Swails
Atkins	Eken	Johnson	Mariani	Peterson	Thao
Benson	Gardner	Kahn	Marquart	Reinert	Thissen
Bigham	Greiling	Kalin	Masin	Rosenthal	Tillberry
Bly	Hansen	Knuth	McFarlane	Rukavina	Wagenius
Brod	Hausman	Koenen	Morgan	Ruud	Welti
Brynaert	Haws	Laine	Mullery	Sailer	Winkler
Bunn	Hayden	Lanning	Murphy, E.	Scalze	Spk. Kelliher
Carlson	Hilstrom	Lenczewski	Murphy, M.	Sertich	
Champion	Hilty	Lesch	Nelson	Simon	
Clark	Hornstein	Liebling	Newton	Slawik	
Davnie	Hortman	Lieder	Norton	Slocum	
Dill	Hosch	Lillie	Obermueller	Solberg	

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

Hamilton, Davids, Torkelson, Lanning, Magnus and Anderson, P., moved to amend H. F. No. 1671, the third engrossment, as amended, as follows:

Page 93, line 7, delete "(5,711,000)" and insert "(65,711,000)" and delete "(5,711,000)" and insert "(65,711,000)"

Page 93, line 9, delete "103,289,000" and insert "43,289,000" and delete "103,289,000" and insert "43,289,000"

Page 95, line 3, delete "(4,840,000)" and insert "(64,840,000)"

Page 95, line 9, delete "\$63,095,000" and insert "\$3,095,000"

Page 95, after line 28, insert:

"Sec. 6. Minnesota Statutes 2008, section 16A.531, is amended by adding a subdivision to read:

**Subd. 4. Property tax relief account.** There is created in the state treasury a property tax relief account as a special revenue fund for deposit of certain revenues saved from reducing the appropriation to the Metropolitan Council for transit purposes by \$60,000,000 annually under this act.

**EFFECTIVE DATE.** This section is effective beginning with fiscal year 2011."

Page 139, after line 21, insert:

"Sec. 3. Minnesota Statutes 2008, section 473.446, subdivision 1, is amended to read:

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

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

~~(2) (c)~~ ~~an~~ An additional amount necessary to provide full and timely payment of certificates of indebtedness issued by the council, after consultation with the commissioner of management and budget, for the following purposes: (1) if revenues to the metropolitan area transit fund in the fiscal year in which the indebtedness is issued increase over those revenues in the previous fiscal year by a percentage less than the percentage increase for the same period in the revised Consumer Price Index for all urban consumers for the St. Paul-Minneapolis metropolitan area prepared by the United States Department of Labor; ~~(b);~~ indebtedness to which property taxes have been pledged under ~~paragraph (a), this clause (2);~~ that is incurred in any fiscal year may not exceed the amount necessary to make up the difference between ~~(1) (i)~~ the amount that the council received or expects to receive in that fiscal year from the metropolitan area transit fund and ~~(2) (ii)~~ the amount the council received from that fund in the previous fiscal year multiplied by the percentage increase for the same period in the revised Consumer Price Index for all urban consumers for the St. Paul-Minneapolis metropolitan area prepared by the United States Department of Labor; and (2) for transit operations for the period from July 1, 2010, to December 31, 2010, in an amount not to exceed \$30,000,000.

(d) An amount necessary to provide funding for transit operations, provided that the levy under this clause may not exceed \$60,000,000 for taxes payable in 2011 and \$60,000,000 for taxes payable in 2012. For taxes payable in 2013 and thereafter, the levy limit is increased each year by the percentage growth in the implicit price deflator for government consumption expenditures and gross investment for state and local governments prepared by the Bureau of Economic Analysis of the United States Department of Commerce for the 12-month period ending March 31 of the levy year.

**EFFECTIVE DATE.** This section is effective July 1, 2010."

Page 139, lines 26 to 31, delete the new language and reinstate the stricken language

Page 140, delete section 4 and insert:

"Sec. 4. **[477A.0133] ADDITIONAL AID AND CREDIT REDUCTIONS.**

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

(b) The "2010 revenue base" for a county is the sum of the county's certified property tax levy for taxes payable in 2010, plus the amount of county program aid under section 477A.0124 that the county was certified to receive in 2010, plus the amount of taconite aids under sections 298.28 and 298.282 that the county was certified to receive in 2010 including any amounts required to be placed in a special fund for distribution in a later year.

Subd. 2. **2010 reductions; counties.** The commissioner of revenue must compute additional 2010 aid and credit reimbursement reduction amounts under this section for each county, after implementing any reduction of county program aid under section 477A.0124 or market value credit reimbursements under section 273.1384, to reflect the reduction of allotments under section 16A.152.

The additional reduction amounts under this section are limited to the sum of the amount of county program aid under section 477A.0124, and market value credit reimbursements under section 273.1384 payable to the county in 2010 before the reductions in this section, but after the reductions for unallotments.

The reduction amount under this section is applied first to reduce the amount payable to the county in 2010 as market value credit reimbursements under section 273.1384, and then if necessary, to reduce the amount payable as county program aid under section 477A.0124.

No aid or reimbursement amount is reduced to less than zero under this section.

The additional 2010 aid reduction amount for a county is equal to 1.82767 percent of the county's 2010 revenue base.

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

Page 141, line 26, delete "2011" and strike "and thereafter" and insert "2010 only"

Page 141, line 28, delete "\$520,725,315" and insert "\$476,671,471 from the general fund. For aids payable in 2011 and thereafter the total amount of aid paid under section 477A.013, subdivision 9, from the general fund is \$498,138,215. For aids payable in 2010 and future years, \$60,000,000 annually is appropriated from the property tax relief special account to pay aids under section 477A.013, subdivision 9"

Page 141, line 29, delete "2011" and insert "2010"

A roll call was requested and properly seconded.

The Speaker called Pelowski to the Chair.

The question was taken on the Hamilton et al amendment and the roll was called. There were 42 yeas and 92 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Demmer	Fritz	Howes	Magnus	Severson
Anderson, P.	Dettmer	Gottwalt	Jackson	Morrow	Shimanski
Bly	Doty	Gunther	Juhnke	Murdock	Torkelson
Brown	Drazkowski	Hackbarth	Kath	Nornes	Urdahl
Buesgens	Eastlund	Hamilton	Kelly	Olin	Ward
Cornish	Falk	Haws	Koenen	Otremba	Welti
Davids	Faust	Hosch	Lanning	Poppe	Westrom

Those who voted in the negative were:

Abeler	Bigham	Clark	Downey	Hansen	Hoppe
Anderson, S.	Brod	Davnie	Eken	Hausman	Hornstein
Anzelc	Brynaert	Dean	Emmer	Hayden	Hortman
Atkins	Bunn	Dill	Gardner	Hilstrom	Huntley
Bead	Carlson	Dittrich	Garofalo	Hilty	Johnson
Benson	Champion	Doepke	Greiling	Holberg	Kahn

Kalin	Loeffler	Mullery	Persell	Seifert	Thissen
Kiffmeyer	Loon	Murphy, E.	Peterson	Sertich	Tillberry
Knuth	Mack	Murphy, M.	Reinert	Simon	Wagenius
Kohls	Mahoney	Nelson	Rosenthal	Slawik	Winkler
Laine	Mariani	Newton	Rukavina	Slocum	Zellers
Lenczewski	Marquart	Norton	Ruud	Smith	Spk. Kelliher
Lesch	Masin	Obermueller	Sailer	Solberg	
Liebling	McFarlane	Paymar	Sanders	Sterner	
Lieder	McNamara	Pelowski	Scalze	Swails	
Lillie	Morgan	Peppin	Scott	Thao	

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

#### CALL OF THE HOUSE LIFTED

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

Emmer, Scott, Downey, Buesgens, Drazkowski, Holberg, Zellers, Sanders, Brod and Dean offered an amendment to H. F. No. 1671, the third engrossment, as amended.

#### POINT OF ORDER

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

Emmer appealed the decision of Speaker pro tempore Pelowski.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of Speaker pro tempore Pelowski stand as the judgment of the House?" and the roll was called. There were 85 yeas and 49 nays as follows:

Those who voted in the affirmative were:

Anzelc	Falk	Huntley	Loeffler	Paymar	Sterner
Atkins	Faust	Jackson	Mahoney	Pelowski	Swails
Benson	Fritz	Johnson	Mariani	Persell	Thao
Bigham	Gardner	Juhnke	Marquart	Peterson	Thissen
Bly	Greiling	Kahn	Masin	Poppe	Tillberry
Brown	Hansen	Kalin	Morgan	Reinert	Wagenius
Brynaert	Hausman	Kath	Morrow	Rukavina	Ward
Bunn	Haws	Knuth	Mullery	Ruud	Welti
Carlson	Hayden	Koenen	Murphy, E.	Sailer	Winkler
Champion	Hilstrom	Laine	Murphy, M.	Scalze	Spk. Kelliher
Clark	Hilty	Lenczewski	Nelson	Sertich	
Davnie	Hornstein	Lesch	Newton	Simon	
Dill	Hortman	Liebling	Norton	Slawik	
Doty	Hosch	Lieder	Obermueller	Slocum	
Eken	Howes	Lillie	Olin	Solberg	

Those who voted in the negative were:

Abeler	Dean	Garofalo	Kohls	Otremba	Torkelson
Anderson, B.	Demmer	Gottwalt	Lanning	Peppin	Urdahl
Anderson, P.	Dettmer	Gunther	Loon	Rosenthal	Westrom
Anderson, S.	Dittrich	Hackbarth	Mack	Sanders	Zellers
Beard	Doepke	Hamilton	Magnus	Scott	
Brod	Downey	Holberg	McFarlane	Seifert	
Buesgens	Drazkowski	Hoppe	McNamara	Severson	
Cornish	Eastlund	Kelly	Murdock	Shimanski	
Dauids	Emmer	Kiffmeyer	Nornes	Smith	

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

Hackbarth; Peppin; Emmer; Buesgens; Anderson, B.; Gunther and Hoppe offered an amendment to H. F. No. 1671, the third engrossment, as amended.

#### POINT OF ORDER

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

Hackbarth appealed the decision of Speaker pro tempore Pelowski.

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	Davnie	Hamilton	Kath	Mariani	Pelowski
Anderson, B.	Dean	Hansen	Kelly	Masin	Peppin
Anderson, P.	Demmer	Hausman	Kiffmeyer	McFarlane	Persell
Anderson, S.	Dettmer	Haws	Knuth	McNamara	Peterson
Anzelc	Dittrich	Hayden	Koenen	Morgan	Poppe
Atkins	Doepke	Hilstrom	Kohls	Morrow	Reinert
Beard	Doty	Hilty	Laine	Mullery	Rosenthal
Benson	Drazkowski	Holberg	Lanning	Murdock	Ruud
Bigham	Eastlund	Hornstein	Lenczewski	Murphy, E.	Sailer
Bly	Eken	Hortman	Lesch	Murphy, M.	Sanders
Brod	Emmer	Hosch	Liebling	Nelson	Scalze
Brown	Falk	Howes	Lieder	Newton	Scott
Buesgens	Faust	Huntley	Lillie	Nornes	Seifert
Bunn	Fritz	Jackson	Loeffler	Norton	Sertich
Carlson	Gardner	Johnson	Loon	Obermueller	Severson
Champion	Garofalo	Juhnke	Mack	Olin	Shimanski
Cornish	Gunther	Kahn	Magnus	Otremba	Simon
Dauids	Hackbarth	Kalin	Mahoney	Paymar	Slawik

Slocum	Sterner	Thissen	Wagenius	Westrom	Spk. Kelliher
Smith	Swails	Tillberry	Ward	Winkler	
Solberg	Thao	Urdahl	Welti	Zellers	

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

The vote was taken on the question "Shall the decision of Speaker pro tempore Pelowski stand as the judgment of the House?" and the roll was called. There were 87 yeas and 47 nays as follows:

Those who voted in the affirmative were:

Abeler	Doty	Hosch	Lillie	Otremba	Slocum
Anzelc	Eken	Huntley	Loeffler	Paymar	Solberg
Atkins	Falk	Jackson	Mahoney	Pelowski	Sterner
Benson	Faust	Johnson	Mariani	Persell	Swails
Bigham	Fritz	Juhnke	Marquart	Peterson	Thao
Bly	Gardner	Kahn	Masin	Poppe	Thissen
Brown	Greiling	Kalin	Morgan	Reinert	Tillberry
Brynaert	Hansen	Kath	Morrow	Rosenthal	Wagenius
Bunn	Hausman	Knuth	Mullery	Rukavina	Ward
Carlson	Haws	Koenen	Murphy, E.	Ruud	Welti
Champion	Hayden	Laine	Murphy, M.	Sailer	Winkler
Clark	Hilstrom	Lenczewski	Nelson	Scalze	Spk. Kelliher
Davnie	Hilty	Lesch	Newton	Sertich	
Dill	Hornstein	Liebling	Norton	Simon	
Dittrich	Hortman	Lieder	Obermueller	Slawik	

Those who voted in the negative were:

Anderson, B.	Dean	Garofalo	Kelly	McNamara	Severson
Anderson, P.	Demmer	Gottwalt	Kiffmeyer	Murdock	Shimanski
Anderson, S.	Dettmer	Gunther	Kohls	Nornes	Smith
Beard	Doepke	Hackbarth	Lanning	Olin	Torkelson
Brod	Downey	Hamilton	Loon	Peppin	Urdahl
Buesgens	Drazkowski	Holberg	Mack	Sanders	Westrom
Cornish	Eastlund	Hoppe	Magnus	Scott	Zellers
Davids	Emmer	Howes	McFarlane	Seifert	

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

Peppin offered an amendment to H. F. No. 1671, the third engrossment, as amended.

#### POINT OF ORDER

Solberg raised a point of order pursuant to rule 4.03, relating to Ways and Means Committee; Budget Resolution; Effect on Expenditure and Revenue Bills 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.

The vote was taken on the question "Shall the decision of Speaker pro tempore Pelowski stand as the judgment of the House?" and the roll was called. There were 87 yeas and 47 nays as follows:

Those who voted in the affirmative were:

Anzelc	Eken	Huntley	Loeffler	Otremba	Slocum
Atkins	Falk	Jackson	Mahoney	Paymar	Solberg
Benson	Faust	Johnson	Mariani	Pelowski	Sterner
Bigham	Fritz	Juhnke	Marquart	Persell	Swails
Bly	Gardner	Kahn	Masin	Peterson	Thao
Brown	Greiling	Kalin	Morgan	Poppe	Thissen
Brynaert	Hansen	Kath	Morrow	Reinert	Tillberry
Bunn	Hausman	Knuth	Mullery	Rosenthal	Wagenius
Carlson	Haws	Koenen	Murphy, E.	Rukavina	Ward
Champion	Hayden	Laine	Murphy, M.	Ruud	Welti
Clark	Hilstrom	Lenczewski	Nelson	Sailer	Winkler
Davnie	Hilty	Lesch	Newton	Scalze	Spk. Kelliher
Dill	Hornstein	Liebling	Norton	Sertich	
Dittrich	Hortman	Lieder	Obermueller	Simon	
Doty	Hosch	Lillie	Olin	Slawik	

Those who voted in the negative were:

Abeler	Davids	Emmer	Howes	McFarlane	Severson
Anderson, B.	Dean	Garofalo	Kelly	McNamara	Shimanski
Anderson, P.	Demmer	Gottwalt	Kiffmeyer	Murdock	Smith
Anderson, S.	Dettmer	Gunther	Kohls	Nornes	Torkelson
Beard	Doepke	Hackbarth	Lanning	Peppin	Urdahl
Brod	Downey	Hamilton	Loon	Sanders	Westrom
Buesgens	Drazkowski	Holberg	Mack	Scott	Zellers
Cornish	Eastlund	Hoppe	Magnus	Seifert	

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

Westrom; Peppin; Hamilton; Torkelson; Anderson, B.; Nornes; Gunther; Magnus; Hackbarth; Emmer and Seifert offered an amendment to H. F. No. 1671, the third engrossment, as amended.

#### POINT OF ORDER

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

Westrom appealed the decision of Speaker pro tempore Pelowski.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of Speaker pro tempore Pelowski 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:

Anzelc	Doty	Hosch	Lillie	Paymar	Solberg
Atkins	Eken	Huntley	Loeffler	Pelowski	Sterner
Benson	Falk	Jackson	Mahoney	Persell	Swails
Bigham	Faust	Johnson	Mariani	Peterson	Thao
Bly	Fritz	Juhnke	Marquart	Poppe	Thissen
Brown	Gardner	Kahn	Masin	Reinert	Tillberry
Brynaert	Greiling	Kalin	Morgan	Rosenthal	Wagenius
Bunn	Hansen	Kath	Morrow	Rukavina	Ward
Carlson	Hausman	Knuth	Mullery	Ruud	Welti
Champion	Haws	Koenen	Murphy, E.	Sailer	Winkler
Clark	Hayden	Laine	Murphy, M.	Scalze	Spk. Kelliher
Davnie	Hilstrom	Lenczewski	Nelson	Sertich	
Dill	Hilty	Lesch	Newton	Simon	
Dittrich	Hornstein	Liebling	Norton	Slawik	
Doepke	Hortman	Lieder	Obermueller	Slocum	

Those who voted in the negative were:

Abeler	Davids	Garofalo	Kelly	McNamara	Seifert
Anderson, B.	Dean	Gottwalt	Kiffmeyer	Murdock	Severson
Anderson, P.	Demmer	Gunther	Kohls	Nornes	Shimanski
Anderson, S.	Dettmer	Hackbarth	Lanning	Olin	Smith
Beard	Downey	Hamilton	Loon	Otremba	Torkelson
Brod	Drazkowski	Holberg	Mack	Peppin	Urdahl
Buesgens	Eastlund	Hoppe	Magnus	Sanders	Westrom
Cornish	Emmer	Howes	McFarlane	Scott	Zellers

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

Hackbarth moved to amend H. F. No. 1671, the third engrossment, as amended, as follows:

Page 17, delete section 4 and insert:

"Sec. 4. **NATURAL RESOURCES** **\$(2,501,000)** **\$(3,184,000)**

Appropriations by Fund

<u>General</u>	<u>(2,501,000)</u>	<u>(3,434,000)</u>
<u>Game and Fish</u>	<u>-0-</u>	<u>250,000</u>

The commissioner of natural resources shall reduce the department's general fund appropriations by \$2,501,000 in fiscal year 2010 and \$3,434,000 in fiscal year 2011 throughout the department. Reductions should be made to minimize impacts on jobs and natural resource program delivery.

\$250,000 in fiscal year 2011 is appropriated from the game and fish fund to maintain and expand the ecological classification system program on state forest lands. This is a onetime appropriation."

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

Emmer offered an amendment to H. F. No. 1671, the third engrossment, as amended.

#### POINT OF ORDER

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

Emmer appealed the decision of Speaker pro tempore Pelowski.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of Speaker pro tempore Pelowski 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:

Anzelc	Eken	Huntley	Mahoney	Paymar	Solberg
Atkins	Falk	Jackson	Mariani	Pelowski	Sterner
Benson	Faust	Johnson	Marquart	Persell	Swails
Bigham	Fritz	Juhnke	Masin	Peterson	Thao
Bly	Gardner	Kahn	Morgan	Poppe	Thissen
Brown	Greiling	Kalin	Morrow	Reinert	Tillberry
Brynaert	Hansen	Knuth	Mullery	Rosenthal	Wagenius
Bunn	Hausman	Koenen	Murphy, E.	Rukavina	Ward
Carlson	Haws	Laine	Murphy, M.	Ruud	Welti
Champion	Hayden	Lenczewski	Nelson	Sailer	Winkler
Clark	Hilstrom	Lesch	Newton	Scalze	Spk. Kelliher
Davnie	Hilty	Liebling	Norton	Sertich	
Dill	Hornstein	Lieder	Obermueller	Simon	
Dittrich	Hortman	Lillie	Olin	Slawik	
Doty	Hosch	Loeffler	Otremba	Slocum	

Those who voted in the negative were:

Abeler	Davids	Emmer	Howes	Magnus	Seifert
Anderson, B.	Dean	Garofalo	Kath	McFarlane	Severson
Anderson, P.	Demmer	Gottwalt	Kelly	McNamara	Shimanski
Anderson, S.	Dettmer	Gunther	Kiffmeyer	Murdock	Smith
Beard	Doepke	Hackbarth	Kohls	Nornes	Torkelson
Brod	Downey	Hamilton	Lanning	Peppin	Urdahl
Buesgens	Drazkowski	Holberg	Loon	Sanders	Westrom
Cornish	Eastlund	Hoppe	Mack	Scott	Zellers

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

## CALL OF THE HOUSE LIFTED

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

Welti, Scalze, Brown, Bigham, Benson, Rosenthal, Otremba, Persell, Olin, Doty, Jackson, Masin, Fritz, Sailer, Swails, Lenczewski, Sterner, Knuth, Morrow, Lillie, Kath, Morgan, Gardner, Hilstrom and Reinert moved to amend H. F. No. 1671, the third engrossment, as amended, as follows:

Page 99, after line 27, insert:

"Sec. 15. Minnesota Statutes 2009 Supplement, section 16A.152, subdivision 2, is amended to read:

Subd. 2. **Additional revenues; priority.** (a) If on the basis of a forecast of general fund revenues and expenditures, the commissioner of management and budget determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of management and budget must allocate money to the following accounts and purposes in priority order:

(1) the cash flow account established in subdivision 1 until that account reaches \$350,000,000;

(2) the budget reserve account established in subdivision 1a until that account reaches \$653,000,000;

(3) the amount necessary to increase the aid payment schedule for school district aids and credits payments in section 127A.45 to not more than 90 percent rounded to the nearest tenth of a percent without exceeding the amount available and with any remaining funds deposited in the budget reserve;

(4) the amount necessary to restore all or a portion of the net aid reductions under section 127A.441 and to reduce the property tax revenue recognition shift under section 123B.75, subdivision 5, paragraph (b), and Laws 2003, First Special Session chapter 9, article 5, section 34, as amended by Laws 2003, First Special Session chapter 23, section 20, by the same amount; ~~and~~

(5) to the state airports fund, the amount necessary to restore the amount transferred from the state airports fund under Laws 2008, chapter 363, article 11, section 3, subdivision 5; and

(6) to the fire safety account in the special revenue fund, the amount necessary to restore transfers from the account to the general fund made in Laws 2010.

(b) The amounts necessary to meet the requirements of this section are appropriated from the general fund within two weeks after the forecast is released or, in the case of transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations schedules otherwise established in statute.

(c) The commissioner of management and budget shall certify the total dollar amount of the reductions under paragraph (a), clauses (3) and (4), to the commissioner of education. The commissioner of education shall increase the aid payment percentage and reduce the property tax shift percentage by these amounts and apply those reductions to the current fiscal year and thereafter."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Jackson, Hamilton, Doty, Hosch, Persell, Torkelson, Kath, Pelowski, Welti, Faust, Urdahl, Morrow, Otremba, Kalin, Rukavina, Fritz, Magnus, Haws, Kelliher, Olin, Hilty, Juhnke, Marquart, Sterner, Severson, Koenen, Bly, Poppe, Brown, Shimanski, Dettmer, Kiffmeyer, Eastlund and Anderson, P., moved to amend H. F. No. 1671, the third engrossment, as amended, as follows:

Page 135, after line 21, insert:

"Section 1. Minnesota Statutes 2009 Supplement, section 273.111, subdivision 9, is amended to read:

Subd. 9. **Additional taxes.** (a) Except as provided in paragraph (b), when real property which is being, or has been valued and assessed under this section no longer qualifies under subdivision 3, the portion no longer qualifying shall be subject to additional taxes, in the amount equal to the difference between the taxes determined in accordance with subdivision 4, and the amount determined under subdivision 5. Provided, however, that the amount determined under subdivision 5 shall not be greater than it would have been had the actual bona fide sale price of the real property at an arm's-length transaction been used in lieu of the market value determined under subdivision 5. Such additional taxes shall be extended against the property on the tax list for the current year, provided, however, that no interest or penalties shall be levied on such additional taxes if timely paid, and provided further, that such additional taxes shall only be levied with respect to the last three years that the said property has been valued and assessed under this section.

(b) Real property that has been valued and assessed under this section prior to May 29, 2008, and that ceases to qualify under this section after May 28, 2008, and is withdrawn from the program before ~~May 1, 2010~~ August 16, 2010, is not subject to additional taxes under this subdivision or subdivision 3, paragraph (c). If additional taxes have been paid under this subdivision with respect to property described in this paragraph prior to April 3, 2009, the county must repay the property owner in the manner prescribed by the commissioner of revenue.

**EFFECTIVE DATE.** This section is effective for withdrawals after April 30, 2010."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 1671, as amended, was read for the third time.

The Speaker resumed the Chair.

Seifert moved that H. F. No. 1671, the third engrossment, as amended, be re-referred to the Committee on Ways and Means.

A roll call was requested and properly seconded.

The question was taken on the Seifert motion and the roll was called. There were 48 yeas and 86 nays as follows:

Those who voted in the affirmative were:

Abeler	Anderson, S.	Buesgens	Dean	Doepke	Eastlund
Anderson, B.	Beard	Cornish	Demmer	Downey	Emmer
Anderson, P.	Brod	Davids	Dettmer	Drazkowski	Garofalo

Gottwalt	Hoppe	Lanning	McFarlane	Sanders	Smith
Gunther	Howes	Liebling	McNamara	Scott	Torkelson
Hackbarth	Kelly	Loon	Murdock	Seifert	Urdahl
Hamilton	Kiffmeyer	Mack	Nornes	Severson	Westrom
Holberg	Kohls	Magnus	Peppin	Shimanski	Zellers

Those who voted in the negative were:

Anzelc	Eken	Huntley	Mahoney	Paymar	Solberg
Atkins	Falk	Jackson	Mariani	Pelowski	Sterner
Benson	Faust	Johnson	Marquart	Persell	Swails
Bigham	Fritz	Juhnke	Masin	Peterson	Thao
Bly	Gardner	Kahn	Morgan	Poppe	Thissen
Brown	Greiling	Kalin	Morrow	Reinert	Tillberry
Brynaert	Hansen	Kath	Mullery	Rosenthal	Wagenius
Bunn	Hausman	Knuth	Murphy, E.	Rukavina	Ward
Carlson	Haws	Koenen	Murphy, M.	Ruud	Welti
Champion	Hayden	Laine	Nelson	Sailer	Winkler
Clark	Hilstrom	Lenczewski	Newton	Scalze	Spk. Kelliher
Davnie	Hilty	Lesch	Norton	Sertich	
Dill	Hornstein	Lieder	Obermueller	Simon	
Dittrich	Hortman	Lillie	Olin	Slawik	
Doty	Hosch	Loeffler	Otremba	Slocum	

The motion did not prevail.

H. F. No. 1671, A bill for an act relating to the financing and operation of state and local government; appropriating money or reducing appropriations for state government, higher education and economic development, environment and natural resources, activities or programs of Department of Commerce, agriculture, veterans affairs, transportation, public safety, judiciary, Uniform Laws Commission, Private Detective Board, human rights, corrections, Sentencing Guidelines Commission, minority boards, public facilities authority, tourism, humanities, public broadcasting, zoos, science museum, and Housing Finance Agency; modifying loan, grant, and scholarship provisions; funding certain projects for veterans; increasing bond limits; establishing a central system office and governing credit transfers for the Minnesota State Colleges and Universities; requiring bond issues for certain projects; modifying investment disposition of mineral fund; modifying mineral fund payments in lieu of taxes; providing for or modifying certain provisions relating to membership of tourism council and film and TV reimbursement amounts; modifying provisions relating to continuing education for certain licensed occupations, securities transaction exemptions, mortgages, and operation of state government; modifying certain Boards of Barber Examiners and Cosmetology provisions; establishing a new trunk highway emergency relief account; amending provisions related to trunk highway bonding, hazardous materials permits, fire safety account, uses of public safety service fee, grants for emergency shelters, and in-service training for peace officers; authorizing county sentence to service programs to charge fees; changing provisions relating to agriculture and veterans affairs; changing provisions for expenses of governor-elect, disposal of old state-owned buildings, public access to parking spaces, fleet management, and lease purchase agreements; providing for operation of a state recycling center and a state Webmaster for state Web sites; providing for Web access to appropriations information; requiring two-sided printing for state use; requiring standards to enhance public access to state electronic data; providing for zero-based budgeting; creating a commission to reengineer delivery of government services; providing for transfers to Help America Vote Act account; changing and creating funds and accounts; modifying provisions for tax return preparers; requesting proposals for enhancing the state's tax collection process and revenues; modifying calculation of state aids and credits for local government; authorizing and adjusting fees; establishing a pilot project; making technical changes; requiring reports; providing for rulemaking; amending Minnesota Statutes 2008, sections 4.51;

16B.04, subdivision 2; 16B.24, subdivision 3; 16B.48, subdivision 2; 16E.04, subdivision 2; 16E.05, by adding a subdivision; 18G.07; 79.34, subdivision 1; 80A.46; 80A.65, subdivision 1; 97A.061, subdivision 1; 103G.705, subdivision 2; 115A.15, subdivision 6; 116L.17, subdivision 2; 116U.25; 116U.26; 136A.121, subdivision 6; 136A.1701, subdivision 4; 136A.29, subdivision 9; 154.06; 154.065, subdivision 2; 154.07, by adding a subdivision; 154.15, by adding a subdivision; 161.04, by adding a subdivision; 273.1384, by adding a subdivision; 297I.06, subdivision 3; 326B.148, subdivision 1; 403.11, subdivision 1; 471.6175, subdivision 4; 477A.013, subdivision 9; 477A.03, subdivisions 2a, 2b; 477A.12, subdivision 1; 611A.32, subdivisions 1, 2; 626.8458, subdivision 5; 641.12, by adding a subdivision; Minnesota Statutes 2009 Supplement, sections 16A.152, subdivision 2; 16A.82; 16E.02, subdivision 1; 45.30, subdivision 6; 136A.121, subdivision 9; 136F.98, subdivision 1; 154.002; 154.003; 155A.23, by adding a subdivision; 155A.24, subdivision 2, by adding subdivisions; 155A.25; 190.19, subdivision 2a; 270C.145; 273.111, subdivision 9; 275.70, subdivision 5; 289A.08, subdivision 16; 298.294; 299A.45, subdivision 1; 357.021, subdivision 7; Laws 2007, chapter 45, article 1, section 3, subdivisions 4, as amended, 5, as amended; Laws 2009, chapter 37, article 2, section 13; Laws 2009, chapter 78, article 1, section 3, subdivision 2; article 7, section 2; Laws 2009, chapter 83, article 1, sections 10, subdivisions 4, 7; 11; 14, subdivision 2; Laws 2009, chapter 94, article 1, section 3, subdivision 5; article 3, section 2, subdivision 3; Laws 2009, chapter 95, article 1, sections 3, subdivisions 6, 21; 5, subdivision 2; Laws 2009, chapter 101, article 1, section 31; proposing coding for new law in Minnesota Statutes, chapters 10; 15B; 16A; 16B; 97A; 136A; 136F; 477A; repealing Minnesota Statutes 2008, sections 13.721, subdivision 4; 136A.127, subdivisions 1, 3, 5, 6, 7, 10, 11; 154.07, subdivision 5; 176.135, subdivision 1b; 221.0355, subdivisions 1, 2, 3, 4, 5, 6, 7, 7a, 8, 9, 10, 11, 12, 13, 14, 16, 17, 18; 477A.03, subdivision 5; Minnesota Statutes 2009 Supplement, sections 135A.61; 136A.121, subdivision 9b; 136A.127, subdivisions 2, 4, 9, 9b, 10a, 14.

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

The question was taken on the passage of the bill and the roll was called.

Pursuant to rule 2.05, Downey and Holberg were excused from voting on the final passage of H. F. No. 1671, as amended.

There were 80 yeas and 51 nays as follows:

Those who voted in the affirmative were:

Anzelc	Eken	Hosch	Lillie	Olin	Slocum
Atkins	Falk	Howes	Loeffler	Paymar	Solberg
Benson	Faust	Huntley	Mahoney	Pelowski	Sterner
Bigham	Fritz	Jackson	Marquart	Persell	Swails
Bly	Gardner	Johnson	Masin	Peterson	Tillberry
Brown	Garofalo	Kahn	Morgan	Poppe	Wagenius
Brynaert	Hansen	Kalin	Morrow	Reinert	Ward
Bunn	Hausman	Kath	Mullery	Rosenthal	Welti
Carlson	Haws	Knuth	Murphy, E.	Ruud	Winkler
Champion	Hayden	Koenen	Murphy, M.	Sailer	Spk. Kelliher
Clark	Hilstrom	Laine	Nelson	Scalze	
Davnie	Hilty	Lenczewski	Newton	Sertich	
Dittrich	Hornstein	Lesch	Norton	Simon	
Doty	Hortman	Lieder	Obermueller	Slawik	

Those who voted in the negative were:

Abeler	Anderson, S.	Buesgens	Dean	Dill	Eastlund
Anderson, B.	Beard	Cornish	Demmer	Doepke	Emmer
Anderson, P.	Brod	Davids	Dettmer	Drazkowski	Gottwalt

Greiling	Kelly	Mack	Nornes	Seifert	Urdahl
Gunther	Kiffmeyer	Magnus	Otremba	Shimanski	Westrom
Hackbarth	Kohls	Mariani	Peppin	Smith	Zellers
Hamilton	Lanning	McFarlane	Rukavina	Thao	
Hoppe	Liebling	McNamara	Sanders	Thissen	
Juhnke	Loon	Murdock	Scott	Torkelson	

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

Abeler was excused for the remainder of today's session.

### CALENDAR FOR THE DAY

H. F. No. 653, A bill for an act relating to elections; changing certain municipal precinct and ward boundary procedures and requirements; amending Minnesota Statutes 2008, sections 204B.135, subdivisions 1, 3; 204B.14, subdivisions 3, 4; 205.84, subdivisions 1, 2.

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

The question was taken on the passage of the bill and the roll was called. There were 117 yeas and 16 nays as follows:

Those who voted in the affirmative were:

Anderson, P.	Dittrich	Hoppe	Lieder	Norton	Slawik
Anzelc	Doepke	Hornstein	Lillie	Obermueller	Slocum
Atkins	Doty	Hortman	Loeffler	Olin	Smith
Beard	Downey	Hosch	Loon	Otremba	Solberg
Benson	Eken	Howes	Mack	Paymar	Sterner
Bigham	Falk	Huntley	Mahoney	Pelowski	Swails
Bly	Faust	Jackson	Mariani	Peppin	Thao
Brod	Fritz	Johnson	Marquart	Persell	Thissen
Brown	Gardner	Juhnke	Masin	Peterson	Tillberry
Brynaert	Greiling	Kahn	McFarlane	Poppe	Urdahl
Buesgens	Gunther	Kalin	McNamara	Reinert	Wagenius
Bunn	Hackbarth	Kath	Morgan	Rosenthal	Ward
Carlson	Hamilton	Kelly	Morrow	Rukavina	Welti
Champion	Hansen	Knuth	Mullery	Ruud	Westrom
Clark	Hausman	Koenen	Murdock	Sailer	Winkler
Cornish	Haws	Kohls	Murphy, E.	Sanders	Zellers
Davnie	Hayden	Laine	Murphy, M.	Scalze	Spk. Kelliher
Dean	Hilstrom	Lanning	Nelson	Scott	
Demmer	Hilty	Lenczewski	Newton	Sertich	
Dill	Holberg	Liebling	Nornes	Simon	

Those who voted in the negative were:

Anderson, B.	Dettmer	Emmer	Kiffmeyer	Seifert	Torkelson
Anderson, S.	Drazkowski	Garofalo	Lesch	Severson	
Davids	Eastlund	Gottwalt	Magnus	Shimanski	

The bill was passed and its title agreed to.

H. F. No. 1780, A bill for an act relating to state government; requiring revisor of statutes to survey recipients of free state publications.

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 103 yeas and 30 nays as follows:

Those who voted in the affirmative were:

Anderson, S.	Dittrich	Hosch	Loon	Olin	Solberg
Anzelc	Doty	Howes	Mack	Otremba	Sterner
Atkins	Downey	Huntley	Mahoney	Paymar	Swails
Beard	Eken	Jackson	Mariani	Pelowski	Thao
Benson	Falk	Johnson	Marquart	Persell	Thissen
Bigham	Faust	Kahn	McFarlane	Peterson	Tillberry
Bly	Fritz	Kalin	McNamara	Poppe	Wagenius
Brown	Gardner	Knuth	Morgan	Reinert	Ward
Brynaert	Greiling	Koenen	Morrow	Rosenthal	Welti
Buesgens	Gunther	Kohls	Mullery	Rukavina	Westrom
Bunn	Hansen	Laine	Murdock	Ruud	Winkler
Carlson	Hausman	Lanning	Murphy, E.	Sailer	Zellers
Champion	Haws	Lenczewski	Murphy, M.	Scalze	Spk. Kelliher
Clark	Hayden	Lesch	Nelson	Sertich	
Cornish	Hilstrom	Liebling	Newton	Simon	
Davnie	Hilty	Lieder	Nornes	Slawik	
Dean	Hornstein	Lillie	Norton	Slocum	
Dill	Hortman	Loeffler	Obermueller	Smith	

Those who voted in the negative were:

Anderson, B.	Dettmer	Garofalo	Hoppe	Magnus	Seifert
Anderson, P.	Doepke	Gottwalt	Juhnke	Masin	Severson
Brod	Drazkowski	Hackbarth	Kath	Peppin	Shimanski
Davids	Eastlund	Hamilton	Kelly	Sanders	Torkelson
Demmer	Emmer	Holberg	Kiffmeyer	Scott	Urdahl

The bill was passed and its title agreed to.

H. F. No. 2988, A bill for an act relating to state government; adding a provision to the Minnesota Data Practices Act on computer data; clarifying state agency use of temporary session cookies on government Web sites; amending Minnesota Statutes 2008, section 13.15, by adding a subdivision.

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

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Anzelc	Benson	Brod	Buesgens	Champion
Anderson, P.	Atkins	Bigham	Brown	Bunn	Clark
Anderson, S.	Beard	Bly	Brynaert	Carlson	Cornish

Davids	Greiling	Kahn	Mariani	Peppin	Solberg
Davnie	Gunther	Kalin	Marquart	Persell	Sterner
Dean	Hackbarth	Kath	Masin	Peterson	Swails
Demmer	Hamilton	Kelly	McFarlane	Poppe	Thao
Dettmer	Hansen	Kiffmeyer	McNamara	Reinert	Thissen
Dill	Hausman	Knuth	Morgan	Rosenthal	Tillberry
Dittrich	Haws	Koenen	Morrow	Rukavina	Torkelson
Doepke	Hayden	Kohls	Mullery	Ruud	Urdahl
Doty	Hilstrom	Laine	Murdock	Sailer	Wagenius
Downey	Hilty	Lanning	Murphy, E.	Sanders	Ward
Drazkowski	Holberg	Lenczewski	Murphy, M.	Scalze	Welti
Eastlund	Hoppe	Lesch	Nelson	Scott	Westrom
Eken	Hornstein	Liebling	Newton	Seifert	Winkler
Emmer	Hortman	Lieder	Nornes	Sertich	Zellers
Falk	Hosch	Lillie	Norton	Severson	Spk. Kelliher
Faust	Howes	Loeffler	Obermueller	Shimanski	
Fritz	Huntley	Loon	Olin	Simon	
Gardner	Jackson	Mack	Otremba	Slawik	
Garofalo	Johnson	Magnus	Paymar	Slocum	
Gottwalt	Juhnke	Mahoney	Pelowski	Smith	

The bill was passed and its title agreed to.

H. F. No. 2855, A bill for an act relating to labor and industry; modifying boiler provisions; amending and imposing civil and criminal penalties; amending Minnesota Statutes 2008, sections 326B.94, as amended; 326B.954; 326B.956; 326B.958; 326B.961, as added if enacted; 326B.964; 326B.966; 326B.97; 326B.98; 326B.986, subdivision 10; 326B.99; 326B.994, subdivision 3; 326B.998; Minnesota Statutes 2009 Supplement, sections 326B.972; 326B.986, subdivisions 2, 8; 326B.988; proposing coding for new law in Minnesota Statutes, chapter 326B; repealing Minnesota Statutes 2008, sections 326B.952; 326B.96, subdivision 1; 326B.962; 326B.968; 326B.982; 326B.996; Minnesota Rules, parts 5225.1400; 5225.3100; 5225.3150; 5225.3200.

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 117 yeas and 16 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Davnie	Hamilton	Kahn	Magnus	Norton
Anderson, P.	Dean	Hansen	Kalin	Mahoney	Obermueller
Anderson, S.	Dettmer	Hausman	Kath	Mariani	Olin
Anzelc	Dill	Haws	Kelly	Marquart	Otremba
Atkins	Dittrich	Hayden	Knuth	Masin	Paymar
Benson	Doty	Hilstrom	Koenen	McFarlane	Pelowski
Bigham	Eastlund	Hilty	Laine	McNamara	Persell
Bly	Eken	Hoppe	Lanning	Morgan	Peterson
Brown	Falk	Hornstein	Lenczewski	Morrow	Poppe
Brynaert	Faust	Hortman	Lesch	Mullery	Reinert
Bunn	Fritz	Hosch	Liebling	Murdock	Rosenthal
Carlson	Gardner	Howes	Lieder	Murphy, E.	Rukavina
Champion	Gottwalt	Huntley	Lillie	Murphy, M.	Ruud
Clark	Greiling	Jackson	Loeffler	Nelson	Sailer
Cornish	Gunther	Johnson	Loon	Newton	Sanders
Davids	Hackbarth	Juhnke	Mack	Nornes	Scalze

Scott	Simon	Solberg	Thissen	Wagenius	Spk. Kelliher
Seifert	Slawik	Sterner	Tillberry	Ward	
Sertich	Slocum	Swails	Torkelson	Welti	
Shimanski	Smith	Thao	Urdahl	Winkler	

Those who voted in the negative were:

Beard	Demmer	Drazkowski	Holberg	Peppin	Zellers
Brod	Doepke	Emmer	Kiffmeyer	Severson	
Buesgens	Downey	Garofalo	Kohls	Westrom	

The bill was passed and its title agreed to.

Sertich moved that the remaining bills on the Calendar for the Day be continued. The motion prevailed.

#### REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Sertich from the Committee on Rules and Legislative Administration, pursuant to rule 1.21, designated the following bills to be placed on the Calendar for the Day for Tuesday, March 23, 2010:

H. F. Nos. 3009, 1633, 3174, 2915, 3263 and 3460; S. F. No. 2183; H. F. Nos. 2851, 3151 and 2881; S. F. No. 2596; H. F. Nos. 2360, 2786 and 3096; S. F. No. 3167; H. F. Nos. 3508 and 212; S. F. No. 2946; and H. F. No. 3143.

#### MOTIONS AND RESOLUTIONS

Lanning moved that the name of Bunn be added as an author on H. F. No. 1195. The motion prevailed.

Marquart moved that the name of Bunn be added as an author on H. F. No. 1201. The motion prevailed.

Nelson moved that the name of Mullery be added as chief author on H. F. No. 1557. The motion prevailed.

Carlson moved that the name of Murphy, M., be added as an author on H. F. No. 1671. The motion prevailed.

Scalze moved that the name of Bunn be added as an author on H. F. No. 2447. The motion prevailed.

Scalze moved that the name of Bunn be added as an author on H. F. No. 2451. The motion prevailed.

Lillie moved that the name of Bunn be added as an author on H. F. No. 2480. The motion prevailed.

Falk moved that the name of Sailer be added as an author on H. F. No. 2599. The motion prevailed.

Greiling moved that the name of Bunn be added as an author on H. F. No. 2645. The motion prevailed.

Slawik moved that the name of Bunn be added as an author on H. F. No. 2718. The motion prevailed.

Anderson, S., moved that the name of Bunn be added as an author on H. F. No. 2732. The motion prevailed.

Obermueller moved that the name of Davnie be added as an author on H. F. No. 2801. The motion prevailed.

Bly moved that the name of Bunn be added as an author on H. F. No. 2981. The motion prevailed.

Winkler moved that the name of Bunn be added as an author on H. F. No. 2993. The motion prevailed.

Downey moved that the name of Bunn be added as an author on H. F. No. 3011. The motion prevailed.

Hortman moved that the name of Bunn be added as an author on H. F. No. 3079. The motion prevailed.

Mahoney moved that the name of Bunn be added as an author on H. F. No. 3157. The motion prevailed.

Champion moved that the name of Persell be added as an author on H. F. No. 3184. The motion prevailed.

Atkins moved that the name of Bunn be added as an author on H. F. No. 3245. The motion prevailed.

Nelson moved that the name of Davids be added as an author on H. F. No. 3360. The motion prevailed.

Gottwalt moved that the name of Pelowski be added as an author on H. F. No. 3379. The motion prevailed.

Dittrich moved that the name of Tillberry be added as an author on H. F. No. 3475. The motion prevailed.

Benson moved that the name of Sailer be added as an author on H. F. No. 3478. The motion prevailed.

Sterner moved that the name of Morgan be added as an author on H. F. No. 3627. The motion prevailed.

Loon moved that the name of Morgan be added as an author on H. F. No. 3638. The motion prevailed.

Mack moved that the name of Morgan be added as an author on H. F. No. 3644. The motion prevailed.

Dittrich moved that the name of Bunn be added as an author on H. F. No. 3685. The motion prevailed.

Downey moved that the name of Bunn be added as an author on H. F. No. 3696. The motion prevailed.

Juhnke moved that the name of Doty be added as an author on H. F. No. 3707. The motion prevailed.

Huntley moved that the names of Tillberry, Reinert, Sailer and Slocum be added as authors on H. F. No. 3709. The motion prevailed.

Fritz moved that the name of Bly be added as an author on H. F. No. 3711. The motion prevailed.

Juhnke moved that H. F. No. 3122, now on the General Register, be re-referred to the Committee on Finance. The motion prevailed.

Lillie moved that H. F. No. 3251, now on the General Register, be re-referred to the Committee on Finance. The motion prevailed.

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

H. F. No. 1671, A bill for an act relating to the financing and operation of state and local government; appropriating money or reducing appropriations for state government, higher education and economic development, environment and natural resources, activities or programs of Department of Commerce, agriculture, veterans affairs, transportation, public safety, judiciary, Uniform Laws Commission, Private Detective Board, human rights, corrections, Sentencing Guidelines Commission, minority boards, public facilities authority, tourism, humanities, public broadcasting, zoos, science museum, and Housing Finance Agency; modifying loan, grant, and scholarship provisions; funding certain projects for veterans; increasing bond limits; establishing a central system office and governing credit transfers for the Minnesota State Colleges and Universities; requiring bond issues for certain projects; modifying investment disposition of mineral fund; modifying mineral fund payments in lieu of taxes; providing for or modifying certain provisions relating to membership of tourism council and film and TV reimbursement amounts; modifying provisions relating to continuing education for certain licensed occupations, securities transaction exemptions, mortgages, and operation of state government; modifying certain Boards of Barber Examiners and Cosmetology provisions; establishing a new trunk highway emergency relief account; amending provisions related to trunk highway bonding, hazardous materials permits, fire safety account, uses of public safety service fee, grants for emergency shelters, and in-service training for peace officers; authorizing county sentence to service programs to charge fees; changing provisions relating to agriculture and veterans affairs; changing provisions for expenses of governor-elect, disposal of old state-owned buildings, public access to parking spaces, fleet management, and lease purchase agreements; providing for operation of a state recycling center and a state Webmaster for state Web sites; providing for Web access to appropriations information; requiring two-sided printing for state use; requiring standards to enhance public access to state electronic data; providing for zero-based budgeting; creating a commission to reengineer delivery of government services; providing for transfers to Help America Vote Act account; changing and creating funds and accounts; modifying provisions for tax return preparers; requesting proposals for enhancing the state's tax collection process and revenues; modifying calculation of state aids and credits for local government; authorizing and adjusting fees; establishing a pilot project; making technical changes; requiring reports; providing for rulemaking; amending Minnesota Statutes 2008, sections 4.51; 16B.04, subdivision 2; 16B.24, subdivision 3; 16B.48, subdivision 2; 16E.04, subdivision 2; 16E.05, by adding a subdivision; 18G.07; 79.34, subdivision 1; 80A.46; 80A.65, subdivision 1; 97A.061, subdivision 1; 103G.705, subdivision 2; 115A.15, subdivision 6; 116L.17, subdivision 2; 116U.25; 116U.26; 136A.121, subdivision 6; 136A.1701, subdivision 4; 136A.29, subdivision 9; 154.06; 154.065, subdivision 2; 154.07, by adding a subdivision; 154.15, by adding a subdivision; 161.04, by adding a subdivision; 273.1384, by adding a subdivision; 297I.06, subdivision 3; 326B.148, subdivision 1; 403.11, subdivision 1; 471.6175, subdivision 4; 477A.013, subdivision 9; 477A.03, subdivisions 2a, 2b; 477A.12, subdivision 1; 611A.32, subdivisions 1, 2; 626.8458, subdivision 5; 641.12, by adding a subdivision; Minnesota Statutes 2009 Supplement, sections 16A.152, subdivision 2; 16A.82; 16E.02, subdivision 1; 45.30, subdivision 6; 136A.121, subdivision 9; 136F.98, subdivision 1; 154.002; 154.003; 155A.23, by adding a subdivision; 155A.24, subdivision 2, by adding subdivisions; 155A.25; 190.19, subdivision 2a; 270C.145; 273.111, subdivision 9; 275.70, subdivision 5; 289A.08, subdivision 16; 298.294; 299A.45, subdivision 1; 357.021, subdivision 7; Laws 2007, chapter 45, article 1, section 3, subdivisions 4, as amended, 5, as amended; Laws 2009, chapter 37, article 2, section 13; Laws 2009, chapter 78, article 1, section 3, subdivision 2; article 7, section 2; Laws 2009, chapter 83, article 1, sections 10, subdivisions 4, 7; 11; 14, subdivision 2; Laws 2009, chapter 94, article 1, section 3, subdivision 5; article 3, section 2, subdivision 3; Laws 2009, chapter 95, article 1, sections 3,

subdivisions 6, 21; 5, subdivision 2; Laws 2009, chapter 101, article 1, section 31; proposing coding for new law in Minnesota Statutes, chapters 10; 15B; 16A; 16B; 97A; 136A; 136F; 477A; repealing Minnesota Statutes 2008, sections 13.721, subdivision 4; 136A.127, subdivisions 1, 3, 5, 6, 7, 10, 11; 154.07, subdivision 5; 176.135, subdivision 1b; 221.0355, subdivisions 1, 2, 3, 4, 5, 6, 7, 7a, 8, 9, 10, 11, 12, 13, 14, 16, 17, 18; 477A.03, subdivision 5; Minnesota Statutes 2009 Supplement, sections 135A.61; 136A.121, subdivision 9b; 136A.127, subdivisions 2, 4, 9, 9b, 10a, 14.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

Carlson moved that the House refuse to concur in the Senate amendments to H. F. No. 1671, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

#### ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1671:

Carlson, Lenczewski, Paymar, Solberg and Garofalo.

#### ADJOURNMENT

Sertich moved that when the House adjourns today it adjourn until 12:30 p.m., Tuesday, March 23, 2010. The motion prevailed.

Sertich moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:30 p.m., Tuesday, March 23, 2010.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives

