

## STATE OF MINNESOTA

## EIGHTY-SIXTH SESSION — 2010

## EIGHTY-SIXTH DAY

SAINT PAUL, MINNESOTA, MONDAY, APRIL 12, 2010

The House of Representatives convened at 11:00 a.m. and was called to order by Margaret Anderson Kelliher, Speaker of the House.

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

A quorum was present.

The Speaker called Pelowski to the Chair.

Hamilton; Haws; Hayden; Koenen; Murphy, M.; Norton and Scalze were excused.

Lesch and Paymar were excused until 11:25 a.m. Clark was excused until 11:35 a.m. Kelly was excused until 12:00 noon.

The Chief Clerk proceeded to read the Journal of the preceding day. Simon 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**

Carlson from the Committee on Finance to which was referred:

H. F. No. 677, A bill for an act relating to health occupations; establishing a regulation system for technicians performing body art procedures and for body art establishments; adopting penalty fees; proposing coding for new law as Minnesota Statutes, chapter 146B.

Reported the same back with the following amendments:

Page 3, delete subdivision 22

Renumber the subdivisions in sequence

Page 4, delete lines 25 to 28 and insert:

"(b) The commissioner shall issue a provisional establishment license effective until the commissioner determines after inspection that the applicant has met the requirements of this chapter. Upon approval, the commissioner shall issue a body art establishment license effective for three years."

Page 4, delete subdivision 3 and insert:

"Subd. 3. **Inspection.** (a) Within the period of the provisional establishment license, and thereafter at least one time during each three-year licensure period, the commissioner shall conduct an inspection of the body art establishment and a review of any records necessary to ensure that the standards required under this chapter are met.

(b) The commissioner shall have the authority to enter a premises to make an inspection. Refusal to permit an inspection constitutes valid grounds for licensure denial or revocation.

(c) If the establishment seeking licensure is new construction or if a licensed establishment is remodeling, the establishment must meet all local building and zoning codes."

Page 5, line 22, delete "registration" and insert "license"

Page 8, line 24, delete "meets or exceeds" and insert "meet or exceed"

Page 9, line 9, delete "cardiopulmonary resuscitation (CPR), first aid,"

Page 10, line 23, delete "a readily" and insert "an"

Page 11, line 22, delete everything after "cups" and insert a period

Page 11, line 23, delete everything before "Upon"

Page 12, line 11, delete everything after "used" and insert ". The disposable razor must be discarded after use. The stainless steel straight edge must be thoroughly washed to remove all organic matter and sterilized before use on another client."

Page 13, line 31, before "The" insert "(c)"

Page 13, line 32, delete "was provided" and insert "is accurate"

Page 13, line 33, delete "(c)" and insert "(d)"

Page 14, line 1, delete everything after "technician" and insert "may perform body piercings"

Page 14, line 2, delete "identified in paragraph (c)"

Page 14, line 4, after "technician" insert ", and the piercing is not prohibited under paragraph (c)"

Page 14, line 21, delete the second "and" and insert "or"

Page 15, line 9, delete "or" and insert "and"

Page 17, line 9, delete "\$....." and insert "\$100."

Page 17, line 10, delete "\$....." and insert "\$100."

Page 17, line 11, delete "\$....." and insert "\$50."

Page 17, line 12, delete "\$....." and insert "\$100."

Page 17, lines 13 and 14, delete "\$....." and insert "\$1,000."

Page 17, lines 15 and 17, delete "\$....." and insert "\$75."

Page 17, after line 15, insert:

"(h) The commissioner shall prorate the initial two-year technician license fee and the initial three-year body art establishment license fee based on the number of months in the initial licensure period."

Page 17, after line 19, insert:

"Sec. 11. **APPROPRIATIONS.**

\$190,000 is appropriated in fiscal year 2011 from the state government special revenue fund to the commissioner of health for the implementation of Minnesota Statutes, chapter 146B. Base funding shall be \$101,000 in fiscal year 2012 and \$65,000 in fiscal year 2013."

Page 17, line 21, delete "10" and insert "11"

Renumber the sections and subdivisions in sequence and correct the internal references

Amend the title as follows:

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

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

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 1005, A bill for an act relating to drivers' licenses; creating enhanced driver's license and enhanced identification card; providing for application, issuance, and appearance of card; directing commissioner of public safety to seek approval of card by Homeland Security secretary for proof of identity and citizenship and for use in entering United States; amending Minnesota Statutes 2008, sections 171.01, by adding subdivisions; 171.04, by adding a subdivision; 171.06, subdivisions 1, 2, 3, 6; 171.07, subdivision 3, by adding subdivisions; 171.071, 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 171.01, subdivision 37, is amended to read:

Subd. 37. **License.** "License" means any operator's license or any other license or permit to operate a motor vehicle issued or issuable under the laws of this state by the commissioner of public safety including:

- (1) any temporary license, instruction permit, or provisional license;
- (2) the privilege of any person to drive a motor vehicle whether or not the person holds a valid license; ~~and~~
- (3) any nonresident's operating privilege; and
- (4) an enhanced driver's license.

Sec. 2. Minnesota Statutes 2008, section 171.01, is amended by adding a subdivision to read:

Subd. 37a. **Enhanced driver's license.** (a) "Enhanced driver's license" means a license, instruction permit, or provisional license, as appropriate, to operate a motor vehicle issued or issuable under the laws of this state by the commissioner of public safety that denotes citizenship and identity and contains technology and security features approved by the secretary of the United States Department of Homeland Security.

(b) Unless specifically provided otherwise:

- (1) "instruction permit" includes an enhanced instruction permit;
- (2) "provisional license" includes an enhanced provisional license; and
- (3) "driver's license" includes an enhanced driver's license.

Sec. 3. Minnesota Statutes 2008, section 171.01, is amended by adding a subdivision to read:

Subd. 37b. **Enhanced identification card.** (a) "Enhanced identification card" means a Minnesota identification card issued or issuable under the laws of this state by the commissioner of public safety that denotes citizenship and identity and contains technology and security features approved by the secretary of the United States Department of Homeland Security.

(b) Unless specifically provided otherwise, "Minnesota identification card" includes an enhanced identification card.

Sec. 4. Minnesota Statutes 2008, section 171.02, is amended by adding a subdivision to read:

**Subd. 6. Enhanced driver's license.** (a) An enhanced driver's license may be used (1) in the same manner as a driver's license, instruction permit, or provisional license, and (2) for purposes of entering the United States, upon approval by the secretary of the United States Department of Homeland Security.

(b) All provisions in this chapter relating to drivers' licenses, instruction permits, and provisional licenses, including cancellation, suspension, revocation, reinstatement, examination, restriction, expiration, renewal, and unlawful acts and violations, apply to an enhanced driver's license.

Sec. 5. Minnesota Statutes 2008, section 171.04, is amended by adding a subdivision to read:

**Subd. 3. Persons not eligible for enhanced driver's license.** The department shall not issue an enhanced driver's license to any person who is:

(1) under 16 years of age;

(2) not a resident of this state; or

(3) not a citizen of the United States of America.

Sec. 6. Minnesota Statutes 2008, section 171.06, subdivision 1, is amended to read:

Subdivision 1. **Forms of application.** Every application for a Minnesota identification card, for an instruction permit, for a provisional license, or for a driver's license must be made in a format approved by the department, and every application must be accompanied by the proper fee. All first-time applications and change-of-status applications must be signed in the presence of the person authorized to accept the application, or the signature on the application may be verified by a notary public. All applications requiring evidence of legal presence in the United States or United States citizenship must be signed in the presence of the person authorized to accept the application, or the signature on the application may be verified by a notary public.

Sec. 7. Minnesota Statutes 2008, section 171.06, subdivision 2, is amended to read:

Subd. 2. **Fees.** (a) The fees for a license and Minnesota identification card are as follows:

Classified Driver's License	D-\$22.25	C-\$26.25	B-\$33.25	A-\$41.25
Classified Under-21 D.L.	D-\$22.25	C-\$26.25	B-\$33.25	A-\$21.25
<u>Enhanced Driver's License</u>	<u>D-\$37.25</u>	<u>C-\$41.75</u>	<u>B-\$48.25</u>	<u>A-\$56.25</u>
Instruction Permit				\$10.25
<u>Enhanced Instruction Permit</u>				<u>\$25.25</u>
Provisional License				\$13.25
<u>Enhanced Provisional License</u>				<u>\$28.25</u>
Duplicate License or duplicate identification card				\$11.75

Enhanced Duplicate License or enhance  
duplicate identification card

\$26.75

Minnesota identification card or Under-21  
Minnesota identification card, other than  
duplicate, except as otherwise provided in  
section 171.07, subdivisions 3 and 3a

\$16.25

Enhanced Minnesota identification card

\$31.25

In addition to each fee required in this paragraph, the commissioner shall collect a surcharge of \$1.75 until June 30, 2012. Surcharges collected under this paragraph must be credited to the driver and vehicle services technology account in the special revenue fund under section 299A.705.

(b) Notwithstanding paragraph (a), an individual who holds a provisional license and has a driving record free of (1) convictions for a violation of section 169A.20, 169A.33, 169A.35, or sections 169A.50 to 169A.53, (2) convictions for crash-related moving violations, and (3) convictions for moving violations that are not crash related, shall have a \$3.50 credit toward the fee for any classified under-21 driver's license. "Moving violation" has the meaning given it in section 171.04, subdivision 1.

(c) In addition to the driver's license fee required under paragraph (a), the commissioner shall collect an additional \$4 processing fee from each new applicant or individual renewing a license with a school bus endorsement to cover the costs for processing an applicant's initial and biennial physical examination certificate. The department shall not charge these applicants any other fee to receive or renew the endorsement.

Sec. 8. Minnesota Statutes 2009 Supplement, section 171.06, subdivision 3, is amended to read:

Subd. 3. **Contents of application; other information.** (a) An application must:

(1) state the full name, date of birth, sex, and either (i) the residence address of the applicant, or (ii) designated address under section 5B.05;

(2) as may be required by the commissioner, contain a description of the applicant and any other facts pertaining to the applicant, the applicant's driving privileges, and the applicant's ability to operate a motor vehicle with safety;

(3) state:

(i) the applicant's Social Security number; or

(ii) if the applicant does not have a Social Security number and is applying for a Minnesota identification card, instruction permit, or class D provisional or driver's license, that the applicant certifies that the applicant does not have a Social Security number;

(4) in the case of an application for an enhanced driver's license or enhanced identification card, present:

(i) proof satisfactory to the commissioner of the applicant's full legal name, United States citizenship, identity, date of birth, Social Security number, and residence address; and

(ii) a photographic identity document;

(5) contain a space where the applicant may indicate a desire to make an anatomical gift according to paragraph (b);

~~(5)~~ (6) contain a notification to the applicant of the availability of a living will/health care directive designation on the license under section 171.07, subdivision 7; and

~~(6)~~ (7) contain a space where the applicant may request a veteran designation on the license under section 171.07, subdivision 15, and the driving record under section 171.12, subdivision 5a.

(b) If the applicant does not indicate a desire to make an anatomical gift when the application is made, the applicant must be offered a donor document in accordance with section 171.07, subdivision 5. The application must contain statements sufficient to comply with the requirements of the Darlene Luther Revised Uniform Anatomical Gift Act, chapter 525A, so that execution of the application or donor document will make the anatomical gift as provided in section 171.07, subdivision 5, for those indicating a desire to make an anatomical gift. The application must be accompanied by information describing Minnesota laws regarding anatomical gifts and the need for and benefits of anatomical gifts, and the legal implications of making an anatomical gift, including the law governing revocation of anatomical gifts. The commissioner shall distribute a notice that must accompany all applications for and renewals of a driver's license or Minnesota identification card. The notice must be prepared in conjunction with a Minnesota organ procurement organization that is certified by the federal Department of Health and Human Services and must include:

(1) a statement that provides a fair and reasonable description of the organ donation process, the care of the donor body after death, and the importance of informing family members of the donation decision; and

(2) a telephone number in a certified Minnesota organ procurement organization that may be called with respect to questions regarding anatomical gifts.

(c) The application must be accompanied also by information containing relevant facts relating to:

(1) the effect of alcohol on driving ability;

(2) the effect of mixing alcohol with drugs;

(3) the laws of Minnesota relating to operation of a motor vehicle while under the influence of alcohol or a controlled substance; and

(4) the levels of alcohol-related fatalities and accidents in Minnesota and of arrests for alcohol-related violations.

Sec. 9. Minnesota Statutes 2008, section 171.07, subdivision 3, is amended to read:

Subd. 3. **Identification card; fee.** (a) Upon payment of the required fee, the department shall issue to every qualifying applicant a Minnesota identification card. The department may not issue a Minnesota identification card to an individual who has a driver's license, other than a limited license. The department may not issue an enhanced identification card to an individual who is under 16 years of age, not a resident of this state, or not a citizen of the United States of America. The card must bear a distinguishing number assigned to the applicant; a colored photograph or an electronically produced image of the applicant; the applicant's full name and date of birth; either (1) the licensee's residence address, or (2) the designated address under section 5B.05; a description of the applicant in the manner as the commissioner deems necessary; and the usual signature of the applicant.

(b) If the United States Postal Service will not deliver mail to the applicant's residence address as listed on the Minnesota identification card, then the applicant shall provide verification from the United States Postal Service that mail will not be delivered to the applicant's residence address and that mail will be delivered to a specified alternate mailing address. When an applicant provides an alternate mailing address under this subdivision, the commissioner shall use the alternate mailing address in lieu of the applicant's residence address for all notices and mailings to the applicant.

(c) Each identification card issued to an applicant under the age of 21 must be of a distinguishing color and plainly marked "Under-21."

(d) Each Minnesota identification card must be plainly marked "Minnesota identification card - not a driver's license."

(e) The fee for a Minnesota identification card is 50 cents when issued to a person who is developmentally disabled, as defined in section 252A.02, subdivision 2; a physically disabled person, as defined in section 169.345, subdivision 2; or, a person with mental illness, as described in section 245.462, subdivision 20, paragraph (c).

Sec. 10. Minnesota Statutes 2008, section 171.07, is amended by adding a subdivision to read:

Subd. 3b. **Enhanced identification card.** An enhanced identification card may be used (1) in the same manner as an identification card, and (2) for purposes of entering the United States, upon approval by the secretary of the United States Department of Homeland Security.

Sec. 11. Minnesota Statutes 2008, section 171.07, is amended by adding a subdivision to read:

Subd. 9a. **Security for enhanced driver's license and identification card.** (a) An enhanced driver's license or enhanced identification card must include reasonable security measures to prevent counterfeiting and to protect against unauthorized disclosure of personal information regarding residents of this state that is contained in the enhanced driver's license or enhanced identification card. The enhanced driver's license must include the best available anticounterfeit laminate technology.

(b) The enhanced driver's license or enhanced identification card may include radio frequency identification technology that is limited to a randomly assigned number, which must be encrypted if agreed to by the United States Department of Homeland Security and does not include biometric data or any information other than the citizenship status of the license holder or cardholder. The commissioner shall ensure that the radio frequency identification technology is secure from unauthorized data access. An applicant must sign an acknowledgment of understanding of the radio frequency identification technology and its use for the sole purpose of verifying United States citizenship before being issued an enhanced driver's license or an enhanced identification card.

Sec. 12. Minnesota Statutes 2008, section 171.071, is amended by adding a subdivision to read:

Subd. 3. **Exception.** Subdivisions 1 and 2 do not apply to the commissioner's requirements pertaining to a photograph or electronically produced image on an enhanced driver's license or an enhanced identification card.

Sec. 13. **AGREEMENT FOR ENHANCED LICENSE AND IDENTIFICATION CARD.**

The commissioner of public safety shall enter into an agreement with the secretary of the United States Department of Homeland Security to develop an enhanced Minnesota driver's license and an enhanced Minnesota identification card to be designated by the secretary as acceptable documents to denote identity and citizenship for purposes of entering the United States at land and sea ports of entry upon implementation of section 7209 of the Intelligence Reform and Terrorism Prevention Act of 2004, United States Code, title 8, section 1185 Note.



Sec. 14. **RULEMAKING.**

The commissioner of public safety shall amend Minnesota Rules, parts 7410.0100, 7410.0400, and 7410.0410, so that an applicant for an enhanced driver's license or enhanced identification card must prove United States citizenship and otherwise comply with applicable requirements of Minnesota Statutes, section 171.06, subdivision 3. The amendments must be adopted pursuant to Minnesota Statutes, sections 14.131 to 14.20.

Sec. 15. **EFFECTIVE DATE.**

Sections 13 and 14 are effective the day following final enactment. Sections 1 to 12 are effective June 1, 2010, for every enhanced driver's license and enhanced identification card that is issued on or after January 1, 2011."

Delete the title and insert:

"A bill for an act relating to drivers' licenses; creating enhanced driver's license and enhanced identification card; providing for application, issuance, and appearance of card; directing commissioner of public safety to seek approval of card by Homeland Security secretary for proof of identity and citizenship and for use in entering United States; amending Minnesota Statutes 2008, sections 171.01, subdivision 37, by adding subdivisions; 171.02, by adding a subdivision; 171.04, by adding a subdivision; 171.06, subdivisions 1, 2; 171.07, subdivision 3, by adding subdivisions; 171.071, by adding a subdivision; Minnesota Statutes 2009 Supplement, section 171.06, subdivision 3."

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

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 1320, A bill for an act relating to health; prohibiting pharmacists from substituting epilepsy drugs without prior consent and notification; proposing coding for new law in Minnesota Statutes, chapter 151.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2008, section 151.06, subdivision 1, is amended to read:

Subdivision 1. **Generally; rules.** (a) Powers and duties. The Board of Pharmacy shall have the power and it shall be its duty:

(1) to regulate the practice of pharmacy;

(2) to regulate the manufacture, wholesale, and retail sale of drugs within this state;

(3) to regulate the identity, labeling, purity, and quality of all drugs and medicines dispensed in this state, using the United States Pharmacopeia and the National Formulary, or any revisions thereof, or standards adopted under the federal act as the standard;

(4) to enter and inspect by its authorized representative any and all places where drugs, medicines, medical gases, or veterinary drugs or devices are sold, vended, given away, compounded, dispensed, manufactured, wholesaled, or held; it may secure samples or specimens of any drugs, medicines, medical gases, or veterinary drugs or devices after paying or offering to pay for such sample; it shall be entitled to inspect and make copies of any and all records of shipment, purchase, manufacture, quality control, and sale of these items provided, however, that such inspection shall not extend to financial data, sales data, or pricing data;

(5) to examine and license as pharmacists all applicants whom it shall deem qualified to be such;

(6) to license wholesale drug distributors;

(7) to deny, suspend, revoke, or refuse to renew any registration or license required under this chapter, to any applicant or registrant or licensee upon any of the following grounds:

(i) fraud or deception in connection with the securing of such license or registration;

(ii) in the case of a pharmacist, conviction in any court of a felony;

(iii) in the case of a pharmacist, conviction in any court of an offense involving moral turpitude;

(iv) habitual indulgence in the use of narcotics, stimulants, or depressant drugs; or habitual indulgence in intoxicating liquors in a manner which could cause conduct endangering public health;

(v) unprofessional conduct or conduct endangering public health;

(vi) gross immorality;

(vii) employing, assisting, or enabling in any manner an unlicensed person to practice pharmacy;

(viii) conviction of theft of drugs, or the unauthorized use, possession, or sale thereof;

(ix) violation of any of the provisions of this chapter or any of the rules of the State Board of Pharmacy;

(x) in the case of a pharmacy license, operation of such pharmacy without a pharmacist present and on duty;

(xi) in the case of a pharmacist, physical or mental disability which could cause incompetency in the practice of pharmacy;

(xii) in the case of a pharmacist, the suspension or revocation of a license to practice pharmacy in another state; or

(xiii) in the case of a pharmacist, aiding suicide or aiding attempted suicide in violation of section 609.215 as established by any of the following:

(A) a copy of the record of criminal conviction or plea of guilty for a felony in violation of section 609.215, subdivision 1 or 2;

(B) a copy of the record of a judgment of contempt of court for violating an injunction issued under section 609.215, subdivision 4;

(C) a copy of the record of a judgment assessing damages under section 609.215, subdivision 5; or

(D) a finding by the board that the person violated section 609.215, subdivision 1 or 2. The board shall investigate any complaint of a violation of section 609.215, subdivision 1 or 2;

(8) to employ necessary assistants and adopt rules for the conduct of its business;

(9) to register as pharmacy technicians all applicants who the board determines are qualified to carry out the duties of a pharmacy technician; and

(10) to perform such other duties and exercise such other powers as the provisions of the act may require.

(b) Temporary suspension. In addition to any other remedy provided by law, the board may, without a hearing, temporarily suspend a license for not more than 60 days if the board finds that a pharmacist has violated a statute or rule that the board is empowered to enforce and continued practice by the pharmacist would create an imminent risk of harm to others. The suspension shall take effect upon written notice to the pharmacist, specifying the statute or rule violated. At the time it issues the suspension notice, the board shall schedule a disciplinary hearing to be held under the Administrative Procedure Act. The pharmacist shall be provided with at least 20 days' notice of any hearing held under this subdivision.

(c) Rules. For the purposes aforesaid, it shall be the duty of the board to make and publish uniform rules not inconsistent herewith for carrying out and enforcing the provisions of this chapter. The board shall adopt rules regarding prospective drug utilization review and patient counseling by pharmacists. A pharmacist in the exercise of the pharmacist's professional judgment, upon the presentation of a new prescription by a patient or the patient's caregiver or agent, shall perform the prospective drug utilization review required by rules issued under this subdivision.

(d) Substitution; rules. If the United States Food and Drug Administration determines that the substitution of drugs used for the treatment of epilepsy or seizures poses a health risk to patients, the board shall adopt rules in accordance with accompanying FDA interchangeability standards regarding the use of substitution for these drugs. If the board adopts a rule regarding the substitution of drugs used for the treatment of epilepsy or seizures that conflicts with the substitution requirements of section 151.21, subdivision 3, the rule shall supersede the conflicting statute. If the rule proposed by the board would increase state costs for state public health care programs, the board shall report to the legislature the proposed rule and the increased cost associated with the proposed rule, before the board may adopt the rule."

Delete the title and insert:

"A bill for an act relating to health; clarifying adoption of rules for the substitution of drugs used for the treatment of epilepsy or seizures; amending Minnesota Statutes 2008, section 151.06, subdivision 1."

With the recommendation that when so amended the bill pass.

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 2678, A bill for an act relating to agriculture; appropriating money for livestock investment grants.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

AGRICULTURE

Section 1. Minnesota Statutes 2009 Supplement, section 3.737, subdivision 1, is amended to read:

Subdivision 1. **Compensation required.** (a) Notwithstanding section 3.736, subdivision 3, paragraph (e), or any other law, a livestock owner shall be compensated by the commissioner of agriculture for livestock that is destroyed by a gray wolf or is so crippled by a gray wolf that it must be destroyed. Except as provided in this section, the owner is entitled to the fair market value of the destroyed livestock as determined by the commissioner, upon recommendation of the fair market value by a university extension agent or a conservation officer. In any fiscal year, a livestock owner may not be compensated for a destroyed animal claim that is less than \$100 in value and may be compensated up to \$20,000, as determined under this section. In any fiscal year, the commissioner may provide compensation for claims filed under this section up to the amount expressly appropriated for this purpose.

(b) ~~Either the agent or the~~ A conservation officer, an official from the Animal and Plant Health Inspection Service of the United States Department of Agriculture, or a peace officer from the county sheriff's office must make a personal inspection of the site and submit a report to the commissioner detailing the results of the investigation. ~~The agent or the conservation officer~~ The investigator must take into account factors in addition to a visual identification of a carcass when making a recommendation to the commissioner. The commissioner, upon recommendation of the ~~agent or conservation officer~~ investigator, shall determine whether the livestock was destroyed by a gray wolf ~~and any deficiencies in the owner's adoption of the best management practices developed in subdivision 5. The commissioner may authorize payment of claims only if the agent or the conservation officer has recommended payment.~~ The owner shall file a claim on forms provided by the commissioner and available at the university extension agent's office.

Sec. 2. Minnesota Statutes 2008, section 3.737, subdivision 4, is amended to read:

Subd. 4. **Payment; denial of compensation.** (a) If the commissioner finds that the livestock owner has shown that the loss of the livestock was likely caused by a gray wolf, the commissioner shall pay compensation as provided in this section and in the rules of the department.

~~(b) For a gray wolf depredation claim submitted by a livestock owner after September 1, 1999, the commissioner shall, based on the report from the university extension agent and conservation officer, evaluate the claim for conformance with the best management practices developed by the commissioner in subdivision 5. The commissioner must provide to the livestock owner an itemized list of any deficiencies in the livestock owner's adoption of best management practices that were noted in the university extension agent's or conservation officer's report.~~

~~(e)~~ (b) If the commissioner denies compensation claimed by an owner under this section, the commissioner shall issue a written decision based upon the available evidence. It shall include specification of the facts upon which the decision is based and the conclusions on the material issues of the claim. A copy of the decision shall be mailed to the owner.

~~(d)~~ (c) A decision to deny compensation claimed under this section is not subject to the contested case review procedures of chapter 14, but may be reviewed upon a trial de novo in a court in the county where the loss occurred. The decision of the court may be appealed as in other civil cases. Review in court may be obtained by filing a petition for review with the administrator of the court within 60 days following receipt of a decision under this section. Upon the filing of a petition, the administrator shall mail a copy to the commissioner and set a time for hearing within 90 days of the filing.

Sec. 3. Minnesota Statutes 2008, section 17.03, is amended by adding a subdivision to read:

Subd. 11a. **Permitting efficiency goal and report.** (a) It is the goal of the Department of Agriculture that environmental and resource management permits be issued or denied within 150 days of the submission of a completed permit application. The commissioner of agriculture shall establish management systems designed to achieve the goal.

(b) The commissioner shall prepare semiannual permitting efficiency reports that include statistics on meeting the goal in paragraph (a). The reports are due February 1 and August 1 of each year. For permit applications that have not met the goal, the report must state the reasons for not meeting the goal, steps that will be taken to complete action on the application, and the expected timeline. In stating the reasons for not meeting the goal, the commissioner shall separately identify delays caused by the responsiveness of the proposer, lack of staff, scientific or technical disagreements, or the level of public engagement. The report must specify the number of days from initial submission of the application to the day of determination that the application is complete. The report for the final quarter of the fiscal year must aggregate the data for the year and assess whether program or system changes are necessary to achieve the goal. The report must be posted on the department Web site and submitted to the governor and the chairs of the house of representatives and senate committees having jurisdiction over agriculture policy and finance.

(c) The commissioner shall allow electronic submission of environmental review and permit documents to the department.

Sec. 4. Minnesota Statutes 2008, section 18B.31, subdivision 5, is amended to read:

Subd. 5. **Application fee.** (a) An application for a pesticide dealer license must be accompanied by a nonrefundable application fee of \$150.

(b) If an application for renewal of a pesticide dealer license is not filed before ~~January 1 of the year for which the license is to be issued~~ expires, an additional fee of ~~\$20~~ 50 percent of the application fee must be paid by the applicant before ~~the commissioner may issue the license is issued~~.

Sec. 5. Minnesota Statutes 2009 Supplement, section 18B.316, subdivision 10, is amended to read:

Subd. 10. **Application fee.** (a) An application for an agricultural pesticide dealer license, or a renewal of an agricultural pesticide dealer license, must be accompanied by a nonrefundable fee of \$150.

(b) If an application for renewal of an agricultural pesticide dealer license is not filed before ~~January of the year for which the license is to be issued~~ expires, an additional fee of 50 percent of the application fee must be paid by the applicant before the commissioner may issue the license.

Sec. 6. Minnesota Statutes 2008, section 18B.36, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** (a) Except for a licensed commercial or noncommercial applicator, only a certified private applicator may use a restricted use pesticide to produce an agricultural commodity:

(1) as a traditional exchange of services without financial compensation;

(2) on a site owned, rented, or managed by the person or the person's employees; or

(3) when the private applicator is one of two or fewer employees and the owner or operator is a certified private applicator or is licensed as a noncommercial applicator.

(b) A ~~private applicator~~ person may not purchase a restricted use pesticide without presenting a license card, certified private applicator card, or the card number.

Sec. 7. Minnesota Statutes 2008, section 18B.37, subdivision 4, is amended to read:

Subd. 4. **Storage, handling, incident response, and disposal plan.** A ~~commercial pesticide dealer~~, agricultural pesticide dealer, or a commercial, noncommercial, or structural pest control applicator or the business that the applicator is employed by must develop and maintain a plan that describes its pesticide storage, handling, incident response, and disposal practices. The plan must be kept at a principal business site or location within this state and must be submitted to the commissioner upon request on forms provided by the commissioner. The plan must be available for inspection by the commissioner.

Sec. 8. Minnesota Statutes 2008, section 18J.01, is amended to read:

#### **18J.01 DEFINITIONS.**

(a) The definitions in sections 18G.02 ~~and~~, 18H.02, and 18K.03 apply to this chapter.

(b) For purposes of this chapter, "associated rules" means rules adopted under this chapter, chapter 18G ~~or~~, 18H, or 18K, or sections 21.80 to 21.92.

Sec. 9. Minnesota Statutes 2008, section 18J.02, is amended to read:

#### **18J.02 DUTIES OF COMMISSIONER.**

The commissioner shall administer and enforce this chapter, chapters 18G ~~and~~, 18H, and 18K, sections 21.80 to 21.92, and associated rules.

Sec. 10. Minnesota Statutes 2008, section 18J.03, is amended to read:

#### **18J.03 CIVIL LIABILITY.**

A person regulated by this chapter, chapter 18G ~~or~~, 18H, or 18K, or sections 21.80 to 21.92, is civilly liable for any violation of one of those statutes or associated rules by the person's employee or agent.

Sec. 11. Minnesota Statutes 2008, section 18J.04, subdivision 1, is amended to read:

Subdivision 1. **Access and entry.** The commissioner, upon presentation of official department credentials, must be granted immediate access at reasonable times to sites where a person manufactures, distributes, uses, handles, disposes of, stores, or transports seeds, plants, or other living or nonliving products or other objects regulated under chapter 18G ~~or~~, 18H, or 18K, sections 21.80 to 21.92, or associated rules.

Sec. 12. Minnesota Statutes 2008, section 18J.04, subdivision 2, is amended to read:

Subd. 2. **Purpose of entry.** (a) The commissioner may enter sites for:

(1) inspection of inventory and equipment for the manufacture, storage, handling, distribution, disposal, or any other process regulated under chapter 18G ~~or~~, 18H, or 18K, sections 21.80 to 21.92, or associated rules;

(2) sampling of sites, seeds, plants, products, or other living or nonliving objects that are manufactured, stored, distributed, handled, or disposed of at those sites and regulated under chapter 18G ~~or~~ 18H, or 18K, sections 21.80 to 21.92, or associated rules;

(3) inspection of records related to the manufacture, distribution, storage, handling, or disposal of seeds, plants, products, or other living or nonliving objects regulated under chapter 18G ~~or~~ 18H, or 18K, sections 21.80 to 21.92, or associated rules;

(4) investigating compliance with chapter 18G ~~or~~ 18H, or 18K, sections 21.80 to 21.92, or associated rules; or

(5) other purposes necessary to implement chapter 18G ~~or~~ 18H, or 18K, sections 21.80 to 21.92, or associated rules.

(b) The commissioner may enter any public or private premises during or after regular business hours without notice of inspection when a suspected violation of chapter 18G ~~or~~ 18H, or 18K, sections 21.80 to 21.92, or associated rules may threaten public health or the environment.

Sec. 13. Minnesota Statutes 2008, section 18J.04, subdivision 3, is amended to read:

Subd. 3. **Notice of inspection samples and analyses.** (a) The commissioner shall provide the owner, operator, or agent in charge with a receipt describing any samples obtained. If requested, the commissioner shall split any samples obtained and provide them to the owner, operator, or agent in charge. If an analysis is made of the samples, a copy of the results of the analysis must be furnished to the owner, operator, or agent in charge within 30 days after an analysis has been performed. If an analysis is not performed, the commissioner must notify the owner, operator, or agent in charge within 30 days of the decision not to perform the analysis.

(b) The sampling and analysis must be done according to methods provided for under applicable provisions of chapter 18G ~~or~~ 18H, or 18K, sections 21.80 to 21.92, or associated rules. In cases not covered by those sections and methods or in cases where methods are available in which improved applicability has been demonstrated the commissioner may adopt appropriate methods from other sources.

Sec. 14. Minnesota Statutes 2008, section 18J.04, subdivision 4, is amended to read:

Subd. 4. **Inspection requests by others.** (a) A person who believes that a violation of chapter 18G ~~or~~ 18H, or 18K, sections 21.80 to 21.92, or associated rules has occurred may request an inspection by giving notice to the commissioner of the violation. The notice must be in writing, state with reasonable particularity the grounds for the notice, and be signed by the person making the request.

(b) If after receiving a notice of violation the commissioner reasonably believes that a violation has occurred, the commissioner shall make a special inspection in accordance with the provisions of this section as soon as practicable, to determine if a violation has occurred.

(c) An inspection conducted pursuant to a notice under this subdivision may cover an entire site and is not limited to the portion of the site specified in the notice. If the commissioner determines that reasonable grounds to believe that a violation occurred do not exist, the commissioner must notify the person making the request in writing of the determination.

Sec. 15. Minnesota Statutes 2008, section 18J.05, subdivision 1, is amended to read:

Subdivision 1. **Enforcement required.** (a) A violation of chapter 18G ~~or~~ 18H, or 18K, sections 21.80 to 21.92, or an associated rule is a violation of this chapter.

(b) Upon the request of the commissioner, county attorneys, sheriffs, and other officers having authority in the enforcement of the general criminal laws must take action to the extent of their authority necessary or proper for the enforcement of chapter 18G ~~or~~ 18H, or 18K, sections 21.80 to 21.92, or associated rules or valid orders, standards, stipulations, and agreements of the commissioner.

Sec. 16. Minnesota Statutes 2008, section 18J.05, subdivision 2, is amended to read:

Subd. 2. **Commissioner's discretion.** If minor violations of chapter 18G ~~or~~ 18H, or 18K, sections 21.80 to 21.92, or associated rules occur or the commissioner believes the public interest will be best served by a suitable notice of warning in writing, this section does not require the commissioner to:

- (1) report the violation for prosecution;
- (2) institute seizure proceedings; or
- (3) issue a withdrawal from distribution, stop-sale, or other order.

Sec. 17. Minnesota Statutes 2008, section 18J.05, subdivision 6, is amended to read:

Subd. 6. **Agent for service of process.** All persons licensed, permitted, registered, or certified under chapter 18G ~~or~~ 18H, or 18K, sections 21.80 to 21.92, or associated rules must appoint the commissioner as the agent upon whom all legal process may be served and service upon the commissioner is deemed to be service on the licensee, permittee, registrant, or certified person.

Sec. 18. Minnesota Statutes 2008, section 18J.06, is amended to read:

**18J.06 FALSE STATEMENT OR RECORD.**

A person must not knowingly make or offer a false statement, record, or other information as part of:

- (1) an application for registration, license, certification, or permit under chapter 18G ~~or~~ 18H, or 18K, sections 21.80 to 21.92, or associated rules;
- (2) records or reports required under chapter 18G ~~or~~ 18H, or 18K, sections 21.80 to 21.92, or associated rules; or
- (3) an investigation of a violation of chapter 18G ~~or~~ 18H, or 18K, sections 21.80 to 21.92, or associated rules.

Sec. 19. Minnesota Statutes 2008, section 18J.07, subdivision 3, is amended to read:

Subd. 3. **Cancellation of registration, permit, license, certification.** The commissioner may cancel or revoke a registration, permit, license, or certification provided for under chapter 18G ~~or~~ 18H, or 18K, sections 21.80 to 21.92, or associated rules or refuse to register, permit, license, or certify under provisions of chapter 18G ~~or~~ 18H, or 18K, sections 21.80 to 21.92, or associated rules if the registrant, permittee, licensee, or certified person has used fraudulent or deceptive practices in the evasion or attempted evasion of a provision of chapter 18G ~~or~~ 18H, or 18K, sections 21.80 to 21.92, or associated rules.

Sec. 20. Minnesota Statutes 2008, section 18J.07, subdivision 4, is amended to read:

Subd. 4. **Service of order or notice.** (a) If a person is not available for service of an order, the commissioner may attach the order to the facility, site, seed or seed container, plant or other living or nonliving object regulated under chapter 18G ~~or~~ 18H, or 18K, sections 21.80 to 21.92, or associated rules and notify the owner, custodian, other responsible party, or registrant.



(b) The seed, seed container, plant, or other living or nonliving object regulated under chapter 18G ~~or~~ 18H, or 18K, sections 21.80 to 21.92, or associated rules may not be sold, used, tampered with, or removed until released under conditions specified by the commissioner, by an administrative law judge, or by a court.

Sec. 21. Minnesota Statutes 2008, section 18J.07, subdivision 5, is amended to read:

Subd. 5. **Unsatisfied judgments.** (a) An applicant for a license, permit, registration, or certification under provisions of this chapter, chapter 18G ~~or~~ 18H, or 18K, sections 21.80 to 21.92, or associated rules may not allow a final judgment against the applicant for damages arising from a violation of those statutes or rules to remain unsatisfied for a period of more than 30 days.

(b) Failure to satisfy, within 30 days, a final judgment resulting from a violation of this chapter results in automatic suspension of the license, permit, registration, or certification.

Sec. 22. Minnesota Statutes 2008, section 18J.09, is amended to read:

#### **18J.09 CREDITING OF PENALTIES, FEES, AND COSTS.**

Penalties, cost reimbursements, fees, and other money collected under this chapter must be deposited into the state treasury and credited to the appropriate nursery and phytosanitary, industrial hemp, or seed account.

Sec. 23. Minnesota Statutes 2008, section 18J.11, subdivision 1, is amended to read:

Subdivision 1. **General violation.** Except as provided in subdivisions 2 ~~and~~ 3, and 4, a person is guilty of a misdemeanor if the person violates this chapter or an order, standard, stipulation, agreement, or schedule of compliance of the commissioner.

Sec. 24. Minnesota Statutes 2008, section 18J.11, is amended by adding a subdivision to read:

Subd. 4. **Controlled substance offenses.** Prosecution under this section does not preclude prosecution under chapter 152.

Sec. 25. **[18K.01] SHORT TITLE.**

This chapter may be referred to as the "Industrial Hemp Development Act."

Sec. 26. **[18K.02] PURPOSE.**

The legislature finds that the development and use of industrial hemp can improve the state's economy and agricultural vitality and the production of industrial hemp can be regulated so as not to interfere with the strict regulation of controlled substances in this state. The purpose of the Industrial Hemp Development Act is to promote the state economy and agriculture industry by permitting the development of a regulated industrial hemp industry while maintaining strict control of marijuana.

Sec. 27. **[18K.03] DEFINITIONS.**

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

Subd. 2. **Commissioner.** "Commissioner" means the commissioner of agriculture.

Subd. 3. **Industrial hemp.** "Industrial hemp" means all parts and varieties of the plant *Cannabis sativa* L. containing no greater than three-tenths of one percent tetrahydrocannabinol.

Subd. 4. **Marijuana.** "Marijuana" has the meaning given in section 152.01, subdivision 9.

Sec. 28. **[18K.04] INDUSTRIAL HEMP AUTHORIZED AS AGRICULTURAL CROP.**

Industrial hemp is considered an agricultural crop in this state if grown in compliance with this chapter. A person may possess, process, sell, or buy industrial hemp that is planted, grown, and harvested in accordance with the provisions of sections 18K.05 and 18K.06.

Sec. 29. **[18K.05] LICENSING.**

(a) A person growing or seeking to grow industrial hemp for commercial purposes must apply to the commissioner for license on a form prescribed by the commissioner.

(b) The application for a license must include the name and address of the applicant and the legal description of the land area to be used for the production of industrial hemp.

(c) The commissioner must require each first-time applicant for a license to submit to a background investigation conducted by the Bureau of Criminal Apprehension as a condition of licensure. As part of the background investigation, the Bureau of Criminal Apprehension must conduct criminal history checks of Minnesota records and is authorized to exchange fingerprints with the Federal Bureau of Investigation for the purpose of a criminal background check of the national files. The cost of the investigation must be paid by the applicant. Criminal history records provided to the department under this section must be treated as private data on individuals, as defined in section 13.02, subdivision 12.

(d) Prior to issuing a license under the provisions of this chapter, the commissioner must determine that the applicant has complied with all applicable requirements of the United States Department of Justice, Drug Enforcement Administration, for the production, distribution, and sale of industrial hemp.

(e) If the applicant has completed the application process to the satisfaction of the commissioner, the commissioner must issue a license which is valid until December 31 of the year of application. An individual licensed under this section is presumed to be growing industrial hemp for commercial purposes.

Sec. 30. **[18K.06] INDUSTRIAL HEMP PRODUCTION; NOTIFICATION.**

(a) Annually, a licensee must file with the commissioner:

(1) documentation showing that the seeds planted are of a type and variety certified to contain no more than three-tenths of one percent tetrahydrocannabinol; and

(2) a copy of any contract to grow industrial hemp.

(b) A licensee must notify the commissioner of the sale or distribution of any industrial hemp grown by the licensee, including, but not limited to, the name and address of the person or entity receiving the industrial hemp and the amount of industrial hemp sold.

Sec. 31. **[18K.07] RULEMAKING.**

(a) The commissioner shall promulgate rules dealing with, but not limited to:

(1) supervising and inspecting industrial hemp during its growth and harvest;

(2) testing industrial hemp during growth to determine tetrahydrocannabinol levels;

(3) assessing a fee commensurate with the costs of the commissioner's activities in licensing, testing, and supervising industrial hemp production;

(4) using the results of the background checks authorized in section 18K.05 as criteria for approving or denying an application for industrial hemp licensure; and

(5) any other rule or procedure necessary to carry out the purposes of this chapter.

(b) Rules promulgated under this section must be consistent with the rules of the United States Department of Justice, Drug Enforcement Administration, regarding the production, distribution, and sale of industrial hemp.

**EFFECTIVE DATE.** This section is effective the day after the United States Department of Justice, Drug Enforcement Administration, authorizes a person to commercially grow industrial hemp in the United States.

Sec. 32. **[18K.08] FEES.**

Any fee collected under this chapter must be credited to the industrial hemp account, which is hereby established in the agricultural fund in the state treasury. Interest earned in the account accrues to the account. Funds in the industrial hemp account are continuously appropriated to the commissioner to implement and enforce this chapter.

Sec. 33. **[18K.09] DEFENSE FOR POSSESSION OF MARIJUANA.**

It is an affirmative defense to a prosecution for the possession of marijuana under chapter 152 if:

(1) the defendant was growing industrial hemp pursuant to the provisions of this chapter;

(2) the defendant has a valid applicable controlled substances registration from the United States Department of Justice, Drug Enforcement Administration;

(3) the defendant fully complied with all of the conditions of the controlled substances registration; and

(4) the substance in possession is industrial hemp, as defined in section 18K.03.

Sec. 34. Minnesota Statutes 2008, section 28A.082, subdivision 1, is amended to read:

Subdivision 1. **Fees; application.** The fees for review of food handler facility floor plans under the Minnesota Food Code are based upon the square footage of the structure being newly constructed, remodeled, or converted. The fees for the review shall be:

square footage	review fee
0 - 4,999.....	\$200.00
5,000 - 24,999.....	\$275.00
25,000 plus.....	\$425.00

The applicant must submit the required fee, review application, plans, equipment specifications, materials lists, and other required information on forms supplied by the department at least 30 days prior to commencement of construction, remodeling, or conversion. The commissioner may waive this fee after determining that the facility's principal mode of business is not the sale of food and that the facility sells only prepackaged foods.

Sec. 35. Minnesota Statutes 2008, section 35.244, subdivision 1, is amended to read:

Subdivision 1. **Designation of zones.** The board ~~has the authority to~~ may establish zones for the control and eradication of tuberculosis and restrict the movement of cattle, bison, goats, and farmed cervidae within and between tuberculosis zones in the state. ~~Zones within the state may be designated as accreditation preparatory, modified accredited, modified accredited advanced, or accredited free as those terms are defined in Code of Federal Regulations, title 9, part 77. The board may designate bovine tuberculosis control zones that contain not more than 325 herds.~~

Sec. 36. Minnesota Statutes 2008, section 35.244, subdivision 2, is amended to read:

Subd. 2. **Requirements within a tuberculosis control** ~~within modified accredited~~ zone. In a ~~modified accredited~~ tuberculosis control zone, the board ~~has the authority to~~ may:

(1) require owners of cattle, bison, goats, or farmed cervidae to report personal contact information and location of livestock to the board;

(2) require a permit or movement certificates for all cattle, bison, goats, and farmed cervidae moving between premises within the zone or leaving or entering the zone;

(3) require official identification of all cattle, bison, goats, and farmed cervidae within the zone or leaving or entering the zone;

(4) require a whole-herd tuberculosis test on each herd of cattle, bison, goats, or farmed cervidae when any of the animals in the herd is kept on a premises within the zone;

(5) require a negative tuberculosis test within 60 days prior to movement for any individual cattle, bison, goat, or farmed cervidae moved from a premises in the zone to another location in Minnesota, with the exception of cattle moving under permit directly to a slaughter facility under state or federal inspection;

(6) require a whole-herd tuberculosis test within 12 months prior to moving cattle, bison, goats, or farmed cervidae from premises in the zone to another location in Minnesota;

(7) require annual herd inventories on all cattle, bison, goat, or farmed cervidae herds; and

(8) require that a risk assessment be performed to evaluate the interaction of free-ranging deer and elk with cattle, bison, goat, and farmed cervidae herds and require the owner to implement the recommendations of the risk assessment.

Sec. 37. **[38.345] APPROPRIATIONS BY MUNICIPALITIES.**

The council of any city and the board of supervisors of any town may incur expenses and spend money for county extension work, as provided in sections 38.33 to 38.38.

Sec. 38. Minnesota Statutes 2008, section 152.01, subdivision 9, is amended to read:

Subd. 9. **Marijuana.** "Marijuana" means all parts of the plant of any species of the genus Cannabis, including all agronomical varieties, whether growing or not; the seeds thereof; the resin extracted from any part of such plant; and every compound, manufacture, salt, derivative, mixture, or preparation of such plant, its seeds or resin, but shall not include the mature stalks of such plant, fiber from such stalks, oil or cake made from the seeds of such plant, any other compound, manufacture, salt, derivative, mixture, or preparation of such mature stalks, except the resin extracted therefrom, fiber, oil, or cake, or the sterilized seed of such plant which is incapable of germination. Marijuana does not include industrial hemp as defined in section 18K.03.

Sec. 39. Minnesota Statutes 2008, section 239.092, is amended to read:

**239.092 SALE FROM BULK.**

(a) Bulk sales of commodities, when the buyer and seller are not both present to witness the measurement, must be accompanied by a delivery ticket containing the following information:

- (1) the name and address of the person who weighed or measured the commodity;
- (2) the date delivered;
- (3) the quantity delivered;
- (4) the count of individually wrapped packages delivered, if more than one is included in the quantity delivered;
- (5) the quantity on which the price is based, if different than the quantity delivered; and

(6) the identity of the commodity in the most descriptive terms commercially practicable, including representations of quality made in connection with the sale.

(b) This section is not intended to conflict with the bulk sale requirements of the Department of Agriculture. If a conflict occurs, the law and rules of the Department of Agriculture govern.

(c) Firewood sold or distributed across state boundaries or more than 100 miles from its origin must include delivery ticket information regarding the harvest locations of the wood by county and state.

(d) Paragraph (c) may be enforced using the authority granted in this chapter or section 18J.05 or 84D.13.

Sec. 40. Minnesota Statutes 2008, section 239.093, is amended to read:

**239.093 INFORMATION REQUIRED WITH PACKAGE.**

(a) A package offered, exposed, or held for sale must bear a clear and conspicuous declaration of:

(1) the identity of the commodity in the package, unless the commodity can be easily identified through the wrapper or container;

(2) the net quantity in terms of weight, measure, or count;

(3) the name and address of the manufacturer, packer, or distributor, if the packages were not produced on the premises where they are offered, exposed, or held for sale; and

(4) the unit price, if the packages are part of a lot containing random weight packages of the same commodity.

(b) This section is not intended to conflict with the packaging requirements of the Department of Agriculture. If a conflict occurs, the laws and rules of the Department of Agriculture govern.

(c) Firewood sold or distributed across state boundaries or more than 100 miles from its origin must include information regarding the harvest locations of the wood by county and state on each label or wrapper.

(d) Paragraph (c) may be enforced using the authority granted in this chapter or section 18J.05 or 84D.13.

Sec. 41. Minnesota Statutes 2009 Supplement, section 239.791, subdivision 1, is amended to read:

Subdivision 1. **Minimum ethanol content required.** (a) Except as provided in subdivisions 10 to 14, a person responsible for the product shall ensure that all gasoline sold or offered for sale in Minnesota must contain at least the quantity of ethanol required by clause (1) or (2), whichever is greater:

(1) 10.0 percent denatured ethanol by volume; or

(2) the maximum percent of denatured ethanol by volume authorized in a waiver granted by the United States Environmental Protection Agency ~~under section 211(f)(4) of the Clean Air Act, United States Code, title 42, section 7545, subsection (f), paragraph (4).~~

(b) For purposes of enforcing the minimum ethanol requirement of paragraph (a), clause (1), a gasoline/ethanol blend will be construed to be in compliance if the ethanol content, exclusive of denaturants and permitted contaminants, comprises not less than 9.2 percent by volume and not more than 10.0 percent by volume of the blend as determined by an appropriate United States Environmental Protection Agency or American Society of Testing Materials standard method of analysis of alcohol/ether content in engine fuels.

(c) The provisions of this subdivision are suspended during any period of time that subdivision 1a, paragraph (a), is in effect.

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

Sec. 42. Minnesota Statutes 2009 Supplement, section 239.791, subdivision 1a, is amended to read:

Subd. 1a. **Minimum ethanol content required.** (a) Except as provided in subdivisions 10 to 14, on August 30, 2013, and thereafter, a person responsible for the product shall ensure that all gasoline sold or offered for sale in Minnesota must contain at least the quantity of ethanol required by clause (1) or (2), whichever is greater:

(1) 20 percent denatured ethanol by volume; or

(2) the maximum percent of denatured ethanol by volume authorized in a waiver granted by the United States Environmental Protection Agency ~~under section 211(f)(4) of the Clean Air Act, United States Code, title 42, section 7545, subsection (f), paragraph (4).~~

(b) For purposes of enforcing the minimum ethanol requirement of paragraph (a), clause (1), a gasoline/ethanol blend will be construed to be in compliance if the ethanol content, exclusive of denaturants and permitted contaminants, comprises not less than 18.4 percent by volume and not more than 20 percent by volume of the blend as determined by an appropriate United States Environmental Protection Agency or American Society of Testing Materials standard method of analysis of alcohol content in motor fuels.

~~(c) No motor fuel shall be deemed to be a defective product by virtue of the fact that the motor fuel is formulated or blended pursuant to the requirements of paragraph (a) under any theory of liability except for simple or willful negligence or fraud. This paragraph does not preclude an action for negligent, fraudulent, or willful acts. This paragraph does not affect a person whose liability arises under chapter 115, water pollution control; 115A, waste management; 115B, environmental response and liability; 115C, leaking underground storage tanks; or 299J, pipeline safety; under public nuisance law for damage to the environment or the public health; under any other environmental or public health law; or under any environmental or public health ordinance or program of a municipality as defined in section 466.01.~~

~~(d)~~ (c) This subdivision expires on December 31, ~~2010~~ 2012, if by that date:

(1) the commissioner of agriculture certifies and publishes the certification in the State Register that at least 20 percent of the volume of gasoline sold in the state is denatured ethanol; or

(2) federal approval has not been granted under paragraph (a), clause (1). The United States Environmental Protection Agency's failure to act on an application shall not be deemed approval under paragraph (a), clause (1), or a waiver under section 211(f)(4) of the Clean Air Act, United States Code, title 42, section 7545, subsection (f), paragraph (4).

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

Sec. 43. Minnesota Statutes 2008, section 239.791, is amended by adding a subdivision to read:

**Subd. 2a. Federal Clean Air Act waivers; conditions.** (a) Before a waiver granted by the United States Environmental Protection Agency under section 211(f)(4) of the Clean Air Act, United States Code, title 42, section 7545, subsection (f), paragraph (4), may alter the minimum content level required by subdivision 1, paragraph (a), clause (2), or subdivision 1a, paragraph (a), clause (2), the waiver must:

(1) apply to all gasoline-powered motor vehicles irrespective of model year; and

(2) allow for special regulatory treatment of Reid vapor pressure under Code of Federal Regulations, title 40, section 80.27(d), for blends of gasoline and ethanol up to the maximum percent of denatured ethanol by volume authorized under the waiver.

(b) The minimum ethanol requirement in subdivision 1, paragraph (a), clause (2), or subdivision 1a, paragraph (a), clause (2), shall, upon the grant of the federal waiver, be effective on a date determined by the commissioner of commerce. In making this determination, the commissioner shall consider the amount of time required by refiners, retailers, pipeline and distribution terminal companies, and other fuel suppliers, acting expeditiously, to make the operational and logistical changes required to supply fuel in compliance with the minimum ethanol requirement.

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

Sec. 44. Minnesota Statutes 2008, section 239.791, is amended by adding a subdivision to read:

**Subd. 2b. Limited liability waiver.** No motor fuel shall be deemed to be a defective product by virtue of the fact that the motor fuel is formulated or blended pursuant to the requirements of subdivision 1, paragraph (a), clause (2), or subdivision 1a, under any theory of liability except for simple or willful negligence or fraud. This subdivision does not preclude an action for negligent, fraudulent, or willful acts. This subdivision does not affect a person whose liability arises under chapter 115, water pollution control; 115A, waste management; 115B, environmental response and liability; 115C, leaking underground storage tanks; or 299J, pipeline safety; under public nuisance law for damage to the environment or the public health; under any other environmental or public health law; or under any environmental or public health ordinance or program of a municipality as defined in section 466.01.

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

Sec. 45. Minnesota Statutes 2008, section 239.791, is amended by adding a subdivision to read:

Subd. 2c. **Fuel dispensing equipment; blends over ten percent ethanol.** Notwithstanding any other law or rule, fuel dispensing equipment authorized to dispense fuel under subdivision 1, paragraph (a), clause (1), is authorized to dispense fuel under subdivision 1, paragraph (a), clause (2), or subdivision 1a.

Sec. 46. Minnesota Statutes 2008, section 336.9-531, is amended to read:

**336.9-531 ELECTRONIC ACCESS; LIABILITY; RETENTION.**

(a) **Electronic access.** The secretary of state may allow private parties to have electronic access to the central filing system and to other computerized records maintained by the secretary of state on a fee basis, except that: (1) visual access to electronic display terminals at the public counters at the Secretary of State's Office must be without charge and must be available during public counter hours; and (2) access by law enforcement personnel, acting in an official capacity, must be without charge. If the central filing system allows a form of electronic access to information regarding the obligations of debtors, the access must be available 24 hours a day, every day of the year. ~~Notwithstanding section 13.355, private parties who have electronic access to computerized records may view the Social Security number information about a debtor that is of record.~~

~~Notwithstanding section 13.355, a filing office may include Social Security number information in an information request response under section 336.9-523 or a search of other liens in the central filing system. A filing office may also include Social Security number information on a photocopy or electronic copy of a record whether provided in an information request response or in response to a request made under section 13.03. Any Social Security number information or tax identification number information in the possession of the secretary of state is private data on individuals.~~

(b) **Liability.** The secretary of state, county recorders, and their employees and agents are not liable for any loss or damages arising from errors in or omissions from information entered into the central filing system as a result of the electronic transmission of tax lien notices under sections 268.058, subdivision 1, paragraph (c); 270C.63, subdivision 4; 272.483; and 272.488, subdivisions 1 and 3.

The state, the secretary of state, counties, county recorders, and their employees and agents are immune from liability that occurs as a result of errors in or omissions from information provided from the central filing system.

(c) **Retention.** Once the image of a paper record has been captured by the central filing system, the secretary of state may remove or direct the removal from the files and destroy the paper record.

**EFFECTIVE DATE.** This section is effective 30 days after the secretary of state certifies that the information systems of the Office of the Secretary of State have been modified to implement this section.

Sec. 47. Minnesota Statutes 2008, section 336A.08, subdivision 1, is amended to read:

Subdivision 1. **Compilation.** (a) The secretary of state shall compile the information on effective financing statements in the computerized filing system into a master list:

(1) organized according to farm product;

(2) arranged within each product:

(i) in alphabetical order according to the last name of the individual debtor or, in the case of debtors doing business other than as individuals, the first word in the name of the debtors;



(ii) in numerical order according to the ~~Social Security number of the individual debtor or, in the case of debtors doing business other than as individuals, the Internal Revenue Service taxpayer identification number of the debtors~~ unique identifier assigned by the secretary of state to, and associated with, the Social Security number of the debtor;

(iii) geographically by county; and

(iv) by crop year;

(3) containing the information provided on an effective financing statement; and

(4) designating any applicable terminations of the effective financing statement.

(b) The secretary of state shall compile information from lien notices recorded in the computerized filing system into a statutory lien master list in alphabetical order according to the last name of the individual debtor or, in the case of debtors doing business other than as individuals, the first word in the name of the debtors. The secretary of state may also organize the statutory lien master list according to one or more of the categories of information established in paragraph (a). Any terminations of lien notices must be noted.

**EFFECTIVE DATE.** This section is effective 30 days after the secretary of state certifies that the information systems of the Office of the Secretary of State have been modified to implement this section.

Sec. 48. Minnesota Statutes 2008, section 336A.08, subdivision 4, is amended to read:

Subd. 4. **Distribution of master and partial lists.** (a) The secretary of state shall maintain the information on the effective financing statement master list:

(1) by farm product arranged alphabetically by debtor; and

(2) by farm product arranged numerically by the ~~debtor's Social Security number for an individual debtor or, in the case of debtors doing business other than as individuals, the Internal Revenue Service taxpayer identification number of the debtors~~ unique identifier assigned by the secretary of state to, and associated with, the Social Security number of the debtor.

(b) The secretary of state shall maintain the information in the farm products statutory lien master list by county arranged alphabetically by debtor.

(c) The secretary of state shall distribute or make available the requested master and partial master lists on a monthly basis to farm product dealers registered under section 336A.11. Lists will be distributed or made available on or before the tenth day of each month or on the next business day thereafter if the tenth day is not a business day.

(d) The secretary of state shall make the master and partial master lists available as written or printed paper documents and may make lists available in other forms or media, including:

(1) any electronically transmitted medium; or

(2) any form of digital media.

(e) There shall be no fee for partial or master lists distributed via an electronically transmitted medium. The annual fee for any other form of digital media is \$200. The annual fee for paper partial lists is \$250 and \$400 for paper master lists.

(f) A farm products dealer shall register pursuant to section 336A.11 by the last business day of the month to receive the monthly lists requested by the farm products dealer for that month.

(g) If a registered farm products dealer receives a monthly list that cannot be read or is incomplete, the farm products dealer must immediately inform the secretary of state by telephone or e-mail of the problem. The registered farm products dealer shall confirm the existence of the problem by writing to the secretary of state. The secretary of state shall provide the registered farm products dealer with new monthly lists in the medium chosen by the registered farm products dealer no later than five business days after receipt of the oral notice from the registered farm products dealer. A registered farm products dealer is not considered to have received notice of the information on the monthly lists until the duplicate list is received from the secretary of state or until five days have passed since the duplicate lists were deposited in the mail by the secretary of state, whichever comes first.

(h) On receipt of a written notice pursuant to section 336A.13, the secretary of state shall duplicate the monthly lists requested by the registered farm products dealer. The duplicate monthly lists must be sent to the registered farm products dealer no later than five business days after receipt of the written notice from the registered farm products dealer.

(i) A registered farm products dealer may request monthly lists in one medium per registration.

(j) Registered farm products dealers must have renewed their registration before the first day of July each year. Failure to send in the registration before that date will result in the farm products dealer not receiving the requested monthly lists.

(k) Registered farm products dealers choosing to obtain monthly lists via an electronically transmitted medium or in any form of digital media may choose to receive all of the information for the monthly lists requested the first month and then only additions and deletions to the database for the remaining 11 months of the year. Following the first year of registration, the registered farm products dealer may choose to continue to receive one copy of the full monthly list at the beginning of each year or may choose to receive only additions and deletions.

**EFFECTIVE DATE.** This section is effective 30 days after the secretary of state certifies that the information systems of the Office of the Secretary of State have been modified to implement this section.

Sec. 49. Minnesota Statutes 2008, section 336A.14, is amended to read:

**336A.14 RESTRICTED USE OF INFORMATION.**

Any Social Security number information or tax identification number information in the possession of the secretary of state is private data on individuals. Information obtained from the seller of a farm product relative to the Social Security number or tax identification number of the true owner of the farm product and all information obtained from the master or limited list may not be used for purposes that are not related to: (1) purchase of a farm product; (2) taking a security interest against a farm product; or (3) perfecting a farm product statutory lien.

**EFFECTIVE DATE.** This section is effective 30 days after the secretary of state certifies that the information systems of the Office of the Secretary of State have been modified to implement this section.

Sec. 50. Minnesota Statutes 2008, section 375.30, subdivision 2, is amended to read:

Subd. 2. **Wild hemp.** A county board, by resolution, may appropriate and spend money as necessary to spray and otherwise eradicate wild hemp, commonly known as marijuana, on private property within the county. The county board may authorize the use of county equipment, personnel and supplies and materials to spray or otherwise eradicate wild hemp on private property, and may pro rate the expenses involved between the county and owner or occupant of the property. Wild hemp does not include industrial hemp grown by a person licensed under chapter 18K.

Sec. 51. Minnesota Statutes 2008, section 500.221, subdivision 2, is amended to read:

Subd. 2. **Aliens and non-American corporations.** Except as hereinafter provided, no natural person shall acquire directly or indirectly any interest in agricultural land unless the person is a citizen of the United States or a permanent resident alien of the United States. In addition to the restrictions in section 500.24, no corporation, partnership, limited partnership, trustee, or other business entity shall directly or indirectly, acquire or otherwise obtain any interest, whether legal, beneficial or otherwise, in any title to agricultural land unless at least 80 percent of each class of stock issued and outstanding or 80 percent of the ultimate beneficial interest of the entity is held directly or indirectly by citizens of the United States or permanent resident aliens. This section shall not apply:

(1) to agricultural land that may be acquired by devise, inheritance, as security for indebtedness, by process of law in the collection of debts, or by any procedure for the enforcement of a lien or claim thereon, whether created by mortgage or otherwise. All agricultural land acquired in the collection of debts or by the enforcement of a lien or claim shall be disposed of within three years after acquiring ownership;

(2) to citizens or subjects of a foreign country whose rights to hold land are secured by treaty;

(3) to lands used for transportation purposes by a common carrier, as defined in section 218.011, subdivision 10;

(4) to lands or interests in lands acquired for use in connection with (i) the production of timber and forestry products by a corporation organized under the laws of Minnesota, or (ii) mining and mineral processing operations. Pending the development of agricultural land for the production of timber and forestry products or mining purposes the land may not be used for farming except under lease to a family farm, a family farm corporation or an authorized farm corporation;

(5) to agricultural land operated for research or experimental purposes if the ownership of the agricultural land is incidental to the research or experimental objectives of the person or business entity and the total acreage owned by the person or business entity does not exceed the acreage owned on May 27, 1977;

(6) to the purchase of any tract of 40 acres or less for facilities incidental to pipeline operation by a company operating a pipeline as defined in section 216G.01, subdivision 3;

(7) to agricultural land and land capable of being used as farmland in vegetable processing operations that is reasonably necessary to meet the requirements of pollution control law or rules; ~~or~~

(8) to an interest in agricultural land held on the August 1, 2003, by a natural person with a nonimmigrant treaty investment visa, pursuant to United States Code, title 8, section 1101(a)15(E)(ii), if, within five years after August 1, 2003, the person:

(i) disposes of all agricultural land held; or

(ii) becomes a permanent resident alien of the United States or a United States citizen; or

(9) to an easement taken by an individual or entity for the installation and repair of transmission lines and for wind rights.

Sec. 52. Minnesota Statutes 2008, section 500.221, subdivision 4, is amended to read:

Subd. 4. **Reports.** (a) Any natural person, corporation, partnership, limited partnership, trustee, or other business entity prohibited from future acquisition of agricultural land may retain title to any agricultural land lawfully acquired within this state prior to June 1, 1981, but shall file a report with the commissioner of agriculture

annually before January 31 containing a description of all agricultural land held within this state, the purchase price and market value of the land, the use to which it is put, the date of acquisition and any other reasonable information required by the commissioner.

(b) An individual or entity that qualifies for an exemption under subdivision 2, clause (2) or (9), and owns an interest in agricultural land shall file a report with the commissioner of agriculture within 30 days of acquisition containing a description of all interests in agricultural land held within this state.

(c) The commissioner shall make the information available to the public.

(d) All required annual reports shall include a filing fee of \$50 plus \$10 for each additional quarter section of land.

Sec. 53. Minnesota Statutes 2008, section 500.24, subdivision 2, is amended to read:

Subd. 2. **Definitions.** The definitions in this subdivision apply to this section.

(a) "Farming" means the production of (1) agricultural products; (2) livestock or livestock products; (3) milk or milk products; or (4) fruit or other horticultural products. It does not include the processing, refining, or packaging of said products, nor the provision of spraying or harvesting services by a processor or distributor of farm products. It does not include the production of timber or forest products, the production of poultry or poultry products, or the feeding and caring for livestock that are delivered to a corporation for slaughter or processing for up to 20 days before slaughter or processing.

(b) "Family farm" means an unincorporated farming unit owned by one or more persons residing on the farm or actively engaging in farming.

(c) "Family farm corporation" means a corporation founded for the purpose of farming and the ownership of agricultural land in which the majority of the stock is held by and the majority of the stockholders are persons, the spouses of persons, or current beneficiaries of one or more family farm trusts in which the trustee holds stock in a family farm corporation, related to each other within the third degree of kindred according to the rules of the civil law, and at least one of the related persons is residing on or actively operating the farm, and none of whose stockholders are corporations; provided that a family farm corporation shall not cease to qualify as such hereunder by reason of any:

(1) transfer of shares of stock to a person or the spouse of a person related within the third degree of kindred according to the rules of civil law to the person making the transfer, or to a family farm trust of which the shareholder, spouse, or related person is a current beneficiary; or

(2) distribution from a family farm trust of shares of stock to a beneficiary related within the third degree of kindred according to the rules of civil law to a majority of the current beneficiaries of the trust, or to a family farm trust of which the shareholder, spouse, or related person is a current beneficiary.

For the purposes of this section, a transfer may be made with or without consideration, either directly or indirectly, during life or at death, whether or not in trust, of the shares in the family farm corporation, and stock owned by a family farm trust are considered to be owned in equal shares by the current beneficiaries.

(d) "Family farm trust" means:

(1) a trust in which:

(i) a majority of the current beneficiaries are persons or spouses of persons who are related to each other within the third degree of kindred according to the rules of civil law;

(ii) all of the current beneficiaries are natural persons or nonprofit corporations or trusts described in the Internal Revenue Code, section 170(c), as amended, and the regulations under that section; and

(iii) one of the family member current beneficiaries is residing on or actively operating the farm; or the trust leases the agricultural land to a family farm unit, a family farm corporation, an authorized farm corporation, an authorized livestock farm corporation, a family farm limited liability company, a family farm trust, an authorized farm limited liability company, a family farm partnership, or an authorized farm partnership; or

(2) a charitable remainder trust as defined in the Internal Revenue Code, section 664, as amended, and the regulations under that section, and a charitable lead trust as set forth in the Internal Revenue Code, section 170(f), and the regulations under that section.

(e) "Authorized farm corporation" means a corporation meeting the following standards:

(1) it has no more than five shareholders, provided that for the purposes of this section, a husband and wife are considered one shareholder;

(2) all its shareholders, other than any estate, are natural persons or a family farm trust;

(3) it does not have more than one class of shares;

(4) its revenue from rent, royalties, dividends, interest, and annuities does not exceed 20 percent of its gross receipts;

(5) shareholders holding 51 percent or more of the interest in the corporation reside on the farm or are actively engaging in farming;

(6) it does not, directly or indirectly, own or otherwise have an interest in any title to more than 1,500 acres of agricultural land; and

(7) none of its shareholders are shareholders in other authorized farm corporations that directly or indirectly in combination with the corporation own more than 1,500 acres of agricultural land.

(f) "Authorized livestock farm corporation" means a corporation formed for the production of livestock and meeting the following standards:

(1) it is engaged in the production of livestock other than dairy cattle;

(2) all its shareholders, other than any estate, are natural persons, family farm trusts, or family farm corporations;

(3) it does not have more than one class of shares;

(4) its revenue from rent, royalties, dividends, interest, and annuities does not exceed 20 percent of its gross receipts;

(5) shareholders holding 75 percent or more of the control, financial, and capital investment in the corporation are farmers, and at least 51 percent of the required percentage of farmers are actively engaged in livestock production;

(6) it does not, directly or indirectly, own or otherwise have an interest in any title to more than 1,500 acres of agricultural land; and

(7) none of its shareholders are shareholders in other authorized farm corporations that directly or indirectly in combination with the corporation own more than 1,500 acres of agricultural land.

(g) "Agricultural land" means real estate used for farming or capable of being used for farming in this state.

(h) "Pension or investment fund" means a pension or employee welfare benefit fund, however organized, a mutual fund, a life insurance company separate account, a common trust of a bank or other trustee established for the investment and reinvestment of money contributed to it, a real estate investment trust, or an investment company as defined in United States Code, title 15, section 80a-3.

(i) "Farm homestead" means a house including adjoining buildings that has been used as part of a farming operation or is part of the agricultural land used for a farming operation.

(j) "Family farm partnership" means a limited partnership formed for the purpose of farming and the ownership of agricultural land in which the majority of the interests in the partnership is held by and the majority of the partners are natural persons or current beneficiaries of one or more family farm trusts in which the trustee holds an interest in a family farm partnership related to each other within the third degree of kindred according to the rules of the civil law, and at least one of the related persons is residing on the farm, actively operating the farm, or the agricultural land was owned by one or more of the related persons for a period of five years before its transfer to the limited partnership, and none of the partners is a corporation. A family farm partnership does not cease to qualify as a family farm partnership because of a:

(1) transfer of a partnership interest to a person or spouse of a person related within the third degree of kindred according to the rules of civil law to the person making the transfer or to a family farm trust of which the partner, spouse, or related person is a current beneficiary; or

(2) distribution from a family farm trust of a partnership interest to a beneficiary related within the third degree of kindred according to the rules of civil law to a majority of the current beneficiaries of the trust, or to a family farm trust of which the partner, spouse, or related person is a current beneficiary.

For the purposes of this section, a transfer may be made with or without consideration, either directly or indirectly, during life or at death, whether or not in trust, of a partnership interest in the family farm partnership, and interest owned by a family farm trust is considered to be owned in equal shares by the current beneficiaries.

(k) "Authorized farm partnership" means a limited partnership meeting the following standards:

(1) it has been issued a certificate from the secretary of state or is registered with the county recorder and farming and ownership of agricultural land is stated as a purpose or character of the business;

(2) it has no more than five partners;

(3) all its partners, other than any estate, are natural persons or family farm trusts;

(4) its revenue from rent, royalties, dividends, interest, and annuities does not exceed 20 percent of its gross receipts;

(5) its general partners hold at least 51 percent of the interest in the land assets of the partnership and reside on the farm or are actively engaging in farming not more than 1,500 acres as a general partner in an authorized limited partnership;

(6) its limited partners do not participate in the business of the limited partnership including operating, managing, or directing management of farming operations;

(7) it does not, directly or indirectly, own or otherwise have an interest in any title to more than 1,500 acres of agricultural land; and

(8) none of its limited partners are limited partners in other authorized farm partnerships that directly or indirectly in combination with the partnership own more than 1,500 acres of agricultural land.

(l) "Family farm limited liability company" means a limited liability company founded for the purpose of farming and the ownership of agricultural land in which the majority of the membership interests is held by and the majority of the members are natural persons, or current beneficiaries of one or more family farm trusts in which the trustee holds an interest in a family farm limited liability company related to each other within the third degree of kindred according to the rules of the civil law, and at least one of the related persons is residing on the farm, actively operating the farm, or the agricultural land was owned by one or more of the related persons for a period of five years before its transfer to the limited liability company, and none of the members is a corporation or a limited liability company. A family farm limited liability company does not cease to qualify as a family farm limited liability company because of:

(1) a transfer of a membership interest to a person or spouse of a person related within the third degree of kindred according to the rules of civil law to the person making the transfer or to a family farm trust of which the member, spouse, or related person is a current beneficiary; or

(2) distribution from a family farm trust of a membership interest to a beneficiary related within the third degree of kindred according to the rules of civil law to a majority of the current beneficiaries of the trust, or to a family farm trust of which the member, spouse, or related person is a current beneficiary.

For the purposes of this section, a transfer may be made with or without consideration, either directly or indirectly, during life or at death, whether or not in trust, of a membership interest in the family farm limited liability company, and interest owned by a family farm trust is considered to be owned in equal shares by the current beneficiaries. Except for a state or federally chartered financial institution acquiring an encumbrance for the purpose of security or an interest under paragraph (x), a member of a family farm limited liability company may not transfer a membership interest, including a financial interest, to a person who is not otherwise eligible to be a member under this paragraph.

(m) "Authorized farm limited liability company" means a limited liability company meeting the following standards:

(1) it has no more than five members;

(2) all its members, other than any estate, are natural persons or family farm trusts;

(3) it does not have more than one class of membership interests;

(4) its revenue from rent, royalties, dividends, interest, and annuities does not exceed 20 percent of its gross receipts;

(5) members holding 51 percent or more of both the governance rights and financial rights in the limited liability company reside on the farm or are actively engaged in farming;

(6) it does not, directly or indirectly, own or otherwise have an interest in any title to more than 1,500 acres of agricultural land; and

(7) none of its members are members in other authorized farm limited liability companies that directly or indirectly in combination with the authorized farm limited liability company own more than 1,500 acres of agricultural land.

Except for a state or federally chartered financial institution acquiring an encumbrance for the purpose of security or an interest under paragraph (x), a member of an authorized farm limited liability company may not transfer a membership interest, including a financial interest, to a person who is not otherwise eligible to be a member under this paragraph.

(n) "Farmer" means a natural person who regularly participates in physical labor or operations management in the person's farming operation and files "Schedule F" as part of the person's annual Form 1040 filing with the United States Internal Revenue Service.

(o) "Actively engaged in livestock production" means performing day-to-day physical labor or day-to-day operations management that significantly contributes to livestock production and the functioning of a livestock operation.

(p) "Research or experimental farm" means a corporation, limited partnership, pension, investment fund, or limited liability company that owns or operates agricultural land for research or experimental purposes, provided that any commercial sales from the operation are incidental to the research or experimental objectives of the corporation. A corporation, limited partnership, limited liability company, or pension or investment fund seeking initial approval by the commissioner to operate agricultural land for research or experimental purposes must first submit to the commissioner a prospectus or proposal of the intended method of operation containing information required by the commissioner including a copy of any operational contract with individual participants.

(q) "Breeding stock farm" means a corporation, limited partnership, or limited liability company, that owns or operates agricultural land for the purpose of raising breeding stock, including embryos, for resale to farmers or for the purpose of growing seed, wild rice, nursery plants, or sod. An entity that is organized to raise livestock other than dairy cattle under this paragraph that does not qualify as an authorized farm corporation must:

(1) sell all castrated animals to be fed out or finished to farming operations that are neither directly nor indirectly owned by the business entity operating the breeding stock operation; and

(2) report its total production and sales annually to the commissioner.

(r) "Aquatic farm" means a corporation, limited partnership, or limited liability company, that owns or leases agricultural land as a necessary part of an aquatic farm as defined in section 17.47, subdivision 3.

(s) "Religious farm" means a corporation formed primarily for religious purposes whose sole income is derived from agriculture.

(t) "Utility corporation" means a corporation regulated under Minnesota Statutes 1974, chapter 216B, that owns agricultural land for purposes described in that chapter, or an electric generation or transmission cooperative that owns agricultural land for use in its business if the land is not used for farming except under lease to a family farm unit, a family farm corporation, a family farm trust, a family farm partnership, or a family farm limited liability company.



(u) "Development organization" means a corporation, limited partnership, limited liability company, or pension or investment fund that has an interest in agricultural land for which the corporation, limited partnership, limited liability company, or pension or investment fund has documented plans to use and subsequently uses the land within six years from the date of purchase for a specific nonfarming purpose, or if the land is zoned nonagricultural, or if the land is located within an incorporated area. A corporation, limited partnership, limited liability company, or pension or investment fund may hold agricultural land in the amount necessary for its nonfarm business operation; provided, however, that pending the development of agricultural land for nonfarm purposes, the land may not be used for farming except under lease to a family farm unit, a family farm corporation, a family farm trust, an authorized farm corporation, an authorized livestock farm corporation, a family farm partnership, an authorized farm partnership, a family farm limited liability company, or an authorized farm limited liability company, or except when controlled through ownership, options, leaseholds, or other agreements by a corporation that has entered into an agreement with the United States under the New Community Act of 1968 (Title IV of the Housing and Urban Development Act of 1968, United States Code, title 42, sections 3901 to 3914) as amended, or a subsidiary or assign of such a corporation.

(v) "Exempt land" means agricultural land owned or leased by a corporation as of May 20, 1973, agricultural land owned or leased by a pension or investment fund as of May 12, 1981, agricultural land owned or leased by a limited partnership as of May 1, 1988, or agricultural land owned or leased by a trust as of the effective date of Laws 2000, chapter 477, including the normal expansion of that ownership at a rate not to exceed 20 percent of the amount of land owned as of May 20, 1973, for a corporation; May 12, 1981, for a pension or investment fund; May 1, 1988, for a limited partnership, or the effective date of Laws 2000, chapter 477, for a trust, measured in acres, in any five-year period, and including additional ownership reasonably necessary to meet the requirements of pollution control rules. A corporation, limited partnership, or pension or investment fund that is eligible to own or lease agricultural land under this section prior to May 1997, or a corporation that is eligible to own or lease agricultural land as a benevolent trust under this section prior to the effective date of Laws 2000, chapter 477, may continue to own or lease agricultural land subject to the same conditions and limitations as previously allowed.

(w) "Gifted land" means agricultural land acquired as a gift, either by grant or devise, by an educational, religious, or charitable nonprofit corporation, limited partnership, limited liability company, or pension or investment fund if all land so acquired is disposed of within ten years after acquiring the title.

(x) "Repossessed land" means agricultural land acquired by a corporation, limited partnership, limited liability company, or pension or investment fund by process of law in the collection of debts, or by any procedure for the enforcement of a lien or claim on the land, whether created by mortgage or otherwise if all land so acquired is disposed of within five years after acquiring the title. The five-year limitation is a covenant running with the title to the land against any grantee, assignee, or successor of the pension or investment fund, corporation, limited partnership, or limited liability company. The land so acquired must not be used for farming during the five-year period, except under a lease to a family farm unit, a family farm corporation, a family farm trust, an authorized farm corporation, an authorized livestock farm corporation, a family farm partnership, an authorized farm partnership, a family farm limited liability company, or an authorized farm limited liability company. Notwithstanding the five-year divestiture requirement under this paragraph, a financial institution may continue to own the agricultural land if the agricultural land is leased to the immediately preceding former owner, but must dispose of the agricultural land within ten years of acquiring the title. Livestock acquired by a pension or investment fund, corporation, limited partnership, or limited liability company in the collection of debts, or by a procedure for the enforcement of lien or claim on the livestock whether created by security agreement or otherwise after August 1, 1994, must be sold or disposed of within one full production cycle for the type of livestock acquired or 18 months after the livestock is acquired, whichever is earlier.

(y) "Commissioner" means the commissioner of agriculture.

(z) "Nonprofit corporation" means a nonprofit corporation organized under state nonprofit corporation or trust law or qualified for tax-exempt status under federal tax law that uses the land for a specific nonfarming purpose or leases the agricultural land to a family farm unit, a family farm corporation, an authorized farm corporation, an authorized livestock farm corporation, a family farm limited liability company, a family farm trust, an authorized farm limited liability company, a family farm partnership, or an authorized farm partnership, or actively farms less than 40 acres and uses all profits from the agricultural land for educational purposes.

(aa) "Current beneficiary" means a person who at any time during a year is entitled to, or at the discretion of any person may, receive a distribution from the income or principal of the trust. It does not include a distributee trust, other than a trust described in section 170(c) of the Internal Revenue Code, as amended, but does include the current beneficiaries of the distributee trust. It does not include a person in whose favor a power of appointment could be exercised until the holder of the power of appointment actually exercises the power of appointment in that person's favor. It does not include a person who is entitled to receive a distribution only after a specified time or upon the occurrence of a specified event until the time or occurrence of the event. For the purposes of this section, a distributee trust is a current beneficiary of a family farm trust.

(bb) "De minimis" means that any corporation, pension or investment fund, limited liability company, or limited partnership that directly or indirectly owns, acquires, or otherwise obtains any interest in 40 acres or less of agricultural land and annually receives less than \$150 per acre in gross revenue from rental or agricultural production.

Sec. 54. Minnesota Statutes 2008, section 514.965, subdivision 2, is amended to read:

Subd. 2. **Agricultural lien.** "Agricultural lien" means an agricultural lien as defined in section 336.9-102(a)(5) and includes a veterinarian's lien, breeder's lien, livestock production input lien, temporary livestock production input lien, and feeder's lien under this section and section 514.966.

Sec. 55. Minnesota Statutes 2008, section 514.966, is amended by adding a subdivision to read:

Subd. 3a. **Temporary livestock production input lien; debtor in mediation.** (a) A supplier furnishing livestock production inputs in the ordinary course of business to a debtor who has filed a mediation request under chapter 583 has a livestock production input lien for the unpaid retail cost of the livestock production input. A perfected livestock production input lien that attaches to livestock may not exceed the amount, if any, that the sales price of the livestock for which the inputs were received exceeds the greater of the fair market value of the livestock at the time the lien attaches or the acquisition price of the livestock. A livestock production input lien becomes effective when the agricultural production inputs are furnished by the supplier to the purchaser.

(b) A livestock production input lien under this subdivision applies to livestock production inputs provided to the debtor during the 45 days following a mediation request under chapter 583.

(c) A person who supplies livestock production inputs under this subdivision shall provide a lien-notification statement as required under subdivision 3, paragraphs (b) and (c), but is not subject to subdivision 3, paragraphs (d) to (f). A perfected temporary livestock production input lien corresponding to the lien-notification statement has priority over any security interest of the lender in the same livestock or their proceeds for the lesser of:

(1) the amount stated in the lien-notification statement; or

(2) the unpaid retail cost of the livestock production input identified in the lien-notification statement, subject to any limitation in paragraph (a).

Sec. 56. Minnesota Statutes 2008, section 514.966, subdivision 5, is amended to read:

Subd. 5. **Scope.** A veterinarian's lien, breeder's lien, livestock production input lien, temporary livestock production lien, or feeder's lien attaches to the livestock serviced by the agricultural lienholder, and products and proceeds thereof to the extent of the price or value of the service provided.

Sec. 57. Minnesota Statutes 2008, section 514.966, subdivision 6, is amended to read:

Subd. 6. **Perfection.** (a) An agricultural lien under this section is perfected if a financing statement is filed pursuant to sections 336.9-501 to 336.9-530 and within the time periods set forth in paragraphs (b) to ~~(e)~~ (f).

(b) A veterinarian's lien must be perfected on or before 180 days after the last item of the veterinary service is performed.

(c) A breeder's lien must be perfected by six months after the last date that breeding services are provided the obligor.

(d) Except as provided in paragraph (f), a livestock production input lien must be perfected by six months after the last date that livestock production inputs are furnished the obligor.

(e) A feeder's lien must be perfected on or before 60 days after the last date that feeding services are furnished the obligor.

(f) A temporary livestock production input lien, under subdivision 3a, must be perfected on or before 60 days after the last date that livestock production inputs are furnished the obligor.

Sec. 58. Laws 2007, chapter 45, article 1, section 3, subdivision 5, as amended by Laws 2008, chapter 297, article 1, section 65, is amended to read:

Subd. 5. **Administration and Financial Assistance**

7,338,000

6,751,000

\$1,005,000 the first year and \$1,005,000 the second year are for continuation of the dairy development and profitability enhancement and dairy business planning grant programs established under Laws 1997, chapter 216, section 7, subdivision 2, and Laws 2001, First Special Session chapter 2, section 9, subdivision 2. The commissioner may allocate the available sums among permissible activities, including efforts to improve the quality of milk produced in the state in the proportions that the commissioner deems most beneficial to Minnesota's dairy farmers. The commissioner must submit a work plan detailing plans for expenditures under this program to the chairs of the house and senate committees dealing with agricultural policy and budget on or before the start of each fiscal year. If significant changes are made to the plans in the course of the year, the commissioner must notify the chairs.

\$50,000 the first year and \$50,000 the second year are for the Northern Crops Institute. These appropriations may be spent to purchase equipment.

\$19,000 the first year and \$19,000 the second year are for a grant to the Minnesota Livestock Breeders Association.

\$250,000 the first year and \$250,000 the second year are for grants to the Minnesota Agricultural Education Leadership Council for programs of the council under Minnesota Statutes, chapter 41D.

\$600,000 the first year is for grants for fertilizer research as awarded by the Minnesota Agricultural Fertilizer Research and Education Council under Minnesota Statutes, section 18C.71. The amount available to the commissioner pursuant to Minnesota Statutes, section 18C.70, subdivision 2, for administration of this activity is available until February 1, 2009, by which time the commissioner shall report to the house and senate committees with jurisdiction over agriculture finance. The report must include the progress and outcome of funded projects as well as the sentiment of the council concerning the need for additional research funded through an industry checkoff fee. The amount available for grants is available until June 30, 2011.

\$465,000 the first year and \$465,000 the second year are for payments to county and district agricultural societies and associations under Minnesota Statutes, section 38.02, subdivision 1. Aid payments to county and district agricultural societies and associations shall be disbursed not later than July 15 of each year. These payments are the amount of aid owed by the state for an annual fair held in the previous calendar year.

\$65,000 the first year and \$65,000 the second year are for annual grants to the Minnesota Turf Seed Council for basic and applied research on the improved production of forage and turf seed related to new and improved varieties. The grant recipient may subcontract with a qualified third party for some or all of the basic and applied research.

\$500,000 the first year and \$500,000 the second year are for grants to Second Harvest Heartland on behalf of Minnesota's six Second Harvest food banks for the purchase of milk for distribution to Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased under the grants must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Second Harvest food bank serving Minnesota according to the formula used in the distribution of United States Department of Agriculture commodities under The Emergency Food Assistance Program (TEFAP). Second Harvest Heartland must submit quarterly reports to the commissioner on forms prescribed by the commissioner. The reports must include, but are not limited to, information on the expenditure of funds, the amount of milk purchased, and the organizations to which the milk was distributed. Second Harvest Heartland may enter into contracts or agreements

with food banks for shared funding or reimbursement of the direct purchase of milk. Each food bank receiving money from this appropriation may use up to two percent of the grant for administrative expenses.

\$100,000 the first year and \$100,000 the second year are for transfer to the Board of Trustees of the Minnesota State Colleges and Universities for mental health counseling support to farm families and business operators through farm business management programs at Central Lakes College and Ridgewater College.

\$18,000 the first year and \$18,000 the second year are for grants to the Minnesota Horticultural Society.

\$50,000 is for a grant to the University of Minnesota, Department of Horticultural Science, Enology Laboratory, to upgrade and purchase instrumentation to allow rapid and accurate measurement of enology components. This is a onetime appropriation and is available until expended.

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

Sec. 59. Laws 2008, chapter 296, article 1, section 25, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective June 1, ~~2010~~ 2011.

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

Sec. 60. Laws 2009, chapter 94, article 1, section 3, subdivision 5, is amended to read:

Subd. 5. **Administration and Financial Assistance** 8,177,000 7,037,000

Appropriations by Fund

	2010	2011
General	7,377,000	6,237,000
Agricultural	800,000	800,000

\$780,000 the first year and \$755,000 the second year are for continuation of the dairy development and profitability enhancement and dairy business planning grant programs established under Laws 1997, chapter 216, section 7, subdivision 2, and Laws 2001, First Special Session chapter 2, section 9, subdivision 2. The commissioner may allocate the available sums among permissible activities, including efforts to improve the quality of milk produced in the state in the proportions that the commissioner deems most beneficial to Minnesota's dairy farmers. The commissioner must submit a work plan detailing plans for

expenditures under this program to the chairs of the house of representatives and senate committees dealing with agricultural policy and budget on or before the start of each fiscal year. If significant changes are made to the plans in the course of the year, the commissioner must notify the chairs.

\$50,000 the first year and \$50,000 the second year are for the Northern Crops Institute. These appropriations may be spent to purchase equipment.

\$19,000 the first year and \$19,000 the second year are for a grant to the Minnesota Livestock Breeders Association.

\$250,000 the first year and \$250,000 the second year are for grants to the Minnesota Agricultural Education and Leadership Council for programs of the council under Minnesota Statutes, chapter 41D.

\$474,000 the first year and \$474,000 the second year are for payments to county and district agricultural societies and associations under Minnesota Statutes, section 38.02, subdivision 1. Aid payments to county and district agricultural societies and associations shall be disbursed no later than July 15 of each year. These payments are the amount of aid from the state for an annual fair held in the previous calendar year.

\$1,000 the first year and \$1,000 the second year are for grants to the Minnesota State Poultry Association.

\$65,000 the first year and \$65,000 the second year are for annual grants to the Minnesota Turf Seed Council for basic and applied research on the improved production of forage and turf seed related to new and improved varieties. The grant recipient may subcontract with a qualified third party for some or all of the basic and applied research.

\$50,000 the first year and \$50,000 the second year are for annual grants to the Minnesota Turf Seed Council for basic and applied agronomic research on native plants, including plant breeding, nutrient management, pest management, disease management, yield, and viability. The grant recipient may subcontract with a qualified third party for some or all of the basic or applied research. The grant recipient must actively participate in the Agricultural Utilization Research Institute's Renewable Energy Roundtable and no later than February 1, 2011, must report to the house of representatives and senate committees with jurisdiction over agriculture finance.

\$500,000 the first year and \$500,000 the second year are for grants to Second Harvest Heartland on behalf of Minnesota's six Second Harvest food banks for the purchase of milk for distribution to

Minnesota's food shelves and other charitable organizations that are eligible to receive food from the food banks. Milk purchased under the grants must be acquired from Minnesota milk processors and based on low-cost bids. The milk must be allocated to each Second Harvest food bank serving Minnesota according to the formula used in the distribution of United States Department of Agriculture commodities under The Emergency Food Assistance Program (TEFAP). Second Harvest Heartland must submit quarterly reports to the commissioner on forms prescribed by the commissioner. The reports must include, but are not limited to, information on the expenditure of funds, the amount of milk purchased, and the organizations to which the milk was distributed. Second Harvest Heartland may enter into contracts or agreements with food banks for shared funding or reimbursement of the direct purchase of milk. Each food bank receiving money from this appropriation may use up to two percent of the grant for administrative expenses.

\$1,000,000 the first year is for the agricultural growth, research, and innovation program in Minnesota Statutes, section 41A.12. Priority must be given to livestock programs under Minnesota Statutes, section 17.118. Priority for livestock grants shall be given to persons who are beginning livestock producers and livestock producers who are rebuilding after a disaster that was due to natural or other unintended conditions. The commissioner may use up to 4.5 percent of this appropriation for costs incurred to administer the program. Any unencumbered balance does not cancel at the end of the first year and is available in the second year.

\$100,000 the first year and \$100,000 the second year are for transfer to the Board of Trustees of the Minnesota State Colleges and Universities for mental health counseling support to farm families and business operators through farm business management programs at Central Lakes College and Ridgewater College.

\$18,000 the first year and \$18,000 the second year are for grants to the Minnesota Horticultural Society.

Notwithstanding Minnesota Statutes, section 18C.131, \$800,000 the first year and \$800,000 the second year are from the fertilizer account in the agricultural fund for grants for fertilizer research as awarded by the Minnesota Agricultural Fertilizer Research and Education Council under Minnesota Statutes, section 18C.71. The amount appropriated in either fiscal year must not exceed 57 percent of the inspection fee revenue collected under Minnesota Statutes, section 18C.425, subdivision 6, during the previous fiscal year. No later than February 1, 2011, the commissioner shall report to the legislative committees with jurisdiction over agriculture finance. The report must include the progress and

outcome of funded projects as well as the sentiment of the council concerning the need for additional research funds. The appropriation for the first year is available until June 30, 2013, and the appropriation for the second year is available until June 30, 2014.

\$60,000 the first year is for a transfer to the University of Minnesota Extension Service for farm-to-school grants to school districts in Minneapolis, Moorhead, White Earth, and Willmar.

*\$30,000 is for star farms program development. The commissioner, in consultation with other state and local agencies, farm groups, conservation groups, legislators, and other interested persons, shall develop a proposal for a star farms program. By January 15, 2010, the commissioner shall submit the proposal to the legislative committees and divisions with jurisdiction over agriculture and environmental policy and finance. This is a onetime appropriation. \* (The preceding paragraph beginning "\$30,000 is for star farms program" was indicated as vetoed by the governor.)*

\$25,000 the first year is for the administration of the Feeding Minnesota Task Force, under new Minnesota Statutes, section 31.97. This is a onetime appropriation.

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

Sec. 61. **APPROPRIATION; TERMINAL CAPACITY REPORT.**

\$40,000 is appropriated in fiscal year 2011 from the liquefied petroleum gas account to the commissioner of agriculture for a terminal capacity report. This is a onetime appropriation. The commissioner of agriculture, with assistance from the Office of Energy Security, shall determine the total propane and anhydrous ammonia terminal capacity located in the state and within 100 miles of the state's borders. The commissioner shall also use projected grain yields and other relevant factors to estimate total agricultural demand for propane and anhydrous ammonia in this state in the year 2020 and shall develop a detailed plan for fully and economically satisfying this anticipated demand. No later than January 15, 2011, the commissioner shall present the report to the legislative committees with jurisdiction over agriculture finance.

Sec. 62. **DAIRY RESEARCH AND EDUCATION FACILITY; COLLABORATION.**

The commissioner of agriculture shall convene one or more meetings with milk producers, other industry stakeholders, and representatives of the University of Minnesota and Minnesota State Colleges and Universities System whose work relates to the dairy industry to consider the elements of a dairy research and education facility which would represent a partnership between higher education institutions and the dairy industry. No later than February 1, 2011, the commissioner shall provide a report on facility and financing options to the legislative committees with jurisdiction over agriculture finance.

Sec. 63. **BIOENERGY DEVELOPMENT; REPORT.**

The commissioner of agriculture shall actively pursue federal and other resources available to promote and achieve greater production and use of biofuels in this state, including but not limited to increasing the availability of retail fuel dispensers for E85 and intermediate ethanol-gasoline blends. No later than February 15, 2011, the commissioner shall report on activities and accomplishments under this section to the legislative committees with jurisdiction over agriculture finance.



Sec. 64. **REPEALER.**

Minnesota Statutes 2008, section 17.231, and Laws 2009, chapter 94, article 1, section 106, are repealed.

ARTICLE 2

VETERANS

Section 1. Minnesota Statutes 2008, section 1.141, is amended by adding a subdivision to read:

Subd. 6. **Folding of the state flag for presentation or display.** The following procedures constitute the proper way to fold the Minnesota State Flag for presentation or display. Fold the flag four times lengthwise so that one section displays the three stars of the state crest and the text "L'Etoile du Nord." Fold each side behind the displayed section at a 90-degree angle so that the display section forms a triangle. Take the section ending with the hoist and fold it at a 90-degree angle across the bottom of the display section and then fold the hoist back over so it is aligned with the middle of the display section. Fold the other protruding section directly upwards so that its edge is flush with the display section and then fold it upwards along a 45-degree angle so that a mirror of the display section triangle is formed. Fold the mirror section in half from the point upwards, then fold the remaining portion upwards, tucking it between the display section and the remainder of the flag.

Sec. 2. Minnesota Statutes 2008, section 1.141, is amended by adding a subdivision to read:

Subd. 7. **Folding of the state flag for storage.** When folding the Minnesota State Flag for storage, the proper procedure is to fold and store the flag in the same manner as the national colors.

Sec. 3. Minnesota Statutes 2009 Supplement, section 190.19, subdivision 2a, is amended to read:

Subd. 2a. **Uses; veterans.** Money appropriated to the Department of Veterans Affairs from the Minnesota "Support Our Troops" account may be used for:

- (1) grants to veterans service organizations;
- (2) outreach to underserved veterans; ~~and~~
- (3) providing services and programs for veterans and their families; and
- ~~(3)~~ (4) transfers to the vehicle services account for Gold Star license plates under section 168.1253.

Sec. 4. Minnesota Statutes 2008, section 197.455, is amended by adding a subdivision to read:

Subd. 5a. **Teacher hiring.** (a) Any public school under the state's Education Code that chooses at any time to use a 100-point hiring method to evaluate applicants for teaching positions is subject to the requirements of subdivisions 4 and 5 for determining veterans preference points.

(b) Any public school under the state's Education Code opting at any time not to use a 100-point hiring method to evaluate applicants for teaching positions is exempt from the requirements of subdivisions 4 and 5 for determining veterans preference points, but must instead grant to any veteran who applies for a teaching position and who has proper licensure for that position an interview for that position.

Sec. 5. Minnesota Statutes 2009 Supplement, section 197.46, is amended to read:

**197.46 VETERANS PREFERENCE ACT; REMOVAL FORBIDDEN; RIGHT OF MANDAMUS.**

Any person whose rights may be in any way prejudiced contrary to any of the provisions of this section, shall be entitled to a writ of mandamus to remedy the wrong. No person holding a position by appointment or employment in the several counties, cities, towns, school districts and all other political subdivisions in the state, who is a veteran separated from the military service under honorable conditions, shall be removed from such position or employment except for incompetency or misconduct shown after a hearing, upon due notice, upon stated charges, in writing.

Any veteran who has been notified of the intent to discharge the veteran from an appointed position or employment pursuant to this section shall be notified in writing of such intent to discharge and of the veteran's right to request a hearing within 60 days of receipt of the notice of intent to discharge. The failure of a veteran to request a hearing within the provided 60-day period shall constitute a waiver of the right to a hearing. Such failure shall also waive all other available legal remedies for reinstatement.

Request for a hearing concerning such a discharge shall be made in writing and submitted by mail or personal service to the employment office of the concerned employer or other appropriate office or person.

In all governmental subdivisions having an established civil service board or commission, or merit system authority, such hearing for removal or discharge shall be held before such civil service board or commission or merit system authority. Where no such civil service board or commission or merit system authority exists, such hearing shall be held by a board of three persons appointed as follows: one by the governmental subdivision, one by the veteran, and the third by the two so selected. In the event the two persons so selected do not appoint the third person within ten days after the appointment of the last of the two, then the judge of the district court of the county wherein the proceeding is pending, or if there be more than one judge in said county then any judge in chambers, shall have jurisdiction to appoint, and upon application of either or both of the two so selected shall appoint, the third person to the board and the person so appointed by the judge with the two first selected shall constitute the board. The veteran may appeal from the decision of the board upon the charges to the district court by causing written notice of appeal, stating the grounds thereof, to be served upon the governmental subdivision or officer making the charges within 15 days after notice of the decision and by filing the original notice of appeal with proof of service thereof in the office of the court administrator of the district court within ten days after service thereof. Nothing in section 197.455 or this section shall be construed to apply to the position of private secretary, superintendent of schools, or one chief deputy of any elected official or head of a department, or to any person holding a strictly confidential relation to the appointing officer. Nothing in this section shall be construed to apply to the position of teacher. The burden of establishing such relationship shall be upon the appointing officer in all proceedings and actions relating thereto.

All officers, boards, commissions, and employees shall conform to, comply with, and aid in all proper ways in carrying into effect the provisions of section 197.455 and this section notwithstanding any laws, charter provisions, ordinances or rules to the contrary. Any willful violation of such sections by officers, officials, or employees is a misdemeanor.

Sec. 6. Minnesota Statutes 2008, section 197.481, subdivision 1, is amended to read:

Subdivision 1. **Petition.** A veteran, as defined by section 197.447, who has been denied rights by the state or any political subdivision, municipality, or other public agency of the state as authorized by the Veterans Preference Act under section 43A.11, 197.46, 197.48, or 197.455 may petition the commissioner of veterans affairs for an order directing the agency to grant the veteran such relief the commissioner finds justified by said statutes.

The petition shall be submitted via United States mail and contain:

- (1) the name, address, telephone number, and ~~acknowledged~~ notarized original signature of the veteran;
- (2) the names, telephone numbers, and addresses of all agencies and persons that will be directly affected if the petition is granted;
- (3) a concise statement of the facts giving rise to the veteran's rights and a concise statement showing the manner in which rights were denied;
- (4) a statement of the relief requested; and
- (5) a copy of the veteran's Form DD214 (Separation or Discharge from Active Duty).

Sec. 7. Minnesota Statutes 2008, section 197.481, subdivision 2, is amended to read:

Subd. 2. **Service.** Upon receipt and authorization verification of a complete petition herein, the commissioner shall serve a copy of same, by certified mail, on all agencies and persons named therein and on such other agencies or persons as in the judgment of the commissioner should in justice be parties to the proceeding. The veteran and all agencies and persons served shall be parties to the proceeding.

Sec. 8. Minnesota Statutes 2008, section 197.481, subdivision 4, is amended to read:

Subd. 4. **Hearing.** The commissioner shall ~~hold~~ schedule a hearing on the petition of any party to be held or conducted within ~~20~~ 120 days of serving, or being served with the authorized and complete petition. ~~The veteran may demand an opportunity to be heard at a time set by the commissioner. A party who fails to demand such hearing within 20 days shall be heard only by permission of the commissioner, except that if any party demands to be heard~~ At the hearing, all parties shall have the right to be heard. A hearing hereunder shall be conducted and orders issued in accord with sections 14.57 to 14.60 and 14.62, at the office of the commissioner or at a place the commissioner designates. The commissioner shall notify all parties, by certified mail, of the date, time, and place of the hearing.

Sec. 9. Minnesota Statutes 2008, section 197.60, subdivision 1, is amended to read:

Subdivision 1. **Appointment; administrative support.** The county board of any county ~~except Clay County,~~ or the county boards of any two or more counties acting pursuant to ~~the provisions of~~ section 197.602, shall appoint a veterans service officer ~~and shall provide necessary clerical help, office space, equipment, and supplies for the officer, together with reimbursement for mileage and other traveling expenses necessarily incurred in the performance of duties;~~ and may appoint one or more assistant veterans service officers who ~~shall have the qualifications prescribed in~~ are qualified under section 197.601. ~~The county board of Clay County may appoint a veterans service officer and assistant veterans service officers as provided in this subdivision. The county board or boards shall provide necessary clerical help, office space, equipment, and supplies for the officer, and reimbursement for mileage and other traveling expenses necessarily incurred in the performance of duties.~~ Subject to the direction and control of the veterans service officer, the assistant veterans service officer may exercise all the powers, and shall perform the duties, of the veterans service officer, and ~~shall be~~ is subject to all the provisions of sections 197.60 to 197.606 relating to a veterans service officer. Every county officer and agency shall cooperate with the veterans service officer and shall provide the officer with information necessary in connection with the performance of duties.

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

Sec. 10. Minnesota Statutes 2008, section 197.601, is amended to read:

**197.601 QUALIFICATIONS OF VETERANS SERVICE OFFICERS.**

No person shall be appointed a veterans service officer or an assistant county veterans service officer under sections 197.60 to 197.606 ~~without the following qualifications~~ unless the person is:

- (1) residence in a resident of the state of Minnesota;
- (2) citizenship in a citizen of the United States; and
- (3) a veteran, as defined in section 197.447;
- (4) ~~education and training for the duties of veterans service officer;~~
- (5) ~~knowledge of the law and the regulations and rulings of the United States Veterans Administration applicable to cases before it and the administration thereof.~~

In addition, a person accepting appointment to the position of county veterans service officer or assistant county veterans service officer or other equivalent assistant position must agree to receive, within six months of the appointment, training and education for the duties of the position, including development of an effective working knowledge of relevant laws, rules, and regulations pertaining to the United States Department of Veterans Affairs, as applicable to veterans cases before the department and the administration of those cases.

Sec. 11. Minnesota Statutes 2008, section 197.605, is amended to read:

**197.605 SUPERVISION DEPARTMENT AS A RESOURCE TO COUNTIES.**

Subdivision 1. ~~Methods of operation~~ **Resources available.** ~~Every veterans service officer appointed under sections 197.60 to 197.606 shall be under the general supervision of the commissioner of veterans affairs as to methods of operation. The commissioner of veterans affairs shall make resources available within the Department of Veterans Affairs to every county that operates a county veterans service office, to assist the county with maintaining efficient and effective services to veterans. To receive available resources from the department, a county must formally request them from the commissioner and invite the commissioner or the commissioner's designee or designees into the county as necessary to provide those resources. The commissioner shall consult with the Association of Minnesota Counties and the Minnesota Association of County Veterans Service Officers in developing a list of resources available to counties in support of their county veterans service offices.~~

Subd. 2. **Use of agencies to present claims.** Every veterans service officer and assistant veterans service officer appointed under sections 197.60 to 197.606 shall use the Minnesota Department of Veterans Affairs or any organization recognized by the United States Department of Veterans Administration Affairs, as may be designated by the veteran by power of attorney, in the presentation of claims to the United States Department of Veterans Administration Affairs for the benefits referred to in section 197.603.

Subd. 3. **Rules.** ~~The commissioner of veterans affairs shall have authority to prescribe such rules as are necessary for compliance with this section and the efficient uniform administration of sections 197.60 to 197.606. Such rules shall not apply to the appointment, tenure, compensation, or working conditions of a veterans service officer appointed under sections 197.60 to 197.606.~~

Subd. 4. **Certification.** The commissioner of veterans affairs shall establish a certification process for veterans service officers. In doing so, the commissioner shall consult with the Minnesota Association of County Veterans Service Officers.

Sec. 12. Minnesota Statutes 2008, section 197.606, is amended to read:

**197.606 CLASSED AS COUNTY EMPLOYEES.**

Veterans service officers and assistant veterans service officers appointed under sections 197.60 to 197.606 are employees of the counties by which they are employed, and are under the exclusive jurisdiction and control of ~~such~~ those counties and the Department of Veterans Affairs as herein provided.

Sec. 13. Minnesota Statutes 2008, section 197.609, subdivision 1, is amended to read:

Subdivision 1. **Establishment and administration.** An education program for county veterans service officers is established to be administered by the commissioner of veterans affairs, with assistance and advice from the Minnesota Association of County Veterans Service Officers.

Sec. 14. Minnesota Statutes 2008, section 197.609, subdivision 2, is amended to read:

Subd. 2. **Eligibility.** To be eligible for the program in this section, a person must currently be employed as a county veterans service officer or assistant county veterans service officer, as authorized by sections 197.60 to 197.606, and be certified to serve in that position by the commissioner of veterans affairs or be serving a probationary period as authorized by section 197.60, subdivision 2.

Sec. 15. Minnesota Statutes 2008, section 197.75, subdivision 1, is amended to read:

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

(b) "Commissioner" means the commissioner of veterans affairs.

(c) "Deceased veteran" means a veteran ~~who was a Minnesota resident within six months of the time of the person's entry into the United States armed forces and who has died as a result of that the person's military service,~~ as determined by the United States Veterans Administration, and who was a resident of this state: (1) within six months of entering the United States armed forces, or (2) for the six months preceding the veteran's date of death.

(d) "Eligible child" means a person who:

(1) is the natural or adopted ~~son or daughter~~ child or stepchild of a deceased veteran; and

(2) is a student making satisfactory academic progress at an eligible institution of higher education.

(e) "Eligible institution" means a postsecondary educational institution located in this state that either (1) is operated by this state, or (2) is operated publicly or privately and, as determined by the office, maintains academic standards substantially equivalent to those of comparable institutions operated in this state.

(f) "Eligible spouse" means the surviving spouse of a deceased veteran.

(g) "Eligible veteran" means a veteran who:

(1) is a student making satisfactory academic progress at an eligible institution of higher education;

(2) had Minnesota as the person's state of residence at the time of the person's enlistment or any reenlistment into the United States armed forces, as shown by the person's federal form DD-214 or other official documentation to the satisfaction of the commissioner;

(3) except for benefits under this section, has no remaining military or veteran-related educational assistance benefits for which the person may have been entitled; and

(4) while using the educational assistance authorized in this section, remains a resident student as defined in section 136A.101, subdivision 8.

(h) "Satisfactory academic progress" has the meaning given in section 136A.101, subdivision 10.

(i) "Student" has the meaning given in section 136A.101, subdivision 7.

(j) "Veteran" has the meaning given in section 197.447.

**EFFECTIVE DATE.** This section is effective July 1, 2010, for educational benefits provided to an eligible child or eligible spouse on or after that date.

Sec. 16. **PLANNING NEW VETERANS CEMETERIES.**

The commissioner of veterans affairs shall determine a suitable site and plan for three new state veterans cemeteries, one to be located in northeastern Minnesota, one to be located in southeastern Minnesota, and one to be located in southwestern Minnesota. In determining the site for a cemetery, the commissioner shall consider available public land options and shall seek proposals for donated land from interested counties, local communities, civic organizations, veterans service organizations, and individuals. For the veterans cemetery in southwestern Minnesota, the commissioner must work with the commissioner of natural resources to secure a cemetery site at Fort Ridgely State Park, if feasible, or on other public land in that immediate vicinity.

The commissioner's planning process for a state veterans cemetery must include, at a minimum, the following actions:

(1) determining the need for the cemetery;

(2) investigating the availability of suitable land for the cemetery;

(3) assessment of impacts of the cemetery;

(4) encouragement of support from veteran service organizations and local governments; and

(5) preparation and submission of a preapplication for a grant from the United States Department of Veterans Affairs for commitment of funding for establishing the cemetery.

By January 15, 2011, the commissioner shall report to the chair and ranking minority member of the house of representatives and senate committees having responsibility for veterans affairs with a report of the commissioner's progress in implementing this section.

Sec. 17. **NONCOMPLIANCE.**

A county that on July 1, 2010, is noncompliant with regard to the qualifications of an assistant county veterans service officer, under Minnesota Statutes, section 197.601, must comply with the requirements of that section no later than June 30, 2013, and must remain in compliance after that date.

Sec. 18. **EFFECTIVE DATE.**

Sections 1, 2, and 16 are effective the day following final enactment. All other sections are effective July 1, 2010."

Delete the title and insert:

"A bill for an act relating to the operation of state government; changing certain provisions and programs affecting agriculture and veterans affairs; authorizing and regulating development and use of industrial hemp; clarifying certain terms and procedures; changing certain record keeping provisions; requiring planning for additional veterans cemeteries; appropriating money; amending Minnesota Statutes 2008, sections 1.141, by adding subdivisions; 3.737, subdivision 4; 17.03, by adding a subdivision; 18B.31, subdivision 5; 18B.36, subdivision 1; 18B.37, subdivision 4; 18J.01; 18J.02; 18J.03; 18J.04, subdivisions 1, 2, 3, 4; 18J.05, subdivisions 1, 2, 6; 18J.06; 18J.07, subdivisions 3, 4, 5; 18J.09; 18J.11, subdivision 1, by adding a subdivision; 28A.082, subdivision 1; 35.244, subdivisions 1, 2; 152.01, subdivision 9; 197.455, by adding a subdivision; 197.481, subdivisions 1, 2, 4; 197.60, subdivision 1; 197.601; 197.605; 197.606; 197.609, subdivisions 1, 2; 197.75, subdivision 1; 239.092; 239.093; 239.791, by adding subdivisions; 336.9-531; 336A.08, subdivisions 1, 4; 336A.14; 375.30, subdivision 2; 500.221, subdivisions 2, 4; 500.24, subdivision 2; 514.965, subdivision 2; 514.966, subdivisions 5, 6, by adding a subdivision; Minnesota Statutes 2009 Supplement, sections 3.737, subdivision 1; 18B.316, subdivision 10; 190.19, subdivision 2a; 197.46; 239.791, subdivisions 1, 1a; Laws 2007, chapter 45, article 1, section 3, subdivision 5, as amended; Laws 2008, chapter 296, article 1, section 25; Laws 2009, chapter 94, article 1, section 3, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 38; proposing coding for new law as Minnesota Statutes, chapter 18K; repealing Minnesota Statutes 2008, section 17.231; Laws 2009, chapter 94, article 1, section 106."

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

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 2758, A bill for an act relating to state government; ratifying labor agreements and compensation plans.

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

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 2781, A bill for an act relating to labor and industry; modifying licensing provisions; imposing and modifying certain license fees; amending Minnesota Statutes 2008, sections 326B.133, subdivisions 1, 3, 8, 11, by adding subdivisions; 326B.197; 326B.33, subdivisions 18, 20, 21; 326B.42, by adding subdivisions; 326B.44; 326B.46, as amended; 326B.47; 326B.475, subdivision 2; 326B.50, by adding subdivisions; 326B.54; 326B.55, as amended; 326B.56, as amended; 326B.805, subdivision 6; 326B.83, subdivisions 1, 3, 6; 326B.865; 326B.921, subdivisions 2, 4, 7; 326B.922; 326B.978, subdivision 2, by adding a subdivision; 327B.04, subdivision 2; Minnesota Statutes 2009 Supplement, sections 326B.33, subdivision 19; 326B.475, subdivision 4; 326B.49,

subdivision 1; 326B.58; 326B.815, subdivision 1; 326B.86, subdivision 1; 326B.94, subdivision 4; 326B.986, subdivision 5; 327B.04, subdivisions 7, 7a, 8; 327B.041; proposing coding for new law in Minnesota Statutes, chapter 326B; repealing Minnesota Statutes 2008, sections 326B.133, subdivisions 9, 10; 326B.37, subdivision 13; 326B.475, subdivisions 5, 6; 326B.56, subdivision 3; 326B.885, subdivisions 3, 4; 326B.976; Minnesota Statutes 2009 Supplement, section 326B.56, subdivision 4; Minnesota Rules, parts 1301.0500; 1301.0900; 1301.1100, subparts 2, 3, 4; 1350.7200, subpart 3; 1350.8000, subpart 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2008, section 116J.435, as amended by Laws 2009, chapter 35, sections 1, 2; and Laws 2009, chapter 78, article 2, section 12, is amended to read:

**116J.435 BIOSCIENCE AND CLEAN ENERGY BUSINESS DEVELOPMENT PUBLIC INFRASTRUCTURE GRANT PROGRAM.**

Subdivision 1. **Creation of account.** A bioscience and clean energy business development public infrastructure account is created in the bond proceeds fund. Money in the account may only be used for capital costs of public infrastructure for eligible bioscience and clean energy business development projects.

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

(1) "local governmental unit" means a county, city, town, special district, public higher education institution, or other political subdivision or public corporation;

(2) "governing body" means the council, board of commissioners, board of trustees, board of regents, or other body charged with governing a local governmental unit;

(3) "public infrastructure" means publicly owned physical infrastructure in this state, including, but not limited to, wastewater collection and treatment systems, drinking water systems, storm sewers, utility extensions, telecommunications infrastructure, streets, roads, bridges, parking ramps, facilities that support basic science and clinical research, and research infrastructure; ~~and~~

(4) "eligible project" means:

(i) a bioscience business development capital improvement project in this state, including: manufacturing; technology; warehousing and distribution; research and development; bioscience business incubator; agricultural bioprocessing; or industrial, office, or research park development that would be used by a bioscience-based business; or

(ii) a clean energy business development capital improvement project in this state;

(5) "clean energy business" means a business that furthers the development of Minnesota's green economy; and

(6) "green economy" has the meaning given in section 116J.437.

Subd. 3. **Grant program established.** (a) The commissioner shall make competitive grants to local governmental units to acquire and prepare land on which public infrastructure required to support an eligible project will be located, including demolition of structures and remediation of any hazardous conditions on the land, or to predesign, design, acquire, construct, furnish, and equip public infrastructure required to support an eligible project.



The local governmental unit receiving a grant must provide for the remainder of the public infrastructure costs from other sources. The commissioner may waive the requirements related to an eligible project under subdivision 2 if a project would be eligible under this section but for the fact that its location requires infrastructure improvements to residential development.

(b) The amount of a grant may not exceed the lesser of the cost of the public infrastructure or 50 percent of the sum of the cost of the public infrastructure plus the cost of the completed eligible project.

(c) The purpose of the program is to keep or enhance jobs in the area, increase the tax base, or to expand or create new economic development through the growth of new bioscience businesses and organizations.

Subd. 4. **Application.** (a) The commissioner must develop forms and procedures for soliciting and reviewing applications for grants under this section. At a minimum, a local governmental unit must include the following information in its application:

(1) a resolution of its governing body certifying that the money required to be supplied by the local governmental unit to complete the public infrastructure is available and committed;

(2) a detailed estimate, along with necessary supporting evidence, of the total development costs for the public infrastructure and eligible project;

(3) an assessment of the potential or likely use of the site for bioscience or clean energy activities after completion of the public infrastructure and eligible project;

(4) a timeline indicating the major milestones of the public infrastructure and eligible project and their anticipated completion dates;

(5) a commitment from the governing body to repay the grant if the milestones are not realized by the completion date identified in clause (4); and

(6) any additional information or material the commissioner prescribes.

(b) The determination of whether to make a grant under subdivision 3 is within the discretion of the commissioner, subject to this section. The commissioner's decisions and application of the priorities are not subject to judicial review, except for abuse of discretion.

Subd. 5. **Priorities.** (a) If applications for grants exceed the available appropriations, grants must be made for public infrastructure that, in the commissioner's judgment, provides the highest return in public benefits for the public costs incurred. "Public benefits" include job creation, environmental benefits to the state and region, efficient use of public transportation, efficient use of existing infrastructure, provision of affordable housing, multiuse development that constitutes community rebuilding rather than single-use development, crime reduction, blight reduction, community stabilization, and property tax base maintenance or improvement. In making this judgment, the commissioner shall give priority to eligible projects with one or more of the following characteristics:

(1) the potential of the local governmental unit to attract viable bioscience or clean energy businesses;

(2) proximity to public transit if located in a metropolitan county, as defined in section 473.121, subdivision 4;

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

(4) the eligible project is not relocating substantially the same operation from another location in the state, unless the commissioner determines the eligible project cannot be reasonably accommodated within the local governmental unit in which the business is currently located, or the business would otherwise relocate to another state or country; and

(5) the number of jobs that will be created.

(b) The factors in paragraph (a) are not listed in a rank order of priority; rather, the commissioner may weigh each factor, depending upon the facts and circumstances, as the commissioner considers appropriate.

Subd. 6. **Cancellation of grant.** If a grant is awarded to a local governmental unit and funds are not encumbered for the grant within four years after the award date, the grant must be canceled.

Subd. 7. **Repayment of grant.** If an eligible project supported by public infrastructure funded with a grant awarded under this section is not occupied by a bioscience or clean energy business in accordance with the grant application under subdivision 4 within five years after the date of the last grant payment, the grant recipient must repay the amount of the grant received. The commissioner must deposit all money received under this subdivision into the state treasury and credit it to the debt service account in the state bond fund.

Sec. 2. Minnesota Statutes 2008, section 116J.437, subdivision 1, is amended to read:

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

(b) "Green economy" means products, processes, methods, technologies, or services intended to do one or more of the following:

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

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

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

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

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

(6) increase the use of green chemistry, as defined in section 116.9401.

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

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

Sec. 3. Minnesota Statutes 2008, section 116J.8731, subdivision 1, is amended to read:

Subdivision 1. **Purpose.** The Minnesota investment fund is created to provide financial and technical assistance, through partnership with communities, for the creation of new employment or to maintain existing employment, and for business start-up, expansions, and retention. It shall accomplish these goals by the following means:

(1) creation or retention of permanent private-sector jobs in order to create above-average economic growth consistent with environmental protection, which includes investments in technology and equipment that increase productivity and provide for a higher wage;

(2) stimulation or leverage of private investment to ensure economic renewal and competitiveness;

(3) increasing the local tax base, based on demonstrated measurable outcomes, to guarantee a diversified industry mix;

(4) improving the quality of existing jobs, based on increases in wages or improvements in the job duties, training, or education associated with those jobs;

(5) improvement of employment and economic opportunity for citizens in the region to create a reasonable standard of living, consistent with federal and state guidelines on low- to moderate-income persons; and

(6) stimulation of productivity growth through improved manufacturing or new technologies, including cold weather testing.

Sec. 4. Minnesota Statutes 2009 Supplement, section 116J.8731, subdivision 3, is amended to read:

Subd. 3. **Eligible expenditures.** The money appropriated for this section may be used to ~~fund~~:

(1) fund grants for infrastructure, loans, loan guarantees, interest buy-downs, and other forms of participation with private sources of financing, provided that a loan to a private enterprise must be for a principal amount not to exceed one-half of the cost of the project for which financing is sought; ~~and~~

(2) fund strategic investments in renewable energy market development, such as low interest loans for renewable energy equipment manufacturing, training grants to support renewable energy workforce, development of a renewable energy supply chain that represents and strengthens the industry throughout the state, and external marketing to garner more national and international investment into Minnesota's renewable sector. Expenditures in external marketing for renewable energy market development are not subject to the limitations in clause (1); and

(3) provide private entrepreneurs with training, other technical assistance, and financial assistance as provided in the small cities development block grant program.

Sec. 5. Minnesota Statutes 2008, section 116J.8731, subdivision 4, is amended to read:

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

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

(2) increase in the tax base;

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

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

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

(6) the project supports the development of microenterprises, as defined by federal statutes, through financial assistance, technical assistance, advice, or business services;

~~(6)~~ (7) whether assistance is necessary to retain existing business;

~~(7)~~ (8) whether assistance is necessary to attract out-of-state business; and

~~(8)~~ (9) the project promotes or advances the green economy as defined in section 116J.437.

A grant or loan cannot be made based solely on a finding that the conditions in clause ~~(6)~~ (7) or ~~(7)~~ (8) exist. A finding must be made that a condition in clause (1), (2), (3), (4), ~~or~~ (5), or (6) also exists.

Applications recommended for funding shall be submitted to the commissioner.

Sec. 6. Minnesota Statutes 2008, section 116J.996, is amended to read:

**116J.996 MILITARY RESERVIST ECONOMIC INJURY AND VETERAN-OWNED SMALL BUSINESS LOANS.**

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

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

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

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

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

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

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

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

(1) meet its obligations as they mature;

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

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

(i) "Veteran-owned small business" means a small business, as defined in section 645.445, that is majority-owned and operated by a recently separated veteran.

Subd. 2. **Loan program.** The commissioner may make onetime, interest-free loans of up to \$20,000 per borrower to:

(1) eligible businesses that have sustained or are likely to sustain substantial economic injury as a result of the call to active service for 180 days or more of an essential employee; or

(2) recently separated veterans who are veterans as defined in section 197.447, and have served in active military service, at any time on or after September 11, 2001, to start a veteran-owned small business.

Loans for economic injury must be made for the purpose of preventing, remedying, or ameliorating the substantial economic injury.

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

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

Sec. 7. Minnesota Statutes 2008, section 116L.665, subdivision 3, is amended to read:

Subd. 3. **Purpose; duties.** The governor's Workforce Development Council shall replace the governor's Job Training Council and assume all of its requirements, duties, and responsibilities under the Workforce Investment Act. Additionally, the Workforce Development Council shall assume the following duties and responsibilities:

(a) Review the provision of services and the use of funds and resources under applicable federal human resource programs and advise the governor on methods of coordinating the provision of services and the use of funds and resources consistent with the laws and regulations governing the programs. For purposes of this section, applicable federal and state human resource programs mean the:

(1) Workforce Investment Act, United States Code, title 29, section 2911, et seq.;

(2) Carl D. Perkins Vocational and Applied Technology Education Act, United States Code, title 20, section 2301, et seq.;

(3) Adult Education Act, United States Code, title 20, section 1201, et seq.;

(4) Wagner-Peyser Act, United States Code, title 29, section 49;

(5) Personal Responsibility and Work Opportunities Act of 1996 (TANF);

(6) Food Stamp Act of 1977, United States Code, title 7, section 6(d)(4), Food Stamp Employment and Training Program, United States Code, title 7, section 2015(d)(4); and

(7) programs defined in section 116L.19, subdivision 5.

Additional federal and state programs and resources can be included within the scope of the council's duties if recommended by the governor after consultation with the council.

(b) Review federal, state, and local education, postsecondary, job skills training, and youth employment programs, and make recommendations to the governor and the legislature for establishing an integrated seamless system for providing education and work skills development services to learners and workers of all ages.

(c) Advise the governor on the development and implementation of statewide and local performance standards and measures relating to applicable federal human resource programs and the coordination of performance standards and measures among programs.

(d) Promote education and employment transitions programs and knowledge and skills of entrepreneurship among employers, workers, youth, and educators, and encourage employers to provide meaningful work-based learning opportunities;

(e) Evaluate and identify exemplary education and employment transitions programs and provide technical assistance to local partnerships to replicate the programs throughout the state.

(f) Advise the governor on methods to evaluate applicable federal human resource programs.

(g) Sponsor appropriate studies to identify human investment needs in Minnesota and recommend to the governor goals and methods for meeting those needs.

(h) Recommend to the governor goals and methods for the development and coordination of a human resource system in Minnesota.

(i) Examine federal and state laws, rules, and regulations to assess whether they present barriers to achieving the development of a coordinated human resource system.

(j) Recommend to the governor and to the federal government changes in state or federal laws, rules, or regulations concerning employment and training programs that present barriers to achieving the development of a coordinated human resource system.

(k) Recommend to the governor and to the federal government waivers of laws and regulations to promote coordinated service delivery.

(l) Sponsor appropriate studies and prepare and recommend to the governor a strategic plan which details methods for meeting Minnesota's human investment needs and for developing and coordinating a state human resource system.

(m) Provide the commissioner of employment and economic development and the committees of the legislature with responsibility for economic development with recommendations provided to the governor under this subdivision.

(n) In consultation with local workforce councils and the Department of Employment and Economic Development, develop an ongoing process to identify and address local gaps in workforce services.

Sec. 8. Minnesota Statutes 2008, section 116L.665, subdivision 6, is amended to read:

Subd. 6. **Staffing.** The Department of Employment and Economic Development must provide staff support, including but not limited to professional, technical, and clerical staff necessary to perform the duties assigned to the Minnesota Workforce Development Council. The support includes professional, technical, and clerical staff necessary to perform the duties assigned to the Workforce Development Council. All staff report to the commissioner. The council may ask for assistance from other units of state government as it requires in order to fulfill its duties and responsibilities.

Sec. 9. Minnesota Statutes 2008, section 116L.665, is amended by adding a subdivision to read:

Subd. 8. **Funding.** The commissioner shall develop recommendations on a funding formula for allocating Workforce Investment Act funds to the council with a minimum allocation of \$350,000 per year. The commissioner shall report the funding formula recommendations to the legislature by January 15, 2011.

Sec. 10. **[116L.98] WORKFORCE PROGRAM OUTCOMES.**

The commissioner shall develop and implement a set of standard approaches for assessing the outcomes of workforce programs under this chapter. The outcomes assessed must include, but are not limited to, periodic comparisons of workforce program participants and nonparticipants.

The commissioner shall also monitor the activities and outcomes of programs and services funded by legislative appropriations and administered by the department on a pass-through basis and develop a consistent and equitable method of assessing recipients for the costs of its monitoring activities.

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

Sec. 11. **[116W.01] MINNESOTA SCIENCE AND TECHNOLOGY AUTHORITY ACT.**

This chapter may be cited as the "Minnesota Science and Technology Authority Act."

Sec. 12. **[116W.02] DEFINITIONS.**

Subdivision 1. **Applicability.** For the purposes of this chapter, the terms in this section have the meanings given them.

Subd. 2. **Authority.** "Authority" means the Minnesota Science and Technology Authority.

Subd. 3. **Eligible recipient.** "Eligible recipient" means an entity primarily operating to create and retain jobs in the state's industrial base and maximize the economic growth of the state through:

(1) high-technology research and development capabilities;

(2) product and process innovation and commercialization;

(3) high-technology manufacturing capabilities;

(4) science and technology business environment; or

(5) science and technology workforce preparation.

Subd. 4. **Advisory commission.** "Advisory commission" means the advisory commission under section 116W.051.

Sec. 13. **[116W.03] MINNESOTA SCIENCE AND TECHNOLOGY AUTHORITY.**

Subdivision 1. **Membership.** The Minnesota Science and Technology Authority consists of the commissioner of employment and economic development, the commissioner of management and budget, the commissioner of revenue, the commissioner of commerce, and the commissioner of agriculture.

Subd. 2. **Chair; other officers.** The commissioner of employment and economic development shall serve as the chair and chief executive officer of the authority. The authority shall rotate the position of vice chair annually among its members. The commissioner of employment and economic development shall convene the first meeting of the authority no later than July 1, 2010. In the absence of the chair or vice chair at meetings of the authority members may elect a chair for the meeting, and may elect other officers as necessary from its members.

Subd. 3. **Delegation.** In addition to any powers to delegate that members of the authority have as commissioners, they may delegate to the chair, vice chair, or executive director their responsibilities as members of the authority for reviewing and approving financing of eligible projects, projects that have been authorized by law, or programs specifically authorized by resolution of the authority.

Subd. 4. **Actions.** (a) A majority of the authority, excluding vacancies, constitutes a quorum to conduct its business, to exercise its powers, and for all other purposes.

(b) The authority may conduct its business by any technological means available, including teleconference calls or interactive video, that allows for an interaction between members. If a meeting is conducted under this paragraph, a specific location must be available for the public to attend the meeting and at least one member must be present at that location.

Subd. 5. **Executive director; staffing.** The authority shall employ an executive director in the unclassified service. The initial executive director must be the individual in the position of director of the Office of Science and Technology as of January 1, 2010, under section 116J.657. The executive director is responsible for hiring staff necessary to assist the executive director to carry out the duties and responsibilities of the authority. The executive director shall perform duties that the authority may require in carrying out its responsibilities to manage and implement the funds and programs in this chapter, and comply with all state and federal program requirements, and state and federal securities and tax laws and regulations. The executive director shall assist the advisory board in fulfilling its duties under this chapter.

Subd. 6. **Administrative services.** The authority shall enter into agreements for administrative and professional services and technical support.

Subd. 7. **Expiration.** The authority is permanent and the provisions of section 15.059, subdivision 5, do not apply.

Sec. 14. **[116W.04] POWERS AND DUTIES.**

Subdivision 1. **Duties.** The Science and Technology Authority shall:

(1) coordinate public and private efforts to procure federal funding for collaborative research and development projects of primary benefit to small-sized and medium-sized businesses;



(2) promote contractual relationships between Minnesota businesses that are recipients of federal grants and prime contractors, and Minnesota-based subcontractors;

(3) work with Minnesota nonprofit institutions including the University of Minnesota, Minnesota State Colleges and Universities, and the Mayo Clinic in promoting collaborative efforts to respond to federal funding opportunities;

(4) develop a framework for Minnesota companies to establish sole-source relationships with federal agencies;

(5) provide grants or other forms of financial assistance to eligible recipients for purposes of this chapter;

(6) coordinate workshops, assistance with business proposals, licensing, intellectual property protection, commercialization, and government auditing with the University of Minnesota and Minnesota State Colleges and Universities; and

(7) develop and implement a comprehensive science and technology economic development strategy for the state.

**Subd. 2. Technology matchmaking.** The authority must assist businesses in identifying qualified suppliers and vendors through a program to serve as a conduit for Minnesota-based companies to network with firms able to support their success. Firms outside Minnesota can participate in the technology matchmaking network if one of the participating companies is located in Minnesota.

**Subd. 3. Commercialization assistance.** The authority must provide commercialization assistance to Minnesota firms that have received a Phase I Small Business Innovation Research (SBIR) or a Phase I Small Business Technology Transfer (STTR) award and are submitting a Phase II proposal. Local service providers must assist the applicant with developing and reviewing the required commercialization plan prior to Phase II submission. The authority may provide SBIR Phase I proposal technical review.

**Subd. 4. Power to sue; enter contracts.** The authority may sue and be sued. The authority may make and enter into contracts, leases, and agreements necessary to perform its duties and exercise its powers.

**Subd. 5. Gifts; grants.** The authority may apply for, accept, and disburse gifts, grants, loans, or other property from the United States, the state, private sources, or any other source for any of its purposes. Money received by the authority under this subdivision must be deposited in the state treasury and is appropriated to the authority to carry out its duties.

**Subd. 6. Contract for services.** The authority may retain or contract for the services of accountants, financial advisors, and other consultants or agents needed to perform its duties and exercise its powers.

**Subd. 7. Fees.** The authority may set and collect fees for costs incurred by the authority, the Department of Employment and Economic Development, the Department of Management and Budget, the Department of Revenue, the Department of Commerce, the Department of Labor and Industry, and the Department of Agriculture, including costs for personnel, professional, and administrative services.

**Subd. 8. Reports.** (a) The authority shall report by February 1 each year to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over finance and economic development on its progress to design, coordinate, and administer a strategic science and technology program for the state to promote the welfare of the people of the state, maximize the economic growth of the state, and create and retain jobs in the state's industrial base through enhancement of Minnesota's:

(1) high-technology research and development capabilities;

(2) product and process innovation and commercialization;

(3) high-technology manufacturing capabilities;

(4) science and technology business environment; and

(5) science and technology workforce preparation.

(b) The report must include a complete operating and financial statement covering the authority's operations during the year, including amounts of income from all sources. Books and records of the authority are subject to audit by the legislative auditor in the manner prescribed for state agencies.

Subd. 9. **Consultative and technical services.** The authority may provide general consultative and technical services to assist eligible projects and enter into agreements or other transactions concerning the receipt or provision of those services.

Subd. 10. **Financial information.** Financial information, including credit reports, financial statements, and net worth calculations, received or prepared by the authority regarding financial assistance, is private data with regard to data on individuals as defined in section 13.02, subdivision 12, and nonpublic data with regard to data not on individuals as defined in section 13.02, subdivision 9.

Subd. 11. **General.** The authority shall have all powers necessary and appropriate to fulfill its responsibilities under this chapter.

Sec. 15. **[116W.05] PROJECT FINANCIAL ASSISTANCE.**

Subdivision 1. **Determination of financial assistance.** The authority shall assist eligible recipients in identifying grants or other sources of financial assistance available to finance projects and may assist eligible recipients in applying for and obtaining grants and other forms of assistance.

Subd. 2. **Financial feasibility review.** (a) The authority shall review the proposed financing for each project submitted to the authority to determine whether: (1) the proposed project and financing plan is an eligible use of the money; and (2) the proposal is in compliance with applicable state and federal tax and securities laws and regulations. Grants in excess of \$50,000 must be approved by the authority. Grants of \$50,000 or less may be authorized by the executive director. All grant approvals or disapprovals must be completed within 30 days of submission to the authority. Grants approved by the executive director must be reviewed by the authority each month.

(b) Unless a project is specifically authorized by law, the authority may reject the proposed financing for a project meeting the requirements in paragraph (a) if there are not sufficient funds available or if a majority of members believe the financing of the project would not be in the best interests of the state or would be detrimental to the authority's funds or programs. A determination to reject a proposed project must not be made in an arbitrary and capricious manner and must be supported by substantive evidence and documented by a resolution of the authority stating its findings.

Sec. 16. **[116W.051] ADVISORY COMMISSION.**

Subdivision 1. **Advisory commission membership.** A Science and Technology Initiative Advisory Commission of 17 members is established and is comprised of:

(1) two representatives of the University of Minnesota, selected by the president of the university, including a faculty member actively involved in science and technology research;

- (2) a representative of Minnesota State Colleges and Universities, selected by the chancellor;
- (3) the chief executive officer of the Mayo Clinic or a designee;
- (4) six chief executive officers or designees from science-oriented or technology-oriented companies;
- (5) four representatives from science-oriented and technology-oriented organizations;
- (6) one representative of organized labor;
- (7) a venture capital representative; and
- (8) a representative of angel investors.

A member must have experience in science or technology in order to serve on the commission.

Members of the commission listed in clauses (4) to (8) shall be appointed by the authority.

Subd. 2. **Advisory commission duties.** The advisory commission must assist the authority in developing a comprehensive science and technology economic development plan to be presented to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over economic development by January 15, 2011. The plan must include recommendations in strategic areas for science and technology investments, recommendations on additional programs to support science and technology focused economic development activities in the state, selection of specific programs and grantees for support from program funds authorized by the advisory commission and ongoing assessment of the effectiveness of programmatic elements according to metrics to be developed by the authority in consultation with the advisory commission. The advisory commission may also advise and assist the authority in fulfilling its duties under section 116W.04.

Subd. 3. **Membership terms; vacancies; compensation.** The membership terms, removal of members, filling of vacancies and compensation of members are as provided under section 15.059. The compensation required under this section must be paid by the authority.

Subd. 4. **Expiration.** The advisory commission expires June 30, 2013.

Subd. 5. **Convening of meetings; staffing.** The executive director of the authority must convene the first meeting of the commission by August 1, 2010. The executive director must provide administrative support and staff to the commission.

#### Sec. 17. **[116W.20] MONEY OF THE AUTHORITY.**

Subdivision 1. **Functions of commissioner of management and budget.** Except as otherwise provided in this section, money of the authority must be paid to the commissioner of management and budget as agent of the authority and the commissioner shall not commingle the money with other money. The money in the accounts of the authority must be paid out only on warrants drawn by the commissioner of management and budget on requisition of the executive director of the authority or of another officer or employee as the authority authorizes. Deposits of the authority's money must, if required by the commissioner or the authority, be secured by obligations of the United States or of the state of a market value equal at all times to the amount of the deposit and all banks and trust companies are authorized to give security for the deposits. All money paid to the commissioner as agent of the authority is appropriated to the authority. The commissioner must annually report to the committees of the legislature with responsibility for economic development and management and budget on the use of appropriations under this section.

Subd. 2. **System of accounts.** The commissioner of management and budget shall prescribe a system of accounts.

Sec. 18. **[116W.21] NONLIABILITY.**

Subdivision 1. **Nonliability of individuals.** No member of the authority, staff of the authority, or other person executing other agreements or contracts of the authority is liable personally or is subject to any personal liability or accountability by reason of their issuance, execution, delivery, or performance.

Subd. 2. **Nonliability of state.** The state is not liable on loans or other agreements or contracts of the authority issued or entered into under this chapter and the loans or other agreements or contracts of the authority are not a debt of the state. The loans or other agreements or contracts of the authority must contain on their face a statement to that effect.

Sec. 19. **[116W.23] STATE PLEDGE AGAINST IMPAIRMENT OF CONTRACTS.**

The state pledges and agrees with parties to any loans or other agreements or contracts of the authority that the state will not: (1) limit or alter the rights vested in the authority to fulfill the terms of any agreements made with the parties to any loans or other agreements or contracts of the authority; or (2) in any way impair the rights and remedies of the parties to any loans or other agreements or contracts of the authority. The authority may include this pledge and agreement of the state in any agreement with the parties in any loans or other agreements or contracts of the authority.

Sec. 20. **[116W.24] RESERVES; FUNDS; ACCOUNTS.**

The authority may establish reserves, funds, or accounts necessary to carry out the purposes of the authority or to comply with any agreement made by or any resolution passed by the authority.

Sec. 21. Minnesota Statutes 2008, section 136F.06, is amended by adding a subdivision to read:

Subd. 4. **Workforce focus.** The board must identify colleges offering flexible academic programs that accommodate the needs of laid-off workers and assist its other institutions in determining whether to offer similar programs. Colleges must increase the number of certificate programs available to meet the needs of unemployed Minnesotans.

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

Sec. 22. Minnesota Statutes 2008, section 268.035, is amended by adding a subdivision to read:

Subd. 21b. **Staffing service.** A "staffing service" is an employer whose business involves employing individuals directly for the purpose of furnishing temporary assignment workers to clients of the staffing service.

Sec. 23. Minnesota Statutes 2009 Supplement, section 268.035, subdivision 23a, is amended to read:

Subd. 23a. **Suitable employment.** (a) Suitable employment means employment in the applicant's labor market area that is reasonably related to the applicant's qualifications. In determining whether any employment is suitable for an applicant, the degree of risk involved to the health and safety, physical fitness, prior training, experience, length of unemployment, prospects for securing employment in the applicant's customary occupation, and the distance of the employment from the applicant's residence is considered.

(b) In determining what is suitable employment, primary consideration is given to the temporary or permanent nature of the applicant's separation from employment and whether the applicant has favorable prospects of finding employment in the applicant's usual or customary occupation at the applicant's past wage level within a reasonable period of time.

If prospects are unfavorable, employment at lower skill or wage levels is suitable if the applicant is reasonably suited for the employment considering the applicant's education, training, work experience, and current physical and mental ability.

The total compensation must be considered, including the wage rate, hours of employment, method of payment, overtime practices, bonuses, incentive payments, and fringe benefits.

(c) When potential employment is at a rate of pay lower than the applicant's former rate, consideration must be given to the length of the applicant's unemployment and the proportion of difference in the rates. Employment that may not be suitable because of lower wages during the early weeks of the applicant's unemployment may become suitable as the duration of unemployment lengthens.

(d) For an applicant seasonally unemployed, suitable employment includes temporary work in a lower skilled occupation that pays average gross weekly wages equal to or more than 150 percent of the applicant's weekly unemployment benefit amount.

(e) If a majority of the applicant's weeks of employment in the base period includes part-time employment, part-time employment in a position with comparable skills and comparable hours that pays comparable wages is considered suitable employment.

Full-time employment is not considered suitable employment for an applicant if a majority of the applicant's weeks of employment in the base period includes part-time employment.

(f) To determine suitability of employment in terms of shifts, the arrangement of hours in addition to the total number of hours is to be considered. Employment on a second, third, rotating, or split shift is suitable employment if it is customary in the occupation in the labor market area.

(g) Employment is not considered suitable if:

(1) the position offered is vacant because of a labor dispute;

(2) the wages, hours, or other conditions of employment are substantially less favorable than those prevailing for similar employment in the labor market area; ~~or~~

(3) as a condition of becoming employed, the applicant would be required to join a company union or to resign from or refrain from joining any bona fide labor organization; or

(4) the employment is with a staffing service and less than 75 percent of the applicant's wage credits are from a job assignment with the client of a staffing service. A job assignment with a staffing service is considered suitable only if 75 percent or more of the applicant's wage credits are from job assignments with clients of a staffing service and the job assignment meets the definition of suitable employment under paragraph (a).

Sec. 24. Minnesota Statutes 2008, section 268.085, subdivision 16, is amended to read:

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

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

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

(d) Actively seeking a suitable job assignment or other employment with a staffing service is considered actively seeking suitable employment.

(e) An applicant who is seeking employment only through a union is considered actively seeking suitable employment if the applicant is in an occupation where hiring in that locality is done through the union. If the applicant is a union member who is restricted to obtaining employment among signatory contractors in the construction industry, seeking employment only with those signatory contractors is considered actively seeking employment. The applicant must be a union member in good standing, registered with the union for employment, and in compliance with other union rules to be considered "actively seeking suitable employment."

Sec. 25. Minnesota Statutes 2009 Supplement, section 268.095, subdivision 2, is amended to read:

Subd. 2. **Quit defined.** (a) A quit from employment occurs when the decision to end the employment was, at the time the employment ended, the employee's.

(b) An employee who has been notified that the employee will be discharged in the future, who chooses to end the employment while employment in any capacity is still available, is considered to have quit the employment.

(c) An employee who seeks to withdraw a previously submitted notice of quitting is considered to have quit the employment if the employer does not agree that the notice may be withdrawn.

(d) An applicant who, within five calendar days after completion of a suitable ~~temporary~~ job assignment from a staffing service ~~employer~~, (1) fails without good cause to affirmatively request an additional suitable job assignment, (2) refuses without good cause an additional suitable job assignment offered, or (3) accepts employment with the client of the staffing service, is considered to have quit employment with the staffing service. Accepting employment with the client of the staffing service meets the requirements of the exception to ineligibility under subdivision 1, clause (2).

This paragraph applies only if, at the time of beginning of employment with the staffing service ~~employer~~, the applicant signed and was provided a copy of a separate document written in clear and concise language that informed the applicant of this paragraph and that unemployment benefits may be affected.

For purposes of this paragraph, "good cause" is a reason that is significant and would compel an average, reasonable worker, who would otherwise want an additional temporary suitable job assignment with the staffing service ~~employer~~, (1) to fail to contact the staffing service ~~employer~~, or (2) to refuse an offered assignment.

~~For purposes of this paragraph, a "staffing service employer" is an employer whose business involves employing individuals directly for the purpose of furnishing temporary job assignment workers to clients of the staffing service.~~

Sec. 26. Minnesota Statutes 2008, section 268.095, subdivision 5, is amended to read:

Subd. 5. **Discharge defined.** (a) A discharge from employment occurs when any words or actions by an employer would lead a reasonable employee to believe that the employer will no longer allow the employee to work for the employer in any capacity. A layoff because of lack of work is considered a discharge. A suspension from employment without pay of more than 30 calendar days is considered a discharge.

(b) An employee who gives notice of intention to quit the employment and is not allowed by the employer to work the entire notice period is considered discharged from the employment as of the date the employer will no longer allow the employee to work. If the discharge occurs within 30 calendar days before the intended date of quitting, then, as of the intended date of quitting, the separation from employment is considered a quit from employment subject to subdivision 1.

(c) The end of a job assignment with the client of a staffing service is considered a discharge from employment with the staffing service unless section 268.095, subdivision 2, paragraph (d), applies.

Sec. 27. Minnesota Statutes 2009 Supplement, section 268.095, subdivision 6, is amended to read:

Subd. 6. **Employment misconduct defined.** (a) Employment misconduct means any ~~intentional, negligent, or indifferent~~ conduct, on the job or off the job that ~~displays clearly~~

~~(1) a serious is an egregious~~ violation of the standards of behavior the employer has the right to reasonably expect of the employee; ~~or and displays clearly~~

~~(2)~~ a substantial lack of concern for the employment.

(b) Regardless of paragraph (a), the following is not employment misconduct:

(1) conduct that was a consequence of the applicant's mental illness or impairment;

(2) conduct that was a consequence of the applicant's inefficiency or inadvertence;

(3) simple unsatisfactory conduct;

(4) conduct an average reasonable employee would have engaged in under the circumstances;

(5) ~~poor performance because of~~ conduct that was a consequence of the applicant's inability or incapacity;

(6) good faith errors in judgment if judgment was required;

(7) absence because of illness or injury of the applicant, with proper notice to the employer;

(8) absence, with proper notice to the employer, in order to provide necessary care because of the illness, injury, or disability of an immediate family member of the applicant;

(9) conduct that was a ~~direct result~~ consequence of the applicant's chemical dependency, unless the applicant was previously diagnosed chemically dependent or had treatment for chemical dependency, and since that diagnosis or treatment has failed to make consistent efforts to control the chemical dependency; or

(10) conduct that was a ~~result~~ consequence of the applicant, or an immediate family member of the applicant, being a victim of domestic abuse as defined under section 518B.01. Domestic abuse must be shown as provided for in subdivision 1, clause (9).

(c) Regardless of paragraph (b), clause (9), conduct in violation of sections 169A.20, 169A.31, or 169A.50 to 169A.53 that interferes with or adversely affects the employment is employment misconduct.

(d) If the conduct for which the applicant was discharged involved only a single incident, that is an important fact that must be considered in deciding whether the conduct rises to the level of employment misconduct under paragraph (a).

(e) The definition of employment misconduct provided by this subdivision is exclusive and no other definition applies. The term "egregious," as used in this subdivision, sets a high threshold and application of the term must take into consideration section 268.031, subdivision 2.

**EFFECTIVE DATE.** This section is effective for determinations under section 268.101, subdivision 2, and appeal decisions under section 268.105, subdivision 1, issued on and after the Sunday following final enactment.

Sec. 28. Minnesota Statutes 2008, section 268.101, is amended by adding a subdivision to read:

**Subd. 2a. Telephone number.** Every determination issued under subdivision 2 must include a prominently displayed telephone number that an applicant or involved employer can call to speak with an unemployment insurance specialist and obtain further explanation about the determination and have any questions answered. The specialist must, when appropriate, issue an amended determination as provided for in subdivision 4. The listed telephone number must be unique to a specialized call group trained to handle calls involving determinations.

**EFFECTIVE DATE.** This section is effective October 3, 2010, and expires September 30, 2012.

Sec. 29. Minnesota Statutes 2009 Supplement, section 268.105, subdivision 1, is amended to read:

Subdivision 1. **Evidentiary hearing by unemployment law judge.** (a) Upon a timely appeal having been filed, the department must send, by mail or electronic transmission, a notice of appeal to all involved parties that an appeal has been filed, and that a de novo due process evidentiary hearing will be scheduled. The notice must set out the parties' rights and responsibilities regarding the hearing. The notice must explain that the facts will be determined by the unemployment law judge based upon a preponderance of the evidence. The notice must explain in clear and simple language the meaning of the term "preponderance of the evidence." The department must set a time and place for a de novo due process evidentiary hearing and send notice to any involved applicant and any involved employer, by mail or electronic transmission, not less than ten calendar days before the date of the hearing.

(b) The evidentiary hearing is conducted by an unemployment law judge as an evidence gathering inquiry. At the beginning of the hearing the unemployment law judge must fully explain how the hearing will be conducted, that the applicant has the right to request that the hearing be rescheduled so that documents or witnesses can be subpoenaed, that the facts will be determined based on a preponderance of the evidence, and, in clear and simple language, the meaning of the term "preponderance of the evidence." The unemployment law judge must ensure that all relevant facts are clearly and fully developed. The department may adopt rules on evidentiary hearings. The rules need not conform to common law or statutory rules of evidence and other technical rules of procedure. The department has discretion regarding the method by which the evidentiary hearing is conducted. A report of any employee of the department, except a determination, made in the regular course of the employee's duties, is competent evidence of the facts contained in it. An affidavit or written statement based on personal knowledge and signed under penalty of perjury is competent evidence of the facts contained in it; however, the veracity of statements contained within the document or the credibility of the witness making the statement may be disputed with other documents or testimony and production of such documents or testimony may be compelled by subpoena.

(c) After the conclusion of the hearing, upon the evidence obtained, the unemployment law judge must make findings of fact and decision and send those, by mail or electronic transmission, to all involved parties. When the credibility of an involved party or witness testifying in an evidentiary hearing has a significant effect on the outcome of a decision, the unemployment law judge must set out the reason for crediting or discrediting that testimony. The unemployment law judge's decision is final unless a request for reconsideration is filed under subdivision 2.



(d) Regardless of paragraph (c), if the appealing party fails to participate in the evidentiary hearing, the unemployment law judge has the discretion to dismiss the appeal by summary order. By failing to participate, the appealing party is considered to have failed to exhaust available administrative remedies unless the appealing party files a request for reconsideration under subdivision 2 and establishes good cause for failing to participate in the evidentiary hearing under subdivision 2, paragraph (d). Submission of a written statement does not constitute participation. The applicant must participate personally and appearance solely by a representative does not constitute participation.

(e) Only employees of the department who are attorneys licensed to practice law in Minnesota may serve as the chief unemployment law judge, senior unemployment law judges who are supervisors, or unemployment law judges. The commissioner must designate a chief unemployment law judge. The chief unemployment law judge may transfer to another unemployment law judge any proceedings pending before an unemployment law judge.

(f) A full-time unemployment law judge must be paid a salary of a minimum of 55 percent and a maximum of 75 percent of the salary set under section 15A.083, subdivision 7, for a workers' compensation judge. The salary paid within that range to any single unemployment law judge is based on experience and performance.

**EFFECTIVE DATE.** This section is effective July 1, 2010, and applies to all new unemployment law judges hired on or after that date.

Sec. 30. Minnesota Statutes 2008, section 268.184, subdivision 1, is amended to read:

Subdivision 1. **Administrative penalties.** (a) The commissioner shall penalize an employer if that employer or any employee, officer, or agent of that employer, is in collusion with any applicant for the purpose of assisting the applicant to receive unemployment benefits fraudulently. The penalty is \$500 or the amount of unemployment benefits determined to be overpaid, whichever is greater.

(b) The commissioner shall penalize an employer if that employer or any employee, officer, or agent of that employer (1) made a false statement or representation knowing it to be false, (2) made a false statement or representation without a good faith belief as to correctness of the statement or representation, ~~or~~ (3) knowingly failed to disclose a material fact, or (4) made an offer of employment to an applicant when, in fact, the employer had no employment available, but only if the employer's action:

(i) was taken to prevent or reduce the payment of unemployment benefits to any applicant;

(ii) was taken to reduce or avoid any payment required from an employer under this chapter or section 116L.20; or

(iii) caused an overpayment of unemployment benefits to an applicant.

The penalty is \$500, or 50 percent of the overpaid or reduced unemployment benefits or payment required, whichever is greater.

(c) The commissioner shall penalize an employer if that employer failed or refused to honor a subpoena issued under section 268.105, subdivision 4, or section 268.188. The penalty is \$500 and any costs of enforcing the subpoena, including attorney fees.

(d) Penalties under this subdivision are in addition to any other penalties and subject to the same collection procedures that apply to past due taxes. Penalties must be paid within 30 calendar days of assessment and credited to the contingent account.

(e) The assessment of the penalty is final unless the employer files an appeal within 20 calendar days after the sending of notice of the penalty to the employer by mail or electronic transmission. Proceedings on the appeal are conducted in accordance with section 268.105.

Sec. 31. **[326B.091] DEFINITIONS.**

Subdivision 1. **Applicability.** For purposes of sections 326B.091 to 326B.098, the terms defined in this section have the meanings given them.

Subd. 2. **Applicant.** "Applicant" means a person who has submitted to the department an application for a license.

Subd. 3. **License.** "License" means any registration, certification, or other form of approval authorized by chapters 326B and 327B to be issued by the commissioner or department as a condition of doing business or conducting a trade, profession, or occupation in Minnesota. License includes specifically but not exclusively an authorization issued by the commissioner or department: to perform electrical work, plumbing or water conditioning work, high pressure piping work, or residential building work of a residential contractor, residential remodeler, or residential roofer; to install manufactured housing; to serve as a building official; or to operate a boiler or boat.

Subd. 4. **Licensee.** "Licensee" means the person named on the license as the person authorized to do business or conduct the trade, profession, or occupation in Minnesota.

Subd. 5. **Notification date.** "Notification date" means the date of the written notification from the department to an applicant that the applicant is qualified to take the examination required for licensure.

Subd. 6. **Renewal deadline.** "Renewal deadline," when used with respect to a license, means 30 days before the date that the license expires.

Sec. 32. **[326B.092] FEES.**

Subdivision 1. **Licenses requiring examination administered by commissioner.** (a) If the applicant for a license must pass an examination administered by the commissioner in order to obtain the license, then the application for the initial license must be accompanied by an application and examination fee of \$50, which is separate from the license fee. The license fee is due after the applicant passes the examination and before the license is issued.

(b) If the applicant for a Minnesota license holds a license in another state and is seeking Minnesota licensure without examination based on reciprocity, then the application for the Minnesota license must be accompanied by the application and examination fee of \$50, which is separate from the license fee. If the commissioner approves the application, then the license fee is due before the license is issued.

Subd. 2. **Licenses not requiring examination administered by commissioner.** If the applicant for a license is not required to pass an examination in order to obtain the license, or is required to pass an examination that is not administered by the commissioner, then the license fee must accompany the application for the license. If the application is for a license issued under sections 326B.802 to 326B.885 and is not an application for license renewal, then the contractor recovery fund fee required under section 326B.89, subdivision 3, is due after the department has determined that the applicant meets the qualifications for licensing and before the license is issued.

Subd. 3. **Late fee.** The department must receive a complete application for license renewal by the renewal deadline but not more than 90 days before the renewal deadline. If the department receives a renewal application after the expiration of the license, then the renewal application must be accompanied by a late fee equal to one-half of the license renewal fee; except that, for the purpose of calculating the late fee only, the license renewal fee shall not include any contractor recovery fund fee required by section 326B.89, subdivision 3.

Subd. 4. **Lapsed licensed fee.** If the department receives a renewal application within two years after expiration of the license, the renewal application must be accompanied by all license renewal fees to cover the period that the license was expired, plus the late fee described in subdivision 3 and the license renewal fee for the current renewal period.

Subd. 5. **Insufficient fees.** If the applicant does not include all required fees with the application, then the application will be incomplete and the department will notify the applicant of the amount of the deficiency.

Subd. 6. **Fees nonrefundable.** Application and examination fees, license fees, license renewal fees, and late fees are nonrefundable except for:

(1) license renewal fees received more than two years after expiration of the license, as described in section 326B.094, subdivision 2;

(2) any overpayment of fees; and

(3) if the license is not renewed, the contractor recovery fund fee and any additional assessment paid under subdivision 7, paragraph (e).

Subd. 7. **License fees and license renewal fees.** (a) The license fee for each license except a renewed license shall be the base license fee plus any applicable board fee, as set forth in this subdivision. The license renewal fee for each renewed license is the base license fee plus any applicable board fee, continuing education fee, and contractor recovery fund fee and additional assessment, as set forth in this subdivision.

(b) For purposes of this section, "license duration" means the number of years for which the license is issued except that:

(1) if the initial license is not issued for a whole number of years, the license duration shall be rounded up to the next whole number; and

(2) if the department receives an application for license renewal after the renewal deadline, license duration means the number of years for which the renewed license would have been issued if the renewal application had been submitted on time and all other requirements for renewal had been met.

(c) The base license fee shall depend on whether the license is classified as an entry level, master, journeyman, or business license, and on the license duration. The base license fee shall be:

<u>License Classification</u>	<u>License Duration</u>		
	<u>1 Year</u>	<u>2 Years</u>	<u>3 Years</u>
<u>Entry level</u>	<u>\$10</u>	<u>\$20</u>	<u>\$30</u>
<u>Journeyman</u>	<u>\$20</u>	<u>\$40</u>	<u>\$60</u>
<u>Master</u>	<u>\$40</u>	<u>\$80</u>	<u>\$120</u>
<u>Business</u>	<u>\$90</u>	<u>\$180</u>	<u>\$270</u>

(d) If there is a continuing education requirement for renewal of the license, then a continuing education fee must be included in the renewal license fee. The continuing education fee for all license classifications shall be: \$10 if the renewal license duration is one year; \$20 if the renewal license duration is two years; and \$30 if the renewal license duration is three years.

(e) If the license is issued under sections 326B.31 to 326B.59 or 326B.90 to 326B.93, then a board fee must be included in the license fee and the renewal license fee. The board fee for all license classifications shall be: \$4 if the license duration is one year; \$8 if the license duration is two years; and \$12 if the license duration is three years.

(f) If the application is for the renewal of a license issued under sections 326B.802 to 326B.885, then the contractor recovery fund fee required under section 326B.89, subdivision 3, and any additional assessment required under section 326B.89, subdivision 16, must be included in the license renewal fee.

Sec. 33. **[326B.093] LICENSES REQUIRING EXAMINATION ADMINISTERED BY COMMISSIONER.**

Subdivision 1. **Qualifications for examination.** If the applicant for a license must pass an examination administered by the commissioner in order to obtain the license, then the applicant's complete application must demonstrate that the applicant is qualified to take the examination. The applicant is qualified to take the examination if the applicant meets all requirements for the license except for passing the examination.

Subd. 2. **Not qualified for examination.** If the applicant is not qualified to take the examination, then the commissioner must deny the application. The applicant may subsequently submit another application, accompanied by the required fee.

Subd. 3. **Taking the examination.** If the applicant is qualified to take the examination, then the department must notify the applicant, and the applicant may schedule a time to take the examination within one year after the notification date. If the applicant does not take the examination at the scheduled time, the applicant may, one time only, reschedule a time to take the examination on a date within one year after the notification date. If the applicant fails to take the examination within one year after the notification date, the commissioner must deny the application and the applicant forfeits the application/examination fee. The applicant may subsequently submit another application, accompanied by the required application/examination fee.

Subd. 4. **Examination results.** If the applicant receives a passing score on the examination and meets all other requirements for licensure, the commissioner must approve the application and notify the applicant of the approval within 60 days of the date of the passing score. The applicant must, within 90 days after the notification of approval, pay the license fee. Upon receipt of the license fee, the commissioner must issue the license. If the applicant does not pay the license fee within 90 days after the notification of approval, the commissioner will rescind the approval and must deny the application. If the applicant does not receive a passing score on the examination, the commissioner must deny the application. If the application is denied because of the applicant's failure to receive a passing score on the examination, then the applicant cannot submit a new application for the license until at least 30 days after the notification of denial.

Sec. 34. **[326B.094] RENEWAL OF LICENSES.**

Subdivision 1. **Expiration of licenses.** Unless and until the department or commissioner issues a renewal of a license, the license expires on the expiration date printed on the license. While the license is expired, the licensee cannot perform the activities authorized by the license.

Subd. 2. **Availability of renewal.** A licensee may apply to renew a license no later than two years after the expiration of the license. If the department receives a complete renewal application no later than two years after the expiration of the license, then the department must approve or deny the renewal application within 60 days of receiving the complete renewal application. If the department receives a renewal application more than two years after the expiration of the license, the department must return the renewal license fee to the applicant without approving or denying the application. If the licensee wishes to obtain a valid license more than two years after expiration of the license, the licensee must apply for a new license.

Subd. 3. **Deadline for avoiding license expiration.** The department must receive a complete application to renew a license no later than the renewal deadline. If the department does not receive a complete application by the renewal deadline, the license may expire before the department has either approved or denied the renewal application.

Sec. 35. **[326B.095] INCOMPLETE LICENSE APPLICATIONS.**

This section applies to both applications for initial licenses and license renewal applications. If the department determines that an application is incomplete, the department must notify the applicant of the deficiencies that must be corrected in order to complete the application. If the applicant wishes to complete the application, the department must receive the completed application within 90 days after the date the department mailed or delivered the incomplete application to the applicant. If the department does not receive the completed application by this deadline, the commissioner must deny the application and the applicant will forfeit all fees except as provided in section 326B.092, subdivision 6. If the application is for license renewal and the department receives the corrected application after the license has expired, then the corrected application must be accompanied by the late fee.

Sec. 36. **[326B.096] REINSTATEMENT OF LICENSES.**

Subdivision 1. **Reinstatement after revocation.** (a) If a license is revoked under this chapter and if an applicant for a license needs to pass an examination administered by the commissioner before becoming licensed, then, in order to have the license reinstated, the person who holds the revoked license must:

(1) retake the examination and achieve a passing score; and

(2) meet all other requirements for an initial license, including payment of the application and examination fee and the license fee. The person holding the revoked license is not eligible for Minnesota licensure without examination based on reciprocity.

(b) If a license is revoked under a chapter other than this chapter, then, in order to have the license reinstated, the person who holds the revoked license must:

(1) apply for reinstatement to the commissioner no later than two years after the effective date of the revocation;

(2) pay a \$100 reinstatement application fee and any applicable renewal license fee; and

(3) meet all applicable requirements for licensure, except that, unless required by the order revoking the license, the applicant does not need to retake any examination and does not need to repay a license fee that was paid before the revocation.

Subd. 2. **Reinstatement after suspension.** If a license is suspended, then, in order to have the license reinstated, the person who holds the suspended license must:

(1) apply for reinstatement to the commissioner no later than two years after the completion of the suspension period;

(2) pay a \$100 reinstatement application fee and any applicable renewal license fee; and

(3) meet all applicable requirements for licensure, except that, unless required by the order suspending the license, the applicant does not need to retake any examination and does not need to repay a license fee that was paid before the suspension.

Subd. 3. **Reinstatement after voluntary termination.** A licensee who is not an individual may voluntarily terminate a license issued to the person under this chapter. If a licensee has voluntarily terminated a license under this subdivision, then, in order to have the license reinstated, the person who holds the terminated license must:

(1) apply for reinstatement to the commissioner no later than the date that the license would have expired if it had not been terminated;

(2) pay a \$100 reinstatement application fee and any applicable renewal license fee; and

(3) meet all applicable requirements for licensure, except that the applicant does not need to repay a license fee that was paid before the termination.

Sec. 37. **[326B.097] PROHIBITION OF TRANSFER.**

A licensee shall not transfer or sell any license.

Sec. 38. **[326B.098] CONTINUING EDUCATION.**

Subdivision 1. **Applicability.** This section applies to seminars offered by the department for the purpose of allowing licensees to meet continuing education requirements for license renewal.

Subd. 2. **Rescheduling.** An individual who is registered with the department to attend a seminar may reschedule one time only, to attend the same seminar on a date within one year after the date of the seminar the individual was registered to attend.

Subd. 3. **Fees nonrefundable.** All seminar fees paid to the department are nonrefundable except for any overpayment of fees.

Sec. 39. Minnesota Statutes 2008, section 326B.133, subdivision 1, is amended to read:

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

Sec. 40. Minnesota Statutes 2008, section 326B.133, is amended by adding a subdivision to read:

Subd. 2a. **Application; renewal; fees; expiration.** (a) An applicant for certification shall submit a completed application on a form approved by the commissioner to the department. The commissioner shall review applications for compliance with the requirements established by rule.

(b) Application for initial certification or renewal certification as a building official, building official-limited, or accessibility specialist shall be according to this section and sections 326B.092 to 326B.095.

(c) Fees shall be paid to the department according to section 326B.092.

(d) Unless revoked or suspended under this chapter, all certifications issued or renewed under this section expire two years from the date of original issuance and every two years thereafter.

Sec. 41. Minnesota Statutes 2008, section 326B.133, subdivision 3, is amended to read:

Subd. 3. **Certification criteria.** The commissioner shall by rule establish certification criteria as proof of qualification pursuant to subdivision 2. The commissioner may:

(1) develop and administer written and practical examinations to determine if a person is qualified pursuant to subdivision 2 to be a building official;

(2) accept documentation of successful completion of testing programs developed and administered by nationally recognized testing agencies, as proof of qualification pursuant to subdivision 2; or

(3) determine qualifications by satisfactory completion of clause (2) and a mandatory training program developed or approved by the commissioner.

Upon a determination of qualification under clause (1), (2), or (3), the commissioner shall issue a certificate to the building official stating that the official is certified. ~~Each person applying for examination and certification pursuant to this section shall pay a nonrefundable fee of \$70.~~ The commissioner or a designee may establish categories of certification that will recognize the varying complexities of code enforcement in the municipalities within the state. The commissioner shall provide educational programs designed to train and assist building officials in carrying out their responsibilities.

Sec. 42. Minnesota Statutes 2008, section 326B.133, is amended by adding a subdivision to read:

Subd. 3a. **Certification categories.** (a) If a municipality has adopted or adopts the State Building Code, the responsibilities for code administration and enforcement are under the authority of its designated building official or the certified building official-limited.

(b) Certified building official. This certification is identified as "certified building official" on the certificate card. This certification is granted to an individual who has met the certified building official requirements established by rule and passed the written examination prepared by the state. A person with this certification may serve as the designated building official for any municipality. For the purposes of calculating fees under section 326B.092, certification as a building official is a master license.

(c) Certified building official-limited. This certification is identified as "certified building official-limited" on the certification card. This certification is granted to an individual who has met the certified building official-limited requirements established by rule and passed the written examination prepared by the state. An individual with this certification may perform code administration for one- and two-family dwellings, their accessory structures, and "exempt classes of buildings" as provided in Minnesota Rules, part 1800.5000, of the Board of Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience, and Interior Design, and "facilities for persons with physical disabilities" that are governed by the State Building Code. Subject to the limitations of the building official-limited certification, an individual with this certification may serve as the designated building official for any municipality. Code administration for all other buildings must be performed by a certified building official as defined in paragraph (a). A certified building official-limited may conduct inspections for other structures regulated by the State Building Code under the direction of a designated certified building official or the state building official.

Subject to all other certification requirements, as of January 1, 2012, valid Class I certifications shall be included in the certified building official-limited category upon the next immediate renewal. For the purposes of calculating fees under section 326B.092, certification as a building official-limited is a journeyman license.

(d) Accessibility specialist. This certification is identified as accessibility specialist on the certification card. This certification is granted to an individual who has met the "accessibility specialist" requirements established by rule and passed the written examination prepared by the state. An individual with this classification is limited to the administration of those provisions of the State Building Code that provide access for persons with disabilities. For the purposes of calculating fees under section 326B.092, certification as an accessibility specialist is a journeyman license.

Sec. 43. Minnesota Statutes 2008, section 326B.133, subdivision 8, is amended to read:

**Subd. 8. Continuing education requirements; extension of time.** (a) This subdivision establishes the number of continuing education units required within each two-year certification period.

A certified building official shall accumulate 16 continuing education units in any education program that is approved under Minnesota Rules, part 1301.1000.

A certified building official-limited shall, in each year of the initial two-year certification period, accumulate eight continuing education units in any education program that is approved under Minnesota Rules, part 1301.1000. Continuing education units shall be reported annually during the initial two-year certification period by the method established in rule. A certified building official-limited shall accumulate 16 continuing education units for each two-year certification period thereafter in any education program that is approved under Minnesota Rules, part 1301.1000.

An accessibility specialist must accumulate four continuing education units in any of the programs described in Minnesota Rules, part 1301.1000, subpart 1 or 2. The four units must be for courses relating to building accessibility, plan review, field inspection, or building code administration.

Continuing education programs may be approved as established in rule.

(b) Subject to sections 326B.101 to 326B.194, the commissioner may by rule establish or approve continuing education programs for certified building officials dealing with matters of building code administration, inspection, and enforcement.

Each person certified as a building official for the state must satisfactorily complete applicable educational programs established or approved by the commissioner to ~~retain~~ renew certification.

(c) The state building official may grant an extension of time to comply with continuing education requirements if the certificate holder requesting the extension of time shows cause for the extension. The request for the extension must be in writing. For purposes of this section, the certificate holder's current certification effective dates shall remain the same. The extension does not relieve the certificate holder from complying with the continuing education requirements for the next two-year period.

Sec. 44. Minnesota Statutes 2008, section 326B.133, subdivision 11, is amended to read:

**Subd. 11. Failure to renew.** An individual who has failed to make a timely application for renewal of a certificate is not certified and must not serve as the designated building official for any municipality, or a certified building official, a certified building official-limited, or an accessibility specialist until a renewed certificate has been issued by the commissioner.

Sec. 45. Minnesota Statutes 2008, section 326B.197, is amended to read:

**326B.197 BOND REQUIRED FOR CERTAIN CONTRACTORS.**

(a) A person contracting to do gas, heating, ventilation, cooling, air conditioning, fuel burning, or refrigeration work must give and maintain bond to the state in the amount of \$25,000 for all work entered into within the state. The bond must be for the benefit of persons suffering financial loss by reason of the contractor's failure to comply



with the requirements of the State Mechanical Code. A bond given to the state must be filed with the commissioner of labor and industry and is in lieu of all other bonds to any political subdivision required for work covered by this section. The bond must be written by a corporate surety licensed to do business in the state.

(b) The commissioner of labor and industry may charge each person giving bond under this section ~~an annual~~ a biennial bond filing fee of ~~\$15~~ \$100.

Sec. 46. Minnesota Statutes 2008, section 326B.33, subdivision 18, is amended to read:

Subd. 18. **Examination.** In addition to the other requirements described in this section and sections 326B.091 to 326B.098, and except as provided in subdivision 20, as a precondition to issuance of a personal license, each applicant must pass a written or oral examination developed and administered by the commissioner to ensure the competence of each applicant for license. An oral examination shall be administered only to an applicant who furnishes a written statement from a certified teacher or other professional, trained in the area of reading disabilities stating that the applicant has a specific reading disability which would prevent the applicant from performing satisfactorily on a written test. The oral examination shall be structured so that an applicant who passes the examination will not impair the applicant's own safety or that of others while acting as a licensed individual. ~~No individual failing an examination may retake it for six months thereafter, but within such six months the individual may take an examination for a lesser grade of license. Any individual failing to renew a personal license for two years or more after its expiration, and any licensee whose personal license is revoked under this chapter, shall be required to retake the examination before being issued a new license. An individual whose personal license is revoked under any other chapter is not required to retake the examination before being issued a new license, unless the personal license was revoked two years or more before the commissioner received the completed application for a new license. A licensee whose personal license is suspended for any reason is not required to retake the examination before the personal license is reinstated, unless the personal license has not been reinstated within two years after the suspension began.~~

~~An applicant for a personal license shall submit to the commissioner an application and examination fee at the time of application. Upon approval of the application, the commissioner shall schedule the applicant for the next available examination, which shall be held within 60 days. The applicant shall be allowed one opportunity to reschedule an examination without being required to submit another application and examination fee. Additionally, an applicant who fails an examination, or whose application was not approved, shall submit another application and examination fee.~~

Sec. 47. Minnesota Statutes 2009 Supplement, section 326B.33, subdivision 19, is amended to read:

Subd. 19. **License, registration, and renewal fees; expiration.** (a) Unless revoked or suspended under this chapter, all licenses issued or renewed under this section expire on the date specified in this subdivision. Master licenses expire March 1 of each odd-numbered year after issuance or renewal. Electrical contractor licenses expire March 1 of each even-numbered year after issuance or renewal. Technology system contractor licenses expire August 1 of each even-numbered year after issuance or renewal. All other personal licenses expire two years from the date of original issuance and every two years thereafter. Registrations of unlicensed individuals expire one year from the date of original issuance and every year thereafter.

~~(b) Fees for application and examination, and for the original issuance and each subsequent renewal, are:~~

~~(1) For each personal license application and examination: \$35;~~

~~(2) For original issuance and each subsequent renewal of:~~

~~Class A Master or master special electrician, including master elevator constructor: \$40 per year;~~

~~Class B Master: \$25 per year;~~

~~Power Limited Technician: \$15 per year;~~

~~Class A Journeyman, Class B Journeyman, Installer, Elevator Constructor, Lineman, or Maintenance Electrician other than master special electrician: \$15 per year;~~

~~Contractor: \$100 per year;~~

~~Unlicensed individual registration: \$15 per year.~~

~~(c) If any new license is issued in accordance with this subdivision for less than two years, the fee for the license shall be prorated on an annual basis.~~

~~(d) A license fee may not be refunded after a license is issued or renewed. However, if the fee paid for a license was not prorated in accordance with this subdivision, the amount of the overpayment shall be refunded.~~

~~(e) Any contractor who seeks reissuance of a license after it has been revoked or suspended under this chapter shall submit a reissuance fee of \$100 before the license is reinstated.~~

~~(f) An individual or contractor who fails to renew a license before 30 days after the expiration or registration of the license must submit a late fee equal to one year's license fee in addition to the full renewal fee. Fees for renewed licenses or registrations are not prorated. An individual or contractor that fails to renew a license or registration by the expiration date is unlicensed until the license or registration is renewed.~~

(b) For purposes of calculating license fees and renewal license fees required under section 326B.092:

(1) the registration of an unlicensed individual under subdivision 12 shall be considered an entry level license;

(2) the following licenses shall be considered journeyman licenses: Class A journeyman electrician, Class B journeyman electrician, Class A installer, Class B installer, elevator constructor, lineman, maintenance electrician, and power limited technician;

(3) the following licenses shall be considered master licenses: Class A master electrician, Class B master electrician, and master elevator constructor; and

(4) the following licenses shall be considered business licenses: Class A electrical contractor, Class B electrical contractor, elevator contractor, and technology systems contractor.

(c) For each filing of a certificate of responsible person by an employer, the fee is \$100.

Sec. 48. Minnesota Statutes 2008, section 326B.33, subdivision 20, is amended to read:

Subd. 20. **Reciprocity.** The commissioner may enter into reciprocity agreements for personal licenses with another state if approved by the board. Once approved by the board, the commissioner may issue a personal license without requiring the applicant to pass an examination provided the applicant:

(a) submits an application under this section;

(b) pays the application and examination fee and license fee required under ~~this~~ section 326B.092; and

(c) holds a valid comparable license in the state participating in the agreement.

Agreements are subject to the following:

(1) The parties to the agreement must administer a statewide licensing program that includes examination and qualifying experience or training comparable to Minnesota's.

(2) The experience and training requirements under which an individual applicant qualified for examination in the qualifying state must be deemed equal to or greater than required for an applicant making application in Minnesota at the time the applicant acquired the license in the qualifying state.

(3) The applicant must have acquired the license in the qualifying state through an examination deemed equivalent to the same class of license examination in Minnesota. A lesser class of license may be granted where the applicant has acquired a greater class of license in the qualifying state and the applicant otherwise meets the conditions of this subdivision.

(4) At the time of application, the applicant must hold a valid license in the qualifying state and have held the license continuously for at least one year before making application in Minnesota.

(5) An applicant is not eligible for a license under this subdivision if the applicant has failed the same or greater class of license examination in Minnesota, or if the applicant's license of the same or greater class has been revoked or suspended.

(6) An applicant who has failed to renew a personal license for two years or more after its expiration is not eligible for a license under this subdivision.

Sec. 49. Minnesota Statutes 2008, section 326B.33, subdivision 21, is amended to read:

Subd. 21. **Exemptions from licensing.** (a) An individual who is a maintenance electrician is not required to hold or obtain a license under sections 326B.31 to 326B.399 if:

(1) the individual is engaged in the maintenance and repair of electrical equipment, apparatus, and facilities that are owned or leased by the individual's employer and that are located within the limits of property operated, maintained, and either owned or leased by the individual's employer;

(2) the individual is supervised by:

(i) the responsible master electrician for a contractor who has contracted with the individual's employer to provide services for which a contractor's license is required; or

(ii) a licensed master electrician, a licensed maintenance electrician, an electrical engineer, or, if the maintenance and repair work is limited to technology circuits or systems work, a licensed power limited technician; and

(3) the individual's employer has ~~filed on file~~ with the commissioner a current certificate of responsible person, signed by the responsible master electrician of the contractor, the licensed master electrician, the licensed maintenance electrician, the electrical engineer, or the licensed power limited technician, and stating that the person signing the certificate is responsible for ensuring that the maintenance and repair work performed by the employer's employees complies with the Minnesota Electrical Act and the rules adopted under that act. The employer must pay a filing fee to file a certificate of responsible person with the commissioner. The certificate shall expire two years from the date of filing. In order to maintain a current certificate of responsible person, the employer must resubmit a certificate of responsible person, with a filing fee, no later than two years from the date of the previous submittal.

(b) Employees of a licensed electrical or technology systems contractor or other employer where provided with supervision by a master electrician in accordance with subdivision 1, or power limited technician in accordance with subdivision 7, paragraph (a), clause (1), are not required to hold a license under sections 326B.31 to 326B.399 for the planning, laying out, installing, altering, and repairing of technology circuits or systems except planning, laying out, or installing:

(1) in other than residential dwellings, class 2 or class 3 remote control circuits that control circuits or systems other than class 2 or class 3, except circuits that interconnect these systems through communication, alarm, and security systems are exempted from this paragraph;

(2) class 2 or class 3 circuits in electrical cabinets, enclosures, or devices containing physically unprotected circuits other than class 2 or class 3; or

(3) technology circuits or systems in hazardous classified locations as covered by chapter 5 of the National Electrical Code.

(c) Companies and their employees that plan, lay out, install, alter, or repair class 2 and class 3 remote control wiring associated with plug or cord and plug connected appliances other than security or fire alarm systems installed in a residential dwelling are not required to hold a license under sections 326B.31 to 326B.399.

(d) Heating, ventilating, air conditioning, and refrigeration contractors and their employees are not required to hold or obtain a license under sections 326B.31 to 326B.399 when performing heating, ventilating, air conditioning, or refrigeration work as described in section 326B.38.

(e) Employees of any electrical, communications, or railway utility, cable communications company as defined in section 238.02, or a telephone company as defined under section 237.01 or its employees, or of any independent contractor performing work on behalf of any such utility, cable communications company, or telephone company, shall not be required to hold a license under sections 326B.31 to 326B.399:

(1) while performing work on installations, materials, or equipment which are owned or leased, and operated and maintained by such utility, cable communications company, or telephone company in the exercise of its utility, antenna, or telephone function, and which

(i) are used exclusively for the generation, transformation, distribution, transmission, or metering of electric current, or the operation of railway signals, or the transmission of intelligence and do not have as a principal function the consumption or use of electric current or provided service by or for the benefit of any person other than such utility, cable communications company, or telephone company, and

(ii) are generally accessible only to employees of such utility, cable communications company, or telephone company or persons acting under its control or direction, and

(iii) are not on the load side of the service point or point of entrance for communication systems;

(2) while performing work on installations, materials, or equipment which are a part of the street lighting operations of such utility; or

(3) while installing or performing work on outdoor area lights which are directly connected to a utility's distribution system and located upon the utility's distribution poles, and which are generally accessible only to employees of such utility or persons acting under its control or direction.

(f) An owner shall not be required to hold or obtain a license under sections 326B.31 to 326B.399.

Sec. 50. Minnesota Statutes 2008, section 326B.42, is amended by adding a subdivision to read:

Subd. 1a. **Contractor.** "Contractor" means a person who performs or offers to perform any plumbing work, with or without compensation, who is licensed as a contractor by the commissioner. Contractor includes plumbing contractors and restricted plumbing contractors.

Sec. 51. Minnesota Statutes 2008, section 326B.42, is amended by adding a subdivision to read:

Subd. 8. **Plumbing contractor.** "Plumbing contractor" means a licensed contractor whose responsible licensed plumber is a licensed master plumber.

Sec. 52. Minnesota Statutes 2008, section 326B.42, is amended by adding a subdivision to read:

Subd. 9. **Responsible licensed plumber.** A contractor's "responsible licensed plumber" means the licensed master plumber or licensed restricted master plumber designated in writing by the contractor in the contractor's license application, or in another manner acceptable to the commissioner, as the individual responsible for the contractor's compliance with sections 326B.41 to 326B.49, all rules adopted under these sections and sections 326B.50 to 326B.59, and all orders issued under section 326B.082.

Sec. 53. Minnesota Statutes 2008, section 326B.42, is amended by adding a subdivision to read:

Subd. 10. **Restricted plumbing contractor.** "Restricted plumbing contractor" means a licensed contractor whose responsible licensed plumber is a licensed restricted master plumber.

Sec. 54. Minnesota Statutes 2008, section 326B.44, is amended to read:

#### **326B.44 LOCAL REGULATIONS.**

Any of the following entities may, by ordinance, adopt local regulations providing for plumbing permits, approval of plans and specifications, and inspections of plumbing, which regulations are not in conflict with the plumbing code: any city having a system of waterworks or sewerage, regardless of population; any town having a population of 5,000 or more according to the last federal census, exclusive of any statutory cities located therein; and the Metropolitan Airports Commission. No such entity shall prohibit ~~plumbers~~ plumbing contractors licensed by the commissioner from engaging in or working at the business of plumbing, except cities and statutory cities which, prior to April 21, 1933, by ordinance required the licensing of plumbers. No such entity shall require any person who engages in the business of plumbing to post a bond as a prerequisite for engaging in the business of plumbing, except the bond to the state required under section 326B.46 and except any performance bond required under a contract with the person for the performance of plumbing work for the entity. No such entity shall require any person who engages in the business of plumbing to maintain public liability insurance as a prerequisite for engaging in the business of plumbing, except the insurance required under section 326B.46 and except any public liability insurance required under a contract with the person for the performance of plumbing work for the entity. No city or town may require a license for persons performing building sewer or water service installation who have completed pipe laying training as prescribed by the commissioner of labor and industry. Any city by ordinance may prescribe regulations, reasonable standards, and inspections and grant permits to any person engaged in the business of installing water softeners, who is not licensed as a ~~master plumber or journeyman plumber contractor~~ by the commissioner, to connect water softening and water filtering equipment to private residence water distribution systems, where provision has been previously made therefor and openings left for that purpose or by use of cold water connections to a domestic water heater; where it is not necessary to rearrange, make any extension or alteration of, or addition to any pipe, fixture or plumbing connected with the water system except to connect the water softener, and provided the connections so made comply with minimum standards prescribed by the Plumbing Board.

Sec. 55. Minnesota Statutes 2008, section 326B.46, as amended by Laws 2009, chapter 78, article 5, section 14, and chapter 109, section 13, is amended to read:

### **326B.46 LICENSING, BOND AND INSURANCE.**

Subdivision 1. **License required.** (a) No ~~person~~ individual shall engage in or work at the business of a master plumber, restricted master plumber, journeyman plumber, and restricted journeyman plumber unless licensed to do so by the ~~state~~ commissioner. A license is not required for individuals performing building sewer or water service installation who have completed pipe laying training as prescribed by the commissioner ~~of labor and industry~~. A master plumber may also work as a journeyman plumber, a restricted journeyman plumber, and a restricted master plumber. A journeyman plumber may also work as a restricted journeyman plumber. Anyone not so licensed may do plumbing work which complies with the provisions of the minimum standards prescribed by the Plumbing Board on premises or that part of premises owned and actually occupied by the worker as a residence, unless otherwise forbidden to do so by a local ordinance.

(b) No person shall engage in the business of planning, superintending, or installing plumbing or shall install plumbing in connection with the dealing in and selling of plumbing material and supplies unless at all times a licensed master plumber, or in cities and towns with a population of fewer than 5,000 according to the last federal census, a restricted master plumber, who shall be responsible for proper installation, is in charge of the plumbing work of the person, ~~firm, or corporation~~.

(c) Except as provided in subdivision 2, no person shall perform or offer to perform plumbing work with or without compensation unless the person obtains a contractor's license. A contractor's license does not of itself qualify its holder to perform the plumbing work authorized by holding a master, journeyman, restricted master, or restricted journeyman license.

Subd. 1a. **Exemptions from licensing.** (a) An individual without a contractor license may do plumbing work on the individual's residence in accordance with subdivision 1, paragraph (a).

(b) An individual who is an employee working on the maintenance and repair of plumbing equipment, apparatus, or facilities owned or leased by the individual's employer and which is within the limits of property owned or leased, and operated or maintained by the individual's employer, shall not be required to maintain a contractor license as long as the employer has on file with the commissioner a current certificate of responsible person. The certificate must be signed by the responsible master plumber or, in an area of the state that is not a city or town with a population of more than 5,000 according to the last federal census, restricted master plumber, and must state that the person signing the certificate is responsible for ensuring that the maintenance and repair work performed by the employer's employees comply with sections 326B.41 to 326B.49, all rules adopted under those sections and sections 326B.50 to 326B.59, and all orders issued under section 326B.082. The employer must pay a filing fee to file a certificate of responsible person with the commissioner. The certificate shall expire two years from the date of filing. In order to maintain a current certificate of responsible person, the employer must resubmit a certificate of responsible person, with a filing fee, no later than two years from the date of the previous submittal. The filing of the certificate of responsible person does not exempt any employee of the employer from the requirements of this chapter regarding individual licensing as a plumber or registration as a plumber's apprentice.

(c) If a contractor employs a licensed plumber, the licensed plumber does not need a separate contractor license to perform plumbing work on behalf of the employer within the scope of the licensed plumber's license.

Subd. 1b. **Employment of master plumber or restricted master plumber.** (a) Each contractor must designate a responsible licensed plumber, who shall be responsible for the performance of all plumbing work in accordance with sections 326B.41 to 326B.49, all rules adopted under these sections and sections 326B.50 to 326B.59, and all orders issued under section 326B.082. A plumbing contractor's responsible licensed plumber must be a master

plumber. A restricted plumbing contractor's responsible licensed plumber must be a master plumber or a restricted master plumber. A plumbing contractor license authorizes the contractor to offer to perform and, through licensed and registered individuals, to perform plumbing work in all areas of the state. A restricted plumbing contractor license authorizes the contractor to offer to perform and, through licensed and registered individuals, to perform plumbing work in all areas of the state except in cities and towns with a population of more than 5,000 according to the last federal census.

(b) If the contractor is an individual or sole proprietorship, the responsible licensed plumber must be the individual, proprietor, or managing employee. If the contractor is a partnership, the responsible licensed plumber must be a general partner or managing employee. If the contractor is a limited liability company, the responsible licensed plumber must be a chief manager or managing employee. If the contractor is a corporation, the responsible licensed plumber must be an officer or managing employee. If the responsible licensed plumber is a managing employee, the responsible licensed plumber must be actively engaged in performing plumbing work on behalf of the contractor, and cannot be employed in any capacity as a plumber for any other contractor. An individual may be the responsible licensed plumber for only one contractor.

(c) All applications and renewals for contractor licenses shall include a verified statement that the applicant or licensee has complied with this subdivision.

Subd. 2. **Bond; insurance.** ~~Any person contracting to do plumbing work must give~~ As a condition of licensing, each contractor shall give and maintain bond to the state in the amount of at least \$25,000 for (1) all plumbing work entered into within the state or (2) all plumbing work and subsurface sewage treatment work entered into within the state. If the bond is for both plumbing work and subsurface sewage treatment work, the bond must comply with the requirements of this section and section 115.56, subdivision 2, paragraph (e). The bond shall be for the benefit of persons injured or suffering financial loss by reason of failure to comply with the requirements of the State Plumbing Code and, if the bond is for both plumbing work and subsurface sewage treatment work, financial loss by reason of failure to comply with the requirements of sections 115.55 and 115.56. The bond shall be filed with the commissioner and shall be written by a corporate surety licensed to do business in the state.

~~In addition, each applicant for a master plumber license or restricted master plumber license, or renewal thereof, shall provide evidence of~~ as a condition of licensing, each contractor shall have and maintain in effect public liability insurance, including products liability insurance with limits of at least \$50,000 per person and \$100,000 per occurrence and property damage insurance with limits of at least \$10,000. The insurance shall be written by an insurer licensed to do business in the state of Minnesota and each licensed master plumber shall maintain on file with the commissioner a certificate evidencing the insurance providing that the insurance shall not be canceled without the insurer first giving 15 days written notice to the commissioner. ~~The term of the insurance shall be concurrent with the term of the license.~~

~~Subd. 3. **Bond and insurance exemption.** If a master plumber or restricted master plumber who is in compliance with the bond and insurance requirements of subdivision 2, employs a licensed plumber, the employee plumber shall not be required to meet the bond and insurance requirements of subdivision 2. An individual who is an employee working on the maintenance and repair of plumbing equipment, apparatus, or facilities owned or leased by the individual's employer and which is within the limits of property owned or leased, and operated or maintained by the individual's employer, shall not be required to meet the bond and insurance requirements of subdivision 2.~~

Subd. 4. **Fee.** (a) ~~Each person giving bond to the state under subdivision 2 shall pay the department a bond registration fee of \$40 for one year or \$80 for two years.~~

~~(b) The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the bond registration from one year to two years so that the expiration of bond registration corresponds with the expiration of the license issued under section 326B.475 or 326B.49, subdivision 1.~~

Subd. 5. **Exterior connections.** Persons licensed as manufactured home installers under chapter 327B are not required to be licensed under sections 326B.42 to 326B.49 when connecting the exterior building drain sewer outlets to the aboveground building sewer system and when connecting the exterior water line to the aboveground water system to the manufactured home as described in National Manufactured Housing Construction and Safety Standards Act of 1974, United States Code, title 42, section 5401 et seq. No additional licensure, bond, or insurance related to the scope of work permitted under this subdivision may be required of a licensed manufactured home installer by any unit of government.

Sec. 56. Minnesota Statutes 2008, section 326B.47, is amended to read:

**326B.47 PLUMBER'S APPRENTICES.**

Subdivision 1. **Registration; supervision; records.** (a) All plumber's apprentices must be registered. To be a registered plumber's apprentice, an individual must either:

(1) be an individual employed in the trade of plumbing under an apprenticeship agreement approved by the department under Minnesota Rules, part 5200.0300; or

(2) be an unlicensed individual registered with the commissioner under subdivision 3.

(b) A plumber's apprentice is authorized to assist in the installation of plumbing only while under the direct supervision of a master, restricted master, journeyman, or restricted journeyman plumber. The master, restricted master, journeyman, or restricted journeyman plumber is responsible for ensuring that all plumbing work performed by the plumber's apprentice complies with the plumbing code. The supervising master, restricted master, journeyman, or restricted journeyman must be licensed and must be employed by the same employer as the plumber's apprentice. Licensed individuals shall not permit plumber's apprentices to perform plumbing work except under the direct supervision of an individual actually licensed to perform such work. Plumber's apprentices shall not supervise the performance of plumbing work or make assignments of plumbing work to unlicensed individuals.

(c) Contractors employing plumber's apprentices to perform plumbing work shall maintain records establishing compliance with this subdivision that shall identify all plumber's apprentices performing plumbing work, and shall permit the department to examine and copy all such records.

Subd. 2. **Journeyman exam.** A plumber's apprentice who has completed four years of practical plumbing experience is eligible to take the journeyman plumbing examination. Up to 24 months of practical plumbing experience prior to becoming a plumber's apprentice may be applied to the four-year experience requirement. However, none of this practical plumbing experience may be applied if the individual did not have any practical plumbing experience in the 12-month period immediately prior to becoming a plumber's apprentice. The Plumbing Board may adopt rules to evaluate whether the individual's past practical plumbing experience is applicable in preparing for the journeyman's examination. If two years after completing the training the individual has not taken the examination, the four years of experience shall be forfeited.

The commissioner may allow an extension of the two-year period for taking the exam for cases of hardship or other appropriate circumstances.

Subd. 3. **Registration, rules, applications, renewals, and fees.** An unlicensed individual may register by completing and submitting to the commissioner ~~a registration~~ an application form provided by the commissioner, with all fees required by section 326B.092. A completed ~~registration~~ application form must state the date the individual began training, the individual's age, schooling, previous experience, and employer, and other information required by the commissioner. The board may prescribe rules, not inconsistent with this section, for the registration of unlicensed individuals. ~~Each applicant for initial registration as a plumber's apprentice shall pay the department~~



~~an application fee of \$25. Applications for initial registration may be submitted at any time. Registration must be renewed annually and shall be for the period from July 1 of each year to June 30 of the following year. Applications for renewal registration must be received by the commissioner by June 30 of each registration period on forms provided by the commissioner, and must be accompanied by a fee of \$25. An application for renewal registration received on or after July 1 in any year but no more than three months after expiration of the previously issued registration must pay the past due renewal fee plus a late fee of \$25. No applications for renewal registration will be accepted more than three months after expiration of the previously issued registration.~~

Sec. 57. Minnesota Statutes 2008, section 326B.475, subdivision 2, is amended to read:

Subd. 2. **Use of license.** A restricted master plumber and restricted journeyman plumber may engage in the plumbing trade in all areas of the state except in cities and towns with a population of more than 5,000 according to the last federal census.

Sec. 58. Minnesota Statutes 2009 Supplement, section 326B.475, subdivision 4, is amended to read:

Subd. 4. **Renewal; use period for license.** (a) A restricted master plumber and restricted journeyman plumber license must be renewed for as long as that licensee engages in the plumbing trade. Notwithstanding section 326B.094, failure to renew a restricted master plumber and restricted journeyman plumber license within 12 months after the expiration date will result in permanent forfeiture of the restricted master plumber and restricted journeyman plumber license.

(b) The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the renewal of restricted master plumber and restricted journeyman plumber licenses from one year to two years. By June 30, 2011, all restricted master plumber and restricted journeyman plumber licenses shall be two-year licenses.

Sec. 59. Minnesota Statutes 2009 Supplement, section 326B.49, subdivision 1, is amended to read:

Subdivision 1. **Application, examination, and license fees.** (a) Applications for master and journeyman plumber's license licenses shall be made to the commissioner, with fee all fees required by section 326B.092. Unless the applicant is entitled to a renewal, the applicant shall be licensed by the commissioner only after passing a satisfactory examination developed and administered by the commissioner, based upon rules adopted by the Plumbing Board, showing fitness. Examination fees for both journeyman and master plumbers shall be \$50 for each examination. Upon being notified of having successfully passed the examination for original license the applicant shall submit an application, with the license fee herein provided. The license fee for each initial master plumber's license shall be \$240. The license fee for each initial journeyman plumber's license shall be \$110.

(b) All initial ~~master and~~ journeyman plumber's licenses shall be effective for more than one calendar year and shall expire on December 31 of the year after the year in which the application is made. The license fee for each renewal master plumber's license shall be \$120 for one year or \$240 for two years. The license fee for each renewal journeyman plumber's license shall be \$55 for one year or \$110 for two years. All master plumber's licenses shall expire on December 31 of each even-numbered year after issuance or renewal. The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the renewal of master and journeyman plumber's licenses from one year to two years. By June 30, 2011, all renewed master and journeyman plumber's licenses shall be two-year licenses.

(c) Any licensee who does not renew a license within two years after the license expires is no longer eligible for renewal. Such an individual must retake and pass the examination before a new license will be issued. A journeyman or master plumber who submits a license renewal application after the time specified in rule but within two years after the license expired must pay all past due renewal fees plus a late fee of \$25. Applications for contractor licenses shall be made to the commissioner, with all fees required by section 326B.092. All contractor licenses shall expire on December 31 of each odd-numbered year after issuance or renewal.

(d) For purposes of calculating license fees and renewal license fees required under section 326B.092:

(1) the following licenses shall be considered business licenses: plumbing contractor and restricted plumbing contractor;

(2) the following licenses shall be considered master licenses: master plumber and restricted master plumber;

(3) the following licenses shall be considered journeyman licenses: journeyman plumber and restricted journeyman plumber; and

(4) the registration of a plumber's apprentice under section 326B.47, subdivision 3, shall be considered an entry level license.

(e) For each filing of a certificate of responsible person by an employer, the fee is \$100.

Sec. 60. Minnesota Statutes 2008, section 326B.50, is amended by adding a subdivision to read:

Subd. 1a. **Responsible licensed master.** "Responsible licensed master" means the licensed water conditioning master or licensed master plumber designated in writing by the water conditioning contractor in the water conditioning contractor's license application, or in another manner acceptable to the commissioner, as the individual responsible for the water conditioning contractor's compliance with sections 326B.50 to 326B.59, all rules adopted under these sections, the Minnesota Plumbing Code, and all orders issued under section 326B.082.

Sec. 61. Minnesota Statutes 2008, section 326B.50, is amended by adding a subdivision to read:

Subd. 2a. **Water conditioning contractor.** "Water conditioning contractor" means a person who performs or offers to perform any water conditioning installation or water conditioning servicing, with or without compensation, who is licensed as a water conditioning contractor by the commissioner.

Sec. 62. Minnesota Statutes 2008, section 326B.50, is amended by adding a subdivision to read:

Subd. 3a. **Water conditioning journeyman.** "Water conditioning journeyman" means an individual, other than a water conditioning master, who has demonstrated practical knowledge of water conditioning installation and servicing, and who is licensed by the commissioner as a water conditioning journeyman.

Sec. 63. Minnesota Statutes 2008, section 326B.50, is amended by adding a subdivision to read:

Subd. 3b. **Water conditioning master.** "Water conditioning master" means an individual who has demonstrated skill in planning, superintending, installing, and servicing water conditioning installations, and who is licensed by the commissioner as a water conditioning master.

Sec. 64. Minnesota Statutes 2008, section 326B.54, is amended to read:

#### **326B.54 VIOLATIONS TO BE REPORTED TO COMMISSIONER.**

Such local authority as may be designated by any such ordinance for the issuance of such water conditioning installation and servicing permits and approval of such plans shall report to the commissioner persistent or willful violations of the same and any incompetence of a licensed water conditioning contractor, licensed water conditioning master, or licensed water conditioning ~~installer~~ journeyman observed by the local authority.

Sec. 65. Minnesota Statutes 2008, section 326B.55, as amended by Laws 2010, chapter 183, section 13, is amended to read:

**326B.55 LICENSING IN CERTAIN CITIES; QUALIFICATIONS; RULES.**

Subdivision 1. **Licensing.** (a) Except as provided in paragraph (d), no individual shall perform water conditioning installation or water conditioning servicing unless licensed by the commissioner as a master plumber, journeyman plumber, water conditioning master, or water conditioning journeyman, or, in all areas of the state except in cities and towns with a population of more than 5,000 according to the last federal census, as a restricted master plumber or restricted journeyman plumber.

(b) Except as provided in paragraph (e), no person shall perform or offer to perform water conditioning installation or water conditioning servicing with or without compensation unless the person obtains a water conditioning contractor's license. A water conditioning contractor's license does not of itself qualify its holder to perform the water conditioning installation or water conditioning servicing authorized by holding a water conditioning master or water conditioning journeyman license.

(c) Except as provided in paragraph (d), no person shall engage in or work at the business of water conditioning installation or servicing anywhere in the state unless (1) at all times an individual licensed as a master plumber or water conditioning contractor master by the commissioner shall be, who is responsible for the proper installation and servicing, is in charge of the water conditioning installation and servicing work of such person, and (2) all installations, other than,

If a water conditioning contractor employs a licensed master, restricted master, journeyman or restricted journeyman plumber, or a licensed water conditioning master or journeyman, then the licensed individual does not need a separate water conditioning contractor license to perform water conditioning installation or servicing on behalf of the employer within the scope of the individual's plumber license.

(d) No water conditioning contractor, water conditioning master, or water conditioning journeyman license is required:

(1) for exchanges of portable water conditioning equipment, are performed by a licensed water conditioning contractor or licensed water conditioning installer. Any individual not so licensed may, or

(2) for an individual to perform water conditioning work that complies with the minimum standards prescribed by the Plumbing Board on premises or that part of premises owned and occupied by the worker individual as a residence, unless otherwise prohibited by a local ordinance. The scope of work that a master plumber, restricted master plumber, journeyman plumber, or restricted journeyman plumber is authorized to perform as an employee of a licensed water conditioning contractor shall be limited to the scope of work that the licensed water conditioning contractor is licensed to perform.

Subd. 2. **Qualifications for licensing.** (a) A water conditioning contractor master license shall be issued only to an individual who has demonstrated skill in planning, superintending, and servicing water conditioning installations, and has successfully passed the examination for water conditioning contractors masters. A water conditioning installer journeyman license shall only be issued to an individual other than a water conditioning contractor master who has demonstrated practical knowledge of water conditioning installation, and has successfully passed the examination for water conditioning installers journeymen. A water conditioning installer journeyman must successfully pass the examination for water conditioning contractors masters before being licensed as a water conditioning contractor master.

(b) Each water conditioning contractor must designate a responsible licensed master plumber or a responsible licensed water conditioning master, who shall be responsible for the performance of all water conditioning installation and servicing in accordance with the requirements of sections 326B.50 to 326B.59, all rules adopted under sections 326B.50 to 326B.59, the Minnesota Plumbing Code, and all orders issued under section 326B.082. If the water conditioning contractor is an individual or sole proprietorship, the responsible licensed master must be the individual, proprietor, or managing employee. If the water conditioning contractor is a partnership, the responsible licensed master must be a general partner or managing employee. If the water conditioning contractor is a limited liability company, the responsible licensed master must be a chief manager or managing employee. If the water conditioning contractor is a corporation, the responsible licensed master must be an officer or managing employee. If the responsible licensed master is a managing employee, the responsible licensed master must be actively engaged in performing water conditioning work on behalf of the water conditioning contractor and cannot be employed in any capacity as a water conditioning master or water conditioning journeyman for any other water conditioning contractor. An individual must not be the responsible licensed master for more than one water conditioning contractor.

(c) All applications and renewals for water conditioning contractor licenses shall include a verified statement that the applicant or licensee has complied with paragraph (b).

(d) Each application and renewal for a water conditioning master license, water conditioning journeyman license, or a water conditioning contractor license shall be accompanied by all fees required by section 326B.092.

Subd. 3. **Commissioner.** The commissioner shall:

(1) license water conditioning contractors, water conditioning masters, and installers water conditioning journeymen; and

(2) collect an examination fee from each examinee for a license as a water conditioning contractor and an examination fee from each examinee for a license as a water conditioning installer in an amount set forth in section 326B.58 the fees required by section 326B.092.

Sec. 66. Minnesota Statutes 2008, section 326B.56, as amended by Laws 2009, chapter 78, article 5, section 18, is amended to read:

### **326B.56 ALTERNATIVE STATE BONDING AND INSURANCE REGULATION.**

Subdivision 1. **Bonds.** (a) An applicant for a water conditioning contractor or installer license or renewal thereof who is required by any political subdivision to give a bond to obtain or maintain the license, may comply with any political subdivision bonding requirement by giving As a condition of licensing, each water conditioning contractor shall give and maintain a bond to the state as described in paragraph (b). No applicant for a water conditioning contractor or installer license who maintains the bond under paragraph (b) shall be otherwise required to meet the bond requirements of any political subdivision.

(b) Each bond given to the state under this subdivision shall be in the total sum of \$3,000 conditioned upon the faithful and lawful performance of all water conditioning ~~contracting or installing work~~ installation or servicing done within the state. The bond shall be for the benefit of persons suffering injuries or damages due to the work. The bond shall be filed with the commissioner and shall be written by a corporate surety licensed to do business in this state. The bond must remain in effect at all times while the application is pending and while the license is in effect.

Subd. 2. **Insurance.** (a) Each applicant for a water conditioning contractor or installer license or renewal thereof who is required by any political subdivision to maintain insurance to obtain or maintain the license may comply with any political subdivision's insurance requirement by maintaining As a condition of licensing, each

water conditioning contractor shall have and maintain in effect the insurance described in paragraph (b). No applicant for a water conditioning contractor ~~or installer~~ license who maintains the insurance described in paragraph (b) shall be otherwise required to meet the insurance requirements of any political subdivision.

(b) The insurance shall provide coverage, including products liability coverage, for all damages in connection with licensed work for which the licensee is liable, with personal damage limits of at least \$50,000 per person and \$100,000 per occurrence and property damage insurance with limits of at least \$10,000. The insurance shall be written by an insurer licensed to do business in this state and a certificate evidencing the insurance shall be filed with the commissioner. The insurance must remain in effect at all times while the application is pending and while the license is in effect. The insurance shall not be canceled without the insurer first giving 15 days' written notice to the commissioner.

Subd. 3. **Bond and insurance exemption.** A water conditioning contractor or installer who is an employee of a water conditioning contractor or installer, including an employee engaged in the maintenance and repair of water conditioning equipment, apparatus, or facilities owned, leased and operated, or maintained by the employer, is not required to meet the bond and insurance requirements of subdivisions 1 and 2 or of any political subdivision.

Subd. 4. **Fee.** (a) The commissioner shall collect a \$40 bond registration fee for one year or \$80 for two years from each applicant for issuance or renewal of a water conditioning contractor or installer license who elects to proceed under subdivisions 1 and 2.

(b) The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the bond registration from one year to two years so that the expiration of bond registration corresponds with the expiration of the license issued under section 326B.55.

Sec. 67. Minnesota Statutes 2009 Supplement, section 326B.58, is amended to read:

**326B.58 FEES; RENEWAL.**

(a) ~~Examination fees for both water conditioning contractors and water conditioning installers shall be \$50 for each examination. Each initial water conditioning contractor and installer master and water conditioning journeyman license shall be effective for more than one calendar year and shall expire on December 31 of the year after the year in which the application is made. The license fee for each initial water conditioning contractor's license shall be \$140, except that the license fee shall be \$105 if the application is submitted during the last three months of the calendar year. The license fee for each renewal water conditioning contractor's license shall be \$70 for one year or \$140 for two years. The license fee for each initial water conditioning installer license shall be \$70, except that the license fee shall be \$52.50 if the application is submitted during the last three months of the calendar year. The license fee for each renewal water conditioning installer license shall be \$35 for one year or \$70 for two years.~~

(b) The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the renewal of water conditioning ~~contractor and installer~~ master and journeyman licenses from one year to two years. By June 30, 2011, all renewed water conditioning contractor and installer licenses shall be two-year licenses. The ~~commissioner~~ Plumbing Board may by rule prescribe for the expiration and renewal of licenses.

(c) ~~Any licensee who does not renew a license within two years after the license expires is no longer eligible for renewal. Such an individual must retake and pass the examination before a new license will be issued. A water conditioning contractor or water conditioning installer who submits a license renewal application after the time specified in rule but within two years after the license expired must pay all past due renewal fees plus a late fee of \$25.~~ All water conditioning contractor licenses shall expire on December 31 of the year after issuance or renewal.

(d) For purposes of calculating license fees and renewal fees required under section 326B.092:

(1) a water conditioning journeyman license shall be considered a journeyman license;

(2) a water conditioning master license shall be considered a master license; and

(3) a water conditioning contractor license shall be considered a business license.

Sec. 68. Minnesota Statutes 2008, section 326B.805, subdivision 6, is amended to read:

Subd. 6. **Exemptions.** The license requirement does not apply to:

(1) an employee of a licensee performing work for the licensee;

(2) a material person, manufacturer, or retailer furnishing finished products, materials, or articles of merchandise who does not install or attach the items;

(3) an owner of residential real estate who builds or improves any structure on residential real estate, if the building or improving is performed by the owner's bona fide employees or by individual owners personally. This exemption does not apply to an owner who constructs or improves property for purposes of speculation if the building or improving is performed by the owner's bona fide employees or by individual owners personally. A residential building contractor or residential remodeler will be presumed to be building or improving for purposes of speculation if the contractor or remodeler constructs or improves more than one property within any 24-month period;

(4) an architect or professional engineer engaging in professional practice as defined by section 326.02, subdivisions 2 and 3;

(5) a person whose total gross annual receipts for performing specialty skills for which licensure would be required under this section do not exceed \$15,000;

(6) a mechanical contractor;

(7) a plumber, electrician, or other person whose profession is otherwise subject to statewide licensing, when engaged in the activity which is the subject of that licensure;

(8) specialty contractors who provide only one special skill as defined in section 326B.802;

(9) a school district, or a technical college governed under chapter 136F; and

(10) Habitat for Humanity and Builders Outreach Foundation, and their individual volunteers when engaged in activities on their behalf.

To qualify for the exemption in clause (5), a person must obtain a certificate of exemption from licensure from the commissioner. A certificate of exemption will be issued upon the applicant's filing with the commissioner, an affidavit stating that the applicant does not expect to exceed \$15,000 in gross annual receipts derived from performing services which require licensure under this section during the calendar year in which the affidavit is received. For the purposes of calculating fees under section 326B.092, a certificate of exemption is an entry level license. To renew the exemption in clause (5), the applicant must file an affidavit stating that the applicant did not exceed \$15,000 in gross annual receipts during the past calendar year. If a person, operating under the exemption in clause (5), exceeds \$15,000 in gross receipts during any calendar year, the person must immediately surrender the

~~exemption~~ certificate of exemption and apply for the appropriate license. The person must remain licensed until such time as the person's gross annual receipts during a calendar year fall below \$15,000. The person may then apply for an exemption for the next calendar year.

Sec. 69. Minnesota Statutes 2009 Supplement, section 326B.815, subdivision 1, is amended to read:

Subdivision 1. **Licensing fee Fees.** (a) ~~The licensing fee for persons licensed pursuant to sections 326B.802 to 326B.885, except for manufactured home installers, is \$200 for a two year period. The~~ For the purposes of calculating fees under section 326B.092, an initial or renewed residential contractor, residential remodeler, or residential roofer license is a business license. Notwithstanding section 326B.092, the licensing fee for manufactured home installers under section 327B.041 is \$300 for a three-year period.

(b) All initial and renewal licenses, except for manufactured home installer licenses, shall be effective for two years and shall expire on March 31 of the year after the year in which the application is made. ~~The license fee for each renewal of a residential contractor, residential remodeler, or residential roofer license shall be \$100 for one year and \$200 for two years.~~

(c) The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the renewal of residential contractor, residential remodeler, and residential roofer licenses from one year to two years. By June 30, 2011, all renewed residential contractor, residential remodeler, and residential roofer licenses shall be two-year licenses.

Sec. 70. Minnesota Statutes 2008, section 326B.83, subdivision 1, is amended to read:

Subdivision 1. **Form.** (a) An applicant for a license under sections 326B.802 to 326B.885 must submit an application, under oath and accompanied by the license fee fees required by section ~~326B.815~~ 326B.092, on a form prescribed by the commissioner. ~~Within 30 business days of receiving all required information, the commissioner must act on the license request.~~

(b) If one of the categories in the application does not apply, the applicant must identify the category and state the reason the category does not apply. The commissioner may refuse to issue a license if the application is not complete or contains unsatisfactory information.

Sec. 71. Minnesota Statutes 2008, section 326B.83, subdivision 3, is amended to read:

Subd. 3. **Examination.** (a) Each qualifying person must ~~satisfactorily complete~~ pass a written examination for the type of license requested. The commissioner may establish the examination qualifications, including related education experience and education, the examination procedure, and the examination for each licensing group. The examination must include at a minimum the following areas:

(1) appropriate knowledge of technical terms commonly used and the knowledge of reference materials and code books to be used for technical information; and

(2) understanding of the general principles of business management and other pertinent state laws.

(b) Each examination must be designed for the specified type of license requested.

~~(c) An individual's passing examination results expire two years from the examination date. An individual who passes the examination but does not choose to apply to act as a qualifying person for a licensee within two years from the examination date, must, upon application provide:~~

~~(1) passing examination results within two years from the date of application; or~~

~~(2) proof that the person has fulfilled the continuing education requirements in section 326B.821 in the manner required for a qualifying person of a licensee for each license period after the expiration of the examination results.~~

Sec. 72. Minnesota Statutes 2008, section 326B.83, subdivision 6, is amended to read:

Subd. 6. **License.** A nonresident of Minnesota may be licensed as a residential building contractor, residential remodeler, residential roofer, or manufactured home installer upon compliance with all the provisions of sections 326B.092 to 326B.098 and 326B.802 to 326B.885.

Sec. 73. Minnesota Statutes 2009 Supplement, section 326B.86, subdivision 1, is amended to read:

Subdivision 1. **Bond.** (a) Licensed manufactured home installers and licensed residential roofers must post a biennial surety bond in the name of the licensee with the commissioner, conditioned that the applicant shall faithfully perform the duties and in all things comply with all laws, ordinances, and rules pertaining to the license or permit applied for and all contracts entered into. The biennial bond must be continuous and maintained for so long as the licensee remains licensed. The aggregate liability of the surety on the bond to any and all persons, regardless of the number of claims made against the bond, may not exceed the amount of the bond. The bond may be canceled as to future liability by the surety upon 30 days' written notice mailed to the commissioner by regular mail.

(b) A licensed residential roofer must post a bond of at least \$15,000.

(c) A licensed manufactured home installer must post a bond of at least \$2,500.

Bonds issued under sections 326B.802 to 326B.885 are not state bonds or contracts for purposes of sections 8.05 and 16C.05, subdivision 2.

Sec. 74. Minnesota Statutes 2008, section 326B.865, is amended to read:

#### **326B.865 SIGN CONTRACTOR; BOND.**

(a) A sign contractor may post a compliance bond with the commissioner, conditioned that the sign contractor shall faithfully perform duties and comply with laws, ordinances, rules, and contracts entered into for the installation of signs. The bond must be renewed ~~annually~~ biennially and maintained for so long as determined by the commissioner. The aggregate liability of the surety on the bond to any and all persons, regardless of the number of claims made against the bond, may not exceed the annual amount of the bond. The bond may be canceled as to future liability by the surety upon 30 days' written notice mailed to the commissioner by United States mail.

(b) The amount of the bond shall be \$8,000. The bond may be drawn upon only by a local unit of government that requires sign contractors to post a compliance bond. The bond is in lieu of any compliance bond required by a local unit of government.

(c) For purposes of this section, "sign" means a device, structure, fixture, or placard using graphics, symbols, or written copy that is erected on the premises of an establishment including the name of the establishment or identifying the merchandise, services, activities, or entertainment available on the premises.

Sec. 75. Minnesota Statutes 2008, section 326B.921, subdivision 2, is amended to read:

Subd. 2. **High pressure pipefitting business license.** Before obtaining a permit for high pressure piping work, a person must obtain or utilize a business with a high pressure piping business license.



A person must have at all times as a full-time employee at least one individual holding a contracting high pressure pipefitter competency license. Only full-time employees who hold contracting high pressure pipefitter licenses are authorized to obtain high pressure piping permits in the name of the business. The contracting high pressure pipefitter competency license holder can be the employee of only one high pressure piping business at a time. An application for a high pressure piping business license shall include a verified statement that the applicant or licensee has complied with this subdivision.

To retain its business license without reapplication, a person holding a high pressure piping business license that ceases to employ an individual holding a contracting high pressure pipefitter competency license shall have 60 days from the last day of employment of its previous contracting pipefitter competency license holder to employ another license holder. The department must be notified no later than five days after the last day of employment of the previous license holder.

No high pressure pipefitting work may be performed during any period when the high pressure pipefitting business does not have a contracting high pressure pipefitter competency license holder on staff. If a license holder is not employed within 60 days after the last day of employment of the previous license holder, the pipefitting business license shall lapse.

The board shall prescribe by rule procedures for application for and issuance of business licenses.

Sec. 76. Minnesota Statutes 2008, section 326B.921, subdivision 4, is amended to read:

Subd. 4. **Registration with commissioner.** An unlicensed individual may register to assist in the practical construction and installation of high pressure piping and appurtenances while in the employ of a licensed high pressure piping business by completing and submitting to the commissioner a registration form provided by the commissioner, with all fees required by section 326B.092. The board may prescribe rules, not inconsistent with this section, for the registration of unlicensed individuals.

~~An unlicensed individual applying for initial registration shall pay the department an application fee of \$50. Applications for initial registration may be submitted at any time. Registration must be renewed annually and shall be valid for one calendar year beginning January 1. Applications for renewal registration must be submitted to the commissioner before December 31 of each registration period on forms provided by the commissioner, and must be accompanied by a fee of \$50. There shall be no refund of fees paid.~~

Sec. 77. Minnesota Statutes 2008, section 326B.921, subdivision 7, is amended to read:

Subd. 7. **License fee, registration, and renewal fees.** ~~The department shall charge the following license fees:~~

- ~~(a) application for journeyman high pressure pipefitter competency license, \$120;~~
- ~~(b) renewal of journeyman high pressure pipefitter competency license, \$80;~~
- ~~(c) application for contracting high pressure pipefitter competency license, \$270;~~
- ~~(d) renewal of contracting high pressure pipefitter competency license, \$240;~~
- ~~(e) application for high pressure piping business license, \$450;~~
- ~~(f) application to inactivate a contracting high pressure pipefitter competency license or inactivate a journeyman high pressure pipefitter competency license, \$40; and~~

~~(g) renewal of an inactive contracting high pressure pipefitter competency license or inactive journeyman high pressure pipefitter competency license, \$40.~~

~~If an application for renewal of an active or inactive journeyman high pressure pipefitter competency license or active or inactive contracting high pressure pipefitter competency license is received by the department after the date of expiration of the license, a \$30 late renewal fee shall be added to the license renewal fee.~~

~~Payment must accompany the application for a license or renewal of a license. There shall be no refund of fees paid.~~

For purposes of calculating license, registration, and renewal fees required under section 326B.092:

(1) the registration of an unlicensed individual under subdivision 4 is an entry level license;

(2) a journeyman high pressure pipefitter license is a journeyman license;

(3) a contracting high pressure pipefitter license is a master license; and

(4) a high pressure piping business license is a business license.

Sec. 78. Minnesota Statutes 2008, section 326B.922, is amended to read:

#### **326B.922 LICENSE APPLICATION AND RENEWAL.**

(a) Application for a contracting high pressure pipefitter ~~competency or~~, a journeyman high pressure pipefitter ~~competency~~, or a high pressure piping business license shall be made to the department, with all fees required by section 326B.092.

(b) The applicant for a contracting high pressure pipefitter or a journeyman high pressure pipefitter license shall be licensed only after passing an examination developed and administered by the department in accordance with rules adopted by the board. ~~A competency license issued by the department shall expire on December 31 of each year. A renewal application must be received by the department within one year after expiration of the competency license. A license that has been expired for more than one year cannot be renewed, and can only be reissued if the applicant submits a new application for the competency license, pays a new application fee, and retakes and passes the applicable license examination.~~

(c) All initial contracting high pressure pipefitter licenses, journeyman high pressure pipefitter licenses, and high pressure piping business licenses are effective for more than one calendar year and expire on December 31 of the year after the year in which the application is made. The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the renewal of contracting high pressure pipefitter, journeyman high pressure pipefitter, and high pressure piping business licenses from one year to two years. By June 30, 2012, all such licenses shall be two-year licenses.

Sec. 79. Minnesota Statutes 2009 Supplement, section 326B.94, subdivision 4, is amended to read:

Subd. 4. **Examinations, licensing.** Every individual that operates a boat must hold a current master's license issued by the commissioner, unless the individual holds a valid, current charter boat captain's license issued by the United States Coast Guard. The commissioner shall develop and administer an examination for all masters of boats carrying passengers for hire on the inland waters of the state as to their qualifications and fitness. If found qualified and competent to perform their duties as a master of a boat carrying passengers for hire, they shall be issued a license authorizing them to act as such on the inland waters of the state. All initial master's licenses shall be for two

years. The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the renewal of master's licenses from one year to two years. By June 30, 2011, all renewed master's licenses shall be two-year licenses. Fees for the original issue and renewal of the license authorized under this section shall be pursuant to section ~~326B.986, subdivision 2~~ 326B.092.

Sec. 80. Minnesota Statutes 2008, section 326B.978, subdivision 2, is amended to read:

Subd. 2. **Applications.** Any individual who desires an engineer's license shall submit an application on a written or electronic form prescribed by the commissioner, ~~at least 15 days before the requested exam date. If the commissioner approves the applicant for examination, the applicant may take the examination on one occasion within one year from the date the commissioner receives the application~~ with all fees required by section 326B.092.

Sec. 81. Minnesota Statutes 2008, section 326B.978, is amended by adding a subdivision to read:

Subd. 19. **Applicability.** This section shall not apply to traction or hobby boiler engineer's licenses or provisional licenses.

Sec. 82. Minnesota Statutes 2009 Supplement, section 326B.986, subdivision 5, is amended to read:

Subd. 5. **Boiler engineer license fees.** ~~(a) For the following licenses, the nonrefundable license and application fee is:~~

- ~~(1) chief engineer's license, \$70;~~
- ~~(2) first class engineer's license, \$70;~~
- ~~(3) second class engineer's license, \$70;~~
- ~~(4) special engineer's license, \$40;~~
- ~~(5) traction or hobby boiler engineer's license, \$50; and~~
- ~~(6) provisional license, \$50.~~

~~(b) An engineer's license, except a provisional license, may be renewed upon application and payment of a renewal fee of \$20 for one year or \$40 for two years. If the renewal fee is paid later than 30 days after expiration, then a late fee of \$15 will be added to the renewal fee.~~

(a) For purposes of calculating license fees and renewal license fees required under section 326B.092:

- (1) the boiler special engineer license is an entry level license;
- (2) the following licenses are journeyman licenses: first class engineer, Grade A; first class engineer, Grade B; first class engineer, Grade C; second class engineer, Grade A; second class engineer, Grade B; second class engineer, Grade C; and provisional license; and
- (3) the following licenses are master licenses: boiler chief engineer, Grade A; boiler chief engineer, Grade B; boiler chief engineer, Grade C; boiler commissioner inspector; or traction or hobby boiler engineer.

(b) Notwithstanding section 326B.092, subdivision 7, paragraph (a), the license duration for steam traction and hobby engineer licenses are one year only for the purpose of calculating license fees under section 326B.092, subdivision 7, paragraph (b).

Sec. 83. 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. 84. 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. 85. 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. 86. 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. 87. 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. 88. 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. 89. 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. 90. 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 the manufacturer's installation instructions in effect at the date of manufacture, approved addenda or, when applicable, the Minnesota State Building Code.

Sec. 91. 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. 92. 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 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 releveing 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. 93. 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. 94. Minnesota Statutes 2008, section 327B.04, subdivision 2, is amended to read:

Subd. 2. **Subagency licenses.** Any dealer who has a place of business at more than one location shall designate one location as its principal place of business, one name as its principal name, and all other established places of business as subagencies. A subagency license shall be required for each subagency. Subagency license renewal must coincide with the principal license date. No dealer shall do business as a dealer under any other name than the name on its license.

Sec. 95. Minnesota Statutes 2009 Supplement, section 327B.04, subdivision 7, is amended to read:

Subd. 7. **Licenses; when granted renewal.** In addition to the requirements of this section, each application for a license or license renewal must be accompanied by a fee in an amount established by subdivision 7a all applicable fees required by section 326B.092. The fees shall be set in an amount which over the fiscal biennium will produce revenues approximately equal to the expenses which the commissioner expects to incur during that fiscal biennium while administering and enforcing sections 327B.01 to 327B.12. ~~The commissioner shall grant or deny a license application or a renewal application within 60 days of its filing.~~ If the license is granted, the commissioner shall license the applicant as a dealer or manufacturer for the remainder of the licensure period. Upon application by the licensee, the commissioner shall renew the license for a two-year period, if:

(1) the renewal application satisfies the requirements of subdivisions 3 and 4;

(2) the renewal applicant has made all listings, registrations, notices and reports required by the commissioner during the preceding licensure period; and

(3) the renewal applicant has paid all fees owed pursuant to sections 327B.01 to 327B.12 and all taxes, arrearages, and penalties owed to the state.

Sec. 96. Minnesota Statutes 2009 Supplement, section 327B.04, subdivision 7a, is amended to read:

Subd. 7a. **Fees.** (a) Fees for licenses issued pursuant to this section ~~are as follows:~~ shall be calculated pursuant to section 326B.092.

- ~~(1) initial dealer license for principal location, \$400. Fee is not refundable;~~
- ~~(2) initial dealer license for subagency location, \$80;~~
- ~~(3) dealer license biennial renewal, principal location, \$400; dealer subagency location biennial renewal, \$160. Subagency license renewal must coincide with the principal license date;~~
- ~~(4) initial limited dealer license, \$200;~~
- ~~(5) change of bonding company, \$10;~~
- ~~(6) reinstatement of bond after cancellation notice has been received, \$10;~~
- ~~(7) checks returned without payment, \$15; and~~
- ~~(8) change of address, \$10.~~

(b) All initial limited dealer licenses shall be effective for more than one calendar year and shall expire on December 31 of the year after the year in which the application is made.

~~(c) The license fee for each renewed limited dealer license shall be \$100 for one year and \$200 for two years. For the purposes of calculating fees under section 326B.092, any license issued under this section is a business license, except that a subagency license is a master license. The commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the renewal of limited dealer licenses from one year to two years. By June 30, 2011, all renewed limited dealer licenses shall be two-year licenses.~~

~~(d) All fees are not refundable.~~

Sec. 97. Minnesota Statutes 2009 Supplement, section 327B.04, subdivision 8, is amended to read:

Subd. 8. **Limited dealer's license.** The commissioner shall issue a limited dealer's license to an owner of a manufactured home park authorizing the licensee as principal only to engage in the sale, offering for sale, soliciting, or advertising the sale of used manufactured homes located in the owned manufactured home park. The licensee must be the title holder of the homes and may engage in no more than ten sales during each year of the two-year licensure period. An owner may, upon payment of the applicable fee and compliance with this subdivision, obtain a separate license for each owned manufactured home park and is entitled to sell up to 20 homes per license period provided that only one limited dealer license may be issued for each park. The license shall be issued after:

- (1) receipt of an application on forms provided by the commissioner containing the following information:
  - (i) the identity of the applicant;
  - (ii) the name under which the applicant will be licensed and do business in this state;
  - (iii) the name and address of the owned manufactured home park, including a copy of the park license, serving as the basis for the issuance of the license;
  - (iv) the name, home, and business address of the applicant;

(v) the name, address, and telephone number of one individual that is designated by the applicant to receive all communications and cooperate with all inspections and investigations of the commissioner pertaining to the sale of manufactured homes in the manufactured home park owned by the applicant;

(vi) whether the applicant or its designated individual has been convicted of a crime within the previous ten years that is either related directly to the business for which the license is sought or involved fraud, misrepresentation or misuse of funds, or has suffered a judgment in a civil action involving fraud, misrepresentation, or conversion within the previous five years or has had any government license or permit suspended or revoked as a result of an action brought by a federal or state governmental agency in this or any other state within the last five years; and

(vii) the applicant's qualifications and business history, including whether the applicant or its designated individual has ever been adjudged bankrupt or insolvent, or has any unsatisfied court judgments outstanding against it or them;

(2) payment of the license fee established by subdivision 7a; and

(3) provision of a surety bond in the amount of \$5,000. A separate surety bond must be provided for each limited license.

The applicant need not comply with section 327B.04, subdivision 4, paragraph (e). The holding of a limited dealer's license does not satisfy the requirement contained in section 327B.04, subdivision 4, paragraph (e), for the licensee or salespersons with respect to obtaining a dealer license. The commissioner may, upon application for a renewal of a license, require only a verification that copies of sales documents have been retained and payment of the renewal ~~fee~~ fees established by ~~subdivision 7a~~ section 326B.092. "Sales documents" mean only the safety feature disclosure form defined in section 327C.07, subdivision 3a, title of the home, financing agreements, and purchase agreements.

The license holder shall, upon request of the commissioner, make available for inspection during business hours sales documents required to be retained under this subdivision.

Sec. 98. Minnesota Statutes 2009 Supplement, section 327B.041, is amended to read:

**327B.041 MANUFACTURED HOME INSTALLERS.**

(a) Manufactured home installers are subject to all of the fees in section 326B.092 and the requirements of sections 326B.802 to 326B.885, except for the following:

(1) manufactured home installers are not subject to the continuing education requirements of section 326B.821, but are subject to the continuing education requirements established in rules adopted under section 327B.10;

(2) the examination requirement of section 326B.83, subdivision 3, for manufactured home installers shall be satisfied by successful completion of a written examination administered and developed specifically for the examination of manufactured home installers. The examination must be administered and developed by the commissioner. The commissioner and the state building official shall seek advice on the grading, monitoring, and updating of examinations from the Minnesota Manufactured Housing Association;

(3) a local government unit may not place a surcharge on a license fee, and may not charge a separate fee to installers;

(4) a dealer or distributor who does not install or repair manufactured homes is exempt from licensure under sections 326B.802 to 326B.885;

(5) the exemption under section 326B.805, subdivision 6, clause (5), does not apply; and

(6) manufactured home installers are not subject to the contractor recovery fund in section 326B.89.

(b) The commissioner may waive all or part of the requirements for licensure as a manufactured home installer for any individual who holds an unexpired license or certificate issued by any other state or other United States jurisdiction if the licensing requirements of that jurisdiction meet or exceed the corresponding licensing requirements of the department and the individual complies with section 326B.092, subdivisions 1 and 3 to 7. For the purposes of calculating fees under section 326B.092, licensure as a manufactured home installer is a business license.

Sec. 99. Minnesota Statutes 2008, section 471.59, subdivision 10, is amended to read:

Subd. 10. **Services performed by governmental units; commonality of powers.** Notwithstanding the provisions of subdivision 1 requiring commonality of powers between parties to any agreement, the governing body of any governmental unit as defined in subdivision 1 may enter into agreements with any other governmental unit to perform on behalf of that unit any service or function which the governmental unit providing the service or function is authorized to provide for itself. If the agreement has the effect of eliminating or replacing a public employee who is part of a collective bargaining agreement represented by an exclusive representative, and there is no provision in the collective bargaining agreement detailing the effect of the action on the affected public employee, negotiations on the effects to the employee of the job elimination or restructuring must be conducted between the exclusive representative and the employer.

Sec. 100. Laws 2009, chapter 78, article 1, section 3, subdivision 2, is amended to read:

Subd. 2. <b>Business and Community Development</b>	8,980,000	<del>8,980,000</del>
		<u>8,873,000</u>
Appropriations by Fund		
General	7,941,000	<del>7,941,000</del>
		<u>7,834,000</u>
Remediation	700,000	700,000
Workforce Development	339,000	339,000

(a) \$700,000 the first year and \$700,000 the second year are from the remediation fund for contaminated site cleanup and development grants under Minnesota Statutes, section 116J.554. This appropriation is available until expended.

(b) \$200,000 each year is from the general fund for a grant to WomenVenture for women's business development programs and for programs that encourage and assist women to enter nontraditional careers in the trades; manual and technical occupations; science, technology, engineering, and mathematics-related occupations; and green jobs. This appropriation may be matched dollar for dollar with any resources available from the

federal government for these purposes with priority given to initiatives that have a goal of increasing by at least ten percent the number of women in occupations where women currently comprise less than 25 percent of the workforce. The appropriation is available until expended.

(c) \$105,000 each year is from the general fund and \$50,000 each year is from the workforce development fund for a grant to the Metropolitan Economic Development Association for continuing minority business development programs in the metropolitan area. This appropriation must be used for the sole purpose of providing free or reduced fee business consulting services to minority entrepreneurs and contractors.

(d)(1) \$500,000 each year is from the general fund for a grant to BioBusiness Alliance of Minnesota for bioscience business development programs to promote and position the state as a global leader in bioscience business activities. This appropriation is added to the department's base. These funds may be used to create, recruit, retain, and expand biobusiness activity in Minnesota; implement the destination 2025 statewide plan; update a statewide assessment of the bioscience industry and the competitive position of Minnesota-based bioscience businesses relative to other states and other nations; and develop and implement business and scenario-planning models to create, recruit, retain, and expand biobusiness activity in Minnesota.

(2) The BioBusiness Alliance must report each year by February 15 to the committees of the house of representatives and the senate having jurisdiction over bioscience industry activity in Minnesota on the use of funds; the number of bioscience businesses and jobs created, recruited, retained, or expanded in the state since the last reporting period; the competitive position of the biobusiness industry; and utilization rates and results of the business and scenario-planning models and outcomes resulting from utilization of the business and scenario-planning models.

(e)(1) Of the money available in the Minnesota Investment Fund, Minnesota Statutes, section 116J.8731, to the commissioner of the Department of Employment and Economic Development, up to \$3,000,000 is appropriated in fiscal year 2010 for a loan to an aircraft manufacturing and assembly company, associated with the aerospace industry, for equipment utilized to establish an aircraft completion center at the Minneapolis-St. Paul International Airport. The finishing center must use the state's vocational training programs designed specifically for aircraft maintenance training, and to the extent possible, work to recruit employees from these programs. The center must create at least 200 new manufacturing jobs within 24 months of receiving the loan, and create not less than 500 new manufacturing jobs over a five-year period in Minnesota.

(2) This loan is not subject to loan limitations under Minnesota Statutes, section 116J.8731, subdivision 5. Any match requirements under Minnesota Statutes, section 116J.8731, subdivision 3, may be made from current resources. This is a onetime appropriation and is effective the day following final enactment.

(f) \$65,000 each year is from the general fund for a grant to the Minnesota Inventors Congress, of which at least \$6,500 must be used for youth inventors.

(g) \$200,000 the first year and \$200,000 the second year are for the Office of Science and Technology. This is a onetime appropriation.

(h) \$500,000 the first year and \$500,000 the second year are for a grant to Enterprise Minnesota, Inc., for the small business growth acceleration program under Minnesota Statutes, section 116O.115. This is a onetime appropriation and is available until expended.

(i)(1) \$100,000 each year is from the workforce development fund for a grant under Minnesota Statutes, section 116J.421, to the Rural Policy and Development Center at St. Peter, Minnesota. The grant shall be used for research and policy analysis on emerging economic and social issues in rural Minnesota, to serve as a policy resource center for rural Minnesota communities, to encourage collaboration across higher education institutions, to provide interdisciplinary team approaches to research and problem-solving in rural communities, and to administer overall operations of the center.

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

(j) Notwithstanding Minnesota Statutes, section 268.18, subdivision 2, \$414,000 of funds collected for unemployment insurance administration under this subdivision is appropriated as follows: \$250,000 to Lake County for ice storm damage; \$64,000 is for the city of Green Isle for reimbursement of fire relief efforts and other expenses incurred as a result of the fire in the city of Green Isle; and \$100,000 is to develop the construction mitigation pilot program to make grants ~~for up to five projects statewide available~~ to local government units to mitigate the impacts of transportation construction on local small business. These are onetime appropriations and are available until expended.

(k) Up to \$10,000,000 is appropriated from the Minnesota minerals 21st century fund to the commissioner of Iron Range resources and rehabilitation to make ~~a grant grants~~ or forgivable ~~loan to a manufacturer~~ loans to manufacturers of windmill blades ~~at a facility, other renewable energy manufacturing, or biomass products at facilities~~ to be located within the taconite tax relief area defined in Minnesota Statutes, section 273.134. No match is required for the renewable energy manufacturing or biomass projects.

(l) \$1,000,000 is appropriated from the Minnesota minerals 21st century fund to the Board of Trustees of the Minnesota State Colleges and Universities for a grant to the Northeast Higher Education District for planning, design, and construction of classrooms and housing facilities for upper division students in the engineering program.

(m)(1) \$189,000 each year is appropriated from the workforce development fund for grants of \$63,000 to eligible organizations each year to assist in the development of entrepreneurs and small businesses. Each state grant dollar must be matched with \$1 of nonstate funds. Any balance in the first year does not cancel but is available in the second year.

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

Sec. 101. **CUSTOMER SERVICE.**

The commissioner must assign at least one full-time equivalent unemployment insurance customer service staff person to each workforce center to assist applicants in applying for benefits, accessing resource room resources, searching for jobs, accessing training and other services available to unemployed workers, and answer questions about unemployment benefits, options, and appeals.

Sec. 102. **WORKFORCE SERVICES REPORT AND RECOMMENDATIONS.**

By January 15, 2011, the governor's Workforce Development Council executive committee shall submit a report to the senate and house of representatives committees with jurisdiction over workforce development programs on the performance and outcomes of the workforce centers, as required by Minnesota Statutes, section 116L.665, subdivision 4. This report must contain recommendations for an ongoing process to identify local gaps in workforce

services and ways to fill the gaps. The Department of Employment and Economic Development and the workforce councils should be included in the process for identifying service gaps. The governor's Workforce Development Council executive committee must submit draft-guiding principles to the legislature for review and feedback by August 12, 2010.

Sec. 103. **DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT BLOCK GRANT REPORT.**

The commissioner of employment and economic development shall study and report to the chairs and ranking minority members of the house of representatives and senate committees having jurisdiction over economic development and workforce issues on the use of block grant funding to be administered by the Workforce Development Division and the Business and Community Development Division. The report must include recommendations for the use of block grant funding including goals, grant award criteria, RFP procedures, priorities for target populations and the services to be provided, and inclusion of all pass-through grants administered by the department including those receiving direct state appropriations. The recommendations must contain specific proposals on providing grant oversight, evaluation, and administration of allocated funds in order to maximize services to target populations.

Sec. 104. **STUDY OF DIVISION OF GENERAL FUND REVENUE ACCOUNT.**

(a) The Carlson School of Management at the University of Minnesota is requested to study:

(1) the feasibility of dividing the state's general fund revenue account among community financial institutions in order to ensure that state money benefits Minnesota residents; and

(2) the potential economic benefit to municipalities from an increase in their use of community financial institutions as defined in clause (1).

(b) The results of the study must be reported to the legislature by December 1, 2010.

For purposes of this section, "community financial institution" means a federally insured bank or credit union, chartered as a bank or credit union by the state of Minnesota or the United States, that is headquartered in Minnesota and has no more than \$2,500,000,000 in assets.

Sec. 105. **APPROPRIATION.**

\$107,000 is appropriated from the general fund in fiscal year 2011 to the Minnesota Science and Technology Authority for the purposes of Minnesota Statutes, chapter 116W.

Sec. 106. **TRANSFER.**

The commissioner of management and budget must transfer any remaining balance of the appropriation made in Laws 2009, chapter 78, article 1, section 3, subdivision 2, paragraph (g), to the Minnesota Science and Technology Authority.

Sec. 107. **REVISOR'S INSTRUCTION.**

In Minnesota Rules, the revisor of statutes shall change all references to Minnesota Rules, part 1350.8300, to Minnesota Statutes, section 327B.04.



Sec. 108. **REPEALER.**

(a) Minnesota Statutes 2008, sections 326B.133, subdivisions 9 and 10; 326B.37, subdivision 13; 326B.475, subdivisions 5 and 6; 326B.56, subdivision 3; 326B.885, subdivisions 3 and 4; 326B.976; 327.32, subdivision 4; and 327C.07, subdivisions 3a and 8, are repealed.

(b) Minnesota Statutes 2009 Supplement, section 326B.56, subdivision 4, is repealed.

(c) Minnesota Rules, parts 1301.0500; 1301.0900; 1301.1100, subparts 2, 3, and 4; 1350.7200, subpart 3; and 1350.8000, subpart 2, are repealed.

(d) Minnesota Statutes 2008, section 116J.657, is repealed.

**EFFECTIVE DATE.** Paragraphs (a) to (c) are effective January 1, 2012, except that the repeal of Minnesota Statutes, sections 327.32, subdivision 4, and 327C.07, subdivisions 3a and 8, are effective August 1, 2010. Paragraph (d) is effective July 1, 2010.

Sec. 109. **EFFECTIVE DATE.**

(a) Sections 31 to 82 and 94 to 98 are effective January 1, 2012.

(b) Sections 11 to 20, 100, and 105 are effective July 1, 2010."

Delete the title and insert:

"A bill for an act relating to economic development, labor, and industry; modifying grant and loan programs; modifying duties; making technical changes; defining terms; creating the Minnesota Science and Technology Authority; modifying licensing provisions; imposing and modifying fees; modifying construction codes; requesting a study; requiring reports; appropriating money; amending Minnesota Statutes 2008, sections 116J.435, as amended; 116J.437, subdivision 1; 116J.8731, subdivisions 1, 4; 116J.996; 116L.665, subdivisions 3, 6, by adding a subdivision; 136F.06, by adding a subdivision; 268.035, by adding a subdivision; 268.085, subdivision 16; 268.095, subdivision 5; 268.101, by adding a subdivision; 268.184, subdivision 1; 326B.133, subdivisions 1, 3, 8, 11, by adding subdivisions; 326B.197; 326B.33, subdivisions 18, 20, 21; 326B.42, by adding subdivisions; 326B.44; 326B.46, as amended; 326B.47; 326B.475, subdivision 2; 326B.50, by adding subdivisions; 326B.54; 326B.55, as amended; 326B.56, as amended; 326B.805, subdivision 6; 326B.83, subdivisions 1, 3, 6; 326B.865; 326B.921, subdivisions 2, 4, 7; 326B.922; 326B.978, subdivision 2, by adding a subdivision; 327.31, subdivision 17, by adding subdivisions; 327.32, subdivision 1, by adding subdivisions; 327.34, subdivision 1; 327B.04, subdivision 2; 471.59, subdivision 10; Minnesota Statutes 2009 Supplement, sections 116J.8731, subdivision 3; 268.035, subdivision 23a; 268.095, subdivisions 2, 6; 268.105, subdivision 1; 326B.33, subdivision 19; 326B.475, subdivision 4; 326B.49, subdivision 1; 326B.58; 326B.815, subdivision 1; 326B.86, subdivision 1; 326B.94, subdivision 4; 326B.986, subdivision 5; 327B.04, subdivisions 7, 7a, 8; 327B.041; Laws 2009, chapter 78, article 1, section 3, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 116L; 326B; proposing coding for new law as Minnesota Statutes, chapter 116W; repealing Minnesota Statutes 2008, sections 116J.657; 326B.133, subdivisions 9, 10; 326B.37, subdivision 13; 326B.475, subdivisions 5, 6; 326B.56, subdivision 3; 326B.885, subdivisions 3, 4; 326B.976; 327.32, subdivision 4; 327C.07, subdivisions 3a, 8; Minnesota Statutes 2009 Supplement, section 326B.56, subdivision 4; Minnesota Rules, parts 1301.0500; 1301.0900; 1301.1100, subparts 2, 3, 4; 1350.7200, subpart 3; 1350.8000, subpart 2."

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

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 2849, A bill for an act relating to business development; providing for a comparative study of state laws affecting small business start-ups in Minnesota and Wisconsin; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **COMPARATIVE STUDY OF STATE REGULATION AFFECTING SMALL BUSINESS START-UPS.**

(a) The Legislative Coordinating Commission must apply to the University of Minnesota Carlson School of Business or another grant-making organization for a grant to fund or conduct a comparative study of the effects of state regulation on the cost and delay required to start a typical small business in Minnesota and Wisconsin.

(b) The study must examine the typical cost and delay required by state regulation in the two states to start a typical small services business, small retail business, and small manufacturing business. Within each of those three categories, the study must choose a specific type of business and follow the start-up process in the two states from beginning to end, including formation, financing, licensing, permits, reporting requirements, employment laws, and state and local taxes. The study must result in a written report submitted to the Legislative Coordinating Commission no later than December 1, 2011.

(c) The Legislative Coordinating Commission shall request proposals and choose the recipient of the grant from among higher education institutions that have a graduate program in business, business administration, or a similar field. The Legislative Coordinating Commission shall periodically monitor the recipient's progress on the study and written report. The Legislative Coordinating Commission shall submit the written report as a report to the legislature in compliance with Minnesota Statutes, sections 3.195 and 3.197.

(d) If a grant is not received for the comparative study, the Legislative Coordinating Commission is not responsible for any of the tasks under this section."

Delete the title and insert:

"A bill for an act relating to business development; providing for a comparative study of state laws affecting small business start-ups in Minnesota and Wisconsin."

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

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 2965, A bill for an act relating to public safety; establishing a certification process for multijurisdictional gang and drug task forces; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 299A; repealing Minnesota Statutes 2008, section 299A.641.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[299A.642] VIOLENT CRIME COORDINATING COUNCIL.**

Subdivision 1. **Coordinating council established.** The Violent Crime Coordinating Council is established to provide guidance related to the investigation and prosecution of gang and drug crime. For the purposes of this section, "gang and drug crime" includes violent crimes associated with gang activity.

Subd. 2. **Membership.** The coordinating council shall consist of the following individuals or their designees:

(1) the director of the Office of Special Investigations as the representative of the commissioner of corrections;

(2) the superintendent of the Bureau of Criminal Apprehension as the representative of the commissioner of public safety;

(3) the attorney general;

(4) four chiefs of police, selected by the Minnesota Chiefs of Police Association, of which one must be employed by the city of Minneapolis, one must be employed by the city of St. Paul, one must be employed by a municipality located in the seven-county metropolitan area excluding Minneapolis and St. Paul, and one must be employed in greater Minnesota;

(5) four sheriffs, selected by the Minnesota Sheriffs Association, of which, one must work in Hennepin County, one must work in Ramsey County, one must work in Anoka, Carver, Dakota, Scott, or Washington county, and one must work in greater Minnesota;

(6) the United States attorney for the district of Minnesota;

(7) two county attorneys, selected by the Minnesota County Attorneys Association, one who must work in the seven-county metropolitan area and one who must work in greater Minnesota;

(8) two citizen members appointed by the commissioner of public safety in consultation with representatives from the councils of color created in sections 3.922, 3.9223, 3.9225, and 3.9226; and

(9) a tribal peace officer, selected by the commissioner of public safety, in consultation with the Minnesota Indian Affairs Council.

The coordinating council shall adopt procedures to govern its conduct as necessary and shall select a chair from among its members. The chair shall serve a two-year term and the appointment of the chair shall alternate between a person who works in greater Minnesota and a person who works in the seven-county metropolitan area.

Subd. 3. **Coordinating council's duties.** The coordinating council shall develop an overall strategy to ameliorate the harm caused to the public by gang and drug crime within the state of Minnesota. Additionally, the coordinating council shall:

(1) subject to approval by the commissioner of public safety, develop an operating procedures and policies manual to investigate gang and drug crime in a multijurisdictional manner;

(2) identify and recommend a candidate or candidates for statewide coordinator to the commissioner of public safety;

(3) assist the Department of Public Safety in developing grant eligibility criteria and operating an objective and conflict-free grant review application process;

(4) make recommendations to the commissioner of public safety to terminate grant funding for multijurisdictional entities if an entity no longer operates in accordance with subdivision 4, or no longer functions in a manner consistent with the best interests of the state or public;

(5) assist in developing a process to collect and share information to improve the investigation and prosecution of gang and drug offenses;

(6) develop and approve an operational budget for the coordinating council; and

(7) subject to approval by the commissioner of public safety, adopt narrowly tailored, objective criteria and identifying characteristics for use in determining whether individuals are or may be members of gangs involved in criminal activity. The council shall review and update the criteria and characteristics adopted under this clause every two years with the objective to ensure effectiveness and relevance to the accurate identification of subjects actively involved in criminal gang activity. As part of its review process, the council shall obtain input from members of communities that are impacted by criminal gang activity. Before adopting any changes under this clause, the council must submit its recommendations to the commissioner of public safety for approval.

Subd. 4. **Duties and authority of commissioner.** (a) The commissioner of public safety shall certify multijurisdictional entities, and their designated fiscal agents, that are established pursuant to this section to combat gang and drug crime and receive grant funding under subdivision 9. To certify an entity and its designated fiscal agent, the commissioner shall require that a multijurisdictional entity:

(1) be subject to the operational command and supervision of one of the participating agencies;

(2) be subject to a biennial operational and financial audit contracted out to an external organization not associated with the multijurisdictional entity and designed to ensure that the entity and its designated fiscal agent are in compliance with applicable legal requirements, proper law enforcement standards and practices, and effective financial controls;

(3) have adequate staffing and funding to support law enforcement, prosecutorial, and financial operations, including bookkeeping, evidence handling, and inventory recording; and

(4) be subject to any other conditions the commissioner deems necessary to carry out the purposes of this section.

The commissioner may use grant funds authorized under subdivision 9 to pay for costs incurred in conducting audits under clause (2).

(b) A multijurisdictional entity, and its designated fiscal agent, must be certified annually by the commissioner and may not operate under this section unless it is certified. If the commissioner revokes an entity's or fiscal agent's certification, the commissioner may order, for purposes relating to this section, any or all of the following:

(1) dissolution of the entity, its governing boards, or both;

(2) transfer of duties of the entity, its governing boards, or both, to the Department of Public Safety; and

(3) any other action deemed necessary by the commissioner.

Notwithstanding any action taken by the commissioner, any outstanding obligations or liabilities of the entity remain with the entity and the parties of the agreement and do not transfer.

(c) An agreement entered into pursuant to section 471.59 and this section shall provide that the parties to the agreement are subject to the provisions in this subdivision and shall provide for the disposition of property and allocation of obligations upon voluntary or mandated dissolution of the entity or upon termination of the agreement.

(d) Except as provided in section 2, a multijurisdictional entity that is operating on the effective date of this section pursuant to section 299A.641 shall have until December 31, 2010, to be certified under this section.

Subd. 5. **Statewide coordinator.** The commissioner of public safety shall appoint a statewide coordinator. The coordinator serving in the unclassified service shall:

(1) coordinate and monitor all multijurisdictional gang and drug enforcement activities;

(2) facilitate local efforts and ensure statewide coordination with efforts to combat gang and drug crime;

(3) facilitate training for personnel;

(4) monitor compliance with investigative protocols; and

(5) review audits conducted under subdivision 4, take corrective actions based on audit results, and submit a summary report of the audits and any corrective actions to the commissioner of public safety.

Subd. 6. **Participating officers; employment status.** All participating law enforcement officers must be licensed peace officers as defined in section 626.84, subdivision 1, or qualified federal law enforcement officers as defined in section 626.8453. Participating officers remain employees of the same entity that employed them before joining any multijurisdictional entity established under this section. Participating officers are not employees of the state. Participating officers shall be subject to annual performance reviews conducted by the entity's operational supervisor.

Subd. 7. **Jurisdiction and powers.** Law enforcement officers participating in any multijurisdictional entity established under this section have statewide jurisdiction to conduct criminal investigations and have the same powers of arrest as those possessed by a sheriff.

Subd. 8. **Evidence handling.** A multijurisdictional entity established pursuant to this section shall process all evidence through the standard evidence handling procedures established by the participating agencies.

Subd. 9. **Grants authorized.** The commissioner of public safety may make grants to state and local units of government to combat gang and drug crime. When awarding grants, the commissioner shall consider appropriating grants under this section to fund community-based gang intervention and prevention efforts for youth.

Subd. 10. **Coordinating council is permanent.** Notwithstanding section 15.059, this section does not expire.

Subd. 11. **Governing board; prosecutor's role.** (a) A multijurisdictional entity established under this section shall create a governing board consisting of the chief law enforcement officer, or designee, from each participating agency, a prosecutor from one of the participating agencies, and up to three additional members selected by the governing board. A governing board shall have no less than six members.

(b) The prosecutor on the governing board shall recommend to governing board the nature and frequency of training for officers assigned to a multijurisdictional entity in order to increase successful prosecutions.

Subd. 12. **Funding.** Participating agencies may accept lawful grants or contributions from any federal source or legal business or entity.

Subd. 13. **Role of attorney general.** The attorney general or a designee shall generally advise on any matters that the coordinating council deems appropriate.

Subd. 14. **Attorney general; community liaison.** (a) The attorney general or a designee shall serve as a liaison between the coordinating council and the councils of color created in sections 3.922, 3.9223, 3.9225, and 3.9226. The attorney general or designee will be responsible for:

(1) informing the councils of color of the plans, activities, and decisions and hearing their reactions to those plans, activities, and decisions; and

(2) providing the coordinating council with the position of the councils of color on the coordinating council's plan, activities, and decisions.

(b) In no event is the coordinating council required to disclose the names of individuals identified by it to the councils of color referenced in this subdivision.

Subd. 15. **Required reports.** By February 1 of each year, the commissioner of public safety shall submit the following reports to the chairs of the senate and house of representatives committees and divisions having jurisdiction over criminal justice policy and funding:

(1) a report containing a summary of all audits conducted on multijurisdictional entities under subdivision 4; and

(2) a report on the activities and goals of the coordinating council.

**Sec. 2. MULTIJURISDICTIONAL GANG AND DRUG STRIKE FORCES.**

A joint powers entity established pursuant to Minnesota Statutes, section 299A.641, before the effective date of this section that included as parties to the joint powers agreement two counties with a population over 500,000 each is dissolved and any governing or advisory board established by the terms of the agreement is also dissolved. All current and future obligations and liabilities of the joint powers entity remain with the parties to the agreement and do not transfer to the state.

For purposes of this section, "population" means the most recent population estimate made by the state demographer under Minnesota Statutes, section 4A.02.

**EFFECTIVE DATE.** This section is effective July 1, 2011.

**Sec. 3. REVISOR'S INSTRUCTION.**

The revisor of statutes shall replace references to Minnesota Statutes, section 299A.641, in statutes and rules with a reference to Minnesota Statutes, section 299A.642, and shall make any other changes to statutory cross-references as necessitated by this bill.

**Sec. 4. REPEALER.**

Minnesota Statutes 2008, section 299A.641, is repealed.

**EFFECTIVE DATE.** This section is effective December 31, 2010."

Delete the title and insert:

"A bill for an act relating to public safety; establishing a certification process for multijurisdictional gang and drug task forces; proposing coding for new law in Minnesota Statutes, chapter 299A; repealing Minnesota Statutes 2008, section 299A.641."

With the recommendation that when so amended the bill pass.

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 2990, A bill for an act relating to guardians ad litem; establishing the State Guardian Ad Litem Board; appropriating money; amending Minnesota Statutes 2008, sections 257.69, subdivision 2; 260B.331, subdivision 6; 260C.331, subdivisions 3, 6; 518.165, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 480.

Reported the same back with the following amendments:

Page 1, line 22, strike "general" and insert "special revenue"

Page 2, line 11, strike "general" and insert "special revenue"

Page 3, line 8, strike "general" and insert "special revenue"

Page 6, line 14, before the comma, insert "and thereafter"

Page 6, line 23, delete "\$....." and insert "\$12,367,000"

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

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 3056, A bill for an act relating to health; establishing a quality improvement program for physician clinics and hospitals; amending Minnesota Statutes 2008, section 62U.04, subdivisions 3, 9, by adding a subdivision; repealing Minnesota Statutes 2009 Supplement, section 256B.032.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2008, section 62U.04, subdivision 3, is amended to read:

Subd. 3. **Provider peer grouping.** (a) The commissioner shall develop a peer grouping system for providers based on a combined measure that incorporates both provider risk-adjusted cost of care and quality of care, and for specific conditions as determined by the commissioner. In developing this system, the commissioner shall consult and coordinate with health care providers, health plan companies, state agencies, and organizations that work to improve health care quality in Minnesota. For purposes of the final establishment of the peer grouping system, the commissioner shall not contract with any private entity, organization, or consortium of entities that has or will have a direct financial interest in the outcome of the system.

(b) ~~Beginning June 1, 2010~~ By no later than October 15, 2010, the commissioner shall disseminate information to providers on their total cost of care, total resource use, total quality of care, and the total care results of the grouping developed under this subdivision in comparison to an appropriate peer group. Any analyses or reports that identify providers may only be published after the provider has been provided the opportunity by the commissioner to review the underlying data and submit comments. Providers may be given any data for which they are the subject of the data. The provider shall have 21 30 days to review the data for accuracy and initiate an appeal as specified in paragraph (d).

(c) By no later than January 1, 2011, the commissioner shall disseminate information to providers on their condition-specific cost of care, condition-specific resource use, condition-specific quality of care, and the condition-specific results of the grouping developed under this subdivision in comparison to an appropriate peer group. Any analyses or reports that identify providers may only be published after the provider has been provided the opportunity by the commissioner to review the underlying data and submit comments. Providers may be given any data for which they are the subject of the data. The provider has 30 days to review the data for accuracy and initiate an appeal as specified in paragraph (d).

(d) The commissioner shall establish an appeals process to resolve disputes from providers regarding the accuracy of the data used to develop analyses or reports. When a provider appeals the accuracy of the data used to calculate the peer grouping system results, the provider shall:

(1) clearly indicate the reason they believe the data used to calculate the peer group system results are not accurate;

(2) provide evidence and documentation to support the reason that data was not accurate; and

(3) cooperate with the commissioner, including allowing the commissioner access to data necessary and relevant to resolving the dispute.

If a provider does not meet the requirements of this paragraph, a provider's appeal shall be considered withdrawn. The commissioner shall not publish results for a specific provider under paragraph (e) or (f) while that provider has an unresolved appeal.

(d) (e) ~~Beginning September 1, 2010~~ Beginning January 1, 2011, the commissioner shall, no less than annually, publish information on providers' total cost, total resource use, total quality, and the results of the total care portion of the peer grouping process. The results that are published must be on a risk-adjusted basis.

(f) Beginning March 30, 2011, the commissioner shall no less than annually publish information on providers' condition-specific cost, condition-specific resource use, condition-specific quality, and the results of the condition-specific portion of the peer grouping process. The results that are published must be on a risk-adjusted basis.

(g) Prior to disseminating data to providers under paragraph (b) or (c) or publishing information under paragraph (e) or (f), the commissioner shall ensure the scientific validity and reliability of the results according to the standards described in paragraph (h). If additional time is needed to establish the scientific validity and reliability of the



results, the commissioner may delay the dissemination of data to providers under paragraph (b) or (c), or the publication of information under paragraph (e) or (f). If the delay is more than 60 days, the commissioner shall report the following information in writing to the Legislative Commission on Health Care Access:

(1) the reason for the delay;

(2) the actions being taken to resolve the delay and establish the scientific validity and reliability of the results; and

(3) the new dates by which the results shall be disseminated.

If there is a delay under this paragraph, the commissioner must disseminate the information to providers under paragraph (b) or (c) at least 90 days before publishing results under paragraph (e) or (f).

(h) The commissioner's assurance of valid and reliable clinic and hospital peer grouping performance results shall include, at a minimum, the following:

(1) use of the best available evidence, research, and methodologies;

(2) a reliability threshold of no less than 0.70 for purposes of disseminating data to providers and of no less than 0.80 for purposes of public reporting.

In achieving these thresholds, the commissioner shall not aggregate clinics that are not part of the same system or practice group. The commissioner shall consult with and solicit feedback from representatives of physician clinics and hospitals during the peer grouping data analysis process to obtain input on the methodological options prior to final analysis and on the design, development, and testing of provider reports.

Sec. 2. Minnesota Statutes 2008, section 62U.04, subdivision 9, is amended to read:

Subd. 9. **Uses of information.** (a) By ~~January 1, 2011~~ no later than 12 months after the commissioner publishes the information in section 62U.04, subdivision 3, paragraph (e):

(1) the commissioner of management and budget shall use the information and methods developed under subdivision 3 to strengthen incentives for members of the state employee group insurance program to use high-quality, low-cost providers;

(2) all political subdivisions, as defined in section 13.02, subdivision 11, that offer health benefits to their employees must offer plans that differentiate providers on their cost and quality performance and create incentives for members to use better-performing providers;

(3) all health plan companies shall use the information and methods developed under subdivision 3 to develop products that encourage consumers to use high-quality, low-cost providers; and

(4) health plan companies that issue health plans in the individual market or the small employer market must offer at least one health plan that uses the information developed under subdivision 3 to establish financial incentives for consumers to choose higher-quality, lower-cost providers through enrollee cost-sharing or selective provider networks.

(b) By January 1, 2011, the commissioner of health shall report to the governor and the legislature on recommendations to encourage health plan companies to promote widespread adoption of products that encourage the use of high-quality, low-cost providers. The commissioner's recommendations may include tax incentives, public reporting of health plan performance, regulatory incentives or changes, and other strategies.

Sec. 3. Minnesota Statutes 2008, section 256B.0754, subdivision 2, is amended to read:

Subd. 2. **Payment reform.** By ~~January 1, 2011~~ no later than 12 months after the commissioner of health publishes the information in section 62U.04, subdivision 3, paragraph (e), the commissioner of human services shall use the information and methods developed under section 62U.04 to establish a payment system that:

- (1) rewards high-quality, low-cost providers;
- (2) creates enrollee incentives to receive care from high-quality, low-cost providers; and
- (3) fosters collaboration among providers to reduce cost shifting from one part of the health continuum to another.

Sec. 4. **REPEALER.**

Minnesota Statutes 2009 Supplement, section 256B.032, is repealed."

Delete the title and insert:

"A bill for an act relating to health; modifying provider peer grouping timelines and system; amending Minnesota Statutes 2008, sections 62U.04, subdivisions 3, 9; 256B.0754, subdivision 2; repealing Minnesota Statutes 2009 Supplement, section 256B.032."

With the recommendation that when so amended the bill pass.

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 3106, A bill for an act relating to public safety; modifying implied consent, driving while impaired, and ignition interlock provisions; amending Minnesota Statutes 2008, sections 169A.52, subdivisions 3, 4; 169A.54, subdivisions 2, 5; 169A.55, by adding a subdivision; 169A.60, subdivision 1; 171.09; 171.30, subdivisions 1, 2a, 4; 171.306, as amended; 609.131, subdivision 2; Minnesota Statutes 2009 Supplement, sections 169A.275, subdivision 7; 169A.54, subdivision 1; repealing Minnesota Statutes 2008, sections 169A.54, subdivision 11; 169A.55, subdivision 1; 171.30, subdivision 2c; 171.305, subdivisions 1, 3, 4, 5, 6, 7, 8, 9, 10, 11.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2008, section 169A.24, subdivision 1, is amended to read:

Subdivision 1. **Degree described.** A person who violates section 169A.20 (driving while impaired) is guilty of first-degree driving while impaired if the person:

- (1) commits the violation within ten years of the first of three or more qualified prior impaired driving incidents;
- (2) has previously been convicted of a felony under this section; ~~or~~

(3) has previously been convicted of a felony under section 609.21, subdivision 1, clause (2), (3), (4), (5), or (6); or

(4) has previously been convicted of a felony under a statute from another state in conformity with any provision listed in clause (1), (2), or (3).

**EFFECTIVE DATE.** This section is effective August 1, 2010, and applies to crimes committed on or after that date.

Sec. 2. Minnesota Statutes 2009 Supplement, section 169A.275, subdivision 7, is amended to read:

Subd. 7. **Exception.** ~~(a)~~ A judge is not required to sentence a person as provided in ~~this section~~ subdivisions 1 to 4 if the judge requires the person as a condition of probation to drive only motor vehicles equipped with an ignition interlock device meeting the standards described in section 171.306.

~~(b) This subdivision expires July 1, 2011.~~

**EFFECTIVE DATE.** This section is effective July 1, 2011.

Sec. 3. Minnesota Statutes 2008, section 169A.52, subdivision 3, is amended to read:

Subd. 3. **Test refusal; license revocation.** (a) Upon certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a motor vehicle in violation of section 169A.20 (driving while impaired), and that the person refused to submit to a test, the commissioner shall revoke the person's license or permit to drive, or nonresident operating privilege, ~~for a period of one year~~ even if a test was obtained pursuant to this section after the person refused to submit to testing. The commissioner shall revoke the license, permit, or nonresident operating privilege:

(1) for a person with no qualified prior impaired driving incidents within the past ten years, for a period of not less than one year;

(2) for a person under the age of 21 years and with no qualified prior impaired driving incidents within the past ten years, for a period of not less than one year;

(3) for a person with one qualified prior impaired driving incident within the past ten years, or two qualified prior impaired driving incidents, for a period of not less than two years;

(4) for a person with two qualified prior impaired driving incidents within the past ten years, or three qualified prior impaired driving incidents, for a period of not less than three years;

(5) for a person with three qualified prior impaired driving incidents within the past ten years, for a period of not less than four years; or

(6) for a person with four or more qualified prior impaired driving incidents, for a period of not less than six years.

(b) Upon certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a commercial motor vehicle with the presence of any alcohol in violation of section 169A.20 (driving while impaired), and that the person refused to submit to a test, the commissioner shall disqualify the person from operating a commercial motor vehicle and shall revoke the person's license or permit to drive or nonresident operating privilege according to the federal regulations adopted by reference in section 171.165, subdivision 2.

**EFFECTIVE DATE.** This section is effective July 1, 2011.

Sec. 4. Minnesota Statutes 2008, section 169A.52, subdivision 4, is amended to read:

Subd. 4. **Test failure; license revocation.** (a) Upon certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a motor vehicle in violation of section 169A.20 (driving while impaired) and that the person submitted to a test and the test results indicate an alcohol concentration of 0.08 or more or the presence of a controlled substance listed in schedule I or II or its metabolite, other than marijuana or tetrahydrocannabinols, then the commissioner shall revoke the person's license or permit to drive, or nonresident operating privilege:

(1) for a period of 90 days, or, if the test results indicate an alcohol concentration of 0.20 or more, not less than one year;

(2) if the person is under the age of 21 years, for a period of ~~six months~~ not less than 180 days or, if the test results indicate an alcohol concentration of 0.20 or more, not less than one year;

(3) for a person with ~~a one~~ one qualified prior impaired driving incident within the past ten years, or two qualified prior impaired driving incidents, for a period of ~~180 days~~ not less than one year, or if the test results indicate an alcohol concentration of 0.20 or more, not less than two years; ~~or~~

(4) ~~if the test results indicate an alcohol concentration of 0.20 or more, for twice the applicable period in clauses (1) to (3).~~ for a person with two qualified prior impaired driving incidents within the past ten years, or three qualified prior impaired driving incidents, for a period of not less than three years;

(5) for a person with three qualified prior impaired driving incidents within the past ten years, for a period of not less than four years; or

(6) for a person with four or more qualified prior impaired driving incidents, for a period of not less than six years.

(b) On certification by the peace officer that there existed probable cause to believe the person had been driving, operating, or in physical control of a commercial motor vehicle with any presence of alcohol and that the person submitted to a test and the test results indicated an alcohol concentration of 0.04 or more, the commissioner shall disqualify the person from operating a commercial motor vehicle under section 171.165 (commercial driver's license disqualification).

(c) If the test is of a person's blood or urine by a laboratory operated by the Bureau of Criminal Apprehension, or authorized by the bureau to conduct the analysis of a blood or urine sample, the laboratory may directly certify to the commissioner the test results, and the peace officer shall certify to the commissioner that there existed probable cause to believe the person had been driving, operating, or in physical control of a motor vehicle in violation of section 169A.20 and that the person submitted to a test. Upon receipt of both certifications, the commissioner shall undertake the license actions described in paragraphs (a) and (b).

**EFFECTIVE DATE.** This section is effective July 1, 2011.

Sec. 5. Minnesota Statutes 2009 Supplement, section 169A.54, subdivision 1, is amended to read:

Subdivision 1. **Revocation periods for DWI convictions.** Except as provided in subdivision 7, the commissioner shall revoke the driver's license of a person convicted of violating section 169A.20 (driving while impaired) or an ordinance in conformity with it, as follows:

(1) for an offense under section 169A.20, subdivision 1 (driving while impaired crime); ~~2~~ not less than 30 days;

(2) for an offense under section 169A.20, subdivision 2 (refusal to submit to chemical test crime); ~~not less than 90 days~~ one year;

(3) for an offense occurring within ten years of a qualified prior impaired driving incident; ~~or occurring after two qualified prior impaired driving incidents,~~

(i) ~~if the current conviction is for a violation of section 169A.20, subdivision 1, 1a, 1b, or 1c, not less than 180 days~~ one year, or if the test results indicate an alcohol concentration of 0.20 or more, not less than two years and until the court has certified that treatment or rehabilitation has been successfully completed where prescribed in accordance with section 169A.70 (chemical use assessments); ~~or~~

(ii) ~~if the current conviction is for a violation of section 169A.20, subdivision 2, not less than one year and until the court has certified that treatment or rehabilitation has been successfully completed where prescribed in accordance with section 169A.70;~~

(4) for an offense occurring within ten years of the first of two qualified prior impaired driving incidents; ~~or occurring after three qualified prior impaired driving incidents,~~ not less than ~~one year~~ three years, together with denial under section 171.04, subdivision 1, clause (10), until rehabilitation is established ~~in accordance with~~ according to standards established by the commissioner; ~~or~~

(5) for an offense occurring within ten years of the first of three ~~or more~~ qualified prior impaired driving incidents; ~~not less than two~~ four years, together with denial under section 171.04, subdivision 1, clause (10), until rehabilitation is established ~~in accordance with~~ according to standards established by the commissioner; ~~or~~

(6) for an offense occurring after four or more qualified prior impaired driving incidents, not less than six years, together with denial under section 171.04, subdivision 1, clause (10), until rehabilitation is established according to standards established by the commissioner.

**EFFECTIVE DATE.** This section is effective July 1, 2011.

Sec. 6. Minnesota Statutes 2008, section 169A.54, subdivision 2, is amended to read:

Subd. 2. **Driving while impaired by person under age 21.** If the person convicted of violating section 169A.20 (driving while impaired) is under the age of 21 years at the time of the violation, the commissioner shall revoke the offender's driver's license or operating privileges for a period of ~~six months~~ not less than 180 days or for the appropriate period of time under subdivision 1, clauses (1) to ~~(5)~~ (6), for the offense committed, whichever is the ~~greatest~~ longer period.

**EFFECTIVE DATE.** This section is effective July 1, 2011.

Sec. 7. Minnesota Statutes 2008, section 169A.54, subdivision 5, is amended to read:

Subd. 5. **Violations involving alcohol concentration of 0.20 or more.** If the person has no qualified prior impaired driving incidents within the past ten years and is convicted of violating section 169A.20 (driving while impaired) while having an alcohol concentration of 0.20 or more as measured at the time, or within two hours of the time, of the offense, the commissioner shall revoke the person's driver's license for ~~twice the period of time otherwise provided for in this section~~ not less than one year.

**EFFECTIVE DATE.** This section is effective July 1, 2011.

Sec. 8. Minnesota Statutes 2008, section 169A.55, is amended by adding a subdivision to read:

**Subd. 4. Reinstatement of driving privileges; multiple incidents.** (a) A person whose driver's license has been canceled or denied as a result of three or more qualified impaired driving incidents shall not be eligible for reinstatement of driving privileges without an ignition interlock restriction until the person:

(1) has completed rehabilitation according to rules adopted by the commissioner or been granted a variance from the rules by the commissioner; and

(2) has submitted verification of no detectable use of alcohol and controlled substances while driving, operating, or in physical control of a motor vehicle, as evidenced by monitoring the person's use of an ignition interlock device.

(b) The verification of no detectable use of alcohol and controlled substances while driving, operating, or being in physical control of a motor vehicle must be for a period of not less than:

(1) three years, for a person whose driver's license was canceled or denied for an offense occurring within ten years of the first of two qualified prior impaired driving incidents, or occurring after three qualified prior impaired driving incidents;

(2) four years, for a person whose driver's license was canceled or denied for an offense occurring within ten years of the first of three qualified prior impaired driving incidents; or

(3) six years, for a person whose driver's license was canceled or denied for an offense occurring after four or more qualified prior impaired driving incidents.

(c) A person whose driver's license has been restricted as a result of three or more qualified impaired driving incidents shall not be eligible for an unrestricted driver's license until the person has completed the required time period of no alcohol and controlled substance violations.

**EFFECTIVE DATE.** This section is effective July 1, 2011.

Sec. 9. Minnesota Statutes 2008, section 169A.60, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) As used in this section, the following terms have the meanings given in this subdivision.

(b) "Family or household member" has the meaning given in section 169A.63, subdivision 1.

(c) "Motor vehicle" means a self-propelled motor vehicle other than a motorboat in operation or an off-road recreational vehicle.

(d) "Plate impoundment violation" includes:

(1) a violation of section 169A.20 (driving while impaired) or 169A.52 (license revocation for test failure or refusal), or a ~~conforming an~~ ordinance from this state or a ~~conforming~~ statute or ordinance from another state in conformity with either of those sections, that results in the revocation of a person's driver's license or driving privileges, within ten years of a qualified prior impaired driving incident;

(2) a refusal to submit to a chemical test under section 169A.52 or a violation of section 169A.20, subdivision 2, or an ordinance from this state or a statute or ordinance from another state in conformity with either of those sections, that results in the revocation of a person's driver's license or driving privileges;

(3) a license disqualification under section 171.165 (commercial driver's license disqualification) resulting from a violation of section 169A.52 within ten years of a qualified prior impaired driving incident;

~~(3)~~ (4) a violation of section 169A.20 or 169A.52 while having an alcohol concentration of 0.20 or more as measured at the time, or within two hours of the time, of the offense;

~~(4)~~ (5) a violation of section 169A.20 or 169A.52 while having a child under the age of 16 in the vehicle if the child is more than 36 months younger than the offender; ~~and~~ or

~~(5)~~ (6) a violation of section 171.24 (driving without valid license) by a person whose driver's license or driving privileges have been canceled or denied under section 171.04, subdivision 1, clause (10) (persons not eligible for driver's license, inimical to public safety).

(e) "Violator" means a person who was driving, operating, or in physical control of the motor vehicle when the plate impoundment violation occurred.

**EFFECTIVE DATE.** This section is effective July 1, 2011.

Sec. 10. Minnesota Statutes 2008, section 171.09, is amended to read:

**171.09 DRIVING RESTRICTIONS; AUTHORITY, VIOLATIONS.**

Subdivision 1. **Authority; violations.** (a) The commissioner, when good cause appears, may impose restrictions suitable to the licensee's driving ability or other restrictions applicable to the licensee as the commissioner may determine to be appropriate to assure the safe operation of a motor vehicle by the licensee.

(b) Pursuant to Code of Federal Regulations, title 49, section 383.95, if an applicant for a commercial driver's license either does not successfully complete the air brake component of the knowledge test, or does not successfully complete the skills test in a vehicle equipped with air brakes as such tests are prescribed in Code of Federal Regulations, title 49, part 384, the department shall indicate on the class C, class B, or class A commercial driver's license, if issued, that the individual is restricted from operating a commercial motor vehicle equipped with air brakes.

(c) Upon receiving satisfactory evidence of any violation of the restrictions on the license, the commissioner may suspend or revoke the license. A license suspension under this section is subject to section 171.18, subdivisions 2 and 3.

(d) A person who drives, operates, or is in physical control of a motor vehicle while in violation of the restrictions imposed in a restricted driver's license issued to that person under this section is guilty of a ~~crime as follows:~~ misdemeanor.

~~(1) if the restriction relates to the possession or consumption of alcohol or controlled substances, the person is guilty of a gross misdemeanor; or~~

~~(2) if the restriction relates to another matter, the person is guilty of a misdemeanor.~~

(e) It is a misdemeanor for a person who holds a restricted license issued under section 171.306 to drive, operate, or be in physical control of any motor vehicle that is not equipped with a functioning ignition interlock device certified by the commissioner.

Subd. 3. **No-alcohol restriction.** (a) Upon proper application by a person having a valid driver's license containing the restriction that the person must consume no alcohol, who has not been documented as having consumed alcohol or having possessed or used a controlled substance within the past ten years, and whose driving record contains no impaired driving incident within the past ten years, the commissioner must issue to the person a duplicate driver's license that does not show that restriction. "Impaired driving incident" has the meaning given in section 169A.03, subdivision 22.

(b) Upon the issuance of a duplicate license to a person under paragraph (a), the no-alcohol restriction on the person's driving record is classified as private data on individuals, as defined in section 13.02, subdivision 12, but may be provided to requesting law enforcement agencies, probation and parole agencies, and courts.

**EFFECTIVE DATE.** This section is effective July 1, 2011.

Sec. 11. Minnesota Statutes 2008, section 171.30, subdivision 1, is amended to read:

Subdivision 1. **Conditions of issuance.** (a) In any case where a person's license has been suspended under section 171.18, 171.173, or 171.186, ~~or~~ revoked under section 169.792, ~~169.797~~; 169A.52, ~~169A.54~~, subdivision 3, paragraph (a), clause (4), (5), or (6), or subdivision 4, paragraph (a), clause (1), (2), if the test results indicate an alcohol concentration of less than 0.20, (4), (5), or (6); 171.17; or 171.172; or revoked, canceled, or denied under section 169A.54, subdivision 1, clause (4), (5), or (6), the commissioner may issue a limited license to the driver including under the following conditions:

(1) if the driver's livelihood or attendance at a chemical dependency treatment or counseling program depends upon the use of the driver's license;

(2) if the use of a driver's license by a homemaker is necessary to prevent the substantial disruption of the education, medical, or nutritional needs of the family of the homemaker; or

(3) if attendance at a postsecondary institution of education by an enrolled student of that institution depends upon the use of the driver's license.

(b) The commissioner in issuing a limited license may impose such conditions and limitations as in the commissioner's judgment are necessary to the interests of the public safety and welfare including reexamination as to the driver's qualifications. The license may be limited to the operation of particular vehicles, to particular classes and times of operation, and to particular conditions of traffic. The commissioner may require that an applicant for a limited license affirmatively demonstrate that use of public transportation or carpooling as an alternative to a limited license would be a significant hardship.

(c) For purposes of this subdivision, "homemaker" refers to the person primarily performing the domestic tasks in a household of residents consisting of at least the person and the person's dependent child or other dependents.

(d) The limited license issued by the commissioner shall clearly indicate the limitations imposed and the driver operating under the limited license shall have the license in possession at all times when operating as a driver.

(e) In determining whether to issue a limited license, the commissioner shall consider the number and the seriousness of prior convictions and the entire driving record of the driver and shall consider the number of miles driven by the driver annually.

(f) If the person's driver's license or permit to drive has been revoked under section 169.792 or 169.797, the commissioner may only issue a limited license to the person after the person has presented an insurance identification card, policy, or written statement indicating that the driver or owner has insurance coverage



satisfactory to the commissioner of public safety. The commissioner of public safety may require the insurance identification card provided to satisfy this subdivision be certified by the insurance company to be noncancelable for a period not to exceed 12 months.

(g) The limited license issued by the commissioner to a person under section 171.186, subdivision 4, must expire 90 days after the date it is issued. The commissioner must not issue a limited license to a person who previously has been issued a limited license under section 171.186, subdivision 4.

(h) The commissioner shall not issue a limited driver's license to any person described in section 171.04, subdivision 1, clause (6), (7), (8), ~~(10)~~, (11), or (14).

(i) The commissioner shall not issue a class A, class B, or class C limited license.

**EFFECTIVE DATE.** This section is effective July 1, 2011.

Sec. 12. Minnesota Statutes 2008, section 171.30, subdivision 2a, is amended to read:

Subd. 2a. **Other waiting periods.** Notwithstanding subdivision 2, a limited license shall not be issued for a period of:

(1) 15 days, to a person whose license or privilege has been revoked or suspended for a first violation of section 169A.20, sections 169A.50 to 169A.53, or a statute or ordinance from another state in conformity with either of those sections;

(2) ~~90~~ 30 days, to a person who submitted to testing under sections 169A.50 to 169A.53 if the person's license or privilege has been revoked ~~or~~, suspended, canceled, or denied for a ~~second~~ third violation within ten years or a ~~third~~ fourth or subsequent violation of section 169A.20, sections 169A.50 to 169A.53, or a statute or ordinance ~~from another state~~ in conformity with ~~either~~ one of those sections;

~~(3) 180 days, to a person who refused testing under sections 169A.50 to 169A.53 if the person's license or privilege has been revoked or suspended for a second violation within ten years or a third or subsequent violation of sections 169A.20, 169A.50 to 169A.53, or a statute or ordinance from another state in conformity with either of those sections; or~~

~~(4)~~ (3) one year, to a person whose license or privilege has been revoked or suspended for committing manslaughter resulting from the operation of a motor vehicle, committing criminal vehicular homicide or injury under section 609.21, or violating a statute or ordinance from another state in conformity with either of those offenses.

**EFFECTIVE DATE.** This section is effective July 1, 2011.

Sec. 13. Minnesota Statutes 2008, section 171.30, subdivision 4, is amended to read:

Subd. 4. **Penalty.** A person who violates a condition or limitation of a limited license issued under subdivision 1 or fails to have the license in immediate possession at all times when operating a motor vehicle is guilty of a misdemeanor. In addition, except as otherwise provided in the ignition interlock program under section 171.306, a person who violates a condition or limitation of a limited license may not operate a motor vehicle for the remainder of the period of suspension or revocation, or 30 days, whichever is longer.

**EFFECTIVE DATE.** This section is effective July 1, 2011.

Sec. 14. Minnesota Statutes 2008, section 171.306, as amended by Laws 2009, chapter 29, sections 2 and 3, is amended to read:

**171.306 IGNITION INTERLOCK DEVICE PILOT PROJECT PROGRAM.**

Subdivision 1. ~~Pilot project established; reports~~ **Definitions.** ~~The commissioner shall conduct a statewide two-year ignition interlock device pilot project as provided in this section. The pilot project must begin on July 1, 2009, and continue until June 30, 2011. The commissioner shall submit a preliminary report by September 30, 2010, and a final report by September 30, 2011, to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over criminal justice policy and funding. The reports must evaluate the successes and failures of the pilot project, provide information on participation rates, and make recommendations on continuing the project.~~ (a) As used in this section, the terms in this subdivision have the meanings given them.

(b) "Ignition interlock device" or "device" means equipment that is designed to measure breath alcohol concentration and to prevent a motor vehicle's ignition from being started by a person whose breath alcohol concentration measures 0.02 or higher on the equipment.

(c) "Program participant" means a person whose driver's license has been revoked, canceled, or denied under section 169A.52 or 169A.54, and who has qualified to take part in the ignition interlock program under this section.

(d) "Qualified prior impaired driving incident" has the meaning given in section 169A.03, subdivision 22.

Subd. 2. **Performance standards; certification.** ~~The commissioner shall determine appropriate establish performance standards and a certification process for ignition interlock certifying devices for used in the pilot project. Only devices certified by the commissioner as meeting the performance standards may be used in the pilot project.~~ ignition interlock program. The manufacturer of a device must apply annually for certification of the device by submitting the form prescribed by the commissioner. The commissioner shall require manufacturers of certified devices to provide device installation, servicing, and monitoring to indigent program participants at a discounted rate, according to the standards established by the commissioner.

Subd. 3. ~~Pilot project components~~ **Program requirements.** (a) ~~Under the pilot project, the commissioner shall issue a driver's license to an individual whose driver's license has been revoked under chapter 169A for an impaired driving incident if the person qualifies under this section and agrees to all of the conditions of the project. The commissioner shall establish guidelines for participation in the ignition interlock program. A person who seeks to participate in the program shall sign a written acknowledgment that the person has received, reviewed, and agreed to abide by the program guidelines.~~

(b) ~~The commissioner must denote the person's driver's license enter a notation on a person's driving record to indicate that the person's participation in the person is a program participant. The license must authorize the person to drive only vehicles having functioning ignition interlock devices conforming with the requirements of subdivision 2.~~

(c) ~~Notwithstanding any statute or rule to the contrary, the commissioner has authority to and shall determine the appropriate period for which a person participating in the ignition interlock pilot program shall be subject to this program, and when the person is eligible to be issued.~~ A person under the age of 18 years is not eligible to be a program participant.

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

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

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

(d) A program participant shall pay costs associated with an ignition interlock device on every motor vehicle that the participant operates or intends to operate.

~~(e) A person participating in this pilot project program participant shall agree to participate in any treatment recommended by in a chemical use assessment report.~~

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

~~(f) It is a misdemeanor for a person who is licensed under this section for driving a vehicle equipped with an ignition interlock device to drive, operate, or be in physical control of a motor vehicle other than a vehicle properly equipped with an A program participant shall bring the device-equipped motor vehicle or vehicles operated by the program participant to an approved service provider for device calibration and servicing according to the schedule established by the commissioner and as indicated by the ignition interlock device.~~

**Subd. 4. Issuance of restricted license.** (a) The commissioner shall issue a class D driver's license, subject to the applicable limitations and restrictions of this section, to a program participant who meets the requirements of this section and the program guidelines. The commissioner shall not issue a license unless the program participant has provided satisfactory proof that: (1) a certified ignition interlock device has been installed on the participant's motor vehicle at an installation service center designated by the device's manufacturer; and (2) the participant has insurance coverage on the vehicle equipped with the ignition interlock device. The commissioner shall require the participant to present an insurance identification card, policy, or written statement as proof of insurance coverage, and may require the insurance identification card provided be certified by the insurance company to be noncancelable for a period not to exceed 12 months. A license issued under authority of this section must contain a restriction prohibiting the program participant from driving, operating, or being in physical control of any motor vehicle not equipped with a functioning ignition interlock device certified by the commissioner.

(b) A program participant whose driver's license has been revoked under section 169A.52, subdivision 3, paragraph (a), clause (1) or (2), or subdivision 4, paragraph (a), clause (1) or (2), or section 169A.54, subdivision 1, clause (1) or (2), may apply, after 15 days of the revocation period have elapsed, for conditional reinstatement of the driver's license, subject to the ignition interlock restriction.

(c) A program participant whose driver's license has been revoked under section 169A.52, subdivision 3, paragraph (a), clause (3), or subdivision 4, paragraph (a), clause (3), or section 169A.54, subdivision 1, clause (3), may apply, after 30 days of the revocation period have elapsed, for conditional reinstatement of the driver's license, subject to the ignition interlock restriction.

(d) A program participant whose driver's license has been revoked, canceled, or denied under section 169A.52, subdivision 3, paragraph (a), clause (4), (5), or (6), or subdivision 4, paragraph (a), clause (4), (5), or (6), or section 169A.54, subdivision 1, clause (4), (5), or (6), may apply for a limited license, subject to the ignition interlock restriction, if the program participant is enrolled in a licensed chemical dependency treatment or rehabilitation program as recommended in a chemical use assessment, and if the participant meets the waiting period and other applicable requirements of section 171.30. After completing a licensed chemical dependency treatment or rehabilitation program and one year of limited license use without violating the ignition interlock restriction, the conditions of limited license use, or program guidelines, the participant may apply for conditional reinstatement of the driver's license, subject to the ignition interlock restriction. If the program participant's ignition interlock device subsequently registers a positive breath alcohol concentration of 0.02 or higher, the commissioner shall cancel the driver's license, and the program participant may apply for another limited license according to this paragraph, except that no waiting period shall apply.

(e) Notwithstanding any statute or rule to the contrary, the commissioner has authority to determine when a program participant is eligible for restoration of full driving privileges, except that the commissioner shall not reinstate full driving privileges until the program participant has met all applicable prerequisites for reinstatement under section 169A.55 and until the program participant's device has registered no positive breath alcohol concentrations of 0.02 or higher during the preceding 90 days.

Subd. 5. **Penalties; program violations.** (a) If a program participant tampers with, circumvents, or bypasses a device; drives, operates, or exercises physical control over a motor vehicle not equipped with a device certified by the commissioner; violates a condition of a limited license issued under subdivision 4 and section 171.30; or violates the program guidelines of subdivision 2, the commissioner shall extend the person's revocation period under section 169A.52 or 169A.54 by:

(1) 180 days for a first violation;

(2) one year for a second violation; or

(3) 545 days for a third and each subsequent violation.

(b) Notwithstanding paragraph (a), the commissioner may terminate participation in the program by any person when, in the commissioner's judgment, termination is necessary to the interests of public safety and welfare. In the event of termination, the commissioner shall not reduce the applicable revocation period under section 169A.52 or 169A.54 by the amount of time during which the person possessed a limited or restricted driver's license issued under the authority of subdivision 4.

Subd. 6. **Penalties; tampering.** (a) A person who knowingly lends, rents, or leases a motor vehicle that is not equipped with a functioning ignition interlock device certified by the commissioner to a person with a license issued under this section is guilty of a misdemeanor if the person lending, renting, or leasing the vehicle knows of the ignition interlock restriction.

(b) A person who tampers with, circumvents, or bypasses the ignition interlock device, or assists another to tamper with, circumvent, or bypass the device, is guilty of a misdemeanor.

(c) The penalties of this subdivision do not apply if the action was taken for emergency purposes or for mechanical repair, and the person limited to the use of an ignition interlock device does not operate the motor vehicle while the device is disengaged.

Subd. 7. **Venue.** In addition to the provisions of Rule 24 of the Rules of Criminal Procedure and section 627.01, a violation of subdivision 6 or section 171.09, subdivision 1, paragraph (e), may be prosecuted in:

(1) the county in which the vehicle involved in the offense is found;

(2) the county in which the accused resides;

(3) any county through which the vehicle traveled in the course of the trip during or after which the offense was committed; or

(4) the county in which the impaired driving incident occurred which resulted in the accused being issued a driver's license with an ignition interlock restriction.

Subd. 8. **Positive breath alcohol concentration raised.** Beginning January 1, 2013, the reference to breath alcohol concentration of 0.02 in subdivision 1, paragraph (b), and subdivision 4, paragraphs (d) and (e), shall be increased to 0.05.

Subd. 9. **Rulemaking.** In establishing the performance standards and certification process of subdivision 2 and the program guidelines of subdivision 3, the commissioner is exempt from chapter 14, including section 14.386. If rules are otherwise necessary to implement this section, the commissioner may adopt, amend, and repeal rules using the exempt procedures of section 14.386, except that paragraph (b) shall not apply.

**EFFECTIVE DATE.** Subdivisions 1 to 8 are effective July 1, 2011. Subdivision 9 is effective August 1, 2010.

Sec. 15. Minnesota Statutes 2008, section 609.131, subdivision 2, is amended to read:

Subd. 2. **Certain violations excepted.** Subdivision 1 does not apply to a misdemeanor violation of section 169A.20; 171.09, subdivision 1, paragraph (e); 171.306, subdivision 6; 609.224; 609.2242; 609.226; 609.324, subdivision 3; 609.52; or 617.23, or an ordinance that conforms in substantial part to any of those sections. A violation described in this subdivision must be treated as a misdemeanor unless the defendant consents to the certification of the violation as a petty misdemeanor.

**EFFECTIVE DATE.** This section is effective July 1, 2011.

Sec. 16. **RULEMAKING.**

The commissioner may adopt, amend, or repeal rules as needed to administer Minnesota Statutes, section 169A.55, subdivision 4, paragraph (a), using the exempt procedures of Minnesota Statutes, section 14.386, except that paragraph (b) shall not apply.

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

Sec. 17. **REPEALER.**

Minnesota Statutes 2008, sections 169A.54, subdivision 11; 169A.55, subdivision 1; 171.30, subdivision 2c; and 171.305, subdivisions 1, 3, 4, 5, 6, 7, 8, 9, 10, and 11, are repealed effective July 1, 2011."

Delete the title and insert:

"A bill for an act relating to public safety; amending first-degree driving while impaired crime to include prior felony convictions from other states; modifying implied consent, driving while impaired, and ignition interlock provisions; amending Minnesota Statutes 2008, sections 169A.24, subdivision 1; 169A.52, subdivisions 3, 4; 169A.54, subdivisions 2, 5; 169A.55, by adding a subdivision; 169A.60, subdivision 1; 171.09; 171.30, subdivisions 1, 2a, 4; 171.306, as amended; 609.131, subdivision 2; Minnesota Statutes 2009 Supplement, sections 169A.275, subdivision 7; 169A.54, subdivision 1; repealing Minnesota Statutes 2008, sections 169A.54, subdivision 11; 169A.55, subdivision 1; 171.30, subdivision 2c; 171.305, subdivisions 1, 3, 4, 5, 6, 7, 8, 9, 10, 11."

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

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 3334, A bill for an act relating to transportation; amending trunk highway project bidding procedures; requiring use of alternative bidding for competing paving materials; amending Minnesota Statutes 2008, section 161.32, 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 161.32, is amended by adding a subdivision to read:

Subd. 8. **Alternative bidding; paving materials.** (a) For purposes of this subdivision, the terms defined in section 174.185, subdivision 1, have the meanings given them.

(b) For all contracts for an applicable project entered into on or after January 31, 2011, the commissioner shall use the standard for life-cycle cost analysis developed under section 174.185, subdivision 1a, as the basis for alternative bidding in which bidders may select alternative project designs that use alternative paving materials.

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

Sec. 2. Minnesota Statutes 2008, section 174.185, is amended to read:

#### **174.185 PAVEMENT LIFE-CYCLE COST ANALYSIS.**

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

(a) "Applicable project" means any suitable trunk highway project in the statewide transportation improvement program categorized for construction, reconstruction, resurfacing, or reconditioning. Applicable project does not include (1) overlays; (2) on a two-lane road, a main-line project in which there is less than two miles of length of roadway within the construction limits; and (3) on a multilane road, a main-line project in which there is less than 30,000 square yards of paving within the construction limits.

(b) "Life-cycle cost" is the sum of the cost of the initial pavement project and all anticipated costs for maintenance, repair, and resurfacing over the life of the pavement. Anticipated costs must be based on Minnesota's actual or reasonably projected maintenance, repair, and resurfacing schedules, and costs determined by the Department of Transportation district personnel based upon recently awarded local projects and experience with local material costs.

~~(b)~~ (c) "Life-cycle cost analysis" is a comparison of life-cycle costs among competing paving materials using equal design lives and equal comparison periods an equal analysis comparison period.

Subd. 1a. **Uniform standard.** By January 15, 2011, the commissioner shall develop a statewide uniform standard for life-cycle cost analysis based on the net present value method of comparative analysis of alternate paving materials from the Federal Highway Administration, United States Department of Transportation.

Subd. 2. **Required analysis.** For each applicable project in the reconditioning, resurfacing, and road repair funding categories, the commissioner shall perform a life-cycle cost analysis and shall document the lowest life-cycle costs and all alternatives considered. The commissioner shall document the chosen pavement strategy and, if the lowest life cycle is not selected, document the justification for the chosen strategy. A life-cycle cost analysis is required for projects to be constructed after July 1, 2011. For projects to be constructed prior to July 1, 2011, when feasible, the department will use its best efforts to perform life-cycle cost analyses.

Subd. 3. **Report.** By January 15, 2012, and annually by January 15 thereafter, the commissioner shall report annually to the chairs and ranking minority members of the senate and house of representatives committees with jurisdiction over transportation finance beginning on January 1, 2012, on:

(1) the results of the analyses required in subdivision 2; and

(2) the results of alternative bidding under section 161.32, subdivision 8, including a listing of projects awarded using alternative bidding and projects identified as unsuitable for alternative bidding.

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

Delete the title and insert:

"A bill for an act relating to transportation; amending trunk highway project bidding procedures; requiring use of alternative bidding for competing paving materials; amending Minnesota Statutes 2008, sections 161.32, by adding a subdivision; 174.185."

With the recommendation that when so amended the bill pass.

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 3682, A bill for an act relating to state government; changing provisions in the energy improvement financing program; amending Minnesota Statutes 2008, section 16B.322, subdivisions 4, 5; Minnesota Statutes 2009 Supplement, section 16B.322, subdivisions 4a, 4b, 4c.

Reported the same back with the following amendments:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 2008, section 16B.24, subdivision 3, is amended to read:

Subd. 3. **Disposal of old buildings.** (a) Upon request from the head of an agency with control of a state-owned building with an estimated market value of less than \$50,000, as determined by the commissioner, the commissioner may sell, demolish, or otherwise dispose of the building if the commissioner determines that the building is no longer used or is a fire or safety hazard.

~~The commissioner, (b) Upon request of the head of an agency which has with control of a state-owned building which is no longer used or which is a fire or safety hazard, shall, with an estimated market value of \$50,000 or more, as determined by the commissioner, the commissioner may sell, demolish, or otherwise dispose of the building after determining that the building is no longer used or is a fire or safety hazard and obtaining approval of the chairs of the senate Finance Committee and house of representatives Ways and Means Committee, sell, wreck, or otherwise dispose of the building.~~

(c) In the event a sale is made under this subdivision, the proceeds shall be deposited in the proper account or in the general fund provided by law. If there is no requirement in law specifying how proceeds must be deposited other than section 16A.72, the proceeds must be deposited in the account from which the appropriation to acquire or construct the building was made. If the account from which the appropriation was made cannot be identified or has been terminated, the proceeds shall be deposited in the general fund."

Page 3, after line 17, insert:

"Sec. 7. Minnesota Statutes 2008, section 79.34, subdivision 1, is amended to read:

Subdivision 1. **Conditions requiring membership.** The nonprofit association known as the Workers' Compensation Reinsurance Association may be incorporated under chapter 317A with all the powers of a corporation formed under that chapter, except that if the provisions of that chapter are inconsistent with sections 79.34 to 79.40, sections 79.34 to 79.40 govern. Each insurer as defined by section 79.01, subdivision 2, shall, as a condition of its authority to transact workers' compensation insurance in this state, be a member of the reinsurance association and is bound by the plan of operation of the reinsurance association; provided, that all affiliated insurers within a holding company system as defined in chapter 60D are considered a single entity for purposes of the exercise of all rights and duties of membership in the reinsurance association. Each self-insurer approved under section 176.181 and each political subdivision that self-insures shall, as a condition of its authority to self-insure workers' compensation liability in this state, be a member of the reinsurance association and is bound by its plan of operation; provided that:

(1) all affiliated companies within a holding company system, as determined by the commissioner of labor and industry in a manner consistent with the standards and definitions in chapter 60D, are considered a single entity for purposes of the exercise of all rights and duties of membership in the reinsurance association; and

(2) all group self-insurers granted authority to self-insure pursuant to section 176.181 are considered single entities for purposes of the exercise of all the rights and duties of membership in the reinsurance association. As a condition of its authority to self-insure workers' compensation liability, and for losses incurred after December 31, 1983, the state is a member of the reinsurance association and is bound by its plan of operation. The commissioner of ~~management and budget~~ administration represents the state in the exercise of all the rights and duties of membership in the reinsurance association. The amounts necessary to pay the state's premiums required for coverage by the Workers' Compensation Reinsurance Association are appropriated from the general fund to the commissioner of ~~management and budget~~ administration. The University of Minnesota shall pay its portion of workers' compensation reinsurance premiums directly to the Workers' Compensation Reinsurance Association. For the purposes of this section, "state" means the administrative branch of state government, the legislative branch, the judicial branch, the University of Minnesota, and any other entity whose workers' compensation liability is paid from the state revolving fund. The commissioner of management and budget may calculate, prorate, and charge a department or agency the portion of premiums paid to the reinsurance association for employees who are paid wholly or in part by federal funds, dedicated funds, or special revenue funds. The reinsurance association is not a state agency. Actions of the reinsurance association and its board of directors and actions of the commissioner of labor and industry with respect to the reinsurance association are not subject to chapters 13 and 15. All property owned by the association is exempt from taxation. The reinsurance association is not obligated to make any payments or pay any assessments to any funds or pools established pursuant to this chapter or chapter 176 or any other law.

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

ReNUMBER the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "providing for disposal of certain state-owned buildings;"



Page 1, line 3, after the semicolon, insert "changing executive branch agency representation in the reinsurance association;"

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

Carlson from the Committee on Finance to which was referred:

S. F. No. 1246, A bill for an act relating to economic development; providing certification for rehabilitation counselors for the blind; amending Minnesota Statutes 2008, section 248.07, by adding a subdivision.

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

The report was adopted.

Carlson from the Committee on Finance to which was referred:

S. F. No. 2339, A bill for an act relating to public safety; increasing the criminal penalty for possessing dangerous weapons on school property while lowering the criminal penalty for brandishing, using, or possessing replica firearms and BB guns on school property; amending Minnesota Statutes 2008, section 609.66, subdivision 1d.

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

The report was adopted.

Carlson from the Committee on Finance to which was referred:

S. F. No. 2437, A bill for an act relating to public safety; recodifying and clarifying the domestic abuse no contact order law; expanding the tampering with a witness crime; increasing the maximum bail for nonfelony domestic assault and domestic abuse order for protection violations; clarifying the requirement that the data communications network include orders for protection and no contact orders; exempting certain domestic abuse or sexual attack programs from data practices requirements; extending area for protection to a reasonable area around residence or dwelling in ex parte orders for protection; modifying crime of stalking; authorizing a pilot project to allow judges to order electronic monitoring for domestic abuse offenders on pretrial release; imposing criminal penalties; amending Minnesota Statutes 2008, sections 299C.46, subdivision 6; 518B.01, subdivision 7; 609.498, subdivision 3, by adding a subdivision; 609.749; 629.471, subdivision 3, by adding a subdivision; 629.72, subdivisions 1, 2a; proposing coding for new law in Minnesota Statutes, chapters 13; 629; repealing Minnesota Statutes 2008, section 518B.01, subdivision 22.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[13.823] DOMESTIC ABUSE OR SEXUAL ATTACK PROGRAMS.**

Subdivision 1. **Definitions.** For purposes of this section:

(1) "domestic abuse" has the meaning given in section 518B.01, subdivision 2; and

(2) "sexual attack" has the meaning given in section 611A.21, subdivision 2.

Subd. 2. **Provisions not applicable.** Except as otherwise provided in this subdivision, a program that provides shelter or support services to victims of domestic abuse or a sexual attack and whose employees or volunteers are not under the direct supervision of a government entity is not a political subdivision for purposes of this chapter. Section 13.05, subdivision 11, does not apply to a contract between a government entity and the program, provided that the program shall comply with sections 611A.32, subdivision 5, and 611A.371, subdivision 3. Government data arising out of a contractual relationship between the program and a government entity, other than programmatic and financial reports, contracts, and grant agreements, are private data on individuals or nonpublic data.

Sec. 2. Minnesota Statutes 2008, section 13.871, is amended by adding a subdivision to read:

Subd. 13. **Orders for protection and no contact orders.** Data contained in orders for protection and no contact orders are classified in section 299C.46, subdivision 6.

Sec. 3. Minnesota Statutes 2008, section 299C.46, subdivision 6, is amended to read:

Subd. 6. **Orders for protection and no contact orders.** (a) As used in this subdivision, "no contact orders" include orders issued as pretrial orders under section 629.72, subdivision 2, orders under section 629.75, and orders issued as probationary or sentencing orders at the time of disposition in a criminal domestic abuse case.

(b) The data communications network must include orders for protection issued under section 518B.01 and no contact orders issued ~~under section 629.715, subdivision 4~~ against adults and juveniles. A no contact order must be accompanied by a photograph of the offender for the purpose of enforcement of the order, if a photograph is available and verified by the court to be an image of the defendant.

(c) Data from orders for protection or no contact orders and data entered by law enforcement to assist in the enforcement of those orders are classified as private data on individuals as defined in section 13.02, subdivision 12. Data about the offender can be shared with the victim for purposes of enforcement of the order.

Sec. 4. Minnesota Statutes 2008, section 518B.01, subdivision 6, is amended to read:

Subd. 6. **Relief by court.** (a) Upon notice and hearing, the court may provide relief as follows:

(1) restrain the abusing party from committing acts of domestic abuse;

(2) exclude the abusing party from the dwelling which the parties share or from the residence of the petitioner;

(3) exclude the abusing party from a reasonable area surrounding the dwelling or residence, which area shall be described specifically in the order;

(4) award temporary custody or establish temporary parenting time with regard to minor children of the parties on a basis which gives primary consideration to the safety of the victim and the children. In addition to the primary safety considerations, the court may consider particular best interest factors that are found to be relevant to the

temporary custody and parenting time award. Findings under section 257.025, 518.17, or 518.175 are not required with respect to the particular best interest factors not considered by the court. If the court finds that the safety of the victim or the children will be jeopardized by unsupervised or unrestricted parenting time, the court shall condition or restrict parenting time as to time, place, duration, or supervision, or deny parenting time entirely, as needed to guard the safety of the victim and the children. The court's decision on custody and parenting time shall in no way delay the issuance of an order for protection granting other relief provided for in this section. The court must not enter a parenting plan under section 518.1705 as part of an action for an order for protection;

(5) on the same basis as is provided in chapter 518 or 518A, establish temporary support for minor children or a spouse, and order the withholding of support from the income of the person obligated to pay the support according to chapter 518A;

(6) provide upon request of the petitioner counseling or other social services for the parties, if married, or if there are minor children;

(7) order the abusing party to participate in treatment or counseling services, including requiring the abusing party to successfully complete a domestic abuse counseling program or educational program under section 518B.02;

(8) award temporary use and possession of property and restrain one or both parties from transferring, encumbering, concealing, or disposing of property except in the usual course of business or for the necessities of life, and to account to the court for all such transfers, encumbrances, dispositions, and expenditures made after the order is served or communicated to the party restrained in open court;

(9) exclude the abusing party from the place of employment of the petitioner, or otherwise limit access to the petitioner by the abusing party at the petitioner's place of employment;

(10) order the abusing party to have no contact with the petitioner whether in person, by telephone, mail, or electronic mail or messaging, through a third party, or by any other means;

(11) order the abusing party to pay restitution to the petitioner;

(12) order the continuance of all currently available insurance coverage without change in coverage or beneficiary designation; ~~and~~

(13) order, in its discretion, other relief as it deems necessary for the protection of a family or household member, including orders or directives to the sheriff or other law enforcement or corrections officer as provided by this section-;

(14) direct the care, possession, or control of a pet or companion animal owned, possessed, or kept by the petitioner or respondent or a child of the petitioner or respondent; and

(15) direct the respondent to refrain from physically abusing or injuring any pet or companion animal, without legal justification, known to be owned, possessed, kept, or held by either party or a minor child residing in the residence or household of either party as an indirect means of intentionally threatening the safety of such person.

(b) Any relief granted by the order for protection shall be for a period not to exceed two years, except when the court determines a longer period is appropriate. When a referee presides at the hearing on the petition, the order granting relief becomes effective upon the referee's signature.

(c) An order granting the relief authorized in paragraph (a), clause (1), may not be vacated or modified in a proceeding for dissolution of marriage or legal separation, except that the court may hear a motion for modification of an order for protection concurrently with a proceeding for dissolution of marriage upon notice of motion and motion. The notice required by court rule shall not be waived. If the proceedings are consolidated and the motion to modify is granted, a separate order for modification of an order for protection shall be issued.

(d) An order granting the relief authorized in paragraph (a), clause (2) or (3), is not voided by the admittance of the abusing party into the dwelling from which the abusing party is excluded.

(e) If a proceeding for dissolution of marriage or legal separation is pending between the parties, the court shall provide a copy of the order for protection to the court with jurisdiction over the dissolution or separation proceeding for inclusion in its file.

(f) An order for restitution issued under this subdivision is enforceable as civil judgment.

Sec. 5. Minnesota Statutes 2008, section 518B.01, subdivision 7, is amended to read:

Subd. 7. **Ex parte order.** (a) Where an application under this section alleges an immediate and present danger of domestic abuse, the court may grant an ex parte order for protection and granting relief as the court deems proper, including an order:

(1) restraining the abusing party from committing acts of domestic abuse;

(2) excluding any party from the dwelling they share or from the residence of the other, including a reasonable area surrounding the dwelling or residence, which area shall be described specifically in the order, except by further order of the court;

(3) excluding the abusing party from the place of employment of the petitioner or otherwise limiting access to the petitioner by the abusing party at the petitioner's place of employment;

(4) ordering the abusing party to have no contact with the petitioner whether in person, by telephone, mail, e-mail, through electronic devices, or through a third party; ~~and~~

(5) continuing all currently available insurance coverage without change in coverage or beneficiary designation;

(6) directing the care, possession, or control of a pet or companion animal owned, possessed, or kept by a party or a child of a party; and

(7) directing the respondent to refrain from physically abusing or injuring any pet or companion animal, without legal justification, known to be owned, possessed, kept, or held by either party or a minor child residing in the residence or household of either party as an indirect means of intentionally threatening the safety of such person.

(b) A finding by the court that there is a basis for issuing an ex parte order for protection constitutes a finding that sufficient reasons exist not to require notice under applicable court rules governing applications for ex parte relief.

(c) Subject to paragraph (d), an ex parte order for protection shall be effective for a fixed period set by the court, as provided in subdivision 6, paragraph (b), or until modified or vacated by the court pursuant to a hearing. When signed by a referee, the ex parte order becomes effective upon the referee's signature. Upon request, a hearing, as provided by this section, shall be set. Except as provided in paragraph (d), the respondent shall be personally served forthwith a copy of the ex parte order along with a copy of the petition and, if requested by the petitioner, notice of the date set for the hearing. If the petitioner does not request a hearing, an order served on a respondent under this subdivision must include a notice advising the respondent of the right to request a hearing, must be accompanied by a form that can be used by the respondent to request a hearing and must include a conspicuous notice that a hearing will not be held unless requested by the respondent within five days of service of the order.

(d) Service of the ex parte order may be made by published notice, as provided under subdivision 5, provided that the petitioner files the affidavit required under that subdivision. If personal service is not made or the affidavit is not filed within 14 days of issuance of the ex parte order, the order expires. If the petitioner does not request a hearing, the petition mailed to the respondent's residence, if known, must be accompanied by the form for requesting a hearing and notice described in paragraph (c). Unless personal service is completed, if service by published notice is not completed within 28 days of issuance of the ex parte order, the order expires.

(e) If the petitioner seeks relief under subdivision 6 other than the relief described in paragraph (a), the petitioner must request a hearing to obtain the additional relief.

(f) Nothing in this subdivision affects the right of a party to seek modification of an order under subdivision 11.

Sec. 6. Minnesota Statutes 2008, section 609.498, is amended by adding a subdivision to read:

Subd. 2a. **Tampering with a witness in the third degree.** (a) Unless a greater penalty is applicable under subdivision 1, 1b, or 2, whoever does any of the following is guilty of tampering with a witness in the third degree and may be sentenced as provided in subdivision 3:

(1) intentionally prevents or dissuades or intentionally attempts to prevent or dissuade by means of intimidation, a person who is or may become a witness from attending or testifying at any trial, proceeding, or inquiry authorized by law;

(2) by means of intimidation, intentionally influences or attempts to influence a person who is or may become a witness to testify falsely at any trial, proceeding, or inquiry authorized by law;

(3) intentionally prevents or dissuades or attempts to prevent or dissuade by means of intimidation, a person from providing information to law enforcement authorities concerning a crime; or

(4) by means of intimidation, intentionally influences or attempts to influence a person to provide false information concerning a crime to law enforcement authorities.

(b) In a prosecution under this subdivision, proof of intimidation may be based on a specific act or on the totality of the circumstances.

**EFFECTIVE DATE.** This section is effective August 1, 2010, and applies to crimes committed on or after that date.

Sec. 7. Minnesota Statutes 2008, section 609.498, subdivision 3, is amended to read:

Subd. 3. **Sentence.** (a) Whoever violates subdivision 2 ~~may be sentenced to imprisonment for not more than one year or to payment of a fine not to exceed \$3,000~~ is guilty of a gross misdemeanor.

(b) Whoever violates subdivision 2a is guilty of a misdemeanor.

**EFFECTIVE DATE.** This section is effective August 1, 2010, and applies to crimes committed on or after that date.

Sec. 8. Minnesota Statutes 2008, section 609.749, is amended to read:

**609.749 HARASSMENT; STALKING; PENALTIES.**

Subdivision 1. **Definition.** As used in this section, "~~harass~~" "stalking" means to engage in ~~intentional~~ conduct which ~~(1) the actor knows or has reason to know would cause the victim under the circumstances to feel frightened, threatened, oppressed, persecuted, or intimidated; and (2) causes this reaction on the part of the victim regardless of the relationship between the actor and victim.~~

Subd. 1a. **No proof of specific intent required.** In a prosecution under this section, the state is not required to prove that the actor intended to cause the victim to feel frightened, threatened, oppressed, persecuted, or intimidated, or except as otherwise provided in subdivision 3, paragraph (a), clause (4), or paragraph (b), that the actor intended to cause any other result.

Subd. 1b. **Venue.** (a) When acts constituting a violation of this section are committed in two or more counties, the accused may be prosecuted in any county in which one of the acts was committed for all acts in violation of this section.

(b) The conduct described in subdivision 2, clauses (4) and (5) may be prosecuted at the place where any call is made or received or, in the case of wireless or electronic communication or any communication made through any available technologies, where the actor or victim resides or in the jurisdiction of the victim's designated address if the victim participates in the address confidentiality program established by chapter 5B. The conduct described in subdivision 2, clause (2), may be prosecuted where the actor or victim resides. The conduct described in subdivision 2, clause (6), may be prosecuted where any letter, telegram, message, package, or other object is sent or received or, in the case of wireless or electronic communication or communication made through other available technologies, where the actor or victim resides or in the jurisdiction of the victim's designated address if the victim participates in the address confidentiality program established by chapter 5B.

Subd. 1c. **Arrest.** For all violations under this section, except a violation of subdivision 2, clause (7), a peace officer may make an arrest under the provisions of section 629.34. A peace officer may not make a warrantless, custodial arrest of any person for a violation of subdivision 2, clause (7).

Subd. 2. ~~Harassment and Stalking crimes.~~ ~~(a)~~ A person who ~~harasses~~ stalks another by committing any of the following acts is guilty of a gross misdemeanor:

(1) directly or indirectly, or through third parties, manifests a purpose or intent to injure the person, property, or rights of another by the commission of an unlawful act;

(2) ~~stalks,~~ follows, monitors, or pursues another, whether in person or through any available technological or other means;

(3) returns to the property of another if the actor is without claim of right to the property or consent of one with authority to consent;

(4) repeatedly makes telephone calls, sends text messages, or induces a victim to make telephone calls to the actor, whether or not conversation ensues;

(5) makes or causes the telephone of another repeatedly or continuously to ring;

(6) repeatedly mails or delivers or causes the delivery by any means, including electronically, of letters, telegrams, messages, packages, through assistive devices for the visually or hearing impaired, or any communication made through any available technologies or other objects; or

(7) knowingly makes false allegations against a peace officer concerning the officer's performance of official duties with intent to influence or tamper with the officer's performance of official duties.

~~(b) The conduct described in paragraph (a), clauses (4) and (5), may be prosecuted at the place where any call is either made or received or, additionally in the case of wireless or electronic communication, where the actor or victim resides. The conduct described in paragraph (a), clause (2), may be prosecuted where the actor or victim resides. The conduct described in paragraph (a), clause (6), may be prosecuted where any letter, telegram, message, package, or other object is either sent or received or, additionally in the case of wireless or electronic communication, where the actor or victim resides.~~

~~(c) A peace officer may not make a warrantless, custodial arrest of any person for a violation of paragraph (a), clause (7).~~

Subd. 3. **Aggravated violations.** (a) A person who commits any of the following acts is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both:

(1) commits any offense described in subdivision 2 because of the victim's or another's actual or perceived race, color, religion, sex, sexual orientation, disability as defined in section 363A.03, age, or national origin;

(2) commits any offense described in subdivision 2 by falsely impersonating another;

(3) commits any offense described in subdivision 2 and possesses a dangerous weapon at the time of the offense;

(4) ~~harasses~~ stalks another, as defined in subdivision 1, with intent to influence or otherwise tamper with a juror or a judicial proceeding or with intent to retaliate against a judicial officer, as defined in section 609.415, or a prosecutor, defense attorney, or officer of the court, because of that person's performance of official duties in connection with a judicial proceeding; or

(5) commits any offense described in subdivision 2 against a victim under the age of 18, if the actor is more than 36 months older than the victim.

(b) A person who commits any offense described in subdivision 2 against a victim under the age of 18, if the actor is more than 36 months older than the victim, and the act is committed with sexual or aggressive intent, is guilty of a felony and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both.

Subd. 4. **Second or subsequent violations; felony.** (a) A person is guilty of a felony who violates any provision of subdivision 2 within ten years of a previous qualified domestic violence-related offense conviction or adjudication of delinquency, and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

(b) A person is guilty of a felony who violates any provision of subdivision 2 within ten years of the first of two or more previous qualified domestic violence-related offense convictions or adjudications of delinquency, and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both.

Subd. 5. **Pattern of ~~harassing~~ stalking conduct.** (a) A person who engages in a pattern of ~~harassing~~ stalking conduct with respect to a single victim or one or more members of a single household which the actor knows or has reason to know would cause the victim under the circumstances to feel terrorized or to fear bodily harm and which does cause this reaction on the part of the victim, is guilty of a felony and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both.

(b) For purposes of this subdivision, a "pattern of ~~harassing~~ stalking conduct" means two or more acts within a five-year period that violate or attempt to violate the provisions of any of the following or a similar law of another state, the United States, the District of Columbia, ~~tribal lands~~ tribe, or United States territories:

(1) this section;

(2) sections 609.185 to 609.205 (first- to third-degree murder and first- and second-degree manslaughter);

~~(2)~~ (3) section 609.713 (terroristic threats);

- ~~(3)~~ (4) section 609.224 (fifth-degree assault);
- ~~(4)~~ (5) section 609.2242 (domestic assault);
- ~~(5)~~ (6) section 518B.01, subdivision 14 (violations of domestic abuse orders for protection);
- ~~(6)~~ (7) section 609.748, subdivision 6 (violations of harassment restraining orders);
- ~~(7)~~ (8) section 609.605, subdivision 1, paragraph (b), clauses (3), (4), and (7) (certain trespass offenses);
- (9) section 609.78, subdivision 2 (interference with an emergency call);
- ~~(8)~~ (10) section 609.79 (obscene or harassing telephone calls);
- ~~(9)~~ (11) section 609.795 (letter, telegram, or package; opening; harassment);
- ~~(10)~~ (12) section 609.582 (burglary);
- ~~(11)~~ (13) section 609.595 (damage to property);
- ~~(12)~~ (14) section 609.765 (criminal defamation); or
- ~~(13)~~ (15) sections 609.342 to 609.3451 (first- to fifth-degree criminal sexual conduct); or
- (16) section 629.75, subdivision 2 (violations of domestic abuse no contact orders).

~~(c) When acts constituting a violation of this subdivision are committed in two or more counties, the accused may be prosecuted in any county in which one of the acts was committed for all acts constituting the pattern. Words set forth in parentheses after references to statutory sections in paragraph (b) are mere catchwords included solely for convenience in reference. They are not substantive and may not be used to construe or limit the meaning of the cited statutory provision.~~

Subd. 6. **Mental health assessment and treatment.** (a) When a person is convicted of a felony offense under this section, or another felony offense arising out of a charge based on this section, the court shall order an independent professional mental health assessment of the offender's need for mental health treatment. The court may waive the assessment if an adequate assessment was conducted prior to the conviction.

(b) Notwithstanding sections 13.384, 13.85, 144.291 to 144.298, 260B.171, or 260C.171, the assessor has access to the following private or confidential data on the person if access is relevant and necessary for the assessment:

- (1) medical data under section 13.384;
- (2) welfare data under section 13.46;
- (3) corrections and detention data under section 13.85;
- (4) health records under sections 144.291 to 144.298; and
- (5) juvenile court records under sections 260B.171 and 260C.171.

Data disclosed under this section may be used only for purposes of the assessment and may not be further disclosed to any other person, except as authorized by law.



(c) If the assessment indicates that the offender is in need of and amenable to mental health treatment, the court shall include in the sentence a requirement that the offender undergo treatment.

(d) The court shall order the offender to pay the costs of assessment under this subdivision unless the offender is indigent under section 563.01.

Subd. 7. **Exception.** Conduct is not a crime under this section if it is performed under terms of a valid license, to ensure compliance with a court order, or to carry out a specific lawful commercial purpose or employment duty, is authorized or required by a valid contract, or is authorized, required, or protected by state ~~or~~ federal, or tribal law or the state ~~or~~ federal, or tribal constitutions. Subdivision 2, clause (2), does not impair the right of any individual or group to engage in speech protected by the federal ~~Constitution, state, or tribal constitutions, the state Constitution,~~ or federal ~~or~~ state, or tribal law, including peaceful and lawful handbilling and picketing.

Subd. 8. **Stalking; firearms.** (a) When a person is convicted of a ~~harassment or~~ stalking crime under this section and the court determines that the person used a firearm in any way during commission of the crime, the court may order that the person is prohibited from possessing any type of firearm for any period longer than three years or for the remainder of the person's life. A person who violates this paragraph is guilty of a gross misdemeanor. At the time of the conviction, the court shall inform the defendant whether and for how long the defendant is prohibited from possessing a firearm and that it is a gross misdemeanor to violate this paragraph. The failure of the court to provide this information to a defendant does not affect the applicability of the firearm possession prohibition or the gross misdemeanor penalty to that defendant.

(b) Except as otherwise provided in paragraph (a), when a person is convicted of a stalking ~~or harassment~~ crime under this section, the court shall inform the defendant that the defendant is prohibited from possessing a pistol for three years from the date of conviction and that it is a gross misdemeanor offense to violate this prohibition. The failure of the court to provide this information to a defendant does not affect the applicability of the pistol possession prohibition or the gross misdemeanor penalty to that defendant.

(c) Except as otherwise provided in paragraph (a), a person is not entitled to possess a pistol if the person has been convicted after August 1, 1996, of a stalking ~~or harassment~~ crime under this section, unless three years have elapsed from the date of conviction and, during that time, the person has not been convicted of any other violation of this section. Property rights may not be abated but access may be restricted by the courts. A person who possesses a pistol in violation of this paragraph is guilty of a gross misdemeanor.

(d) If the court determines that a person convicted of a stalking ~~or harassment~~ crime under this section owns or possesses a firearm and used it in any way during the commission of the crime, it shall order that the firearm be summarily forfeited under section 609.5316, subdivision 3.

**EFFECTIVE DATE.** This section is effective August 1, 2010, and applies to crimes committed on or after that date.

Sec. 9. Minnesota Statutes 2008, section 629.471, subdivision 3, is amended to read:

Subd. 3. **Six times fine.** For offenses under sections ~~518B.01, 609.224, 609.2242,~~ and 609.377, the maximum cash bail that may be required for a person charged with a misdemeanor or gross misdemeanor violation is six times the highest cash fine that may be imposed for the offense.

**EFFECTIVE DATE.** This section is effective August 1, 2010, and applies to crimes committed on or after that date.

Sec. 10. Minnesota Statutes 2008, section 629.471, is amended by adding a subdivision to read:

Subd. 3a. **Ten times fine.** For offenses under sections 518B.01, 609.2242, and 629.75, the maximum cash bail that may be required for a person charged with a misdemeanor or gross misdemeanor violation is ten times the highest cash fine that may be imposed for the offense.

**EFFECTIVE DATE.** This section is effective August 1, 2010, and applies to crimes committed on or after that date.

Sec. 11. Minnesota Statutes 2008, section 629.72, subdivision 1, is amended to read:

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

(b) "Domestic abuse" has the meaning given in section 518B.01, subdivision 2.

(c) "Harassment" has the meaning given in section 609.749.

(d) "Violation of a domestic abuse no contact order" has the meaning given in section ~~518B.01, subdivision 22~~ 629.75.

(e) "Violation of an order for protection" has the meaning given in section 518B.01, subdivision 14.

**EFFECTIVE DATE.** This section is effective August 1, 2010, and applies to crimes committed on or after that date.

Sec. 12. Minnesota Statutes 2008, section 629.72, subdivision 2a, is amended to read:

Subd. 2a. **Electronic monitoring; condition of pretrial release.** (a) Until the commissioner of corrections has adopted standards governing electronic monitoring devices used to protect victims of domestic abuse, the court, as a condition of release, may not order a person arrested for a crime described in section 609.135, subdivision 5a, paragraph (b), to use an electronic monitoring device to protect a victim's safety.

(b) ~~Notwithstanding paragraph (a), district courts in the Tenth the chief judge of a judicial district may order, as a condition of a release, a person arrested on a charge of a crime described in section 609.135, subdivision 5a, paragraph (b), to use an electronic monitoring device to protect the victim's safety. The courts shall make data on the use of electronic monitoring devices to protect a victim's safety in the Tenth Judicial District available to the commissioner of corrections to evaluate and to aid in development of standards for the use of devices to protect victims of domestic abuse~~ appoint and convene an advisory group comprised of representatives from law enforcement, prosecutors, defense attorneys, corrections, court administrators, judges, and battered women's organizations to develop standards for the use of electronic monitoring and global positioning system devices to protect victims of domestic abuse and for evaluating the effectiveness of electronic monitoring. After the advisory group does this, the chief judge, in consultation with the advisory group, may conduct a pilot project for implementation of the electronic monitoring standards. A judicial district that conducts a pilot project shall report on the standards and the pilot project to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over criminal justice policy and the state court administrator's office.

**SUNSET.** The amendments to this section expire on January 15, 2014.

Sec. 13. **[629.75] DOMESTIC ABUSE NO CONTACT ORDER.**

Subdivision 1. **Establishment; description.** (a) A domestic abuse no contact order is an order issued by a court against a defendant in a criminal proceeding or a juvenile offender in a delinquency proceeding for:

(1) domestic abuse as defined in section 518B.01, subdivision 2;

(2) harassment or stalking under section 609.749 when committed against a family or household member as defined in section 518B.01, subdivision 2;

(3) violation of an order for protection under section 518B.01, subdivision 14; or

(4) violation of a prior domestic abuse no contact order under this subdivision or section 518B.01, subdivision 22.

(b) A domestic abuse no contact order may be issued as a pretrial order before final disposition of the underlying criminal case or as a postconviction probationary order. A domestic abuse no contact order is independent of any condition of pretrial release or probation imposed on the defendant. A domestic abuse no contact order may be issued in addition to a similar restriction imposed as a condition of pretrial release or probation. In the context of a postconviction probationary order, a domestic abuse no contact order may be issued for an offense listed in paragraph (a) or for a conviction for any offense arising out of the same set of circumstances as an offense listed in paragraph (a).

(c) A no contact order under this section shall be issued in a proceeding that is separate from but held immediately following a proceeding in which any pretrial release or sentencing issues are decided.

Subd. 2. **Criminal penalties.** (a) As used in this subdivision "qualified domestic violence-related offense" has the meaning given in section 609.02, subdivision 16.

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

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

(d) A person is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if the person knowingly violates this subdivision:

(1) within ten years of the first of two or more previous qualified domestic violence-related offense convictions or adjudications of delinquency; or

(2) while possessing a dangerous weapon, as defined in section 609.02, subdivision 6. Upon a felony conviction under this paragraph in which the court stays imposition or execution of sentence, the court shall impose at least a 30-day period of incarceration as a condition of probation. The court also shall order that the defendant participate in counseling or other appropriate programs selected by the court. Notwithstanding section 609.135, the court must impose and execute the minimum sentence provided in this paragraph for felony convictions.

Subd. 3. **Warrantless custodial arrest.** A peace officer shall arrest without a warrant and take into custody a person whom the peace officer has probable cause to believe has violated a domestic abuse no contact order, even if the violation of the order did not take place in the presence of the peace officer, if the existence of the order can be verified by the officer. The person shall be held in custody for at least 36 hours, excluding the day of arrest, Sundays, and holidays, unless the person is released earlier by a judge or judicial officer. A peace officer acting in good faith and exercising due care in making an arrest pursuant to this subdivision is immune from civil liability that might result from the officer's actions.

**EFFECTIVE DATE.** This section is effective August 1, 2010, and applies to crimes committed on or after that date.

Sec. 14. **REVISOR'S INSTRUCTION.**

(a) The revisor of statutes shall make any cross-reference changes, language changes, or both, to Minnesota Statutes made necessary by section 8.

(b) The revisor of statutes shall replace references to Minnesota Statutes, section 518B.01, subdivision 22, in statutes and rules with a reference to Minnesota Statutes, section 629.75.

Sec. 15. **REPEALER.**

Minnesota Statutes 2008, section 518B.01, subdivision 22, is repealed.

**EFFECTIVE DATE.** This section is effective August 1, 2010, and applies to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to public safety; recodifying and clarifying the domestic abuse no contact order law; expanding the tampering with a witness crime; increasing the maximum bail for nonfelony domestic assault and domestic abuse order for protection violations; clarifying the requirement that the data communications network include orders for protection and no contact orders; exempting certain domestic abuse or sexual attack programs from data practices requirements; extending area for protection to a reasonable area around residence or dwelling in ex parte orders for protection; modifying crime of stalking; authorizing a pilot project to allow judges to order electronic monitoring for domestic abuse offenders on pretrial release; imposing criminal penalties; amending Minnesota Statutes 2008, sections 13.871, by adding a subdivision; 299C.46, subdivision 6; 518B.01, subdivisions 6, 7; 609.498, subdivision 3, by adding a subdivision; 609.749; 629.471, subdivision 3, by adding a subdivision; 629.72, subdivisions 1, 2a; proposing coding for new law in Minnesota Statutes, chapters 13; 629; repealing Minnesota Statutes 2008, section 518B.01, subdivision 22."

With the recommendation that when so amended the bill pass.

The report was adopted.

Carlson from the Committee on Finance to which was referred:

S. F. No. 2690, A bill for an act relating to children; modifying driver's license requirements for foster children; requiring in-court reviews; expanding the definition of parent for child protection proceedings; amending Minnesota Statutes 2008, sections 171.04, subdivision 1; 171.05, subdivision 2; 171.055, subdivision 1; 245C.33, subdivision

4; 260C.007, subdivision 4; 260C.163, subdivisions 1, 2; 260C.193, subdivision 6; 260C.201, subdivision 10; 260C.317, subdivision 3; 260C.451; Minnesota Statutes 2009 Supplement, sections 260C.007, subdivision 25; 260C.150, subdivision 3; 260C.178, subdivision 3; 260C.201, subdivision 11; 260C.212, subdivision 7; 260C.331, subdivision 1; 260C.456.

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

The report was adopted.

Carlson from the Committee on Finance to which was referred:

S. F. No. 2945, A bill for an act relating to public safety; amending a definition related to child pornography; amending Minnesota Statutes 2008, section 617.246, subdivision 1.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Public Safety Policy and Oversight without further recommendation.

The report was adopted.

Carlson from the Committee on Finance to which was referred:

S. F. No. 3116, A bill for an act relating to public safety; authorizing the collection of DNA from offenders; amending Minnesota Statutes 2008, section 609.117, by adding a subdivision.

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

The report was adopted.

Carlson from the Committee on Finance to which was referred:

S. F. No. 3128, A bill for an act relating to residential construction; providing for lead poisoning prevention; amending the State Building Code; modifying licensing requirements; amending Minnesota Statutes 2008, sections 326B.106, by adding subdivisions; 326B.805, 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 326B.106, is amended by adding a subdivision to read:

Subd. 13. **Lead poisoning prevention.** The code must require that any renovation performed on residential property or child-occupied facilities constructed prior to 1978 comply with Code of Federal Regulations, title 40, sections 745.80 to 745.92.

**EFFECTIVE DATE.** This section is effective February 1, 2011.

Sec. 2. Minnesota Statutes 2008, section 326B.106, is amended by adding a subdivision to read:

Subd. 14. **Pre-1978 structures.** Any firm performing renovation as defined by Code of Federal Regulations, title 40, section 745.83, on a residential structure or child-occupied facility constructed prior to 1978 must be certified in accordance with Code of Federal Regulations, title 40, section 745.89, unless the property or child-occupied facility has been determined to meet an exemption under Code of Federal Regulations, title 40, section 745.82. Before performing the renovations as defined by Code of Federal Regulations, title 40, section 745.83, on a residential structure or child-occupied facility constructed prior to 1978, any firm working on the structure must be able to provide to the commissioner information so that proof of certification can be obtained as required in this subdivision. The department shall provide on its Web site a link to the United States Environmental Protection Agency Web site for verification of certification by contractors licensed by the Department of Labor and Industry.

**EFFECTIVE DATE.** This section is effective February 1, 2011.

Sec. 3. Minnesota Statutes 2008, section 326B.805, is amended by adding a subdivision to read:

Subd. 1a. **Pre-1978 structures.** Any firm performing renovation as defined by Code of Federal Regulations, title 40, section 745.83, on a residential structure or child-occupied facility constructed prior to 1978 must comply with section 326B.106, subdivision 14.

**EFFECTIVE DATE.** This section is effective February 1, 2011."

Delete the title and insert:

"A bill for an act relating to residential construction; providing for lead poisoning prevention; amending the State Building Code; modifying licensing requirements; amending Minnesota Statutes 2008, sections 326B.106, by adding subdivisions; 326B.805, by adding a subdivision."

With the recommendation that when so amended the bill pass.

The report was adopted.

## SECOND READING OF HOUSE BILLS

H. F. Nos. 1320, 2758, 2965, 3056, 3334 and 3682 were read for the second time.

## SECOND READING OF SENATE BILLS

S. F. Nos. 1246, 2339, 2437, 2690, 3116 and 3128 were read for the second time.

## 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. 3362, A bill for an act relating to environment; modifying petroleum tank release provisions; amending Minnesota Statutes 2008, sections 13.7411, subdivision 6; 115C.02, subdivision 14, by adding a subdivision; 115C.07, subdivision 3; 514.671, subdivision 5.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

### CONCURRENCE AND REPASSAGE

Dauids moved that the House concur in the Senate amendments to H. F. No. 3362 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 3362, A bill for an act relating to environment; modifying petroleum tank release provisions; amending Minnesota Statutes 2008, sections 13.7411, subdivision 6; 115C.02, subdivision 14, by adding a subdivision; 115C.07, subdivision 3; 514.671, subdivision 5.

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

The question was taken on the repassage of the bill and the roll was called. There were 117 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Demmer	Hilstrom	Liebling	Nornes	Slawik
Anderson, B.	Dettmer	Hilty	Lieder	Obermueller	Slocum
Anderson, P.	Dittrich	Holberg	Lillie	Olin	Smith
Anderson, S.	Doepke	Hoppe	Loeffler	Otremba	Solberg
Anzelc	Doty	Hornstein	Loon	Pelowski	Sterner
Atkins	Downey	Hortman	Mack	Peppin	Swails
Beard	Drazkowski	Hosch	Magnus	Persell	Thao
Benson	Eastlund	Howes	Mahoney	Poppe	Tillberry
Bigham	Eken	Huntley	Mariani	Reinert	Torkelson
Bly	Emmer	Jackson	Marquart	Rosenthal	Urdahl
Brod	Faust	Johnson	Masin	Rukavina	Wagenius
Brown	Fritz	Juhnke	McFarlane	Ruud	Ward
Brynaert	Gardner	Kalin	McNamara	Sailer	Welti
Buesgens	Garofalo	Kath	Morgan	Sanders	Westrom
Bunn	Gottwalt	Kiffmeyer	Morrow	Scott	Winkler
Carlson	Greiling	Knuth	Mullery	Seifert	Zellers
Champion	Gunther	Kohls	Murdock	Sertich	Spk. Kelliher
Cornish	Hackbarth	Laine	Murphy, E.	Severson	
Davids	Hansen	Lanning	Nelson	Shimanski	
Davnie	Hausman	Lenczewski	Newton	Simon	

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

### CALENDAR FOR THE DAY

S. F. No. 3091, A bill for an act relating to public safety; conforming medical examination requirements for commercial driver's license to federal law; amending Minnesota Statutes 2008, sections 171.01, by adding subdivisions; 171.04, by adding a subdivision; 171.09, subdivision 1; 171.12, subdivisions 2a, 3; 171.162.

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

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 3405, A bill for an act relating to human services; modifying the commissioner's duties related to the state medical review team; amending Minnesota Statutes 2009 Supplement, section 256.01, subdivision 29.

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

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Anderson, S.	Beard	Bly	Brynaert	Carlson
Anderson, B.	Anzelc	Benson	Brod	Buesgens	Champion
Anderson, P.	Atkins	Bigham	Brown	Bunn	Cornish



Davids	Garofalo	Juhnke	Mahoney	Pelowski	Slocum
Davnie	Gottwalt	Kahn	Mariani	Peppin	Smith
Dean	Greiling	Kalin	Marquart	Persell	Solberg
Demmer	Gunther	Kath	Masin	Peterson	Sterner
Dettmer	Hackbarth	Kiffmeyer	McFarlane	Poppe	Swails
Dill	Hansen	Knuth	McNamara	Reinert	Thao
Dittrich	Hausman	Kohls	Morgan	Rosenthal	Thissen
Doepke	Hilstrom	Laine	Morrow	Rukavina	Tillberry
Doty	Hilty	Lanning	Mullery	Ruud	Torkelson
Downey	Holberg	Lenczewski	Murdock	Sailer	Urdahl
Drazkowski	Hoppe	Lesch	Murphy, E.	Sanders	Wagenius
Eastlund	Hornstein	Liebling	Nelson	Scott	Ward
Eken	Hortman	Lieder	Newton	Seifert	Welti
Emmer	Hosch	Lillie	Nornes	Sertich	Westrom
Falk	Howes	Loeffler	Obermueller	Severson	Winkler
Faust	Huntley	Loon	Olin	Shimanski	Zellers
Fritz	Jackson	Mack	Otremba	Simon	Spk. Kelliher
Gardner	Johnson	Magnus	Paymar	Slawik	

The bill was passed and its title agreed to.

Zellers was excused for the remainder of today's session.

S. F. No. 2912 was reported to the House.

Hosch moved to amend S. F. No. 2912, the first engrossment, as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 2926, the first engrossment:

"Section 1. Minnesota Statutes 2009 Supplement, section 245.4885, subdivision 1, is amended to read:

Subdivision 1. **Admission criteria.** (a) Prior to admission, except in the case of emergency admission, all children referred for treatment of severe emotional disturbance in a treatment foster care setting, residential treatment facility, or informally admitted to a regional treatment center shall undergo an assessment to determine the appropriate level of care if public funds are used to pay for the services.

(b) The county board shall determine the appropriate level of care when county-controlled funds are used to pay for the services. When the child is enrolled in a prepaid health program under section 256B.69, the enrolled child's contracted health plan must determine the appropriate level of care. When Indian Health Services funds or funds of a tribally owned facility funded under the Indian Self-Determination and Education Assistance Act, Public Law 93-638, are to be used, the Indian Health Services or 638 tribal health facility must determine the appropriate level of care. When more than one entity bears responsibility for coverage, the entities shall coordinate level of care determination activities to the extent possible.

(c) The level of care determination shall determine whether the proposed treatment:

(1) is necessary;

(2) is appropriate to the child's individual treatment needs;

(3) cannot be effectively provided in the child's home; and

(4) provides a length of stay as short as possible consistent with the individual child's need.

(d) When a level of care determination is conducted, the responsible entity may not determine that referral or admission to a treatment foster care setting or residential treatment facility is not appropriate solely because services were not first provided to the child in a less restrictive setting and the child failed to make progress toward or meet treatment goals in the less restrictive setting. The level of care determination must be based on a diagnostic assessment that includes a functional assessment which evaluates family, school, and community living situations; and an assessment of the child's need for care out of the home using a validated tool which assesses a child's functional status and assigns an appropriate level of care. The validated tool must be approved by the commissioner of human services. If a diagnostic assessment including a functional assessment has been completed by a mental health professional within the past 180 days, a new diagnostic assessment need not be completed unless in the opinion of the current treating mental health professional the child's mental health status has changed markedly since the assessment was completed. The child's parent shall be notified if an assessment will not be completed and of the reasons. A copy of the notice shall be placed in the child's file. Recommendations developed as part of the level of care determination process shall include specific community services needed by the child and, if appropriate, the child's family, and shall indicate whether or not these services are available and accessible to the child and family.

(e) During the level of care determination process, the child, child's family, or child's legal representative, as appropriate, must be informed of the child's eligibility for case management services and family community support services and that an individual family community support plan is being developed by the case manager, if assigned.

(f) The level of care determination shall comply with section 260C.212. The parent shall be consulted in the process, unless clinically detrimental to the child.

(g) The level of care determination, and placement decision, and recommendations for mental health services must be documented in the child's record.

Sec. 2. Minnesota Statutes 2009 Supplement, section 245.4885, subdivision 1a, is amended to read:

Subd. 1a. **Emergency admission.** Effective July 1, 2006, if a child is admitted to a treatment foster care setting, residential treatment facility, ~~or acute care hospital for emergency treatment~~ or held for emergency care by a regional treatment center under section 253B.05, subdivision 1, the level of care determination must occur within five working days of admission.

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.

Sec. 4. Minnesota Statutes 2009 Supplement, section 256B.0625, subdivision 49, is amended to read:

Subd. 49. **Community health worker.** (a) Medical assistance covers the care coordination and patient education services provided by a community health worker if the community health worker has:

(1) received a certificate from the Minnesota State Colleges and Universities System approved community health worker curriculum; or

(2) at least five years of supervised experience with an enrolled physician, registered nurse, advanced practice registered nurse, mental health professional as defined in section 245.462, subdivision 18, clauses (1) to ~~(5)~~ (6), and section 245.4871, subdivision 27, clauses (1) to (5), or dentist, or at least five years of supervised experience by a certified public health nurse operating under the direct authority of an enrolled unit of government.

Community health workers eligible for payment under clause (2) must complete the certification program by January 1, 2010, to continue to be eligible for payment.

(b) Community health workers must work under the supervision of a medical assistance enrolled physician, registered nurse, advanced practice registered nurse, mental health professional as defined in section 245.462, subdivision 18, clauses (1) to ~~(5)~~ (6), and section 245.4871, subdivision 27, clauses (1) to (5), or dentist, or work under the supervision of a certified public health nurse operating under the direct authority of an enrolled unit of government.

(c) Care coordination and patient education services covered under this subdivision include, but are not limited to, services relating to oral health and dental care.

Sec. 5. Minnesota Statutes 2009 Supplement, section 256B.0943, subdivision 9, is amended to read:

Subd. 9. **Service delivery criteria.** (a) In delivering services under this section, a certified provider entity must ensure that:

(1) each individual provider's caseload size permits the provider to deliver services to both clients with severe, complex needs and clients with less intensive needs. The provider's caseload size should reasonably enable the provider to play an active role in service planning, monitoring, and delivering services to meet the client's and client's family's needs, as specified in each client's individual treatment plan;

(2) site-based programs, including day treatment and preschool programs, provide staffing and facilities to ensure the client's health, safety, and protection of rights, and that the programs are able to implement each client's individual treatment plan;

(3) a day treatment program is provided to a group of clients by a multidisciplinary team under the clinical supervision of a mental health professional. The day treatment program must be provided in and by: (i) an outpatient hospital accredited by the Joint Commission on Accreditation of Health Organizations and licensed under sections 144.50 to 144.55; (ii) a community mental health center under section 245.62; or (iii) an entity that is under contract with the county board to operate a program that meets the requirements of section 245.4712, subdivision 2, or 245.4884, subdivision 2, and Minnesota Rules, parts 9505.0170 to 9505.0475. The day treatment program must stabilize the client's mental health status while developing and improving the client's independent living and socialization skills. The goal of the day treatment program must be to reduce or relieve the effects of mental illness and provide training to enable the client to live in the community. The program must be available at least one day a week for a two-hour time block. The two-hour time block must include at least one hour of individual or group psychotherapy. The remainder of the structured treatment program may include individual or group psychotherapy ~~and recreation therapy, socialization therapy, or independent living skills therapy~~, and individual or group skills training, if included in the client's individual treatment plan. Day treatment programs are not part of inpatient or residential treatment services. A day treatment program may provide fewer than the minimally required hours for a particular child during a billing period in which the child is transitioning into, or out of, the program; and

(4) a therapeutic preschool program is a structured treatment program offered to a child who is at least 33 months old, but who has not yet reached the first day of kindergarten, by a preschool multidisciplinary team in a day program licensed under Minnesota Rules, parts 9503.0005 to 9503.0175. The program must be available two hours per day, five days per week, and 12 months of each calendar year. The structured treatment program may include individual or group psychotherapy and individual or group skills training, if included in the client's individual treatment plan. A therapeutic preschool program may provide fewer than the minimally required hours for a particular child during a billing period in which the child is transitioning into, or out of, the program.

(b) A provider entity must deliver the service components of children's therapeutic services and supports in compliance with the following requirements:

(1) individual, family, and group psychotherapy must be delivered as specified in Minnesota Rules, part 9505.0323;

(2) individual, family, or group skills training must be provided by a mental health professional or a mental health practitioner who has a consulting relationship with a mental health professional who accepts full professional responsibility for the training;

(3) crisis assistance must be time-limited and designed to resolve or stabilize crisis through arrangements for direct intervention and support services to the child and the child's family. Crisis assistance must utilize resources designed to address abrupt or substantial changes in the functioning of the child or the child's family as evidenced by a sudden change in behavior with negative consequences for well being, a loss of usual coping mechanisms, or the presentation of danger to self or others;

(4) mental health behavioral aide services must be medically necessary treatment services, identified in the child's individual treatment plan and individual behavior plan, which are performed minimally by a paraprofessional qualified according to subdivision 7, paragraph (b), clause (3), and which are designed to improve the functioning of the child in the progressive use of developmentally appropriate psychosocial skills. Activities involve working directly with the child, child-peer groupings, or child-family groupings to practice, repeat, reintroduce, and master the skills defined in subdivision 1, paragraph (p), as previously taught by a mental health professional or mental health practitioner including:

- (i) providing cues or prompts in skill-building peer-to-peer or parent-child interactions so that the child progressively recognizes and responds to the cues independently;
- (ii) performing as a practice partner or role-play partner;
- (iii) reinforcing the child's accomplishments;
- (iv) generalizing skill-building activities in the child's multiple natural settings;
- (v) assigning further practice activities; and
- (vi) intervening as necessary to redirect the child's target behavior and to de-escalate behavior that puts the child or other person at risk of injury.

A mental health behavioral aide must document the delivery of services in written progress notes. The mental health behavioral aide must implement treatment strategies in the individual treatment plan and the individual behavior plan. The mental health behavioral aide must document the delivery of services in written progress notes. Progress notes must reflect implementation of the treatment strategies, as performed by the mental health behavioral aide and the child's responses to the treatment strategies; and

(5) direction of a mental health behavioral aide must include the following:

- (i) ~~a total of one hour of on-site observation by a mental health professional during the first 12 hours of service provided to a child~~ a clinical supervision plan approved by the responsible mental health professional;
- (ii) ongoing on-site observation by a mental health professional or mental health practitioner for at least a total of one hour during every 40 hours of service provided to a child; and
- (iii) immediate accessibility of the mental health professional or mental health practitioner to the mental health behavioral aide during service provision.

Sec. 6. 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.

Sec. 7. Minnesota Statutes 2008, section 260C.157, subdivision 3, is amended to read:

Subd. 3. **Juvenile treatment screening team.** (a) The responsible social services agency shall establish a juvenile treatment screening team to conduct screenings and prepare case plans under this subdivision. The team, which may be the team constituted under section 245.4885 or 256B.092 or Minnesota Rules, parts 9530.6600 to 9530.6655, shall consist of social workers, juvenile justice professionals, and persons with expertise in the treatment of juveniles who are emotionally disabled, chemically dependent, or have a developmental disability. The team shall involve parents or guardians in the screening process as appropriate. The team may be the same team as defined in section 260B.157, subdivision 3.

(b) The social services agency shall determine whether a child brought to its attention for the purposes described in this section is an Indian child, as defined in section 260C.007, subdivision 21, and shall determine the identity of the Indian child's tribe, as defined in section 260.755, subdivision 9. When a child to be evaluated is an Indian child, the team provided in paragraph (a) shall include a designated representative of the Indian child's tribe, unless the child's tribal authority declines to appoint a representative. The Indian child's tribe may delegate its authority to represent the child to any other federally recognized Indian tribe, as defined in section 260.755, subdivision 12.

~~(b)~~ (c) If the court, prior to, or as part of, a final disposition, proposes to place a child:

(1) for the primary purpose of treatment for an emotional disturbance, a developmental disability, or chemical dependency in a residential treatment facility out of state or in one which is within the state and licensed by the commissioner of human services under chapter 245A; or

(2) in any out-of-home setting potentially exceeding 30 days in duration, including a postdispositional placement in a facility licensed by the commissioner of corrections or human services, the court shall ascertain whether the child is an Indian child and shall notify the county welfare agency and, if the child is an Indian child, shall notify the Indian child's tribe. The county's juvenile treatment screening team must either: (i) screen and evaluate the child and file its recommendations with the court within 14 days of receipt of the notice; or (ii) elect not to screen a given case and notify the court of that decision within three working days.

~~(c)~~ (d) If the screening team has elected to screen and evaluate the child, the child may not be placed for the primary purpose of treatment for an emotional disturbance, a developmental disability, or chemical dependency, in a residential treatment facility out of state nor in a residential treatment facility within the state that is licensed under chapter 245A, unless one of the following conditions applies:

(1) a treatment professional certifies that an emergency requires the placement of the child in a facility within the state;

(2) the screening team has evaluated the child and recommended that a residential placement is necessary to meet the child's treatment needs and the safety needs of the community, that it is a cost-effective means of meeting the treatment needs, and that it will be of therapeutic value to the child; or

(3) the court, having reviewed a screening team recommendation against placement, determines to the contrary that a residential placement is necessary. The court shall state the reasons for its determination in writing, on the record, and shall respond specifically to the findings and recommendation of the screening team in explaining why the recommendation was rejected. The attorney representing the child and the prosecuting attorney shall be afforded an opportunity to be heard on the matter.

(e) When the county's juvenile treatment screening team has elected to screen and evaluate a child determined to be an Indian child, the team shall provide notice to the tribe or tribes that accept jurisdiction for the Indian child or that recognize the child as a member of the tribe or as a person eligible for membership in the tribe, and permit the tribe's representative to participate in the screening team.

(f) When the Indian child's tribe or tribal health care services provider or Indian Health Services provider proposes to place a child for the primary purpose of treatment for an emotional disturbance, a developmental disability, or co-occurring emotional disturbance and chemical dependency, the Indian child's tribe or the tribe delegated by the child's tribe shall submit necessary documentation to the county juvenile treatment screening team, which must invite the Indian child's tribe to designate a representative to the screening team."

Delete the title and insert:

"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, sections 256B.761; 260C.157, subdivision 3; Minnesota Statutes 2009 Supplement, sections 245.4885, subdivisions 1, 1a; 254B.05, subdivision 1; 256B.0625, subdivision 49; 256B.0943, subdivision 9."

The motion prevailed and the amendment was adopted.

S. F. No. 2912, 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, sections 256B.761; 260C.157, subdivision 3; Minnesota Statutes 2009 Supplement, sections 245.4885, subdivisions 1, 1a; 256B.0625, subdivision 49; 256B.0943, subdivision 9.

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

The question was taken on the passage of the bill and the roll was called. There were 122 yeas and 2 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, S.            Drazkowski

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

S. F. No. 2852, A bill for an act relating to health; providing administrative simplification by adding a health care clearinghouse for health care provider transactions; amending Minnesota Statutes 2008, sections 62J.51, by adding subdivisions; 62J.536, subdivisions 1, 2b, 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 86 yeas and 39 nays as follows:

Those who voted in the affirmative were:

Abeler	Dill	Hosch	Lillie	Otremba	Solberg
Anzelc	Dittrich	Howes	Loeffler	Paymar	Sterner
Atkins	Doty	Huntley	Mahoney	Pelowski	Swails
Benson	Eken	Jackson	Mariani	Persell	Thao
Bigham	Falk	Johnson	Marquart	Peterson	Thissen
Bly	Faust	Juhnke	Masin	Poppe	Tillberry
Brown	Fritz	Kahn	McFarlane	Reinert	Wagenius
Brynaert	Gardner	Kalin	Morgan	Rosenthal	Ward
Bunn	Greiling	Kath	Morrow	Rukavina	Welti
Carlson	Hansen	Knuth	Mullery	Ruud	Winkler
Champion	Hausman	Laine	Murphy, E.	Sailer	Spk. Kelliher
Clark	Hilstrom	Lenczewski	Nelson	Sertich	
Cornish	Hilty	Lesch	Newton	Simon	
Davnie	Hornstein	Liebling	Obermueller	Slawik	
Demmer	Hortman	Lieder	Olin	Slocum	

Those who voted in the negative were:

Anderson, B.	Dean	Garofalo	Kohls	Nornes	Smith
Anderson, P.	Dettmer	Gottwalt	Lanning	Peppin	Torkelson
Anderson, S.	Doepke	Gunther	Loon	Sanders	Urdahl
Beard	Downey	Hackbarth	Mack	Scott	Westrom
Brod	Drazkowski	Holberg	Magnus	Seifert	
Buesgens	Eastlund	Hoppe	McNamara	Severson	
Davids	Emmer	Kiffmeyer	Murdock	Shimanski	

The bill was passed and its title agreed to.

S. F. No. 2475, A bill for an act relating to veterans; designating May 28 as Veterans of Foreign Wars Day; proposing coding for new law in Minnesota Statutes, chapter 197.

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 120 yeas and 5 nays as follows:

Those who voted in the affirmative were:

Abeler	Anderson, S.	Beard	Bly	Brynaert	Champion
Anderson, B.	Anzelc	Benson	Brod	Bunn	Clark
Anderson, P.	Atkins	Bigham	Brown	Carlson	Cornish



Davids	Garofalo	Kahn	Mariani	Pelowski	Slawik
Davnie	Gottwalt	Kalin	Marquart	Peppin	Slocum
Dean	Greiling	Kath	Masin	Persell	Smith
Demmer	Gunther	Kiffmeyer	McFarlane	Peterson	Solberg
Dettmer	Hansen	Knuth	McNamara	Poppe	Sterner
Dill	Hausman	Laine	Morgan	Reinert	Swails
Dittrich	Hilstrom	Lanning	Morrow	Rosenthal	Thao
Doepke	Hilty	Lenczewski	Mullery	Rukavina	Thissen
Doty	Hoppe	Lesch	Murdock	Ruud	Tillberry
Downey	Hornstein	Liebling	Murphy, E.	Sailer	Torkelson
Eastlund	Hortman	Lieder	Nelson	Sanders	Urdahl
Eken	Hosch	Lillie	Newton	Scott	Wagenius
Emmer	Howes	Loeffler	Nornes	Seifert	Ward
Falk	Huntley	Loon	Obermueller	Sertich	Welti
Faust	Jackson	Mack	Olin	Severson	Westrom
Fritz	Johnson	Magnus	Otremba	Shimanski	Winkler
Gardner	Juhnke	Mahoney	Paymar	Simon	Spk. Kelliher

Those who voted in the negative were:

Buesgens	Drazkowski	Hackbarth	Holberg	Kohls
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The bill was passed and its title agreed to.

S. F. No. 2580, A bill for an act relating to state government; modifying provisions governing observance of Juneteenth; amending Minnesota Statutes 2008, section 10.55.

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 112 yeas and 13 nays as follows:

Those who voted in the affirmative were:

Abeler	Dittrich	Hornstein	Lieder	Nornes	Slawik
Anderson, S.	Doepke	Hortman	Lillie	Obermueller	Slocum
Anzelc	Doty	Hosch	Loeffler	Olin	Smith
Atkins	Downey	Howes	Loon	Otremba	Solberg
Benson	Eken	Huntley	Mack	Paymar	Sterner
Bigham	Emmer	Jackson	Magnus	Pelowski	Swails
Bly	Falk	Johnson	Mahoney	Persell	Thao
Brod	Faust	Juhnke	Mariani	Peterson	Thissen
Brown	Fritz	Kahn	Marquart	Poppe	Tillberry
Brynaert	Gardner	Kalin	Masin	Reinert	Torkelson
Bunn	Garofalo	Kath	McFarlane	Rosenthal	Urdahl
Carlson	Gottwalt	Kiffmeyer	McNamara	Rukavina	Wagenius
Champion	Greiling	Knuth	Morgan	Ruud	Ward
Clark	Gunther	Kohls	Morrow	Sailer	Welti
Cornish	Hansen	Laine	Mullery	Sanders	Westrom
Davids	Hausman	Lanning	Murdock	Scott	Winkler
Davnie	Hilstrom	Lenczewski	Murphy, E.	Seifert	Spk. Kelliher
Dean	Hilty	Lesch	Nelson	Sertich	
Dill	Hoppe	Liebling	Newton	Simon	

Those who voted in the negative were:

Anderson, B.	Buesgens	Draskowski	Holberg	Shimanski
Anderson, P.	Demmer	Eastlund	Peppin	
Beard	Dettmer	Hackbarth	Severson	

The bill was passed and its title agreed to.

S. F. No. 2923, 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.

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 93 yeas and 33 nays as follows:

Those who voted in the affirmative were:

Abeler	Dill	Hornstein	Lesch	Newton	Slawik
Anzelc	Dittrich	Hortman	Liebling	Obermueller	Slocum
Atkins	Doty	Hosch	Lieder	Olin	Solberg
Beard	Eken	Howes	Lillie	Otremba	Sterner
Benson	Falk	Huntley	Loeffler	Paymar	Swails
Bigham	Faust	Jackson	Mahoney	Pelowski	Thao
Bly	Fritz	Johnson	Mariani	Persell	Thissen
Brown	Gardner	Juhnke	Marquart	Peterson	Tillberry
Brynaert	Garofalo	Kahn	Masin	Poppe	Wagenius
Bunn	Gottwalt	Kalin	McFarlane	Reinert	Ward
Carlson	Greiling	Kath	McNamara	Rosenthal	Welti
Champion	Gunther	Kelly	Morgan	Rukavina	Winkler
Clark	Hansen	Kiffmeyer	Morrow	Ruud	Spk. Kelliher
Cornish	Hausman	Knuth	Mullery	Sailer	
Davids	Hilstrom	Laine	Murphy, E.	Sertich	
Davnie	Hilty	Lenczewski	Nelson	Simon	

Those who voted in the negative were:

Anderson, B.	Demmer	Emmer	Loon	Sanders	Torkelson
Anderson, P.	Dettmer	Hackbarth	Mack	Scott	Urdahl
Anderson, S.	Doepke	Holberg	Magnus	Seifert	Westrom
Brod	Downey	Hoppe	Murdock	Severson	
Buesgens	Draskowski	Kohls	Nornes	Shimanski	
Dean	Eastlund	Lanning	Peppin	Smith	

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, April 13, 2010:

H. F. Nos. 2840 and 3382; S. F. Nos. 3009, 2933 and 2226; H. F. No. 3524; and S. F. Nos. 251 and 2700.

**MOTIONS AND RESOLUTIONS**

Drazkowski moved that the name of Buesgens be added as an author on H. F. No. 1871. The motion prevailed.

Hilty moved that the names of Bunn and Marquart be added as authors on H. F. No. 2227. The motion prevailed.

Falk moved that the names of Faust and Bly be added as authors on H. F. No. 2592. The motion prevailed.

Greiling moved that the name of Bly be added as an author on H. F. No. 2645. The motion prevailed.

Rukavina moved that the name of Bly be added as an author on H. F. No. 2657. The motion prevailed.

Hornstein moved that the name of Bly be added as an author on H. F. No. 2793. The motion prevailed.

Benson moved that the name of Bly be added as an author on H. F. No. 2799. The motion prevailed.

Obermueller moved that the names of Bly and Ruud be added as authors on H. F. No. 2801. The motion prevailed.

Haws moved that the name of Peterson be added as an author on H. F. No. 2826. The motion prevailed.

Hornstein moved that the name of Bly be added as an author on H. F. No. 2834. The motion prevailed.

Swails moved that the name of Peterson be added as an author on H. F. No. 2840. The motion prevailed.

Newton moved that the name of Peterson be added as an author on H. F. No. 2850. The motion prevailed.

Hansen moved that the names of Doty, Newton and Haws be added as authors on H. F. No. 2882. The motion prevailed.

Mariani moved that the name of Bunn be added as an author on H. F. No. 2884. The motion prevailed.

Pelowski moved that the name of Peterson be added as an author on H. F. No. 2899. The motion prevailed.

Davnie moved that the name of Peterson be added as an author on H. F. No. 2910. The motion prevailed.

Brod moved that the name of Peterson be added as an author on H. F. No. 2917. The motion prevailed.

Greiling moved that the name of Bly be added as an author on H. F. No. 2944. The motion prevailed.

Fritz moved that the name of Bly be added as an author on H. F. No. 2962. The motion prevailed.

Fritz moved that the name of Bly be added as an author on H. F. No. 2964. The motion prevailed.

Rukavina moved that the name of Bly be added as an author on H. F. No. 3037. The motion prevailed.

Ruud moved that the name of Bly be added as an author on H. F. No. 3046. The motion prevailed.

Hayden moved that the name of Bly be added as an author on H. F. No. 3071. The motion prevailed.

Hayden moved that the name of Clark be added as an author on H. F. No. 3088. The motion prevailed.

Doty moved that the name of Bly be added as an author on H. F. No. 3101. The motion prevailed.

Jackson moved that the name of Bly be added as an author on H. F. No. 3160. The motion prevailed.

Jackson moved that the name of Bly be added as an author on H. F. No. 3161. The motion prevailed.

Slocum moved that the name of Bly be added as an author on H. F. No. 3176. The motion prevailed.

Peterson moved that the name of Bly be added as an author on H. F. No. 3195. The motion prevailed.

Mahoney moved that the name of Bly be added as an author on H. F. No. 3205. The motion prevailed.

Slawik moved that the name of Bly be added as an author on H. F. No. 3225. The motion prevailed.

Mariani moved that the name of Bly be added as an author on H. F. No. 3404. The motion prevailed.

Slawik moved that the name of Bly be added as an author on H. F. No. 3407. The motion prevailed.

Thissen moved that the name of Bly be added as an author on H. F. No. 3426. The motion prevailed.

Rukavina moved that the name of Bly be added as an author on H. F. No. 3448. The motion prevailed.

Rukavina moved that the name of Bly be added as an author on H. F. No. 3477. The motion prevailed.

Wagenius moved that the name of Lenczewski be added as an author on H. F. No. 3502. The motion prevailed.

Clark moved that the name of Bly be added as an author on H. F. No. 3519. The motion prevailed.

Laine moved that the name of Bly be added as an author on H. F. No. 3534. The motion prevailed.

Lieder moved that the name of Bly be added as an author on H. F. No. 3576. The motion prevailed.

Anderson, B., moved that his name be stricken and the name of Urdahl be added as chief author on H. F. No. 3637. The motion prevailed.

Eken moved that the name of Nornes be added as an author on H. F. No. 3640. The motion prevailed.

Laine moved that the name of Bly be added as an author on H. F. No. 3663. The motion prevailed.

Huntley moved that the name of Bly be added as an author on H. F. No. 3713. The motion prevailed.

Carlson moved that the name of Bly be added as an author on H. F. No. 3739. The motion prevailed.

Hilty moved that the name of Bly be added as an author on H. F. No. 3757. The motion prevailed.

#### MOTION TO SUSPEND RULES

Garofalo moved that the rules of the House be so far suspended that H. F. No. 3093, now on the General Register, be given its third reading and be placed upon its final passage.

A roll call was requested and properly seconded.

#### LAY ON THE TABLE

Sertich moved that the Garofalo motion relating to H. F. No. 3093 be laid on the table.

A roll call was requested and properly seconded.

The question was taken on the Sertich motion and the roll was called. There were 79 yeas and 47 nays as follows:

Those who voted in the affirmative were:

Anzelc	Eken	Huntley	Loeffler	Pelowski	Sterner
Atkins	Falk	Jackson	Mahoney	Persell	Thao
Benson	Faust	Johnson	Marquart	Peterson	Thissen
Bigham	Fritz	Juhnke	Masin	Poppe	Tillberry
Bly	Gardner	Kahn	Morgan	Reinert	Wagenius
Brown	Greiling	Kalin	Morrow	Rosenthal	Ward
Brynaert	Hansen	Kath	Mullery	Rukavina	Welti
Carlson	Hausman	Knuth	Murphy, E.	Ruud	Winkler
Champion	Hilstrom	Laine	Nelson	Sailer	Spk. Kelliher
Clark	Hilty	Lenczewski	Newton	Sertich	
Dauids	Hornstein	Lesch	Obermueller	Simon	
Dill	Hortman	Liebling	Olin	Slawik	
Dittrich	Hosch	Lieder	Otremba	Slocum	
Doty	Howes	Lillie	Paymar	Solberg	

Those who voted in the negative were:

Abeler	Cornish	Eastlund	Kelly	McFarlane	Severson
Anderson, B.	Davnie	Emmer	Kiffmeyer	McNamara	Shimanski
Anderson, P.	Dean	Garofalo	Kohls	Murdock	Smith
Anderson, S.	Demmer	Gottwalt	Lanning	Nornes	Swails
Beard	Dettmer	Gunther	Loon	Peppin	Torkelson
Brod	Doepke	Hackbarth	Mack	Sanders	Urdahl
Buesgens	Downey	Holberg	Magnus	Scott	Westrom
Bunn	Drazkowski	Hoppe	Mariani	Seifert	

The motion prevailed and the Garofalo motion relating to H. F. No. 3093 was laid on the table.

## FISCAL CALENDAR ANNOUNCEMENT

Pursuant to rule 1.22, Solberg announced his intention to place H. F. Nos. 1320 and 3334; S. F. Nos. 3116, 3128 and 2437; and H. F. No. 3056 on the Fiscal Calendar for Tuesday, April 13, 2010.

## ADJOURNMENT

Sertich moved that when the House adjourns today it adjourn until 12:30 p.m., Tuesday, April 13, 2010. The motion prevailed.

Sertich moved that the House adjourn. The motion prevailed, and Speaker pro tempore Pelowski declared the House stands adjourned until 12:30 p.m., Tuesday, April 13, 2010.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives