

## STATE OF MINNESOTA

## EIGHTY-SIXTH SESSION — 2009

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 THIRTY-SIXTH DAY

SAINT PAUL, MINNESOTA, MONDAY, APRIL 20, 2009

The House of Representatives convened at 1:00 p.m. and was called to order by Margaret Anderson Kelliher, Speaker of the House.

Prayer was offered by the Reverend Harvey Nelson, Zion Lutheran Church, Litchfield, Minnesota.

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

The roll was called and the following members were present:

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

A quorum was present.

The Chief Clerk proceeded to read the Journal of the preceding day. Magnus 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 CHIEF CLERK

S. F. No. 245 and H. F. No. 286, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

## SUSPENSION OF RULES

Clark moved that the rules be so far suspended that S. F. No. 245 be substituted for H. F. No. 286 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 298 and H. F. No. 854, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

## SUSPENSION OF RULES

Lesch moved that the rules be so far suspended that S. F. No. 298 be substituted for H. F. No. 854 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 567 and H. F. No. 648, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

## SUSPENSION OF RULES

Mariani moved that the rules be so far suspended that S. F. No. 567 be substituted for H. F. No. 648 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 971 and H. F. No. 1198, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

## SUSPENSION OF RULES

Davnie moved that the rules be so far suspended that S. F. No. 971 be substituted for H. F. No. 1198 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1220 and H. F. No. 1338, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Norton moved that S. F. No. 1220 be substituted for H. F. No. 1338 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1467 and H. F. No. 1421, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

## SUSPENSION OF RULES

Scott moved that the rules be so far suspended that S. F. No. 1467 be substituted for H. F. No. 1421 and that the House File be indefinitely postponed. The motion prevailed.

## PETITIONS AND COMMUNICATIONS

The following communication was received:

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

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives

The Honorable James P. Metzen  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2009 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S. F. No.</i>	<i>H. F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2009</i>	<i>Date Filed 2009</i>
743		17	2:12 p.m. April 16	April 16
451		18	2:13 p.m. April 16	April 16
896		19	2:15 p.m. April 16	April 16
811		20	2:16 p.m. April 16	April 16
757		21	2:18 p.m. April 16	April 16
265		22	2:19 p.m. April 16	April 16
335		23	2:20 p.m. April 16	April 16

Sincerely,

MARK RITCHIE  
Secretary of State

## REPORTS OF STANDING COMMITTEES AND DIVISIONS

Lenczewski from the Committee on Taxes to which was referred:

H. F. No. 2, A bill for an act relating to education; providing for policy and funding for family, adult, and prekindergarten through grade 12 education including general education, education excellence, special programs, facilities and technology, libraries, nutrition, accounting, self-sufficiency and lifelong learning, state agencies, pupil transportation, school finance system changes, forecast adjustments, and technical corrections; providing for advisory groups; requiring reports; appropriating money; amending Minnesota Statutes 2008, sections 6.74; 16A.06, subdivision 11; 120A.40; 120B.02; 120B.021, subdivision 1; 120B.022, subdivision 1; 120B.023, subdivision 2; 120B.11, subdivision 5; 120B.13; 120B.132; 120B.30; 120B.31; 120B.35; 120B.36; 121A.15, subdivision 8; 121A.41, subdivisions 7, 10; 121A.43; 122A.07, subdivisions 2, 3; 122A.18, subdivision 4; 122A.31, subdivision 4;

122A.40, subdivisions 6, 8; 122A.41, subdivisions 3, 5; 122A.413, subdivision 2; 122A.414, subdivisions 2, 2b; 122A.60, subdivisions 1a, 2; 122A.61, subdivision 1; 123A.05; 123A.06; 123A.08; 123B.02, subdivision 21; 123B.03, subdivisions 1, 1a; 123B.10, subdivision 1; 123B.14, subdivision 7; 123B.143, subdivision 1; 123B.51, by adding a subdivision; 123B.53, subdivision 5; 123B.57, subdivision 1; 123B.59, subdivisions 2, 3, 3a; 123B.70, subdivision 1; 123B.71, subdivisions 8, 9, 12; 123B.75, subdivision 5; 123B.76, subdivision 3; 123B.77, subdivision 3; 123B.79, subdivision 7; 123B.81, subdivisions 3, 4, 5; 123B.83, subdivision 3; 123B.92, subdivisions 1, 5; 124D.095, subdivisions 2, 3, 4, 7, 10; 124D.10; 124D.11, subdivisions 4, 9; 124D.111, subdivision 3; 124D.128, subdivisions 2, 3; 124D.42, subdivision 6, by adding a subdivision; 124D.4531; 124D.59, subdivision 2; 124D.65, subdivision 5; 124D.68, subdivisions 2, 3, 4, 5; 124D.83, subdivision 4; 124D.86, subdivisions 1, 1a, 1b; 125A.02; 125A.07; 125A.08; 125A.091; 125A.11, subdivision 1; 125A.15; 125A.28; 125A.51; 125A.56; 125A.57, subdivision 2; 125A.62, subdivision 8; 125A.63, subdivisions 2, 4; 125A.76, subdivisions 1, 5; 125A.79, subdivision 7; 125B.26; 126C.01, by adding subdivisions; 126C.05, subdivisions 1, 2, 3, 5, 6, 8, 15, 16, 17, 20; 126C.10, subdivisions 1, 2, 2a, 3, 4, 6, 13, 14, 18, 24, 34, by adding subdivisions; 126C.13, subdivisions 4, 5; 126C.15, subdivisions 2, 4; 126C.17, subdivisions 1, 5, 6, 9; 126C.20; 126C.40, subdivisions 1, 6; 126C.41, subdivision 2; 126C.44; 127A.08, by adding a subdivision; 127A.441; 127A.45, subdivisions 2, 3, 13, by adding a subdivision; 127A.47, subdivisions 5, 7; 127A.51; 134.31, subdivision 4a, by adding a subdivision; 169.011, subdivision 71; 169.443, subdivision 9; 169.4501, subdivision 1; 169.4503, subdivision 20, by adding a subdivision; 169.454, subdivision 13; 169A.03, subdivision 23; 171.01, subdivision 22; 171.02, subdivisions 2, 2a, 2b; 171.05, subdivision 2; 171.17, subdivision 1; 171.22, subdivision 1; 171.321, subdivisions 1, 4, 5; 181A.05, subdivision 1; 275.065, subdivisions 3, 6; 299A.297; 471.975; 475.58, subdivision 1; Laws 2007, chapter 146, article 1, section 24, subdivisions 2, as amended, 6, as amended, 8, as amended; article 2, section 46, subdivision 6, as amended; article 3, section 24, subdivision 4, as amended; article 4, section 16, subdivisions 2, as amended, 6, as amended; article 5, section 13, subdivisions 2, as amended, 3, as amended; article 9, section 17, subdivisions 2, as amended, 13, as amended; Laws 2008, chapter 363, article 2, section 46, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 120B; 123B; 125A; 126C; 127A; repealing Minnesota Statutes 2008, sections 120B.362; 120B.39; 121A.27; 121A.66; 121A.67, subdivision 1; 122A.628; 122A.75; 123B.54; 123B.57, subdivisions 3, 4, 5; 123B.591; 124D.091; 125A.03; 125A.05; 125A.18; 125A.76, subdivision 4; 125A.79, subdivision 6; 126C.10, subdivisions 2b, 13a, 13b, 24, 25, 26, 27, 28, 29, 30, 31, 31a, 31b, 32, 33, 34, 35, 36; 126C.12; 126C.126; 127A.50; 275.065, subdivisions 5a, 6b, 6c, 8, 9, 10; Minnesota Rules, parts 3525.0210, subparts 5, 6, 9, 13, 17, 29, 30, 34, 43, 46, 47; 3525.0400; 3525.1100, subpart 2, item F; 3525.2445; 3525.2900, subpart 5; 3525.4220.

Reported the same back with the following amendments:

Page 46, after line 24, insert:

"Sec. 14. **[120B.3625] QUALITY ACHIEVEMENT IN MINNESOTA SCHOOLS.**

(a) To improve K-12 educational achievements in Minnesota, schools and school districts are encouraged to participate in the Minnesota Council for Quality's organizational assessment and performance improvement process and learn how to enhance organizational structures and processes, eliminate barriers to students' improved educational performance, and increase teaching effectiveness and administrative efficiency. Schools and school districts that achieve improved performance are encouraged to disseminate information and provide guidance to interested educators about how they achieved that improvement.

(b) The commissioner may recognize schools and school districts that participate in the Minnesota Council for Quality's organizational assessment and performance improvement process, receive Minnesota Council for Quality recognition at the "commitment" level or higher, and implement action plans to continue improvements in student learning and school performance, consistent with this chapter.

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

Page 209, line 11, delete "district's" and insert "district demonstrates low" and delete "in"

Page 209, line 12, delete "academic performance" and insert "and needs to improve students' current achievement and educational growth" and after "system" insert "under section 120B.35" and delete "is below the"

Page 209, line 13, delete "established progress levels,"

Page 209, line 21, delete "and" and insert a comma

Page 209, line 22, after "practices" insert ", and processes" and after "outcomes" insert ", which may include, among other initiatives, an organizational assessment and performance improvement process under section 120B.3625"

Renumber the sections in sequence

Correct the title numbers accordingly

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

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 869, A bill for an act relating to higher education; providing for state membership in the Midwest Higher Education Compact; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

#### "ARTICLE 1

#### HIGHER EDUCATION APPROPRIATIONS

##### Section 1. SUMMARY OF APPROPRIATIONS.

Subdivision 1. Summary by fund. The amounts shown in this section summarize direct appropriations, by fund, made in this article.

	<u>2010</u>	<u>2011</u>	<u>Total</u>
<u>General</u>	\$1,388,543,000	\$1,383,285,000	\$2,771,828,000
<u>Health Care Access</u>	2,157,000	2,157,000	4,314,000
<u>Federal Stabilization</u>	180,920,000	180,920,000	361,840,000
<b><u>Total</u></b>	<b><u>\$1,571,620,000</u></b>	<b><u>\$1,566,362,000</u></b>	<b><u>\$3,137,982,000</u></b>

Subd. 2. **Summary by agency - all funds.** The amounts shown in this subdivision summarize direct appropriations, by agency, made in this article.

	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>Total</u></b>
<u>Minnesota Office of Higher Education</u>	<u>\$195,358,000</u>	<u>\$190,049,000</u>	<u>\$385,407,000</u>
<u>Board of Trustees of the Minnesota State Colleges and Universities</u>	<u>665,883,000</u>	<u>665,883,000</u>	<u>1,331,766,000</u>
<u>Board of Regents of the University of Minnesota</u>	<u>709,079,000</u>	<u>709,079,000</u>	<u>1,418,158,000</u>
<u>Mayo Medical Foundation</u>	<u>1,300,000</u>	<u>1,351,000</u>	<u>2,651,000</u>
<b><u>Total</u></b>	<b><u>\$1,571,620,000</u></b>	<b><u>\$1,566,362,000</u></b>	<b><u>\$3,137,982,000</u></b>

Sec. 2. **HIGHER EDUCATION APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. "The first year" is fiscal year 2010. "The second year" is fiscal year 2011. "The biennium" is fiscal years 2010 and 2011.

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

**2010**                      **2011**

Sec. 3. **MINNESOTA OFFICE OF HIGHER EDUCATION**

Subdivision 1. **Total Appropriation**

**\$195,358,000**                      **\$190,049,000**

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

Subd. 2. **State Grants**

149,721,000                      144,618,000

If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.

The legislature intends that the Office of Higher Education make full grant awards in each year of the biennium.

For the biennium, the tuition maximum for students in four-year programs is \$9,938 in each year.

This appropriation sets the living and miscellaneous expense allowance at \$6,900 each year.

**Subd. 3. Safety Officers' Survivors**100,000100,000

This appropriation is to provide educational benefits under Minnesota Statutes, section 299A.45, to dependent children under age 23 and to the spouses of public safety officers killed in the line of duty.

If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available for it.

**Subd. 4. Interstate Tuition Reciprocity**2,750,0002,750,000

If the appropriation in this subdivision for either year is insufficient, the appropriation for the other year is available to meet reciprocity contract obligations.

**Subd. 5. State Work Study**15,500,00015,500,000**Subd. 6. Child Care Grants**6,675,0006,675,000**Subd. 7. Indian Scholarships**2,375,0002,375,000

The director of the Minnesota Office of Higher Education must contract with at least one knowledgeable person residing in or near the city of Bemidji to assist students with the scholarships under Minnesota Statutes, section 136A.126, and with other information about financial aid for which the students may be eligible. Bemidji State University must provide office space at no cost to the Minnesota Office of Higher Education for purposes of administering the American Indian scholarship program under Minnesota Statutes, section 136A.126.

**Subd. 8. Minitex**5,631,0005,631,000**Subd. 9. MnLINK Gateway**400,000400,000**Subd. 10. Learning Network of Minnesota**4,800,0004,800,000**Subd. 11. Minnesota College Savings Plan**700,000700,000**Subd. 12. Midwest Higher Education Compact**95,00095,000**Subd. 13. Other Small Programs**853,000853,000

This appropriation includes funding for student and parent information, information for college attendance, and minority education programs.

**Subd. 14. TEACH Program**300,000300,000

For the teacher education and compensation helps (TEACH) and the Minnesota early childhood teacher retention programs in Minnesota Statutes, section 136A.126. This is a onetime appropriation.

**Subd. 15. Power of You**2,000,0002,000,000

For transfer to MnSCU for the existing Power of You program and for pilot sites under article 2, section 30.

**Subd. 16. Technical and Community College Emergency Grants**100,000100,000

For transfer to the financial aid offices at each of the colleges of the Minnesota State Colleges and Universities to provide emergency aid grants to technical and community college students who are experiencing extraordinary economic circumstances that may result in the students dropping out of school without completing the term or their program.

**Subd. 17. Veterinary Loan Forgiveness**225,000

For the large animal loan forgiveness program under Minnesota Statutes, section 136A.1795. This appropriation is available until expended.

**Subd. 18. Agency Administration**2,685,0002,685,000**Subd. 19. Balances Forward**

A balance in the first year under this section does not cancel, but is available for the second year.

**Subd. 20. Transfers**

The Minnesota Office of Higher Education may transfer unencumbered balances from the appropriations in subdivisions 2 to 7 and 11 to the state grant appropriation, the safety officer survivors appropriation, the interstate tuition reciprocity appropriation, the Minnesota college savings plan appropriation, the child care appropriation, and the state work study appropriation.

**Subd. 21. United Family Medicine Residency Program**448,000467,000

For a grant to the united family medicine residency program. This appropriation must be used to support up to 18 resident physicians each year in family practice at united family medicine residency programs and must prepare doctors to practice family care medicine in underserved rural and urban areas of the state. At least seven of the resident physicians must be at a publicly owned rural hospital that has an attached nursing home. The legislature intends for this program to improve health care in underserved communities, provide affordable access to appropriate medical care, and manage the treatment of patients in a more cost-effective manner.



**Subd. 22. TANF Work-Study**

Notwithstanding any rule to the contrary, work-study jobs funded by a TANF appropriation do not require employer matching funds.

**Subd. 23. Reporting**

By November 1 and February 15, the Minnesota Office of Higher Education must provide updated state grant spending projections, taking into account the most current and projected enrollment and tuition and fee information, economic conditions, and other relevant factors. Before submitting state grant spending projections, the office must meet and consult with representatives of public and private postsecondary education, the Department of Finance, the governor's office, legislative staff, and financial aid administrators.

**Subd. 24. Accreditation**

The office must work with small institutions to identify cost-effective methods to achieve accreditation necessary to be an eligible institution for state and federal financial aid.

**Sec. 4. BOARD OF TRUSTEES OF THE MINNESOTA STATE COLLEGES AND UNIVERSITIES****Subdivision 1. Total Appropriation****\$665,883,000****\$665,883,000**

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

**Subd. 2. Central Office and Shared Services Unit****47,328,000****47,328,000**

For the Office of the Chancellor and the Shared Services Division.

For fiscal years 2012 and 2013 the base for the Central Office and Shared Services Unit is \$44,823,000 each year.

**Subd. 3. Operations and Maintenance****553,366,000****553,366,000**

(a) It is the intention of the legislature to increase the amount of funding distributed to colleges and universities through the allocation model to provide direct support of instruction and related functions necessary to protect the core mission of educating students.

(b) Allocations to campuses from appropriations under this section must not be reduced below the allocations for the biennium ending June 30, 2009, after deducting any amount unallotted in the biennium.

(c) The Board of Trustees shall submit expenditure reduction plans by March 15, 2010, to the committees of the legislature with responsibility for higher education finance to achieve the 2012-2013 base established in this section at the central office and at each institution. The plan submitted by the board must be based on plans developed at each institution detailing reductions to achieve lower base allocations at that institution. Each plan must focus on protecting direct instruction while reducing peripheral programs and services that may benefit students and institutions but are not necessary to the education of students seeking certificates, diplomas, and degrees.

(d) During the biennium ending June 30, 2011, except for positions that are essential to the daily operation of an institution, the board must not fill administrative and managerial vacancies, existing on the effective date of this section, in the central office or at any of the campuses of the Minnesota State Colleges and Universities or use a search firm for any hiring. The board must not authorize any increase in salaries for administrative and managerial positions in the Minnesota State Colleges and Universities in the biennium ending June 30, 2011. The board must not charge any of the institutions for reductions under this section to the central office.

(e) For the biennium ending June 30, 2011, the board must not reserve or expend appropriations under this subdivision for competitive salaries, awards of excellence, campus and technology initiatives outside the allocation model, or other board or chancellor initiatives. All amounts saved under this paragraph must be added to the allocation model and distributed to the institutions.

(f) For the biennium ending June 30, 2011, expenditures under this subdivision must not exceed \$40,000,000 for technology initiatives, including technology infrastructure improvements, and \$5,000,000 for initiatives to recruit and retain traditionally underrepresented students. All amounts saved under this paragraph must be added to the allocation model and distributed to the institutions.

(g) \$40,000 each year is for the Cook County Higher Education Board to provide educational programs and academic support services.

(h) \$1,000,000 each year is for the Northeast Minnesota Higher Education District and high schools in its area. Students from area high schools may also access the facilities and faculty of the Northeast Minnesota Higher Education District for state-of-the-art technical education opportunities, including MnSCU's 2+2 Pathways initiative.

(i) \$225,000 each year is to enhance eFolio Minnesota and for a center to provide on-site and Internet-based support and technical assistance to users of the state's eFolio Minnesota system to promote workforce and economic development and to enable access to workforce information generated through the eFolio Minnesota system.

(j) For fiscal years 2012 and 2013 the base for operations and maintenance is \$609,631,000 each year.

**Subd. 4. Federal Stimulus Appropriation**

65,189,000

65,189,000

(a) This appropriation is from the fiscal stabilization account in the federal fund and may be used for modernization, renovation, or repair of facilities that are primarily used for instruction, research, or student housing but may not be used for maintenance of systems, equipment, or facilities. Amounts in this subdivision must not be allocated to modernization, renovation, or repair of stadiums or other facilities primarily used for athletic contests or exhibitions or other events for which admission is charged to the general public and must not be allocated to any facility used for sectarian instruction or religious worship or in which a substantial portion of the functions of the facilities are subsumed in a religious mission. No amount from this appropriation may be allocated to increase endowment funds.

(b) Appropriations under this subdivision must be used as a bridge for budget reductions in the biennium ending June 30, 2013, and may be used to retain faculty and staff jobs, to provide severance and for early retirement incentives, and to mitigate the rising costs of attendance through minimizing tuition increases and the support of student employment opportunities.

(c) The legislature intends that the tuition increase for a Minnesota resident undergraduate student in the Minnesota State Colleges and Universities, must not exceed five percent per year for the biennium ending June 30, 2011. Federal stimulus money under this subdivision must be used to buy down the tuition increase to no more than two percent per year for these students.

(d) An additional \$3,469,000 is appropriated in fiscal year 2009 from the fiscal stabilization account in the federal fund.

**Subd. 5. System Improvements**

To increase efficiencies and equity for faculty and staff, the Board of Trustees is encouraged to place a priority on identifying and implementing measures to improve the human resources system used by the Minnesota State Colleges and Universities. One of the goals of improving the human resources system is to provide seamless information on faculty and employees to facilitate transfers between institutions.

Sec. 5. **BOARD OF REGENTS OF THE UNIVERSITY OF MINNESOTA**

**Subdivision 1. Total Appropriation**

**\$709,079,000**

**\$709,079,000**

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

**Subd. 2. Operations and Maintenance**

517,623,000

517,623,000

(a) In the biennium ending June 30, 2011, the board must not use appropriations under this section to create or fund new administrative positions at the University of Minnesota or to increase salaries for administrative positions.

(b) Appropriations under this subdivision may be used for a new scholarship under Minnesota Statutes, section 137.0225, to complement the University's Founders scholarship.

(c) This appropriation includes amounts for an Ojibwe Indian language program on the Duluth campus.

(d) This appropriation includes money for the Dakota language teacher training immersion program on the Twin Cities campus to prepare teachers to teach in Dakota language immersion programs.

(e) This appropriation includes \$600,000 each year for the Veterinary Diagnostic Laboratory.

(f) For fiscal years 2012 and 2013, the base for operations and maintenance is \$598,124,000 each year.

**Subd. 3. Health Care Access Fund**

2,157,000

2,157,000

This appropriation is from the health care access fund and is for primary care education initiatives.

**Subd. 4. Special Appropriation**

73,468,000

73,468,000

**(a) Agriculture and Extension Service**

52,255,000

52,255,000

(1) This appropriation is for agricultural research and extension activities as provided in this paragraph.

(2) The Agricultural Experiment Stations and Minnesota Extension Service must convene agricultural advisory groups to focus research, education, and extension activities on producer needs and implement an outreach strategy that more effectively and rapidly transfers research results and best practices to producers throughout the state.

(3) This appropriation includes funding for research efforts that demonstrate a renewed emphasis on the needs of the state's production agriculture community. The following areas should be prioritized and carried out in consultation with Minnesota producer organizations:

(i) vegetable crop research;

(ii) fertilizer and soil fertility research and development;

(iii) soil, groundwater, and surface water conservation practices and contaminant reduction research;

(iv) discovering and developing plant varieties that use nutrients more efficiently;

(v) breeding and development of turf seed and other biomass resources in all three Minnesota biomes;

(vi) development of new disease-resistant and pest-resistant varieties of turf and agronomic crops;

(vii) utilizing plant and livestock cells to treat and cure human diseases;

(viii) the development of dairy coproducts;

(ix) a rapid agricultural response fund for current or emerging animal, plant, and insect problems affecting production or food safety;

(x) crop pest and animal disease research;

(xi) developing animal agriculture that is capable of sustainably feeding the world;

(xii) consumer food safety education and outreach; and

(xiii) programs to meet the research and outreach needs of sustainable and organic livestock and crop farmers.

(4) This appropriation includes funding for research and outreach on the production of renewable energy from Minnesota biomass resources. The following areas should be prioritized and carried out in consultation with Minnesota producer and bioenergy organizations:

(i) biofuel and other energy production from perennial crops, small grains, row crops, and forestry products in conjunction with the Natural Resources Research Institute (NRRI);

(ii) alternative bioenergy crops and cropping systems; and

(iii) biofuel coproducts used for livestock feed.

(5) This appropriation includes funding for analysis of livestock facility siting and regulatory models from other states and countries and the following aspects of ethanol production in Minnesota:

(i) water use trends as compared to other industries and activities;

(ii) the carbon balance of ethanol production;

(iii) the effect of ethanol blending requirements on transportation fuel prices; and

(iv) the economic impacts of ethanol production and use including such measures as employment, economic output, and state and local tax revenues.

(6) This appropriation may be used to establish and maintain a statewide organic research and education initiative, secure a facility and retain current faculty levels for poultry research currently conducted at UMore Park, develop and implement a dairy producer continuing education program and for scoping a new dairy research and teaching facility.

(7) By February 1, 2011, the Board of Regents must submit a report to the legislative committees with responsibility for agriculture and higher education finance on the status and outcomes of research and initiatives funded in this section.

**(b) Health Sciences**

5,275,000

5,275,000

\$346,000 each year is to support up to 12 resident physicians each year in the St. Cloud Hospital family practice residency program. The program must prepare doctors to practice primary care medicine in the rural areas of the state. The legislature intends for this program to improve health care in rural communities, provide affordable access to appropriate medical care, and manage the treatment of patients in a more cost-effective manner.

The remainder of this appropriation is for the rural physicians associates program, the Veterinary Diagnostic Laboratory, health sciences research, dental care, and the Biomedical Engineering Center.

**(c) Institute of Technology**

1,387,000

1,387,000

For the Geological Survey and the talented youth mathematics program.

**(d) System Specials**6,551,0006,551,000

For general research, student loans matching money, industrial relations education, Natural Resources Research Institute, Center for Urban and Regional Affairs, and the Bell Museum of Natural History.

**(e) University of Minnesota and Mayo Foundation Partnership**8,000,0008,000,000

For the direct and indirect expenses of the collaborative research partnership between the University of Minnesota and the Mayo Foundation for research in biotechnology and medical genomics. This appropriation is available until expended. All parties to the partnership and chairs of the senate and house of representatives committees responsible for higher education finance must be consulted before the Board of Regents reduces the amount allocated to the partnership under this paragraph during the biennium ending June 30, 2011. An annual report on the expenditure of these funds must be submitted to the governor and the chairs of the senate and house of representatives committees responsible for higher education and economic development by June 30 of each fiscal year.

**Subd. 5. Federal Stimulus Appropriation**115,731,000115,731,000

(a) This appropriation is from the fiscal stabilization account in the federal fund and may be used for modernization, renovation, or repair of facilities that are primarily used for instruction, research, or student housing but may not be used for maintenance of systems, equipment, or facilities. Amounts in this subdivision must not be allocated to modernization, renovation, or repair of stadiums or other facilities primarily used for athletic contests or exhibitions or other events for which admission is charged to the general public and must not be allocated to any facility used for sectarian instruction or religious worship or in which a substantial portion of the functions of the facilities are subsumed in a religious mission. No amount from this appropriation may be allocated to increase endowment funds.

(b) Appropriations under this subdivision must be used as a bridge for budget reductions in the biennium ending June 30, 2013, and may be used to retain faculty and staff jobs, to provide severance and for early retirement incentives and to mitigate rising costs of attendance through minimizing tuition increases and support of student employment opportunities.

(c) The legislature intends that the net tuition increase for a Minnesota resident undergraduate student at the University of Minnesota must not exceed \$300 per year for the biennium ending June 30, 2011. Appropriations of federal stimulus money under this subdivision must be used to accomplish this goal.

(d) \$400,000 of this appropriation in fiscal year 2010 is for a grant to the Minnesota Wildlife Rehabilitation Center for their uncompensated expenses. This is a onetime appropriation.

(e) An additional \$27,080,000 is appropriated in fiscal year 2009 from the stabilization account in the federal fund.

**Subd. 6. Academic Health Center**

The appropriation for Academic Health Center funding under Minnesota Statutes, section 297F.10, is \$22,250,000 each year.

**Subd. 7. NRRI Research**

Notwithstanding Minnesota Statutes, section 137.022, subdivision 4, the board may use up to \$150,000 of the income credited to the permanent university fund from royalties from mining under state mineral leases to fund research at the Coleraine Minerals Research Laboratory of the Natural Resources Research Institute by taconite engineers who have been laid off by the mining industry.

**Subd. 8. Enrollment Increases**

Over the biennium ending June 30, 2011, the Board of Regents must increase the enrollment of Minnesota resident freshmen with the goal of reaching at least the proportion of Minnesota resident undergraduates enrolled in the University of Minnesota in the 2006-2007 academic year.

**Sec. 6. MAYO CLINIC**

**Subdivision 1. Total Appropriation**

**\$1,300,000**

**\$1,351,000**

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

**Subd. 2. Medical School**

**640,000**

**665,000**

The state must pay a capitation each year for each student who is a resident of Minnesota. The appropriation may be transferred between years of the biennium to accommodate enrollment fluctuations.

It is intended that during the biennium the Mayo Clinic use the capitation money to increase the number of doctors practicing in rural Minnesota areas in need of doctors.

**Subd. 3. Family Practice and Graduate Residency Program**

**660,000**

**686,000**

The state must pay stipend support for up to 27 residents each year.



## ARTICLE 2

## RELATED HIGHER EDUCATION

Section 1. Minnesota Statutes 2008, section 135A.08, subdivision 1, is amended to read:

Subdivision 1. **Course equivalency.** The Board of Regents of the University of Minnesota and the Board of Trustees of the Minnesota State Colleges and Universities shall develop and maintain course equivalency guides for use between institutions that have a high frequency of transfer. The course equivalency guides must include information on the course equivalency and awarding of credit for learning acquired as a result of the successful completion of formal military courses and occupational training. Course equivalency guides ~~shall~~ are not be required for vocational technical programs that have not been divided into identifiable courses. The governing boards of private institutions that grant associate and baccalaureate degrees and that have a high frequency of transfer students are requested to participate in developing these guides.

Sec. 2. Minnesota Statutes 2008, section 135A.25, subdivision 4, is amended to read:

Subd. 4. **Minnesota Office of Higher Education responsibilities.** ~~(a)~~ For private postsecondary institutions, the Minnesota Office of Higher Education must develop educational materials considering the recommendations by the Minnesota Office of Higher Education and others and at least annually convene and sponsor meetings and workshops and provide educational strategies for faculty, students, administrators, institutions, and bookstores to inform all interested parties on strategies for reducing the costs of course materials for students attending postsecondary institutions.

~~(b) The Minnesota Office of Higher Education must identify methods to compile and distribute information on publishers that sell or distribute course material for classroom use in postsecondary institutions in a manner that meets the requirements and complies with subdivision 2. The Minnesota Office of Higher Education must also evaluate ways to make this information available for use by students and faculty in postsecondary institutions.~~

Sec. 3. **[135A.26] AMERICAN MADE CLOTHING IN COLLEGE BOOKSTORES.**

A bookstore located on the campus of a public college or university in Minnesota must only offer for sale clothing or articles of apparel that are manufactured in the United States of America.

Sec. 4. Minnesota Statutes 2008, section 136A.06, is amended to read:

**136A.06 FEDERAL FUNDS.**

The Minnesota Office of Higher Education is designated the state agency to apply for, receive, accept, and disburse to both public and private institutions of higher education all federal funds which are allocated to the state of Minnesota to support higher education programs, construction, or other activities and which require administration by a state higher education agency under the Higher Education Facilities Act of 1963, and any amendments thereof, the Higher Education Act of 1965, and any amendments thereof, and any other law which provides funds for higher education and requires administration by a state higher education agency as enacted or may be enacted by the Congress of the United States; provided that no commitment shall be made that shall bind the legislature to make appropriations beyond current allocations of funds. The office may apply for, receive, accept, and disburse all administrative funds available to the office for administering federal funds to support higher education programs, construction, or other activities. The office also may apply for, receive, accept, and disburse any research, planning, or program funds which are available for purposes consistent with the provisions of this chapter. In making application for and administering federal funds the office may comply with any and all requirements of federal law and federal rules and regulations to enable it to receive and accept such funds. The

expenditure of any such funds received shall be governed by the laws of the state, except insofar as federal regulations may otherwise provide. The office may contract with both public and private institutions in administering federal funds, and such contracts shall not be subject to the provisions of chapter 16C. All such money received by the office shall be deposited in the state treasury and, subject to section 3.3005, are hereby appropriated to it annually for the purpose for which such funds are received. None of such moneys shall cancel but shall be available until expended.

Sec. 5. Minnesota Statutes 2008, section 136A.08, subdivision 1, is amended to read:

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

(b) "Province" and "provincial" mean the Canadian province of Manitoba.

(c) "Resident of this state" means a resident student as defined in section 136A.101, subdivision 8.

Sec. 6. Minnesota Statutes 2008, section 136A.08, is amended by adding a subdivision to read:

Subd. 9. **Appeal; resident status.** A student who does not meet the definition of resident after residing in Minnesota for 12 months may appeal to the director by providing documentation on the student's reasons for residing in Minnesota. The director may grant resident status to the student upon determining the documentation establishes that postsecondary education was not the student's principle reason for residing in Minnesota.

Sec. 7. Minnesota Statutes 2008, section 136A.101, subdivision 4, is amended to read:

Subd. 4. **Eligible institution.** "Eligible institution" means a postsecondary educational institution located in this state or in a state with which the office has entered into a higher education reciprocity agreement on state student aid programs that (1) requires, as a condition of enrollment, that each entering Minnesota resident student must complete the federal application for student aid (FAFSA), and is either (2) operated by this state or the Board of Regents of the University of Minnesota, or ~~(2)~~ (3) is operated privately and, as determined by the office, meets all of the following: (i) maintains academic standards substantially equivalent to those of comparable institutions operated in this state; (ii) is licensed or registered as a postsecondary institution by the office or another state agency; and (iii) by July 1, 2011, is participating in the federal Pell Grant program under Title IV of the Higher Education Act of 1965, as amended.

Sec. 8. Minnesota Statutes 2008, section 136A.121, subdivision 5, is amended to read:

Subd. 5. **Grant stipends.** The grant stipend shall be based on a sharing of responsibility for covering the recognized cost of attendance by the applicant, the applicant's family, and the government. The amount of a financial stipend must not exceed a grant applicant's recognized cost of attendance, as defined in subdivision 6, after deducting the following:

(1) the assigned student responsibility of at least ~~46~~ 45 percent of the cost of attending the institution of the applicant's choosing;

(2) the assigned family responsibility as defined in section 136A.101; and

(3) the amount of a federal Pell grant award for which the grant applicant is eligible.

The minimum financial stipend is \$100 per academic year.

Sec. 9. Minnesota Statutes 2008, section 136A.121, subdivision 6, is amended to read:

Subd. 6. **Cost of attendance.** (a) The recognized cost of attendance consists of allowances specified in law for living and miscellaneous expenses, and an allowance for tuition and fees equal to the lesser of the average tuition and fees charged by the institution, or the tuition and fee maximums ~~established in law~~. The tuition and fee maximum for a student enrolled in a two-year program is the maximum tuition and fee amount charged at a two-year college within the Minnesota State Colleges and Universities. The tuition and fee maximum for a student enrolled in a four-year program shall be set in law.

(b) For a student registering for less than full time, the office shall prorate the cost of attendance to the actual number of credits for which the student is enrolled.

(c) The recognized cost of attendance for a student who is confined to a Minnesota correctional institution shall consist of the tuition and fee component in paragraph (a), with no allowance for living and miscellaneous expenses.

(d) For the purpose of this subdivision, "fees" include only those fees that are mandatory and charged to full-time resident students attending the institution. Fees do not include charges for tools, equipment, computers, or other similar materials where the student retains ownership. Fees include charges for these materials if the institution retains ownership. Fees do not include optional or punitive fees.

Sec. 10. Minnesota Statutes 2008, section 136A.121, subdivision 9, is amended to read:

Subd. 9. **Awards.** An undergraduate student who meets the office's requirements is eligible to apply for and receive a grant in any year of undergraduate study unless the student has obtained a baccalaureate degree or previously has been enrolled full time or the equivalent for ~~eight ten~~ semesters or the equivalent, excluding courses taken from a Minnesota school or postsecondary institution which is not participating in the state grant program and from which a student transferred no credit. A student who withdraws from enrollment for active military service is entitled to an additional semester or the equivalent of grant eligibility. A student enrolled in a two-year program at a four-year institution is only eligible for the tuition and fee maximums established by law for two-year institutions.

Sec. 11. Minnesota Statutes 2008, section 136A.1701, subdivision 10, is amended to read:

Subd. 10. **Prohibition on use of state money.** Except as provided in section 136A.1787, paragraph (a), no money originating from state sources in the state treasury shall be made available for student loans under this section and all student loans shall be made from money originating from nonstate sources.

Sec. 12. **[136A.1787] SELF LOAN REVENUE BONDS ANNUAL CERTIFICATE OF NEED.**

(a) In order to ensure the payment of the principal of and interest on bonds and notes of the office and the continued maintenance of the loan capital fund under section 136A.1785, the office shall annually determine and certify to the governor, on or before December 1, the amount, if any:

(1) needed to restore the loan capital fund to the minimum amount required by a resolution or indenture relating to any bonds or notes of the office, not exceeding the maximum amount of principal and interest to become due and payable in any subsequent year on all bonds or notes which are then outstanding;

(2) determined by the office to be needed in the immediately ensuing fiscal year, with other funds pledged and estimated to be received during that year, for the payment of the principal and interest due and payable in that year on all outstanding bonds and notes; and

(3) needed to restore any debt service fund securing any outstanding bonds or notes of the office to the amount required in a resolution or indenture relating to such outstanding bonds or notes.

(b) The governor shall include and submit the amounts certified by the office in accordance with this section to the legislature in the budget for the following fiscal year, or in a supplemental budget if the regular budget for that year has previously been approved.

Sec. 13. **[136A.1795] LARGE ANIMAL VETERINARIAN LOAN FORGIVENESS PROGRAM.**

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

(b) "Veterinarian" means an individual who has been awarded a doctor of veterinary medicine degree from the College of Veterinary Medicine, University of Minnesota.

(c) "Designated rural area" means an area in Minnesota outside the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, excluding the cities of Duluth, Mankato, Moorhead, Rochester, and St. Cloud.

(d) "Emergency circumstances" means those conditions that make it impossible for the participant to fulfill the service commitment, including death, total and permanent disability, or temporary disability lasting more than two years.

(e) "Qualified educational loan" means a government, commercial, or foundation loan for actual costs paid for tuition, reasonable education expenses, and reasonable living expenses related to the education of a veterinarian.

Subd. 2. **Establishment; administration.** (a) The director of the Minnesota Office of Higher Education shall establish and administer a loan forgiveness program for large animal veterinarians who:

(1) agree to practice in designated rural areas that are considered underserved; and

(2) work full time in a practice that is at least 50 percent involved with the care of food animals.

(b) Appropriations made to the program do not cancel and are available until expended.

Subd. 3. **Eligibility.** (a) To be eligible to participate in the loan forgiveness program, an individual must:

(1) be a veterinarian who has been awarded a veterinary medicine degree within three years of submitting an application under this section, or be enrolled in the veterinarian degree program and making satisfactory progress in the College of Veterinary Medicine, University of Minnesota; and

(2) submit an application to the director of the Minnesota Office of Higher Education in the form and manner prescribed by the director.

(b) An applicant selected to participate must sign a contract agreeing to complete a five-year service obligation to practice as required under subdivision 2, paragraph (a).

Subd. 4. **Loan forgiveness.** (a) The director of the Minnesota Office of Higher Education may select a maximum of five applicants each year for participation in the loan forgiveness program, within the limits of available funding. Applicants are responsible for securing their own qualified educational loans.

(b) The director must select participants based on their suitability for practice serving the designated rural area, as indicated by experience or training. The director must give preference to applicants closest to completing their training.

(c) The director must make annual disbursements directly to the participant of \$15,000 or the balance of the participant's qualifying educational loans, whichever is less, for each year that a participant meets the service obligation required under subdivision 3, paragraph (b), up to a maximum of five years.

(d) Before receiving loan repayment disbursements and as requested, the participant must complete and return to the director an affidavit of practice form provided by the director verifying that the participant is practicing as required under subdivision 2, paragraph (a). The participant must provide the director with verification that the full amount of loan repayment disbursement received by the participant has been applied toward the designated loans. After each disbursement, verification must be received by the director and approved before the next loan repayment disbursement is made.

(e) Participants who move their practice remain eligible for loan repayment as long as they practice as required under subdivision 2, paragraph (a).

Subd. 5. **Penalty for nonfulfillment.** If a participant does not fulfill the required minimum commitment of service required under subdivision 3, paragraph (b), the director of the Minnesota Office of Higher Education must collect from the participant the total amount paid to the participant under the loan forgiveness program plus interest at a rate established according to section 270C.40. The director must deposit the money collected in the state general fund. The director must allow waivers of all or part of the money owed the director as a result of a nonfulfillment penalty if emergency circumstances prevented fulfillment of the service obligation.

Subd. 6. **Rules.** The director may adopt rules to implement this section.

Sec. 14. Minnesota Statutes 2008, section 136F.02, subdivision 1, is amended to read:

Subdivision 1. **Membership.** The board consists of 15 members ~~appointed by the governor~~ elected by the legislature in a joint convention, including three members who are students who have attended an institution for at least one year and are currently enrolled at least half time in a degree, diploma, or certificate program in an institution governed by the board. The student members shall include one member from a community college, one member from a state university, and one member from a technical college. ~~One member representing labor must be appointed after considering the recommendations made under section 136F.045. The governor is not bound by the recommendations. Appointments to the board are with the advice and consent of the senate.~~ At least one member of the board must be a resident of each congressional district. All other members must be ~~appointed~~ elected to represent the state at large. ~~In selecting appointees, the governor must consider the needs of the board of trustees and the balance of the board membership with respect to labor and business representation and racial, gender, geographic, and ethnic composition.~~

Sec. 15. Minnesota Statutes 2008, section 136F.04, is amended to read:

#### **136F.04 STUDENT BOARD MEMBER SELECTION.**

Subdivision 1. **Responsibility.** ~~Notwithstanding section 136F.03,~~ The State University Student Association and the State College Student Association shall each have the responsibility for recruiting, screening, and recommending qualified candidates to the joint committee for their student members of the board.

Subd. 2. **Criteria.** ~~After consulting with the Board of Trustees Candidate Advisory Council,~~ The student associations shall jointly develop a statement of the selection criteria to be applied to potential candidates.

Subd. 3. **Recruiting and screening.** Each student association shall develop processes for identifying and recruiting qualified candidates and for screening those candidates.

Subd. 4. **Recommendations.** Each student association shall recommend at least two and not more than four candidates for its student member. By ~~April 15~~ February 15 of the even-numbered year in which its members' term expires, each student association shall submit its recommendations to the governor joint committee. ~~The governor is not bound by these recommendations.~~

Sec. 16. Minnesota Statutes 2008, section 136F.045, is amended to read:

**136F.045 LABOR ORGANIZATION BOARD MEMBER SELECTION PROCESS.**

The Minnesota AFL-CIO shall recruit and screen qualified labor candidates to be recommended to the ~~governor~~ for appointment joint committee for election to the board. The organization must develop a process for selecting candidates, and a statement of selection criteria for board membership that is consistent with the requirements under section 136F.02, subdivision 1. The organization must recommend at least two and no more than four candidates to the ~~governor~~ joint committee beginning in 2010 and every six years thereafter. Recommendations must be made by ~~April 15~~ February 15 of the even-numbered year in which the ~~governor makes appointments~~ joint committee makes recommendations for candidates to be elected to the board. ~~The governor is not bound by the recommendations.~~

Sec. 17. **[136F.047] TRUSTEE NOMINATION AND ELECTION.**

Subdivision 1. **Joint legislative committee.** The joint legislative committee consists of the members of the higher education budget and policy divisions in each body of the legislature. The chairs of the divisions from each body shall be cochairs of the joint legislative committee. A majority of the members from each body is a quorum of the joint committee.

Subd. 2. **Meeting.** By March 15 of each odd-numbered year, or at a date agreed to by concurrent resolution, the joint legislative committee shall meet to consider recommendations for trustee of the Minnesota State Colleges and Universities for possible presentation to a joint convention of the legislature. The joint committee must meet as many times as necessary for the purpose of interviewing candidates, recommending candidates for the joint committee to consider, and voting for candidates for recommendation to the joint convention.

Subd. 3. **Recommendations** The joint committee may recommend to the joint convention candidates nominated by the joint committee. If a vacancy exists for a student board member or a member recommended under this section, the joint committee must consider the recommendations made by the responsible organizations to the joint committee for those vacancies. Candidates for any vacancy may be nominated for consideration by the joint committee only if the nomination receives the support of at least three house of representatives members of the committee and two senate members of the committee. A candidate must receive a majority vote of members from the house of representatives on the joint committee and from the senate on the joint committee to be recommended to the joint convention. The joint committee may recommend no more than two candidates for each vacancy. In recommending candidates to the joint convention, the joint committee must consider the needs of the board of trustees and the balance of the board membership with respect to gender, racial, and ethnic composition.

Sec. 18. Minnesota Statutes 2008, section 136F.46, subdivision 3, is amended to read:

Subd. 3. **Solicitation.** Efforts to secure payroll deductions authorized in subdivision 1 may not interfere with, require a modification of, nor be conducted during the period of a payroll deduction fund drive for employees authorized by section ~~309.501~~ 43A.50.

Sec. 19. **[136F.705] UNDERGRADUATE TUITION GUARANTEE.**

(a) A Minnesota resident student who first enrolls in a degree program at a state college or university beginning in the fall of 2010 or later is guaranteed a stable tuition for up to four consecutive academic years.

(b) For an undergraduate student enrolled in a baccalaureate degree program at a state university, the tuition charged to the student for each semester of enrollment during a four-year period, beginning with the first semester of enrollment, must not exceed the amount of tuition that the student was charged for the first semester of enrollment. For a student who continues to be enrolled after four consecutive academic years, the tuition rate for each semester in excess of four years is equal to the tuition rate paid by new enrollees at the state university.

(c) For an undergraduate student enrolled in an associate degree program at a college, the tuition charged to the student for each semester of enrollment during a two-year period, beginning with the first semester of enrollment, must not exceed the amount of tuition that the student was charged for the first semester of enrollment. For a student who continues to be enrolled after two consecutive academic years, the tuition rate for each semester in excess of two years is equal to the tuition rate for new enrollees at the college.

Sec. 20. **[137.0225] UNIVERSITY SCHOLARSHIP.**

The Board of Regents may establish a scholarship to help offset the impact of rising tuition for Minnesota students from middle-income families. To be eligible for a scholarship under this section, a student must be a Minnesota resident undergraduate from a family that is not Pell eligible with an annual adjusted gross income not to exceed \$100,000.

Sec. 21. Minnesota Statutes 2008, section 137.0246, subdivision 2, is amended to read:

Subd. 2. **Regent nomination joint committee.** (a) The joint legislative committee consists of the members of the higher education budget and policy divisions in each house of the legislature. The chairs of the divisions from each body shall be cochairs of the joint legislative committee. A majority of the members from each house is a quorum of the joint committee.

(b) By February 28 of each odd-numbered year, or at a date agreed to by concurrent resolution, the joint legislative committee shall meet to consider ~~the advisory council's~~ recommendations for regent of the University of Minnesota for possible presentation to a joint convention of the legislature.

(c) The joint committee may recommend to the joint convention candidates ~~recommended by the advisory council and the other candidates~~ nominated by the joint committee. A candidate ~~other than those recommended by the advisory council~~ may be nominated for consideration by the joint committee only if the nomination receives the support of at least three house of representatives members of the committee and two senate members of the committee. A candidate must receive a majority vote of members from the house of representatives and from the senate on the joint committee to be recommended to the joint convention. The joint committee may recommend no more than ~~one candidate~~ two candidates for each vacancy. In recommending nominees, the joint committee must consider the needs of the board of regents and the balance of the board membership with respect to gender, racial, and ethnic composition.

~~(d) The joint committee must meet twice, approximately one week apart. The first meeting is for the purpose of interviewing candidates and recommending candidates for the joint committee to consider. The second meeting is for the purpose of voting for candidates for recommendation to the joint convention.~~

Sec. 22. Minnesota Statutes 2008, section 137.025, subdivision 1, is amended to read:

Subdivision 1. **Appropriations not for buildings.** ~~The commissioner of finance shall pay no money to the University of Minnesota pursuant to a direct appropriation, other than an appropriation for buildings, until the university first certifies to the commissioner of finance that its aggregate balances in the temporary investment pool, cash, or separate investments, resulting from all state maintenance and special appropriations do not exceed \$7,000,000, or any other amount specified in the act making the appropriation, plus one third of all tuition and fee~~

~~payments from the previous fiscal year. Upon this certification, The commissioner of finance shall pay 1/12 of the annual appropriation to the university shall be paid at the beginning on the 21st day of each month. Additional payments shall be made by the commissioner of finance whenever the state appropriations and tuition aggregate balances in the temporary investment pool, cash, or separate investments are reduced below the indicated levels. If the 21st day of the month falls on a Saturday or Sunday, the monthly payment shall be made on the Monday immediately following the 21st.~~

Sec. 23. **[137.105] UNDERGRADUATE TUITION GUARANTEE.**

A Minnesota resident student who first enrolls in a degree program at the University of Minnesota beginning in the fall of 2010 or later is guaranteed a stable tuition for up to four consecutive academic years. For an undergraduate student enrolled in a baccalaureate degree program, the tuition charged to the student for each semester of enrollment during a four-year period, beginning with the first semester of enrollment, must not exceed the amount of tuition that the student was charged for the first semester of enrollment. For a student who continues to be enrolled after four consecutive academic years, the tuition rate for each semester in excess of four years is equal to the tuition rate paid by new enrollees at the University of Minnesota.

Sec. 24. **[137.701] UNIVERSITY NEIGHBORHOOD DEVELOPMENT.**

Subdivision 1. **Purpose.** In order to support and create environments surrounding the campuses of the University of Minnesota in Minneapolis and Duluth that are conducive to the purposes of higher education and vital communities, the Board of Regents, the city of Minneapolis, and the city of Duluth are requested to create with surrounding neighborhoods an appropriate organization in each city, to cooperate in the development of those neighborhoods. The purpose of each organization is to improve the university's Minneapolis and Duluth campus area neighborhoods including, without limitation, the following:

(1) providing and supporting the development of good quality university neighborhood housing, including housing for students, faculty, employees, alumni, and others who may wish to live in the university area neighborhoods;

(2) encouraging and assisting university faculty, staff, students, and others to live in the neighborhood as long-term residents;

(3) supporting and assisting appropriate business development in commercial areas of the neighborhood; and

(4) cooperating and coordinating planning and development in all matters affecting the neighborhood with local government, businesses, residents, and other stakeholders in the neighborhood.

Subd. 2. **Membership.** The organization created by the Board of Regents and the city of Minneapolis shall include representatives from the organizations currently represented on the University District Alliance Steering Committee. The Board of Regents and the city of Duluth may establish the membership of an organization for the purposes of subdivision 1.

Subd. 3. **Report.** The Board of Regents, the city of Minneapolis, and the city of Duluth are requested to report by January 15, 2010, to the chairs of the legislative committees with primary jurisdiction over higher education policy and finance on the status and activities of the organization that is created.

Sec. 25. Minnesota Statutes 2008, section 299A.45, subdivision 4, is amended to read:

Subd. 4. **Renewal.** Each award must be given for one academic year and is renewable for a maximum of ~~eight~~ ten semesters or the equivalent. A student who withdraws from enrollment for active military service is entitled to an additional semester or the equivalent of grant eligibility. An award must not be given to a dependent child who is 23 years of age or older on the first day of the academic year.



Sec. 26. Minnesota Statutes 2008, section 340A.404, subdivision 4a, is amended to read:

Subd. 4a. **State-owned recreation; entertainment facilities.** Notwithstanding any other law, local ordinance, or charter provision, the commissioner may issue on-sale intoxicating liquor licenses:

(1) to the state agency administratively responsible for, or to an entity holding a concession or facility management contract with such agency for beverage sales at, the premises of any Giants Ridge Recreation Area building or recreational improvement area owned by the state in the ~~town of White~~ city of Biwabik, St. Louis County;

(2) to the state agency administratively responsible for, or to an entity holding a concession or facility management contract with such agency for beverage sales at, the premises of any Ironworld Discovery Center building or facility owned by the state at Chisholm; and

(3) to the Board of Regents of the University of Minnesota for events at Northrop Auditorium, the intercollegiate football stadium, or at no more than seven other locations within the boundaries of the University of Minnesota, provided that the Board of Regents has approved an application for a license for the specified location and provided that the application for a stadium or arena location allows for the legal sale of intoxicating liquor throughout the stadium or arena and does not limit the sale of intoxicating liquor to premium seating areas or suites.

The commissioner shall charge a fee for licenses issued under this subdivision in an amount comparable to the fee for comparable licenses issued in surrounding cities.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to applications for an on-sale liquor license made after December 1, 2008.

Sec. 27. **REPORT; FEDERAL TEXTBOOK INFORMATION REQUIREMENTS.**

By January 15, 2010, the Minnesota Office of Higher Education must report to the committees of the legislature responsible for higher education finance on the implementation of textbook information requirements under United States Code, title 20, section 1015b, effective July 1, 2010. In preparing the report, the office must work with representatives of textbook publishers, the Student Advisory Council, Minnesota State Colleges and Universities, the University of Minnesota, and the Private College Council. At a minimum, the report must include a template that publishers may use to provide the required information in a consistent format to all Minnesota campuses, and make recommendations of methods to disseminate pricing information to support students and faculty in making well informed decisions about course materials.

Sec. 28. **MINNESOTA STATE COLLEGE - SOUTHEAST TECHNICAL; AVIATION TRAINING CENTER.**

Notwithstanding Minnesota Statutes, section 136F.60, subdivision 5, the net proceeds of the sale or disposition of the Aviation Training Center in Winona operated by Minnesota State College - Southeast Technical, after paying all expenses incurred in selling the property and retiring any remaining debt attributable to the project, are appropriated to the Board of Trustees of the Minnesota State Colleges and Universities for use in a capital project at the Winona campus and need not be paid to the commissioner of finance, as would otherwise be required by Minnesota Statutes, section 16A.695, subdivision 3.

When the sale is complete and the sale proceeds have been applied as provided in this section, Minnesota Statutes, section 16A.695, no longer applies to the property and the property is no longer state bond financed property.

Sec. 29. **MINNESOTA STATE COLLEGES AND UNIVERSITIES DEGREE REQUIREMENTS.**

Until July 2, 2012, an associate of applied science degree offered by a college in the Minnesota State Colleges and Universities system is exempt from the 60-semester credit length limit for an associate degree specified in the Minnesota State Colleges and Universities Board Policy number 3.36, part 3, subpart C. The chancellor may consider criteria for waiving the credit length limits under this board policy for emerging or innovative programs. By January 2, 2012, the Minnesota State College Faculty and the Minnesota State College Student Association must present a joint report to the house of representatives and senate committees with jurisdiction over higher education policy on a process for reviewing the credit requirements for an associate of applied science degree.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to associate of applied science degrees whether first offered before, on, or after that date.

Sec. 30. **POWER OF YOU PILOT PROGRAMS.**

Subdivision 1. **Power of you pilot programs.** The Board of Trustees of the Minnesota State Colleges and Universities shall establish power of you pilot programs in suburban and rural sites. The pilots shall comply with Minnesota Statutes, section 136F.19.

Subd. 2. **Suburban pilot selection.** By July 1, 2009, the board of trustees shall select one technical college and one community college or community-technical college in the Minneapolis-St. Paul suburban area to develop a new power of you pilot program in conjunction with Metropolitan State University. Each college in the pilot program must work with a high school partner selected by the board in the Minneapolis-St. Paul suburban area.

Subd. 3. **Rural pilot selection.** By July 1, 2009, the Board of Trustees shall select two rural colleges to participate in the power of you pilot programs. One of the pilot programs must be a multicampus college in an agricultural part of the state and the other a multicampus college in a nonagricultural part of the state dependent on natural resources. Each college in the pilot program must work with a high school partner selected by the board.

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

Sec. 31. **REPEALER.**

Minnesota Statutes 2008, sections 136A.127; 136F.03; and 137.0245, are repealed.

Sec. 32. **EFFECTIVE DATE.**

Sections 1 to 5 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to higher education; amending higher education provisions; establishing and modifying certain grants and programs; making technical changes; regulating certain activities and practices; establishing and amending certain scholarships; providing a tuition guarantee; regulating board member and trustee nominations and elections; requiring a certificate of need; defining terms; requiring a report; appropriating money; amending Minnesota Statutes 2008, sections 135A.08, subdivision 1; 135A.25, subdivision 4; 136A.06; 136A.08, subdivision 1, by adding a subdivision; 136A.101, subdivision 4; 136A.121, subdivisions 5, 6, 9; 136A.1701, subdivision 10; 136F.02, subdivision 1; 136F.04; 136F.045; 136F.46, subdivision 3; 137.0246, subdivision 2; 137.025, subdivision 1; 299A.45, subdivision 4; 340A.404, subdivision 4a; proposing coding for new law in Minnesota Statutes, chapters 135A; 136A; 136F; 137; repealing Minnesota Statutes 2008, sections 136A.127; 136F.03; 137.0245."

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.

Lenczewski from the Committee on Taxes to which was referred:

H. F. No. 1118, A bill for an act relating to taxation; modifying disposition of solid waste management tax revenue; amending Minnesota Statutes 2008, section 297H.13, subdivision 2.

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

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 1122, A bill for an act relating to appropriations; appropriating money for agriculture, the Board of Animal Health, veterans, and the military; changing certain agricultural and animal health requirements and programs; establishing a program; eliminating a sunset; amending Minnesota Statutes 2008, sections 3.737, subdivision 1; 3.7371, subdivision 3; 17.03, subdivision 12; 18B.01, subdivision 8, by adding subdivisions; 18B.065, subdivision 2a, by adding subdivisions; 18B.26, subdivision 3; 18E.03, subdivision 2; 28A.085, subdivision 1; 32.394, subdivision 8; 41A.09, subdivisions 2a, 3a; 197.585, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 18B; 41A; repealing Minnesota Statutes 2008, sections 17.49, subdivision 3; 38.02, subdivisions 3, 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

AGRICULTURE

Section 1. **SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>Total</u></b>
<b><u>General</u></b>	<b><u>\$45,023,000</u></b>	<b><u>\$43,938,000</u></b>	<b><u>\$88,961,000</u></b>
<b><u>Agricultural</u></b>	<b><u>\$800,000</u></b>	<b><u>\$800,000</u></b>	<b><u>\$1,600,000</u></b>
<b><u>Remediation</u></b>	<b><u>\$388,000</u></b>	<b><u>\$388,000</u></b>	<b><u>\$776,000</u></b>
<b><u>Total</u></b>	<b><u>\$46,211,000</u></b>	<b><u>\$45,126,000</u></b>	<b><u>\$91,337,000</u></b>

Sec. 2. **AGRICULTURE APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this act. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this act mean that the appropriations listed under them are available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. "The first year" is fiscal year 2010. "The second year" is fiscal year 2011. "The biennium" is fiscal years 2010 and 2011.

**APPROPRIATIONS**  
**Available for the Year**  
**Ending June 30**  
**2010**                      **2011**

Sec. 3. **DEPARTMENT OF AGRICULTURE**

Subdivision 1. **Total Appropriation**                      **\$38,190,000**                      **\$37,105,000**

Appropriations by Fund

	<u>2010</u>	<u>2011</u>
<u>General</u>	<u>37,002,000</u>	<u>35,917,000</u>
<u>Remediation</u>	<u>388,000</u>	<u>388,000</u>
<u>Agricultural</u>	<u>800,000</u>	<u>800,000</u>

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

Subd. 2. **Protection Services**                      **13,078,000**                      **13,078,000**

Appropriations by Fund

<u>General</u>	<u>12,690,000</u>	<u>12,690,000</u>
<u>Remediation</u>	<u>388,000</u>	<u>388,000</u>

\$388,000 the first year and \$388,000 the second year are from the remediation fund for administrative funding for the voluntary cleanup program.

\$75,000 the first year and \$75,000 the second year are for compensation for destroyed or crippled animals under Minnesota Statutes, section 3.737. If the amount in the first year is insufficient, the amount in the second year is available in the first year.

\$75,000 the first year and \$75,000 the second year are for compensation for crop damage under Minnesota Statutes, section 3.7371. If the amount in the first year is insufficient, the amount in the second year is available in the first year.

If the commissioner determines that claims made under Minnesota Statutes, section 3.737 or 3.7371, are unusually high, amounts appropriated for either program may be transferred to the appropriation for the other program.

\$150,000 the first year and \$150,000 the second year are for plant pest surveys.

**Subd. 3. Agricultural Marketing and Development**4,782,0004,782,000

\$186,000 the first year and \$186,000 the second year are for transfer to the Minnesota grown account and may be used as grants for Minnesota grown promotion under Minnesota Statutes, section 17.102. Grants may be made for one year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2011, for Minnesota grown grants in this paragraph are available until June 30, 2013. \$50,000 of the appropriation in each year is for efforts that identify and promote Minnesota grown products in retail food establishments including but not limited to restaurants, grocery stores, and convenience stores.

\$100,000 the first year and \$100,000 the second year are for grants to farmers for demonstration projects involving sustainable agriculture as authorized in Minnesota Statutes, section 17.116. Of the amount for grants, up to \$20,000 may be used for dissemination of information about the demonstration projects. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2011, for sustainable agriculture grants in this paragraph are available until June 30, 2013.

\$103,000 the first year and \$103,000 the second year are to provide training and technical assistance to county and town officials relating to livestock siting issues and local zoning and land use planning, including maintenance of the checklist template clarifying the federal, state, and local government requirements for consideration of an animal agriculture modernization or expansion project. For the training and technical assistance program, the commissioner shall continue to seek guidance, advice, and support of livestock producer organizations, general agricultural organizations, local government associations, academic institutions, other government agencies, and others with expertise in land use and agriculture.

\$77,000 the first year and \$77,000 the second year are for integrated pest management activities.

\$10,000 the first year and \$10,000 the second year are for annual cost-share payments to resident farmers or persons who sell, process, or package agricultural products in this state for the costs of organic certification. Annual cost-share payments per farmer must be two-thirds of the cost of the certification or \$350, whichever is less. In any year that a resident farmer or person who sells, processes, or packages agricultural products in this state receives a federal organic certification cost-share payment, that resident farmer or person is not eligible for state cost-share payments. A certified farmer is eligible to receive annual certification cost-share payments for up to five years. The

commissioner may allocate any excess appropriation in either fiscal year for organic market and program development including organic producer education efforts, assistance for persons transitioning from conventional to organic agriculture, or sustainable agriculture demonstration grants authorized under Minnesota Statutes, section 17.116, and pertaining to organic research or demonstration. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

**Subd. 4. Bioenergy and Value-Added Agriculture**

12,168,000

12,168,000

\$12,168,000 the first year and \$12,168,000 the second year are for ethanol producer payments under Minnesota Statutes, section 41A.09. If the total amount for which all producers are eligible in a quarter exceeds the amount available for payments, the commissioner shall make payments on a pro rata basis. If the appropriation exceeds the total amount for which all producers are eligible in a fiscal year for scheduled payments and for deficiencies in payments during previous fiscal years, the balance in the appropriation is available to the commissioner for value-added agricultural programs including the value-added agricultural processing and marketing grant program under Minnesota Statutes, section 17.101, subdivision 5. The appropriation remains available until spent. The base appropriation for fiscal year 2012 is \$12,668,000.

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

8,162,000

7,077,000

Appropriations by Fund

	<u>2010</u>	<u>2011</u>
<u>General</u>	<u>7,362,000</u>	<u>6,277,000</u>
<u>Agricultural</u>	<u>800,000</u>	<u>800,000</u>

\$25,000 the first year is for a grant to members of a farmers market association to reimburse up to \$1,000 of membership fees for members who incurred crop damages as a result of the hail storm in 2008.

\$755,000 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. Of this amount, \$4,000 each year is for 4-H premiums. 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 grants to the Minnesota Turf Seed Council for basic and applied agronomic research on native plants, including plant breeding but not genetic engineering, nutrient management, pest management, disease management, yield, and viability. Any plantings conducted with money from this appropriation must protect existing native prairies from genetic contamination. The Minnesota Turf Seed Council may subcontract with a qualified third party for some or all of the basic or applied research. The Minnesota Turf Seed Council 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. This is a onetime appropriation.

\$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 21st century agricultural reinvestment program in Minnesota Statutes, section 41A.12. Priority must be given to livestock programs under Minnesota Statutes, section 17.118. The commissioner may use up to 4.5 percent of this appropriation for costs incurred to administer the program.

\$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 agricultural fund for grants for fertilizer research as awarded by the Minnesota Agricultural Fertilizer Research and Education Council under Minnesota Statutes, section 18C.71. No later than February 1, 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.

\$60,000 the first year is for grants to four pilot food projects as required under this article.



Sec. 4. **BOARD OF ANIMAL HEALTH****\$5,156,000****\$5,156,000**

\$2,531,000 the first year and \$2,531,000 the second year are for bovine tuberculosis eradication efforts in cattle herds.

\$100,000 the first year and \$100,000 the second year are for a program to control paratuberculosis (Johne's disease) in domestic bovine herds.

\$40,000 the first year and \$40,000 the second year are for a program to investigate the avian pneumovirus disease and to identify the infected flocks. This appropriation must be matched on a dollar-for-dollar or in-kind basis with nonstate sources and is in addition to money currently designated for turkey disease research. Costs of blood sample collection, handling, and transportation, in addition to costs associated with early diagnosis tests and the expenses of vaccine research trials, may be credited to the match.

\$400,000 the first year and \$400,000 the second year are for the purposes of cervidae inspection as authorized in Minnesota Statutes, section 35.155.

Sec. 5. **AGRICULTURAL UTILIZATION RESEARCH INSTITUTE****\$2,865,000****\$2,865,000**

Sec. 6. Minnesota Statutes 2008, 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 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 ~~and section 3.7371 up to a total of \$100,000 for both programs combined~~ the amount expressly appropriated for this purpose.

(b) Either the agent or the conservation officer must make a personal inspection of the site. The agent or the conservation officer 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, 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. 7. Minnesota Statutes 2008, section 3.7371, subdivision 3, is amended to read:

Subd. 3. **Compensation.** The crop owner is entitled to the target price or the market price, whichever is greater, of the damaged or destroyed crop plus adjustments for yield loss determined according to agricultural stabilization and conservation service programs for individual farms, adjusted annually, as determined by the commissioner,

upon recommendation of the county extension agent for the owner's county. The commissioner, upon recommendation of the agent, shall determine whether the crop damage or destruction is caused by elk and, if so, the amount of the crop that is damaged or destroyed. In any fiscal year, a crop owner may not be compensated for a damaged or destroyed crop that is less than \$100 in value and may be compensated up to \$20,000, as determined under this section, if normal harvest procedures for the area are followed. In any fiscal year, the commissioner may provide compensation for claims filed under this section ~~and section 3.737 up to a total of \$100,000 for both programs combined~~ the amount expressly appropriated for this purpose.

Sec. 8. Minnesota Statutes 2008, section 13.643, is amended by adding a subdivision to read:

**Subd. 7. Research, monitoring, or assessment data.** (a) Except as provided in paragraph (b), the following data created, collected, and maintained by the Department of Agriculture during research, monitoring, or the assessment of farm practices and related to natural resources, the environment, agricultural facilities, or agricultural practices are classified as private or nonpublic:

(1) names, addresses, telephone numbers, and e-mail addresses of study participants or cooperators; and

(2) location of research, study site, and global positioning system data.

(b) The following data is public:

(1) location data and unique well numbers for wells and springs unless protected under section 18B.10 or another statute or rule; and

(2) data from samples collected from a public water supply as defined in Minnesota Rules, part 4720.5100.

(c) The Department of Agriculture may disclose data collected under paragraph (a) if the Department of Agriculture determines that there is a substantive threat to human health and safety or to the environment, or to aid in the law enforcement process. The Department of Agriculture may also disclose data with written consent of the subject of the data.

Sec. 9. Minnesota Statutes 2008, section 17.03, subdivision 12, is amended to read:

**Subd. 12. Contracts; appropriation.** The commissioner may accept money as part of a contract with any public or private entity to provide statutorily prescribed services by the department. A contract must specify the services to be provided by the department and the amount and method of reimbursement. Money generated in a contractual agreement under this section must be deposited in a special revenue fund and is appropriated to the department for purposes of providing services specified in the contracts. Contracts under this section must be processed in accordance with section 16C.05. ~~The commissioner must report revenues collected and expenditures made under this section to the chairs of the Environment and Natural Resources Finance Committee in the house of representatives and the Environment and Agriculture Budget Division in the senate by January 15 of each odd-numbered year.~~

Sec. 10. Minnesota Statutes 2008, section 17.115, subdivision 2, is amended to read:

**Subd. 2. Loan criteria.** (a) The shared savings loan program must provide loans for purchase of new or used machinery and installation of equipment for projects that make environmental improvements ~~or~~ and enhance farm profitability. Eligible loan uses do not include seed, fertilizer, or fuel.

(b) Loans may not exceed ~~\$25,000~~ \$40,000 per individual applying for a loan and may not exceed \$100,000 for loans to four or more individuals on joint projects. The loan repayment period may be up to seven years as determined by project cost and energy savings. The interest rate on the loans must not exceed six percent. ~~For loans made from May 1, 2004, to June 30, 2007, the interest rate must not exceed three percent.~~

(c) Loans may only be made to residents of this state engaged in farming.

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

Sec. 11. **[17.459] HORSES.**

Subdivision 1. **Classification as livestock.** Horses and other equines raised for the purposes of riding, driving, farm or ranch work, competition, racing, recreation, sale, or as breeding stock are livestock. Horses may be used for meat, hides, and animal by-products. Horses and their products are livestock and farm products for purposes of financial transactions and collateral.

Subd. 2. **Agricultural pursuit.** Raising horses and other equines is agricultural production and an agricultural pursuit. Horse breeding farms, horse training farms, horse boarding farms, or farms combining those purposes, are an intensive agricultural use that may be accomplished on limited acreage. These intensive agricultural uses are necessary for horses in order to control the feeding, safety, and overall condition of the animals.

Subd. 3. **Nonapplicability for property tax laws.** This section does not apply to the treatment of land used for raising horses under chapter 273.

Sec. 12. Minnesota Statutes 2008, section 18.75, is amended to read:

**18.75 PURPOSE.**

It is the policy of the legislature that residents of the state be protected from the injurious effects of noxious weeds on public health, the environment, public roads, crops, livestock, and other property. Sections 18.76 to ~~18.88~~ 18.91 contain procedures for controlling and eradicating noxious weeds on all lands within the state.

Sec. 13. Minnesota Statutes 2008, section 18.76, is amended to read:

**18.76 CITATION.**

Sections 18.76 to ~~18.88~~ 18.91 may be cited as the "Minnesota Noxious Weed Law."

Sec. 14. Minnesota Statutes 2008, section 18.77, subdivision 1, is amended to read:

Subdivision 1. **Scope.** The definitions in this section apply to sections 18.76 to ~~18.88~~ 18.91.

Sec. 15. Minnesota Statutes 2008, section 18.77, is amended by adding a subdivision to read:

Subd. 2a. **Certified noxious weed free.** "Certified noxious weed free" means that the material being certified has been inspected, tested, or processed to devitalize or remove the noxious weed propagating parts in order to verify that viable noxious weed propagating parts are not present in the material.

Sec. 16. Minnesota Statutes 2008, section 18.77, is amended by adding a subdivision to read:

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

Sec. 17. Minnesota Statutes 2008, section 18.77, subdivision 3, is amended to read:

Subd. 3. **Control.** "Control" means to destroy all or part of the aboveground growth of noxious weeds by a lawful method that prevents the maturation and spread of noxious weed propagating parts from one area to another.

Sec. 18. Minnesota Statutes 2008, section 18.77, is amended by adding a subdivision to read:

Subd. 3a. **County-designated employee.** "County-designated employee" means a person designated by a county board to oversee the responsibilities in section 18.81, subdivision 1a.

Sec. 19. Minnesota Statutes 2008, section 18.77, subdivision 5, is amended to read:

Subd. 5. **Growing crop.** "Growing crop" means an agricultural, horticultural, or forest crop that has been planted or regularly maintained and intended for harvest. "Growing crop" does not mean a permanent pasture, hay meadow, woodlot, or other noncrop area which contains native or seeded perennial plants used for grazing or hay purposes, and which is not harvested on a regular basis.

Sec. 20. Minnesota Statutes 2008, section 18.77, is amended by adding a subdivision to read:

Subd. 5a. **Inspector.** "Inspector" means the commissioner, agent of the commissioner, county agricultural inspector, local weed inspector, or assistant weed inspector.

Sec. 21. Minnesota Statutes 2008, section 18.77, is amended by adding a subdivision to read:

Subd. 8a. **Noxious weed management plan.** "Noxious weed management plan" means controlling or eradicating noxious weeds in the manner designated in a management plan developed for the area or site where the infestations are found using specific strategies or methods that are to be used singly or in combination to achieve control or eradication.

Sec. 22. Minnesota Statutes 2008, section 18.77, is amended by adding a subdivision to read:

Subd. 13. **Weed management area.** "Weed management area" means a designated area where special or unique noxious weed control or eradication strategies or methods are used according to a specific management plan developed for each management area established.

Sec. 23. Minnesota Statutes 2008, section 18.78, subdivision 1, is amended to read:

Subdivision 1. **Generally.** A person owning land, a person occupying land, or a person responsible for the maintenance of public land shall control or eradicate all noxious weeds on the land at a time and in a manner ordered by the county agricultural inspector or a local weed an inspector or county-designated employee.

Sec. 24. Minnesota Statutes 2008, section 18.78, is amended by adding a subdivision to read:

Subd. 3. **Cooperative weed control agreement.** The commissioner, municipality, or county agricultural inspector or county-designated employee may enter into a cooperative weed control agreement with a landowner or weed management area group to establish a mutually agreed upon noxious weed management plan for up to three years duration, whereby a noxious weed problem will be controlled without additional enforcement action. If a property owner fails to comply with the noxious weed management plan, an individual notice may be served.

Sec. 25. Minnesota Statutes 2008, section 18.79, is amended to read:

#### **18.79 DUTIES OF COMMISSIONER.**

Subdivision 1. **Enforcement.** The commissioner of agriculture shall administer and enforce sections 18.76 to 18.88 18.91.

Subd. 2. **Authorized agents.** County agricultural inspectors may administer and enforce sections 18.76 to ~~18.88~~ 18.91. A county-designated employee may enforce sections 18.78, 18.82, 18.83, 18.84, 18.86, and 18.87.

Subd. 3. **Entry upon land.** To administer and enforce sections 18.76 to ~~18.88~~ 18.91, ~~county agricultural inspectors and local weed inspectors~~ an inspector or county-designated employee may enter upon land without consent of the owner and without being subject to an action for trespass or any damages.

Subd. 4. **Rules.** The commissioner may adopt necessary rules under chapter 14 for the proper enforcement of sections 18.76 to ~~18.88~~ 18.91.

Subd. 5. **Order for control or eradication of noxious weeds.** ~~A county agricultural inspector or a local weed~~ An inspector or county-designated employee may order the control or eradication of noxious weeds on any land within the ~~state~~ inspector's or county-designated employee's jurisdiction.

Subd. 6. ~~Initial Training for control or eradication of noxious weeds.~~ The commissioner shall conduct initial training considered necessary for ~~weed inspectors~~ and county-designated employees in the enforcement of the Minnesota Noxious Weed Law. The director of the Minnesota Extension Service may conduct educational programs for the general public that will aid compliance with the Minnesota Noxious Weed Law. Upon request, the commissioner may provide information and other technical assistance to the county weed inspector or county-designated employee to aid in the performance of responsibilities specified by the county board under section 18.81, subdivision 1.

Subd. 7. **Meetings and reports.** The commissioner shall designate by rule ~~the reports that are~~ required to be made and ~~the~~ meetings that must be attended by ~~weed~~ inspectors.

Subd. 8. **Prescribed forms.** The commissioner shall prescribe the forms to be used by ~~weed~~ inspectors and county-designated employees in the enforcement of sections 18.76 to ~~18.88~~ 18.91.

Subd. 9. **Injunction.** If the county agricultural inspector or county-designated employee applies to a court for a temporary or permanent injunction restraining a person from violating or continuing to violate sections 18.76 to ~~18.88~~ 18.91, the injunction may be issued without requiring a bond.

Subd. 10. **Prosecution.** On finding that a person has violated sections 18.76 to ~~18.88~~ 18.91, the county agricultural inspector or county-designated employee may start court proceedings in the locality in which the violation occurred. The county attorney may prosecute actions under sections 18.76 to ~~18.88~~ 18.91 within the county attorney's jurisdiction.

Subd. 12. **Noxious-weed-free forage and mulch certification agency.** The official certification agency for noxious-weed-free forage ~~and~~ mulch ~~shall~~ soil, gravel, and other material must be determined by the commissioner ~~of agriculture~~ in consultation with the director of the Minnesota agricultural experiment station. The commissioner may also certify forage, mulch, soil, gravel, or other material as noxious weed free.

Subd. 13. **Noxious weed designation.** The commissioner, in consultation with the Noxious Weed Advisory Committee, shall determine which plants are noxious weeds subject to control under sections 18.76 to 18.91. The commissioner shall prepare, publish, and revise as necessary, but at least once every three years, a list of noxious weeds and their designated classification. The list must be distributed to the public by the commissioner who may request the help of the University of Minnesota Extension, the county agricultural inspectors, and any other organization the commissioner considers appropriate to assist in the distribution. The commissioner may, in consultation with the Noxious Weed Advisory Committee, accept and consider noxious weed designation petitions from Minnesota citizens or Minnesota organizations or associations.

Subd. 14. **County petition.** A county may petition the commissioner to designate specific noxious weeds which are a control problem in the county.

Subd. 15. **Noxious weed management.** The commissioner, in consultation with the Noxious Weed Advisory Committee, shall develop management strategies and criteria for each noxious weed category.

Subd. 16. **Gifts; grants; contracts; funds.** The commissioner, counties, and municipalities may apply for and accept any gift, grant, contract, or other funds or grants-in-aid from the federal government or other public and private sources for noxious weed control purposes.

Subd. 17. **Noxious weed investigation.** The commissioner shall investigate the subject of noxious weeds and conduct investigations outside this state to protect the interest of the agricultural industry, forests, or the environment of this state from noxious weeds not generally growing in Minnesota.

Subd. 18. **Noxious weed education.** The commissioner shall disseminate information and conduct educational campaigns with respect to control of noxious weeds or invasive plants to enhance regulatory compliance and voluntary efforts to eliminate or manage these plants. The commissioner shall call and attend meetings and conferences dealing with the subject of noxious weeds. The commissioner shall maintain on the department's Web site weed management information including but not limited to the roles and responsibilities of citizens and government entities under sections 18.76 to 18.91 and specific guidance as to whom a person should contact to report a noxious weed issue.

Subd. 19. **State and federal lands.** The commissioner shall inform and direct state and federal agencies regarding their responsibility to manage and control noxious weeds on land that those agencies own, control, or manage.

Subd. 20. **Interagency cooperation.** The commissioner shall cooperate with agencies of federal, state, and local governments and other persons in carrying out duties under sections 18.76 to 18.91.

Subd. 21. **Weed management area.** The commissioner, in consultation with the Noxious Weed Advisory Committee, may establish a weed management area to include a part of one or more counties or all of one or more counties of this state and shall include all the land within the boundaries of the area established. Weed management plans developed for a weed management area must be reviewed and approved by the commissioner and the Noxious Weed Advisory Committee. Weed management areas may seek funding under section 18.90.

Sec. 26. Minnesota Statutes 2008, section 18.80, subdivision 1, is amended to read:

Subdivision 1. **County agricultural inspectors; and county-designated employees.** The county board shall either appoint ~~at least one or more~~ county agricultural inspectors ~~that meet the qualifications prescribed by rule.~~ The appointment must be for a period of time which is sufficient to accomplish the duties assigned to this position inspector to carry out the duties specified under section 18.81, subdivisions 1a and 1b, or a county-designated employee to carry out the duties specified under section 18.81, subdivision 1a. A notice of the appointment of either a county agricultural inspector or county-designated employee must be delivered to the commissioner within ~~ten~~ 30 days of the appointment and it must establish the initial number of hours to be worked annually.

Sec. 27. Minnesota Statutes 2008, section 18.81, is amended by adding a subdivision to read:

Subd. 1a. **Duties; county agricultural inspectors and county-designated employees.** The county agricultural inspector or county-designated employee shall be responsible for:

(1) the enforcement provisions under sections 18.78, 18.82, 18.83, 18.84, 18.86 and 18.87; and

(2) providing a point of contact within the county for noxious weed issues.

Sec. 28. Minnesota Statutes 2008, section 18.81, is amended by adding a subdivision to read:

Subd. 1b. **County agricultural inspectors.** In addition to the mandatory duties specified in subdivision 1a, the county board must specify the responsibilities of the county agricultural inspector in the annual work plan. The responsibilities may include:

(1) to see that sections 18.76 to 18.91 and rules adopted under those sections are carried out within the inspector's jurisdiction;

(2) to see that sections 21.80 to 21.92 and rules adopted under those sections are carried out within the inspector's jurisdiction;

(3) to see that sections 21.71 to 21.78 and rules adopted under those sections are carried out within the inspector's jurisdiction;

(4) to participate in the control programs for invasive plant species, feed, fertilizer, pesticide, and plant and insect pests when requested, in writing, to do so by the commissioner;

(5) to participate in other agricultural programs under the control of the commissioner when requested, in writing, by the commissioner to do so;

(6) to administer the distribution of funds allocated by the county board to the county agricultural inspector for noxious weed control and eradication within the county;

(7) to submit reports and attend meetings that the commissioner requires;

(8) to publish a general weed notice of the legal duty to control noxious weeds in one or more legal newspapers of general circulation throughout the county; and

(9) to be the primary contact in the county for all plant biological control agents.

Sec. 29. Minnesota Statutes 2008, section 18.81, subdivision 3, is amended to read:

Subd. 3. **Nonperformance by inspectors; reimbursement for expenses.** If local weed inspectors neglect or fail to do their duty as prescribed in this section, the county agricultural inspector ~~shall~~ or county-designated employee, in consultation with the commissioner, may issue a notice to the inspector providing instructions on how and when to do their duty. If, after the time allowed in the notice, the local weed inspector has not complied as directed, the county agricultural inspector or county-designated employee may consult with the commissioner to perform the duty for the local weed inspector. A claim for the expense of doing the local weed inspector's duty is a legal charge against the municipality in which the inspector has jurisdiction. The county agricultural inspector ~~doing~~ or county-designated employee overseeing the work may file an itemized statement of costs with the clerk of the municipality in which the work was performed. The municipality shall immediately issue proper warrants to the county for the work performed. If the municipality fails to issue the warrants, the county auditor may include the amount contained in the itemized statement of costs as part of the next annual tax levy in the municipality and withhold that amount from the municipality in making its next apportionment.

Sec. 30. Minnesota Statutes 2008, section 18.82, subdivision 1, is amended to read:

Subdivision 1. **Permits.** Except as provided in section 21.74, if a person wants to transport along a public highway materials or equipment containing the propagating parts of weeds designated as noxious by the commissioner, the person must secure a written permit for transportation of the material or equipment from ~~a local weed inspector or county agricultural~~ an inspector or county-designated employee. ~~Inspectors or county-designated employees~~ may issue permits to persons residing or operating within their jurisdiction. If the noxious weed propagating parts are removed from materials and equipment or devitalized before being transported, a permit is not needed.

Sec. 31. Minnesota Statutes 2008, section 18.82, subdivision 3, is amended to read:

Subd. 3. **Duration of permit; revocation.** A permit under subdivision 1 is valid for up to one year after the date it is issued unless otherwise specified by the ~~weed inspector or county-designated employee~~ issuing the permit. The permit may be revoked if ~~a county agricultural inspector or local weed~~ an inspector or county-designated employee determines that the applicant has not complied with this section.

Sec. 32. Minnesota Statutes 2008, section 18.83, is amended to read:

### **18.83 CONTROL; ERADICATION; NOTICES; EXPENSES.**

Subdivision 1. **General weed notice.** A general notice for noxious weed control or eradication must be published on or before May 15 of each year ~~and at other times the commissioner directs~~. Failure of the county agricultural ~~weed~~ inspector or county-designated employee to publish the general notice does not relieve a person from the necessity of full compliance with sections 18.76 to ~~18.88~~ 18.91 and related rules. The published notice is legal and sufficient notice when an individual notice cannot be served.

Subd. 2. **Individual notice.** ~~A weed~~ An inspector may find it necessary to secure more prompt or definite control or eradication of noxious weeds than is accomplished by the published general notice. In these special or individual instances, involving one or a limited number of persons, the ~~weed~~ inspector or county-designated employee having jurisdiction shall serve individual notices in writing upon the person who owns the land and the person who occupies the land, or the person responsible for or charged with the maintenance of public land, giving specific instructions on when and how named noxious weeds are to be controlled or eradicated. Individual notices provided for in this section must be served in the same manner as a summons in a civil action in the district court or by certified mail. Service on a person living temporarily or permanently outside of the ~~weed~~ inspector's or county-designated employee's jurisdiction may be made by sending the notice by certified mail to the last known address of the person, to be ascertained, if necessary, from the last tax list in the county treasurer's office.

Subd. 3. **Appeal of individual notice; appeal committee.** (1) A recipient of an individual notice may appeal, in writing, the order for control or eradication of noxious weeds. This appeal must be filed with a member of the appeal committee in the county where the land is located within two working days of the time the notice is received. The committee must inspect the land specified in the notice and report back to the recipient and the inspector or county-designated employee who issued the notice within five working days, either agreeing, disagreeing, or revising the order. The decision may be appealed in district court. If the committee agrees or revises the order, the control or eradication specified in the order, as approved or revised by the committee, may be carried out.

(2) The county board ~~of commissioners~~ shall appoint members of the appeal committee. The membership must include a county commissioner or municipal official and a landowner residing in the county. The expenses of the members may be reimbursed by the county upon submission of an itemized statement to the county auditor. At its option, the county board ~~of commissioners~~, by resolution, may delegate the duties of the appeal committee to its board of adjustment established pursuant to section 394.27. When carrying out the duties of the appeal committee, the zoning board of adjustment shall comply with all of the procedural requirements of this section.



Subd. 4. **Control or eradication by inspector or county-designated employee.** If a person does not comply with an individual notice served on the person or an individual notice cannot be served, the ~~weed~~ inspector or county-designated employee having jurisdiction shall have the noxious weeds controlled or eradicated within the time and in the manner the ~~weed~~ inspector or county-designated employee designates.

Subd. 5. **Control or eradication by inspector or county-designated employee in growing crop.** ~~A weed~~ An inspector or county-designated employee may consider it necessary to control or eradicate noxious weeds along with all or a part of a growing crop to prevent the maturation and spread of noxious weeds within the inspector's or county-designated employee's jurisdiction. If this situation exists, the ~~weed~~ inspector or county-designated employee may have the noxious weeds controlled or eradicated together with the crop after the appeal committee has reviewed the matter as outlined in subdivision 3 and reported back agreement with the order.

Subd. 6. **Authorization for person hired to enter upon land.** The ~~weed~~ inspector or county-designated employee may hire a person to control or eradicate noxious weeds if the person who owns the land, the person who occupies the land, or the person responsible for the maintenance of public land has failed to comply with an individual notice or with the published general notice when an individual notice cannot be served. The person hired must have authorization, in writing, from the ~~weed~~ inspector or county-designated employee to enter upon the land.

Subd. 7. **Expenses; reimbursements.** A claim for the expense of controlling or eradicating noxious weeds, which may include the costs of serving notices, is a legal charge against the county in which the land is located. The officers having the work done must file with the county auditor a verified and itemized statement of cost for all services rendered on each separate tract or lot of land. The county auditor shall immediately issue proper warrants to the persons named on the statement as having rendered services. To reimburse the county for its expenditure in this regard, the county auditor shall certify the total amount due and, unless an appeal is made in accordance with section 18.84, enter it on the tax roll as a tax upon the land and it must be collected as other real estate taxes are collected.

If public land is involved, the amount due must be paid from funds provided for maintenance of the land or from the general revenue or operating fund of the agency responsible for the land. Each claim for control or eradication of noxious weeds on public lands must first be approved by the commissioner of agriculture.

Sec. 33. Minnesota Statutes 2008, section 18.84, subdivision 1, is amended to read:

Subdivision 1. **Counties and municipalities.** Counties and municipalities are not liable for damages from the noxious weed control program for actions conducted in accordance with sections 18.76 to ~~18.88~~ 18.91.

Sec. 34. Minnesota Statutes 2008, section 18.84, subdivision 2, is amended to read:

Subd. 2. **Appeal of charges to county board.** A person who is ordered to control noxious weeds under sections 18.76 to ~~18.88~~ 18.91 and is charged for noxious weed control may appeal the cost of noxious weed control to the county board of the county where the noxious weed control measures were undertaken within 30 days after being charged. The county board shall determine the amount and approve the charge and filing of a lien against the property if it determines that the owner, or occupant if other than the owner, responsible for controlling noxious weeds did not comply with the order of the inspector or county-designated employee.

Sec. 35. Minnesota Statutes 2008, section 18.84, subdivision 3, is amended to read:

Subd. 3. **~~Court Appeal of costs to district court; petition.~~** (a) ~~A landowner who has appealed~~ person who is ordered to control noxious weeds under sections 18.76 to 18.91 and is charged for the cost of noxious weed control ~~measures under subdivision 2~~ may petition for judicial review of the charges. The petition must be filed within 30 days after ~~the conclusion of the hearing before the county board~~ being charged. The petition must be filed with the

court administrator in the county in which the land where the noxious weed control measures were undertaken is located, together with proof of service of a copy of the petition on the county auditor. No responsive pleadings may be required of the county, and no court fees may be charged for the appearance of the county in this matter.

(b) The petition must be captioned in the name of the person making the petition as petitioner and respective county as respondents. The petition must include the petitioner's name, the legal description of the land involved, a copy of the notice to control noxious weeds, and the date or dates on which appealed control measures were undertaken.

(c) The petition must state with specificity the grounds upon which the petitioner seeks to avoid the imposition of a lien for the cost of noxious weed control measures.

Sec. 36. Minnesota Statutes 2008, section 18.86, is amended to read:

**18.86 UNLAWFUL ACTS.**

No person may:

(1) hinder or obstruct in any way ~~the county agricultural inspectors or local weed inspectors~~ an inspector or county-designated employee in the performance of ~~their duties as provided in under~~ sections 18.76 to ~~18.88~~ 18.91 or related rules;

(2) neglect, fail, or refuse to comply with section 18.82 or related rules in the transportation and use of material or equipment infested with noxious weed propagating parts;

(3) sell material containing noxious weed propagating parts to a person who does not have a permit to transport that material or to a person who does not have a screenings permit issued in accordance with section 21.74; or

(4) neglect, fail, or refuse to comply with a general notice or an individual notice to control or eradicate noxious weeds.

Sec. 37. Minnesota Statutes 2008, section 18.87, is amended to read:

**18.87 PENALTY.**

A violation of section 18.86 or a rule adopted under that section is a misdemeanor. ~~County agricultural inspectors, local weed~~ Inspectors, or county-designated employees, or their appointed assistants are not subject to the penalties of this section for failure, neglect, or refusal to perform duties imposed on them by sections 18.76 to ~~18.88~~ 18.91.

Sec. 38. Minnesota Statutes 2008, section 18.88, is amended to read:

**18.88 NOXIOUS WEED PROGRAM FUNDING.**

Subdivision 1. **County.** The county board shall pay, from the general revenue or other fund for the county, the expenses for the county agricultural inspector position or county-designated employee, for noxious weed control or eradication on all land owned by the county or on land ~~that for which~~ the county is responsible for ~~the its~~ maintenance of, and for the expenses of the appeal committee, ~~and for necessary expenses as required for quarantines within the county.~~ Use of funding from grants and other sources for the administration and enforcement of the Minnesota Noxious Weed Law must be approved by the county board.

Subd. 2. **Municipality.** The municipality shall pay, from the general revenue or other fund for the municipality, the necessary expenses of the local weed inspector in the performance of duties required ~~for quarantines within the municipality, and~~ for noxious weed control or eradication on land owned by the municipality or on land for which the municipality is responsible for its maintenance. Use of funding from grants and other sources for the administration and enforcement of the Minnesota Noxious Weed Law must be approved by the town board or city mayor.

Subd. 3. **Funding.** Funding in the form of grants or cost sharing may be provided to the counties for the performance of their activities under section 18.81, subdivision 1.

Sec. 39. **[18.89] NOXIOUS WEED AND INVASIVE PLANT SPECIES ASSISTANCE FUND.**

The noxious weed and invasive plant species assistance fund is created in the state treasury. The fund may be used to carry out the purposes of section 18.90. Any money appropriated to the fund and any money received by the fund as gifts or grants or other private or public funds obtained for the purposes in section 18.91 must be credited to the fund. The money in the account is continuously appropriated to the commissioner to implement section 18.90.

Sec. 40. **[18.90] GRANT PROGRAM.**

(a) From funds available in the noxious weed and invasive plant species assistance fund established in section 18.89, the commissioner shall administer a grant program to assist counties and municipalities and other weed management entities in the cost of implementing and maintaining noxious weed control programs and in addressing special weed control problems. The commissioner shall receive applications by counties, municipalities, weed management areas, and weed management entities for assistance under this section and, in consultation with the Noxious Weed Advisory Committee, award grants for any of the following eligible purposes:

(1) to conduct applied research to solve locally significant weed management problems;

(2) to demonstrate innovative control methods or land management practices which have the potential to reduce landowner costs to control noxious weeds or improve the effectiveness of noxious weed control;

(3) to encourage the ongoing support of weed management areas;

(4) to respond to introductions or infestations of invasive plants that threaten or potentially threaten the productivity of cropland and rangeland over a wide area;

(5) to respond to introductions or infestations of invasive plant species that threaten or potentially threaten the productivity of biodiversity of wildlife and fishery habitats on public and private lands;

(6) to respond to special weed control problems involving weeds not included in the list of noxious weeds published and distributed by the commissioner;

(7) to conduct monitoring or surveillance activities to detect, map, or determine the distribution of invasive plant species and to determine susceptible locations for the introduction or spread of invasive plant species; and

(8) to conduct educational activities.

(b) The commissioner shall select and prioritize applications for assistance under this section based on the following considerations:

(1) the seriousness of the noxious weed or invasive plant problem or potential problem addressed by the project;

(2) the ability of the project to provide timely intervention to save current and future costs of control and eradication;

(3) the likelihood that the project will prevent or resolve the problem or increase knowledge about resolving similar problems in the future;

(4) the extent to which the project will leverage federal funds and other nonstate funds;

(5) the extent to which the applicant has made progress in addressing noxious weed or invasive plant problems;

(6) the extent to which the project will provide a comprehensive approach to the control or eradication of noxious weeds;

(7) the extent to which the project will reduce the total population or area of infestation of a noxious weed;

(8) the extent to which the project uses the principles of integrated vegetation management and sound science;  
and

(9) other factors that the commissioner determines to be relevant.

(c) Nothing in this section may be construed to relieve a person of the duty or responsibility to control the spread of noxious weeds on lands owned and controlled by the person.

Sec. 41. **[18.91] ADVISORY COMMITTEE; MEMBERSHIP.**

Subdivision 1. **Duties.** The commissioner shall consult with the Noxious Weed Advisory Committee to advise the commissioner concerning responsibilities under the noxious weed control program. The committee shall also evaluate species for invasiveness, difficulty of control, cost of control, benefits, and amount of injury caused by them. For each species evaluated, the committee shall recommend to the commissioner on which noxious weed list or lists, if any, the species should be placed. Species currently designated as prohibited or restricted noxious weeds must be reevaluated every three years for a recommendation on whether or not they need to remain on the noxious weed lists. Members of the committee are not entitled to reimbursement of expenses nor payment of per diem. Members shall serve two-year terms with subsequent reappointment by the commissioner.

Subd. 2. **Membership.** The commissioner shall appoint members, which shall include representatives from the following:

(1) horticultural science, agronomy, and forestry at the University of Minnesota;

(2) the nursery and landscape industry in Minnesota;

(3) the seed industry in Minnesota;

(4) the Department of Agriculture;

(5) the Department of Natural Resources;

(6) a conservation organization;

(7) an environmental organization;

- (8) at least two farm organizations;
- (9) the county agricultural inspectors;
- (10) city, township, and county governments;
- (11) the Department of Transportation;
- (12) the University of Minnesota Extension;
- (13) the timber and forestry industry in Minnesota;
- (14) the Board of Water and Soil Resources; and
- (15) soil and water conservation districts.

Subd. 3. **Additional duties.** The committee shall conduct evaluations of terrestrial plant species to recommend if they need to be designated as noxious weeds and into which noxious weed classification they should be designated, advise the commissioner on the implementation of the Minnesota Noxious Weed Law, and assist the commissioner in the development of management criteria for each noxious weed category.

Subd. 4. **Organization.** The committee shall select a chair from its membership. Meetings of the committee may be called by or at the direction of the commissioner or upon direction of the chair.

Subd. 5. **Expiration.** Notwithstanding section 15.059, subdivision 5, the committee expires June 30, 2013.

Sec. 42. Minnesota Statutes 2008, section 18B.01, is amended by adding a subdivision to read:

Subd. 1a. **Agricultural pesticide.** "Agricultural pesticide" means a pesticide that bears labeling that meets federal worker protection agricultural use requirements as provided by Code of Federal Regulations, title 40, parts 156 and 170 (2008).

Sec. 43. Minnesota Statutes 2008, section 18B.01, is amended by adding a subdivision to read:

Subd. 1b. **Agricultural pesticide dealer.** "Agricultural pesticide dealer" means a person who distributes an agricultural pesticide in the state or into the state to an end user. This action would commonly be described as a retail sale.

Sec. 44. Minnesota Statutes 2008, section 18B.01, subdivision 8, is amended to read:

Subd. 8. **Distribute.** "Distribute" means offer for sale, sell, barter, ship, deliver for shipment, receive and deliver, and offer to deliver pesticides in this state or into this state.

Sec. 45. Minnesota Statutes 2008, section 18B.01, is amended by adding a subdivision to read:

Subd. 14b. **Nonagricultural pesticide.** "Nonagricultural pesticide" means a pesticide that does not bear labeling that meets federal worker protection agricultural use requirements as provided by Code of Federal Regulation, title 40, parts 156 and 170 (2008).

Sec. 46. Minnesota Statutes 2008, section 18B.065, subdivision 1, is amended to read:

Subdivision 1. **Collection and disposal.** The commissioner of agriculture shall establish and operate a program to collect and dispose of waste pesticides. The program must be made available to agricultural and ~~residential nonagricultural~~ pesticide end users whose waste generating activity occurs in this state. Waste pesticide generated in another state is not eligible for collection under this section.

Sec. 47. Minnesota Statutes 2008, section 18B.065, subdivision 2, is amended to read:

Subd. 2. **Implementation.** (a) The commissioner may obtain a United States Environmental Protection Agency hazardous waste identification number to manage the waste pesticides collected.

(b) The commissioner may ~~not~~ limit the type and quantity of waste pesticides accepted for collection and may ~~not~~ assess pesticide end users for portions of the costs incurred.

Sec. 48. Minnesota Statutes 2008, section 18B.065, subdivision 2a, is amended to read:

Subd. 2a. **Disposal site requirement.** (a) For agricultural waste pesticides, the commissioner must designate a place in each county of the state that is available at least every other year for persons to dispose of unused portions of agricultural pesticides. The commissioner shall consult with the person responsible for solid waste management and disposal in each county to determine an appropriate location and to advertise each collection event. The commissioner may provide a collection opportunity in a county more frequently if the commissioner determines that a collection is warranted.

(b) For ~~residential nonagricultural~~ waste pesticides, the commissioner must provide ~~periodic~~ a disposal ~~opportunities~~ opportunity each year in each county.

(c) ~~As provided under subdivision 7, the commissioner may enter into cooperative agreements with county or regional solid waste management entities~~ local units of government to provide ~~these~~ the collections required under paragraph (a) or (b) and shall provide these entities a local unit of government, as part of the cooperative agreement, with funding for reasonable costs incurred including, but not limited to, related supplies, transportation, advertising, and disposal costs as well as reasonable overhead costs.

(~~e~~) (d) A person who collects waste pesticide under ~~paragraph (a) or (b)~~ this section shall, on a form provided or in a method approved by the commissioner, record information on each waste pesticide product collected including, but not limited to, the quantity collected and either the product name, and its active ingredient or ingredients, quantity, and or the United States Environmental Protection Agency registration number, on a form provided by the commissioner. The person must submit this information to the commissioner ~~at least annually~~ by January 30.

Sec. 49. Minnesota Statutes 2008, section 18B.065, subdivision 3, is amended to read:

Subd. 3. **Information ~~and~~; education; report.** (a) The commissioner shall provide informational and educational materials regarding waste pesticides and the proper management of waste pesticides to the public.

(b) No later than March 15 each year, the commissioner must report the following to the legislative committees with jurisdiction over agriculture finance:

(1) each instance of a refusal to collect waste pesticide or the assessment of a fee to a pesticide end user as authorized in subdivision 2, paragraph (b); and

(2) waste pesticide collection information including a discussion of the type and quantity of waste pesticide collected by the commissioner and any entity collecting waste pesticide under subdivision 7 during the previous calendar year, a summary of waste pesticide collection trends, and any corresponding program recommendations.

Sec. 50. Minnesota Statutes 2008, section 18B.065, subdivision 7, is amended to read:

Subd. 7. **Cooperative agreements.** (a) The commissioner may enter into cooperative agreements with state agencies and local units of government for administration of the waste pesticide collection program. The commissioner shall ensure that the program is carried out in all counties. If the commissioner cannot contract with another party to administer the program in a county, the commissioner shall perform collections according to the provisions of this section.

(b) The commissioner, according to the terms of a cooperative agreement between the commissioner and a local unit of government, may establish limits for unusual types or excessive quantities of waste pesticide offered by pesticide end users to the local unit of government.

Sec. 51. Minnesota Statutes 2008, section 18B.065, is amended by adding a subdivision to read:

Subd. 8. **Waste pesticide program surcharge.** The commissioner shall annually collect a waste pesticide program surcharge of \$50 on each pesticide product registered in the state as part of a pesticide product registration application under section 18B.26, subdivision 3.

Sec. 52. Minnesota Statutes 2008, section 18B.065, is amended by adding a subdivision to read:

Subd. 9. **Waste pesticide cooperative agreement account.** (a) A waste pesticide cooperative agreement account is created in the agricultural fund. Notwithstanding section 18B.05, the proceeds of surcharges imposed under subdivision 8 must be deposited in the agricultural fund and credited to the waste pesticide cooperative agreement account.

(b) Money in the waste pesticide cooperative agreement account, including interest, is appropriated to the commissioner and may only be used for costs incurred under a cooperative agreement pursuant to this section.

(c) Notwithstanding paragraph (b), if the amount available in the waste pesticide cooperative agreement account in any fiscal year exceeds the amount obligated to local units of government under subdivision 7, the excess is appropriated to the commissioner to perform waste pesticide collections under this section.

Sec. 53. Minnesota Statutes 2008, section 18B.26, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** (a) Except as provided in paragraphs (b) to (d), a person may not use or distribute a pesticide in this state unless it is registered with the commissioner. Pesticide registrations expire on December 31 of each year and may be renewed on or before that date for the following calendar year.

(b) Registration is not required if a pesticide is shipped from one plant or warehouse to another plant or warehouse operated by the same person and used solely at the plant or warehouse as an ingredient in the formulation of a pesticide that is registered under this chapter.

(c) An unregistered pesticide that was previously registered with the commissioner may be used for a period of two years following the cancellation of the registration of the pesticide, unless the commissioner determines that the continued use of the pesticide would cause unreasonable adverse effects on the environment, or with the written permission of the commissioner. To use the unregistered pesticide at any time after the two-year period, the pesticide end user must demonstrate to the satisfaction of the commissioner, if requested, that the pesticide has been continuously registered under a different brand name or by a different manufacturer and has similar composition, or, the pesticide end user obtains the written permission of the commissioner.

(d) The commissioner may allow specific pesticide products that are not registered with the commissioner to be distributed in this state for use in another state.

(e) Each pesticide with a unique United States Environmental Protection Agency pesticide registration number or a unique brand name must be registered with the commissioner.

(f) It is unlawful for a person to distribute or use a pesticide in the state, or to sell into the state for use in the state, any pesticide product that has not been registered by the commissioner and for which the applicable pesticide registration application fee, gross sales fee, or waste pesticide program surcharge is not paid pursuant to subdivisions 3 and 4.

(g) Every person who sells for use in the state a pesticide product that has been registered by the commissioner shall pay to the commissioner the applicable registration application fees, sales fees, and waste pesticide program surcharges. These sales expressly include all sales made electronically, telephonically, or by any other means that result in a pesticide product being shipped to or used in the state. There is a rebuttable presumption that pesticide products that are sold or distributed in or into the state by any person are sold or distributed for use in the state.

Sec. 54. Minnesota Statutes 2008, section 18B.26, subdivision 3, is amended to read:

Subd. 3. **Registration application and gross sales fee.** (a) For an agricultural pesticide, a registrant shall pay an annual registration application fee for each agricultural pesticide to be registered, and this fee is set at 0.4 percent of annual gross sales within the state and annual gross sales of pesticides used in the state, with a minimum nonrefundable fee of \$250 \$350. The fee is due by December 31 preceding the year for which the application for registration is made. The fee is nonrefundable.

~~The registrant shall determine when and which pesticides are sold or used in this state.~~ (b) For a nonagricultural pesticide, a registrant shall pay a minimum annual registration application fee for each nonagricultural pesticide of \$350. The fee is due by December 31 preceding the year for which the application for registration is made. The fee is nonrefundable. The registrant of a nonagricultural pesticide shall pay, in addition to the \$350 minimum fee, a fee of 0.5 percent of annual gross sales of the nonagricultural pesticide in the state and the annual gross sales of the nonagricultural pesticide sold into the state for use in this state. The commissioner may not assess a fee under this paragraph if the amount due based on percent of annual gross sales is less than \$10. The registrant shall secure sufficient sales information of nonagricultural pesticides distributed into this state from distributors and dealers, regardless of distributor location, to make a determination. Sales of nonagricultural pesticides in this state and sales of nonagricultural pesticides for use in this state by out-of-state distributors are not exempt and must be included in the registrant's annual report, as required under paragraph (e) (g), and fees shall be paid by the registrant based upon those reported sales. Sales of nonagricultural pesticides in the state for use outside of the state are exempt from the application gross sales fee in this paragraph if the registrant properly documents the sale location and distributors. A registrant paying more than the minimum fee shall pay the balance due by March 1 based on the gross sales of the nonagricultural pesticide by the registrant for the preceding calendar year. The fee for disinfectants and sanitizers shall be the minimum. The minimum fee is due by December 31 preceding the year for which the application for registration is made. In each fiscal year, the commissioner shall allocate from the pesticide regulatory account a sum sufficient to collect and dispose of waste pesticides under section 18B.065. However, notwithstanding section 18B.065, if the commissioner determines that the balance in the pesticide regulatory account at the end of the fiscal year will be less than \$500,000, the commissioner may suspend waste pesticide collections or provide partial payment to a person for waste pesticide collection. The commissioner must notify as soon as possible and no later than August 1 a person under contract to collect waste pesticides of an anticipated suspension or payment reduction. A pesticide determined by the commissioner to be a sanitizer or disinfectant is exempt from the gross sales fee.

(c) For agricultural pesticides, a licensed agricultural pesticide dealer shall pay a gross sales fee of 0.55 percent of annual gross sales of the agricultural pesticide in the state and the annual gross sales of the agricultural pesticide sold into the state for use in this state.



(d) In those cases where a registrant first sells an agricultural pesticide in or into the state to a pesticide end user, the registrant must first obtain an agricultural pesticide dealer license and is responsible for payment of the annual gross sales fee under paragraph (c), record keeping under paragraph (i), and all other requirements of section 18B.316.

(e) If the total annual revenue from fees collected by the commissioner on the registration and sale of pesticides is less than \$6,600,000 for revenue collected in fiscal year 2011, 2012, or 2013, the commissioner may increase pesticide sales and product registration fees by the amount necessary to ensure this level of revenue is achieved.

~~(b)~~ (f) An additional fee of \$100 50 percent of the registration application fee must be paid by the applicant for each pesticide to be registered if the application is a renewal application that is submitted after December 31.

~~(e)~~ (g) A registrant must annually report to the commissioner the amount ~~and~~ type and annual gross sales of each registered nonagricultural pesticide sold, offered for sale, or otherwise distributed in the state. The report shall be filed by March 1 for the previous year's registration. The commissioner shall specify the form of the report or approve the method for submittal of the report and may require additional information deemed necessary to determine the amount and type of ~~pesticides~~ nonagricultural pesticide annually distributed in the state. The information required shall include the brand name, United States Environmental Protection Agency registration number and amount, and formulation of each nonagricultural pesticide sold, offered for sale, or otherwise distributed in the state, but the information collected, if made public, shall be reported in a manner which does not identify a specific brand name in the report.

(h) A licensed agricultural pesticide dealer must annually report to the commissioner the amount, type, and annual gross sales of each registered agricultural pesticide sold, offered for sale, or otherwise distributed in the state or into the state for use in the state. The report must be filed by January 31 for the previous year's sales. The commissioner shall specify the form, contents, and approved electronic method for submittal of the report and may require additional information deemed necessary to determine the amount and type of agricultural pesticide annually distributed within the state or into the state. The information required must include the brand name, United States Environmental Protection Agency registration number, and amount of each agricultural pesticide sold, offered for sale, or otherwise distributed in the state or into the state.

(i) A person who registers a pesticide with the commissioner under paragraph (b), or a registrant under paragraph (d), shall keep accurate records for five years detailing all distribution or sales transactions into the state or in the state and subject to a fee and surcharge under this section.

(j) The records are subject to inspection, copying, and audit by the commissioner and must clearly demonstrate proof of payment of all applicable fees and surcharges for each registered pesticide product sold for use in this state. A person who is located outside of this state must maintain and make available records required by this subdivision in this state or pay all costs incurred by the commissioner in the inspecting, copying, or auditing of the records.

(k) The commissioner may adopt by rule regulations that require persons subject to audit under this section to provide information determined by the commissioner to be necessary to enable the commissioner to perform the audit.

~~(d)~~ (l) A registrant who is required to pay more than the minimum fee for any pesticide under paragraph ~~(a)~~ (b) must pay a late fee penalty of \$100 for each pesticide application fee paid after March 1 in the year for which the license is to be issued.

**EFFECTIVE DATE.** This section is effective July 1, 2009. However:

(1) the provisions of Minnesota Statutes 2008, section 18B.26, subdivision 3, remain in effect until December 31, 2010, for the registrants of pesticide products sold within the state or used in the state during calendar year 2009; and

(2) the commissioner of agriculture may not implement paragraph (c), (d), (e), (f), (g), (h), (i), (j), (k), or (l) until January 1, 2010.

Sec. 55. Minnesota Statutes 2008, section 18B.31, subdivision 3, is amended to read:

Subd. 3. **License.** A pesticide dealer license:

(1) is issued by the commissioner upon receipt and review of a complete initial or renewal application;

(2) is valid for one year and expires on ~~December~~ January 31 of each year unless it is suspended or revoked before that date;

~~(2)~~ (3) is not transferable to another location; and

~~(3)~~ (4) must be prominently displayed to the public in the pesticide dealer's place of business.

Sec. 56. Minnesota Statutes 2008, section 18B.31, subdivision 4, is amended to read:

Subd. 4. **Application.** (a) A person must apply to the commissioner for a pesticide dealer license on the forms and in the manner required by the commissioner.

(b) The commissioner may require an additional demonstration of dealer qualification if the dealer has had a license suspended or revoked, or has otherwise had a history of violations of this chapter.

(c) An application for renewal of a pesticide dealer license is not complete until the commissioner receives the report and applicable fees required under section 18B.316, subdivision 8.

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

Sec. 57. **[18B.316] AGRICULTURAL PESTICIDE DEALER LICENSE AND REPORTING.**

Subdivision 1. **Requirement.** (a) A person must not distribute or sell an agricultural pesticide in the state or into the state without first obtaining an agricultural pesticide dealer license.

(b) Each location or place of business from which an agricultural pesticide is distributed or sold in the state or into the state is required to have a separate agricultural pesticide dealer license.

(c) A person who is a licensed pesticide dealer under section 18B.31 is not required to also be licensed under this subdivision.

Subd. 2. **Exemption.** A person who is a pesticide registrant under provisions of this chapter is exempt from the requirement of subdivision 1, except in those cases where a registrant first sells an agricultural pesticide in or into the state to a pesticide end user, the registrant must first obtain an agricultural pesticide dealer license.

Subd. 3. **Resident agent.** (a) A person required to be licensed under subdivisions 1 and 2, or a person licensed as a pesticide dealer pursuant to section 18B.31 and who operates from a location or place of business outside the state and who distributes or sells an agricultural pesticide into the state, must continuously maintain in this state the following:

(1) a registered office; and

(2) a registered agent, who may be either a resident of this state whose business office or residence is identical with the registered office under clause (1), a domestic corporation or limited liability company, or a foreign corporation of limited liability company authorized to transact business in this state and having a business office identical with the registered office.

A person licensed under this section or section 18B.31 shall annually file with the commissioner, either at the time of initial licensing or as part of license renewal, the name, address, telephone number, and e-mail address of the licensee's registered agent.

For licensees under section 18B.31 who are located in the state, the licensee is the registered agent.

Subd. 4. **Responsibility.** The resident agent is responsible for the acts of a licensed agricultural pesticide dealer, or of a licensed pesticide dealer under section 18B.31 who operates from a location or place of business outside the state and who distributes or sells an agricultural pesticide into the state, as well as the acts of the employees of those licensees.

Subd. 5. **Records.** A person licensed as an agricultural pesticide dealer, or a person licensed as a pesticide dealer pursuant to section 18B.31, must maintain for five years at the person's principal place of business accurate records of purchases, sales, and distributions of agricultural pesticides in and into this state, including those of its branch locations. The records shall be made available for audit under provisions of this chapter and chapter 18D.

Subd. 6. **Agricultural pesticide sales invoices.** Sales invoices for agricultural pesticides sold in or into this state by a licensed agricultural pesticide dealer or a pesticide dealer under this section must show the percent of gross sales fee rate assessed and the gross sales fee paid under section 18B.26, subdivision 3, paragraph (c). Only the person who actually will pay the gross sales fee may show the rate or the amount of the fee as a line item on the sales invoice.

Subd. 7. **License.** An agricultural pesticide dealer license:

(1) is issued by the commissioner upon receipt and review of a complete initial or renewal application;

(2) is valid for one year and expires on January 31 of each year;

(3) is not transferable from one location or place of business to another location or place of business; and

(4) must be prominently displayed to the public in the agricultural pesticide dealer's place of business and in the registered office of the resident agent.

Subd. 8. **Report of sales and payment to the commissioner.** A person who is an agricultural pesticide dealer, or is a licensed pesticide dealer under section 18B.31, who distributes or sells an agricultural pesticide in or into the state, and a pesticide registrant pursuant to section 18B.26, subdivision 3, paragraph (d), shall no later than January 31 of each year report and pay applicable fees on annual gross sales of agricultural pesticides to the commissioner pursuant to requirements under section 18B.26, subdivision 3, paragraphs (c) and (h).

Subd. 9. **Application.** (a) A person must apply to the commissioner for an agricultural pesticide dealer license on forms and in a manner approved by the commissioner.

(b) The applicant must be the person in charge of each location or place of business from which agricultural pesticides are distributed or sold in or into the state.

(c) The commissioner may require that the applicant provide information regarding the applicant's proposed operations and other information considered pertinent by the commissioner.

(d) The commissioner may require additional demonstration of licensee qualification if the licensee has had a license suspended or revoked, or has otherwise had a history of violations in another state or violations of this chapter.

(e) A licensed agricultural pesticide dealer who changes the dealer's address or place of business must immediately notify the commissioner of the change.

(f) An application for renewal of an agricultural pesticide dealer license is complete only when a report and any applicable payment of fees under subdivision 8 are received by the commissioner.

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, an additional fee of 50 percent of the application fee must be paid by the applicant before the commissioner may issue the license.

**EFFECTIVE DATE.** This section is effective July 1, 2009. However, the commissioner of agriculture may not implement subdivision 9, paragraph (f), until January 1, 2011.

Sec. 58. **[18B.346] PESTICIDE APPLICATION ON RAILROAD PROPERTY.**

Subdivision 1. **Applicability.** This section applies only to common carrier railroads.

Subd. 2. **Safety information.** (a) In coordination with common carrier railroad companies operating in this state, the commissioner shall provide annual pesticide safety outreach opportunities for railroad employees.

(b) A common carrier railroad that operates in this state must provide annual employee pesticide safety training opportunities.

Subd. 3. **Pesticide applications.** (a) A person may not directly apply a restricted use pesticide to occupied or unoccupied locomotives, track repair equipment, or on-track housing units unless the pesticide is specifically labeled for that use.

(b) Employees of common carrier railroads must not be required to work in affected areas in a manner that is inconsistent with the pesticide label.

Subd. 4. **Misuse reporting.** A common carrier railroad or a commercial applicator hired by the common carrier railroad to apply pesticide must report to the commissioner within four hours, or as soon as practicable, any pesticide misuse known to the railroad company or commercial applicator that occurred on railroad property or to other property under the control of the railroad company. For the purposes of this section, "misuse" means a pesticide application that violates subdivision 3 or any provision in section 18B.07.

Sec. 59. Minnesota Statutes 2008, section 18B.37, subdivision 1, is amended to read:

Subdivision 1. **Pesticide dealer.** (a) A pesticide dealer must maintain records of all sales of restricted use pesticides as required by the commissioner. Records must be kept at the time of sale on forms supplied by the commissioner or on the pesticide dealer's forms if they are approved by the commissioner.

(b) Records must be submitted ~~annually with the renewal application for a pesticide dealer license or~~ upon request of the commissioner.

(c) Copies of records required under this subdivision must be maintained by the pesticide dealer for a period of five years after the date of the pesticide sale.

Sec. 60. Minnesota Statutes 2008, section 18C.415, subdivision 3, is amended to read:

Subd. 3. **Effective period.** ~~Other~~ Licenses are for the period from January 1 to the following December 31 and must be renewed annually by the licensee before January 1. A license is not transferable from one person to another, from the ownership to whom issued to another ownership, or from one location to another location.

Sec. 61. Minnesota Statutes 2008, section 18C.421, is amended to read:

#### **18C.421 DISTRIBUTOR'S TONNAGE REPORT.**

Subdivision 1. ~~Semiannual statement~~ **Annual tonnage report.** (a) ~~Each licensed distributor of fertilizer and each registrant of a specialty fertilizer, soil amendment, or plant amendment must file a semiannual statement for the periods ending December 31 and June 30 with the commissioner on forms furnished by the commissioner stating the number of net tons and grade of each raw fertilizer material distributed or the number of net tons of each brand or grade of fertilizer, soil amendment, or plant amendment registrant under section 18C.411 and licensee under section 18C.415 shall file an annual tonnage report for the previous year ending June 30 with the commissioner, on forms provided or approved by the commissioner, stating the number of net tons of each brand or grade of fertilizer, soil amendment, or plant amendment distributed in this state or the number of net tons and grade of each raw fertilizer material distributed in this state during the reporting period.~~

(b) ~~A tonnage reports are report is not required to be filed with submitted and an inspection fee under section 18C.425, subdivision 6, is not required to be paid to the commissioner from licensees by a licensee who distributed distributes fertilizer solely by custom application.~~

(c) ~~A report from a licensee who sells to an ultimate consumer must be accompanied by records or invoice copies indicating the name of the distributor who paid the inspection fee, the net tons received, and the grade or brand name of the products received.~~

(d) ~~(c) The annual tonnage report is due must be submitted to the commissioner on or before the last day of the month following the close of each reporting period July 31 of each calendar year.~~

(e) ~~(d) The inspection fee at the rate stated in section 18C.425, subdivision 6, must accompany the statement.~~

Subd. 2. **Additional reports.** The commissioner may by rule require additional reports for the purpose of gathering statistical data relating to fertilizer, soil amendments, and plant amendments distribution in the state.

Subd. 3. **Late annual report and inspection fee penalty.** (a) ~~If a distributor does not file the semiannual statement registrant or licensee fails to submit an annual tonnage report or pay the inspection fees fee under section 18C.425, subdivision 6, by 31 days after the end of the reporting period July 31, the commissioner shall assess the registrant or licensee a penalty of the greater of \$25 \$50 or ten percent of the amount due against the licensee or registrant.~~

(b) The fees due, plus the penalty, may be recovered in a civil action against the licensee or registrant.

(c) The assessment of the penalty does not prevent the commissioner from taking other actions as provided in this chapter and sections 18D.301 to 18D.331.

~~Subd. 4. **Responsibility for inspection fees.** If more than one person is involved in the distribution of a fertilizer, soil amendment, or plant amendment, the distributor who imports, manufactures, or produces the fertilizer or who has the specialty fertilizer, soil amendment, or plant amendment registered is responsible for the inspection fee on products produced or brought into this state. The distributor must separately list the inspection fee on the invoice to the licensee. The last licensee must retain the invoices showing proof of inspection fees paid for three years and must pay the inspection fee on products brought into this state before July 1, 1989, unless the reporting and paying of fees have been made by a prior distributor of the fertilizer.~~

Subd. 5. **Verification of statements annual tonnage report.** The commissioner may verify the records on which the ~~statement of annual tonnage report~~ statement of annual tonnage report is based.

Sec. 62. Minnesota Statutes 2008, section 18C.425, subdivision 4, is amended to read:

Subd. 4. **Fee for late application.** If an application for renewal of a ~~fertilizer license or registration of a specialty fertilizer, soil amendment, or plant amendment~~ under section 18C.411 or a license under section 18C.415 is ~~not filed before January 1 or July 1 of a year, as required~~ submitted to the commissioner after December 31, an additional ~~application late~~ fee of one-half of the amount due must be paid in addition to the application fee before the renewal license or registration may be issued.

Sec. 63. Minnesota Statutes 2008, section 18C.425, subdivision 6, is amended to read:

Subd. 6. **Payment of inspection fees fee.** (a) The person who registers and distributes in the state a specialty fertilizer, soil amendment, or plant amendment under section 18C.411 shall pay the inspection fee to the commissioner.

(b) The person licensed under section 18C.415 who distributes a fertilizer to a person not required to be so licensed shall pay the inspection fee to the commissioner, except as exempted under section 18C.421, subdivision 1, paragraph (b).

(c) The person responsible for payment of the inspection fees for fertilizers, soil amendments, or plant amendments sold and used in this state must pay an inspection fee of ~~30~~ 70 cents per ton of fertilizer, soil amendment, and plant amendment sold or distributed in this state, with a minimum of \$10 on all tonnage reports. Products sold or distributed to manufacturers or exchanged between them are exempt from the inspection fee imposed by this subdivision if the products are used exclusively for manufacturing purposes.

(d) A registrant or licensee must retain invoices showing proof of fertilizer, plant amendment, or soil amendment distribution amounts and inspection fees paid for a period of three years.

Sec. 64. Minnesota Statutes 2008, section 18E.03, subdivision 2, is amended to read:

Subd. 2. **Expenditures.** (a) Money in the agricultural chemical response and reimbursement account may only be used:

(1) to pay for the commissioner's responses to incidents under chapters 18B, 18C, and 18D that are not eligible for payment under section 115B.20, subdivision 2;

(2) to pay for emergency responses that are otherwise unable to be funded;

(3) to reimburse and pay corrective action costs under section 18E.04; and

(4) ~~by the board~~ to reimburse the commissioner for board staff and other administrative costs and the commissioner's incident response program costs related to eligible incident sites, up to \$225,000 \$450,000 per fiscal year.

(b) Money in the agricultural chemical response and reimbursement account is appropriated to the commissioner to make payments as provided in this subdivision.

Sec. 65. Minnesota Statutes 2008, section 18E.03, subdivision 4, is amended to read:

Subd. 4. **Fee.** (a) The response and reimbursement fee consists of the surcharges and any adjustments made by the commissioner in this subdivision and shall be collected by the commissioner. The amount of the response and reimbursement fee shall be determined and imposed annually by the commissioner as required to satisfy the requirements in subdivision 3. The commissioner shall adjust the amount of the surcharges imposed in proportion to the amount of the surcharges listed in this subdivision. License application categories under paragraph (d) must be charged in proportion to the amount of surcharges imposed up to a maximum of 50 percent of the license fees set under chapters 18B and 18C.

(b) The commissioner shall impose a surcharge on pesticides registered under chapter 18B to be collected as a surcharge on the ~~registration application fee~~ gross sales under section 18B.26, subdivision 3, that is equal to 0.1 percent of sales of the pesticide in the state and sales of pesticides for use in the state during the previous calendar year, except the surcharge may not be imposed on pesticides that are sanitizers or disinfectants as determined by the commissioner. No surcharge is required if the surcharge amount based on percent of annual gross sales is less than \$10. ~~The registrant shall determine when and which pesticides are sold or used in this state. The registrant shall secure sufficient sales information of pesticides distributed into this state from distributors and dealers, regardless of distributor location, to make a determination. Sales of pesticides in this state and sales of pesticides for use in this state by out of state distributors are not exempt and must be included in the registrant's annual report, as required under section 18B.26, subdivision 3, paragraph (c), and fees shall be paid by the registrant based upon those reported sales.~~ Sales of pesticides in the state for use outside of the state are exempt from the surcharge in this paragraph if the registrant, agricultural pesticide dealer, or pesticide dealer properly documents the sale location and the distributors.

(c) The commissioner shall impose a ten cents per ton surcharge on the inspection fee under section 18C.425, subdivision 6, for fertilizers, soil amendments, and plant amendments.

(d) The commissioner shall impose a surcharge on the license application of persons licensed under chapters 18B and 18C consisting of:

(1) a \$75 surcharge for each site where pesticides are stored or distributed, to be imposed as a surcharge on pesticide dealer application fees under section 18B.31, subdivision 5, and the agricultural pesticide dealer application fee under section 18B.316, subdivision 10;

(2) a \$75 surcharge for each site where a fertilizer, plant amendment, or soil amendment is distributed, to be imposed on persons licensed under sections 18C.415 and 18C.425;

(3) a \$50 surcharge to be imposed on a structural pest control applicator license application under section 18B.32, subdivision 6, for business license applications only;

(4) a \$20 surcharge to be imposed on commercial applicator license application fees under section 18B.33, subdivision 7; and

(5) a \$20 surcharge to be imposed on noncommercial applicator license application fees under section 18B.34, subdivision 5, except a surcharge may not be imposed on a noncommercial applicator that is a state agency, political subdivision of the state, the federal government, or an agency of the federal government.

(e) A \$1,000 fee shall be imposed on each site where pesticides are stored and sold for use outside of the state unless:

(1) the distributor properly documents that it has less than \$2,000,000 per year in wholesale value of pesticides stored and transferred through the site; or

(2) the registrant pays the surcharge under paragraph (b) and the registration fee under section 18B.26, subdivision 3, for all of the pesticides stored at the site and sold for use outside of the state.

(f) Paragraphs (c) to (e) apply to sales, licenses issued, applications received for licenses, and inspection fees imposed on or after July 1, 1990.

**EFFECTIVE DATE.** This section is effective July 1, 2009. However, the commissioner of agriculture may not implement the change to paragraph (b) until January 1, 2010.

Sec. 66. Minnesota Statutes 2008, section 18E.06, is amended to read:

**18E.06 REPORT.**

By December 1 of each year, the Agricultural Chemical Response Compensation Board and the commissioner shall submit to the house of representatives Committee on Ways and Means, the senate Committee on Finance, the house of representatives and senate committees with jurisdiction over the environment, natural resources, and agriculture, and the Environmental Quality Board a report detailing the board's activities and reimbursements and the expenditures and activities associated with the commissioner's incident response program for which money from the account has been spent during the previous year.

Sec. 67. Minnesota Statutes 2008, section 18H.02, subdivision 12a, is amended to read:

Subd. 12a. **Individual Dormant.** "Individual" means a human being "Dormant" means nursery stock without etiolated growth.

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

Sec. 68. Minnesota Statutes 2008, section 18H.02, is amended by adding a subdivision to read:

Subd. 12b. **Etiolated growth.** "Etiolated growth" means bleached and unnatural growth resulting from the exclusion of sunlight.

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

Sec. 69. Minnesota Statutes 2008, section 18H.02, is amended by adding a subdivision to read:

Subd. 12c. **Individual.** "Individual" means a human being.

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

Sec. 70. Minnesota Statutes 2008, section 18H.02, is amended by adding a subdivision to read:

Subd. 24a. **Packaged stock.** "Packaged stock" means bare root nursery stock packed with the roots in moisture-retaining material encased in plastic film or other material designed to hold the moisture-retaining material in place.

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



Sec. 71. Minnesota Statutes 2008, section 18H.07, subdivision 2, is amended to read:

Subd. 2. **Nursery stock grower certificate.** (a) A nursery stock grower must pay an annual fee based on the area of all acreage on which nursery stock is grown for certification as follows:

- (1) less than one-half acre, \$150;
- (2) from one-half acre to two acres, \$200;
- (3) over two acres up to five acres, \$300;
- (4) over five acres up to ten acres, \$350;
- (5) over ten acres up to 20 acres, \$500;
- (6) over 20 acres up to 40 acres, \$650;
- (7) over 40 acres up to 50 acres, \$800;
- (8) over 50 acres up to 200 acres, \$1,100;
- (9) over 200 acres up to 500 acres, \$1,500; and
- (10) over 500 acres, \$1,500 plus \$2 for each additional acre.

(b) In addition to the fees in paragraph (a), a penalty of ten percent of the fee due must be charged for each month, or portion thereof, that the fee is delinquent up to a maximum of 30 percent for any application for renewal not received by January 1 postmarked by December 31 of the current year following expiration of a certificate.

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

Sec. 72. Minnesota Statutes 2008, section 18H.07, subdivision 3, is amended to read:

Subd. 3. **Nursery stock dealer certificate.** (a) A nursery stock dealer must pay an annual fee based on the dealer's gross sales of certified nursery stock per location during the most recent certificate year. A certificate applicant operating for the first time must pay the minimum fee. The fees per sales location are:

- (1) gross sales up to \$5,000, \$150;
- (2) gross sales over \$5,000 up to \$20,000, \$175;
- (3) gross sales over \$20,000 up to \$50,000, \$300;
- (4) gross sales over \$50,000 up to \$75,000, \$425;
- (5) gross sales over \$75,000 up to \$100,000, \$550;
- (6) gross sales over \$100,000 up to \$200,000, \$675; and
- (7) gross sales over \$200,000, \$800.

(b) In addition to the fees in paragraph (a), a penalty of ten percent of the fee due must be charged for each month, or portion thereof, that the fee is delinquent up to a maximum of 30 percent for any application for renewal not received by January 1 postmarked by December 31 of the current year following expiration of a certificate.

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

Sec. 73. Minnesota Statutes 2008, section 18H.09, is amended to read:

**18H.09 NURSERY STOCK CERTIFICATION REQUIREMENTS.**

(a) All nursery stock growing at sites identified by nursery stock dealers or nursery stock growers and submitted for inspection must be inspected by the commissioner within the previous 12 months prior to sale and found apparently free from quarantine and regulated nonquarantine pests as well as significantly dangerous or potentially damaging plant pests. The commissioner may waive a site inspection under the following conditions:

(1) the nursery stock is not going to be sold within 12 months;

(2) the nursery stock will not be moved out of Minnesota; and

(3) the nursery site or stock is not subject to certification requirements associated with a state or federally regulated or quarantined plant pest.

All nursery stock originating from out of state and offered for sale in Minnesota must have been inspected by the appropriate state or federal agency during the previous 12 months and found free from quarantine and regulated nonquarantine pests as well as significantly dangerous or potentially damaging plant pests. A nursery stock certificate is valid from January 1 to December 31.

(b) Nursery stock must be accessible to the commissioner for inspection during regular business hours. Weeds or other growth that hinder a proper inspection are grounds to suspend or withhold a certificate or require a reinspection.

(c) Inspection reports issued to growers must contain a list of the plant pests found at the time of inspection. Withdrawal-from-distribution orders are considered part of the inspection reports. A withdrawal-from-distribution order must contain a list of plants withdrawn from distribution and the location of the plants.

(d) The commissioner may post signs to delineate sections withdrawn from distribution. These signs must remain in place until the commissioner removes them or grants written permission to the grower to remove the signs.

(e) Inspection reports issued to dealers must outline the violations involved and corrective actions to be taken including withdrawal-from-distribution orders which would specify nursery stock that could not be distributed from a certain area.

(f) Optional inspections of plants may be conducted by the commissioner upon request by any persons desiring an inspection. A fee as provided in section 18H.07 must be charged for such an inspection.

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

Sec. 74. Minnesota Statutes 2008, section 18H.10, is amended to read:

**18H.10 STORAGE OF NURSERY STOCK.**

All nursery stock must be kept and displayed under conditions of temperature, light, and moisture sufficient to maintain the viability and vigor of the nursery stock. Packaged dormant nursery stock must be stored under conditions that retard growth, prevent etiolated growth, and protect its viability.

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

Sec. 75. Minnesota Statutes 2008, section 28A.085, subdivision 1, is amended to read:

Subdivision 1. **Violations; prohibited acts.** The commissioner may charge a reinspection fee for each reinspection of a food handler that:

(1) is found with a major violation of requirements in chapter 28, 29, 30, 31, 31A, 32, 33, or 34, or rules adopted under one of those chapters;

(2) is found with a violation of section 31.02, 31.161, or 31.165, and requires a follow-up inspection after an administrative meeting held pursuant to section 31.14; or

(3) fails to correct equipment and facility deficiencies as required in rules adopted under chapter 28, 29, 30, 31, 31A, 32, or 34. The first reinspection of a firm with gross food sales under \$1,000,000 must be assessed at ~~\$75~~ \$150. The fee for a firm with gross food sales over \$1,000,000 is ~~\$100~~ \$200. The fee for a subsequent reinspection of a firm for the same violation is 50 percent of their current license fee or ~~\$200~~ \$300, whichever is greater. The establishment must be issued written notice of violations with a reasonable date for compliance listed on the notice. An initial inspection relating to a complaint is not a reinspection.

Sec. 76. Minnesota Statutes 2008, section 28A.21, subdivision 5, is amended to read:

Subd. 5. **Duties.** The task force shall:

(1) coordinate educational efforts regarding food safety and defense;

(2) provide advice and coordination to state agencies as requested by the agencies;

(3) serve as a source of information and referral for the public, news media, and others concerned with food safety and defense; and

(4) make recommendations to Congress, the legislative committees with jurisdiction over agriculture finance and policy, the legislature, and others about appropriate action to improve food safety and defense in the state.

Sec. 77. Minnesota Statutes 2008, section 31.94, is amended to read:

**31.94 COMMISSIONER DUTIES.**

(a) In order to promote opportunities for organic agriculture in Minnesota, the commissioner shall:

(1) survey producers and support services and organizations to determine information and research needs in the area of organic agriculture practices;

(2) work with the University of Minnesota to demonstrate the on-farm applicability of organic agriculture practices to conditions in this state;

(3) direct the programs of the department so as to work toward the promotion of organic agriculture in this state;

(4) inform agencies of how state or federal programs could utilize and support organic agriculture practices; and

(5) work closely with producers, the University of Minnesota, the Minnesota Trade Office, and other appropriate organizations to identify opportunities and needs as well as ensure coordination and avoid duplication of state agency efforts regarding research, teaching, marketing, and extension work relating to organic agriculture.

(b) By November 15 of each even-numbered year the commissioner, in conjunction with the task force created in paragraph (c), shall report on the status of organic agriculture in Minnesota to the legislative policy and finance committees and divisions with jurisdiction over agriculture. The report must include:

(1) a description of current state or federal programs directed toward organic agriculture, including significant results and experiences of those programs;

(2) a description of specific actions the department of agriculture is taking in the area of organic agriculture, including the proportion of the department's budget spent on organic agriculture;

(3) a description of current and future research needs at all levels in the area of organic agriculture;

(4) suggestions for changes in existing programs or policies or enactment of new programs or policies that will affect organic agriculture;

(5) a description of market trends and potential for organic products;

(6) available information, using currently reliable data, on the price received, yield, and profitability of organic farms, and a comparison with data on conventional farms; and

(7) available information, using currently reliable data, on the positive and negative impacts of organic production on the environment and human health.

(c) ~~The commissioner shall appoint~~ A Minnesota Organic Advisory Task Force ~~to shall~~ advise the commissioner and the University of Minnesota on policies and ~~practices to programs that will~~ improve organic agriculture in Minnesota, including how available resources can most effectively be used for outreach, education, research, and technical assistance that meet the needs of the organic agriculture community. The task force must consist of the following residents of the state:

(1) three farmers using organic agriculture methods;

(2) two ~~organic food~~ wholesalers, retailers, or distributors of organic products;

(3) one representative of organic ~~food~~ certification agencies;

(4) two organic ~~food~~ processors;

(5) one representative from ~~the~~ University of Minnesota Extension Service;

(6) one ~~representative from a~~ University of Minnesota postsecondary research institution faculty member;

- (7) one representative from a nonprofit organization representing producers;
- (8) ~~one~~ two at-large ~~member~~ members;
- (9) one representative from the United States Department of Agriculture; and
- (10) one organic consumer representative.

The commissioner, in consultation with the director of the Minnesota Agricultural Experiment Station; the dean and director of University of Minnesota Extension; and the dean of the College of Food, Agricultural and Natural Resource Sciences shall appoint members to serve staggered two-year terms.

~~Terms,~~ Compensation, and removal of members are governed by section 15.059, subdivision 6. The task force must meet at least twice each year and expires on June 30, ~~2009~~ 2013.

(d) For the purposes of expanding, improving, and developing production and marketing of the organic products of Minnesota agriculture, the commissioner may receive funds from state and federal sources and spend them, including through grants or contracts, to assist producers and processors to achieve certification, to conduct education or marketing activities, to enter into research and development partnerships, or to address production or marketing obstacles to the growth and well-being of the industry.

(e) The commissioner may facilitate the registration of state organic production and handling operations including those exempt from organic certification according to Code of Federal Regulations, title 7, section 205.101, and certification agents operating within the state.

**EFFECTIVE DATE.** This section is effective June 30, 2009.

Sec. 78. **[31.97] FEEDING MINNESOTA TASK FORCE.**

Subdivision 1. **Establishment; purpose.** The commissioner of agriculture must establish the Feeding Minnesota Task Force to study the consumption of Minnesota grown produce and livestock by facilitating the donation of harvested products to charities that provide food for hungry people.

Subd. 2. **Members.** The commissioner must appoint task force members as follows:

- (1) one member representing a food bank organization;
- (2) two members representing food producer and grower organizations;
- (3) one member representing the Minnesota Farmers Market Association;
- (4) one member representing Minnesota higher education institutions;
- (5) one member representing the food transportation industry;
- (6) two members representing statewide agricultural organizations; and
- (7) one member representing food processors.

Subd. 3. **No compensation.** Task force members may not be compensated under section 15.059, subdivision 3.

Subd. 4. **Report.** The commissioner must convene the task force no later than January 31, 2010. The commissioner must make policy recommendations to the chairs of the legislative committees with jurisdiction over agriculture finance by November 1, 2010.

Subd. 5. **Expiration.** This section expires November 1, 2010.

Sec. 79. Minnesota Statutes 2008, section 32.394, subdivision 8, is amended to read:

Subd. 8. **Grade A inspection fees.** A processor or marketing organization of milk, milk products, sheep milk, or goat milk who wishes to market Grade A milk or use the Grade A label must apply for Grade A inspection service from the commissioner. A pasteurization plant requesting Grade A inspection service must hold a Grade A permit and pay an annual inspection fee of no more than \$500. For Grade A farm inspection service, the fee must be no more than \$50 per farm, paid annually by the processor or by the marketing organization on behalf of its patrons. For a farm requiring a reinspection in addition to the required biannual inspections, an additional fee of ~~\$45~~ \$100 per reinspection must be paid by the processor or by the marketing organization on behalf of its patrons.

Sec. 80. Minnesota Statutes 2008, section 41A.09, subdivision 2a, is amended to read:

Subd. 2a. **Definitions.** For the purposes of this section, the terms defined in this subdivision have the meanings given them.

(a) "Ethanol" means fermentation ethyl alcohol derived from agricultural products, including potatoes, cereal grains, cheese whey, and sugar beets; forest products; or other renewable resources, including residue and waste generated from the production, processing, and marketing of agricultural products, forest products, and other renewable resources, that:

(1) meets all of the specifications in ASTM specification D4806-04a; and

(2) is denatured as specified in Code of Federal Regulations, title 27, parts 20 and 21.

(b) "Ethanol plant" means a plant at which ethanol is produced.

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

~~(d) "Rural economic infrastructure" means the development of activities that will enhance the value of agricultural crop or livestock commodities or by products or waste from farming operations through new and improved value-added conversion processes and technologies, the development of more timely and efficient infrastructure delivery systems, and the enhancement of marketing opportunities. "Rural economic infrastructure" also means land, buildings, structures, fixtures, and improvements located or to be located in Minnesota and used or operated primarily for the processing or the support of production of marketable products from agricultural commodities or wind energy produced in Minnesota.~~

Sec. 81. Minnesota Statutes 2008, section 41A.09, subdivision 3a, is amended to read:

Subd. 3a. **Ethanol producer payments.** (a) The commissioner shall make cash payments to producers of ethanol located in the state that have begun production at a specific location by June 30, 2000. For the purpose of this subdivision, an entity that holds a controlling interest in more than one ethanol plant is considered a single producer. The amount of the payment for each producer's annual production, except as provided in paragraph (c), is 20 cents per gallon for each gallon of ethanol produced at a specific location on or before June 30, 2000, or ten years after the start of production, whichever is later. ~~Annually, within 90 days of the end of its fiscal year, an ethanol producer receiving payments under this subdivision must file a disclosure statement on a form provided by the~~

~~commissioner. The initial disclosure statement must include a summary description of the organization of the business structure of the claimant, a listing of the percentages of ownership by any person or other entity with an ownership interest of five percent or greater, and a copy of its annual audited financial statements, including the auditor's report and footnotes. The disclosure statement must include information demonstrating what percentage of the entity receiving payments under this section is owned by farmers or other entities eligible to farm or own agricultural land in Minnesota under the provisions of section 500.24. Subsequent annual reports must reflect noncumulative changes in ownership of ten percent or more of the entity. The report need not disclose the identity of the persons or entities eligible to farm or own agricultural land with ownership interests, individuals residing within 30 miles of the plant, or of any other entity with less than ten percent ownership interest, but the claimant must retain information within its files confirming the accuracy of the data provided. This data must be made available to the commissioner upon request. Not later than the 15th day of February in each year the commissioner shall deliver to the chairs of the standing committees of the senate and the house of representatives that deal with agricultural policy and agricultural finance issues an annual report summarizing aggregated data from plants receiving payments under this section during the preceding calendar year. Audited financial statements and notes and disclosure statements submitted to the commissioner are nonpublic data under section 13.02, subdivision 9. Notwithstanding the provisions of chapter 13 relating to nonpublic data, summaries of the submitted audited financial reports and notes and disclosure statements will be contained in the report to the committee chairs and will be public data.~~

(b) No payments shall be made for ethanol production that occurs after June 30, 2010. A producer of ethanol shall not transfer the producer's eligibility for payments under this section to an ethanol plant at a different location.

(c) If the level of production at an ethanol plant increases due to an increase in the production capacity of the plant, the payment under paragraph (a) applies to the additional increment of production until ten years after the increased production began. Once a plant's production capacity reaches 15,000,000 gallons per year, no additional increment will qualify for the payment.

(d) Total payments under paragraphs (a) and (c) to a producer in a fiscal year may not exceed \$3,000,000.

(e) By the last day of October, January, April, and July, each producer shall file a claim for payment for ethanol production during the preceding three calendar months. A producer that files a claim under this subdivision shall include a statement of the producer's total ethanol production in Minnesota during the quarter covered by the claim. For each claim and statement of total ethanol production filed under this subdivision, the volume of ethanol production must be examined by an independent certified public accountant in accordance with standards established by the American Institute of Certified Public Accountants.

(f) Payments shall be made November 15, February 15, May 15, and August 15. A separate payment shall be made for each claim filed. Except as provided in paragraph (g), the total quarterly payment to a producer under this paragraph may not exceed \$750,000.

(g) Notwithstanding the quarterly payment limits of paragraph (f), the commissioner shall make an additional payment in the fourth quarter of each fiscal year to ethanol producers for the lesser of: (1) 20 cents per gallon of production in the fourth quarter of the year that is greater than 3,750,000 gallons; or (2) the total amount of payments lost during the first three quarters of the fiscal year due to plant outages, repair, or major maintenance. Total payments to an ethanol producer in a fiscal year, including any payment under this paragraph, must not exceed the total amount the producer is eligible to receive based on the producer's approved production capacity. The provisions of this paragraph apply only to production losses that occur in quarters beginning after December 31, 1999.

(h) The commissioner shall reimburse ethanol producers for any deficiency in payments during earlier quarters if the deficiency occurred because of unallotment or because appropriated money was insufficient to make timely payments in the full amount provided in paragraph (a). Notwithstanding the quarterly or annual payment limitations in this subdivision, the commissioner shall begin making payments for earlier deficiencies in each fiscal year that appropriations for ethanol payments exceed the amount required to make eligible scheduled payments. Payments for earlier deficiencies must continue until the deficiencies for each producer are paid in full, except the commissioner shall not make a deficiency payment to an entity that no longer produces ethanol on a commercial scale at the location for which the entity qualified for producer payments, or to an assignee of the entity.

(i) The commissioner may ~~make direct payments to producers of rural economic infrastructure~~ provide financial assistance under the 21st century agricultural reinvestment program in section 41A.12 with any amount of the annual appropriation for ethanol producer payments ~~and rural economic infrastructure~~ that is in excess of the amount required to make scheduled ethanol producer payments and deficiency payments under paragraphs (a) to (h).

Sec. 82. **[41A.12] 21ST CENTURY AGRICULTURAL REINVESTMENT PROGRAM.**

Subdivision 1. Establishment. The 21st century agricultural reinvestment program is established in order to promote the advancement of the state's agricultural and renewable energy industries.

Subd. 2. Activities authorized. For the purposes of this program, the commissioner may issue grants, loans, or other forms of financial assistance. Eligible activities include, but are not limited to, grants to livestock producers under the livestock investment grant program under section 17.118 and bioenergy awards made by the NextGen Energy Board under section 41A.105.

Subd. 3. Oversight. The commissioner, in consultation with the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over agriculture finance, must allocate available funds among eligible uses, develop competitive eligibility criteria, and award funds on a needs basis.

Sec. 83. Minnesota Statutes 2008, section 41B.039, subdivision 2, is amended to read:

Subd. 2. **State participation.** The state may participate in a new real estate loan with an eligible lender to a beginning farmer to the extent of 45 percent of the principal amount of the loan or ~~\$200,000~~ \$300,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.

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

Sec. 84. Minnesota Statutes 2008, section 41B.04, subdivision 8, is amended to read:

Subd. 8. **State's State participation.** With respect to loans that are eligible for restructuring under sections 41B.01 to 41B.23 and upon acceptance by the authority, the authority shall enter into a participation agreement or other financial arrangement whereby it shall participate in a restructured loan to the extent of 45 percent of the primary principal or ~~\$225,000~~ \$400,000, whichever is less. The authority's portion of the loan must be protected during the authority's participation by the first mortgage held by the eligible lender to the extent of its participation in the loan.

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



Sec. 85. Minnesota Statutes 2008, section 41B.042, subdivision 4, is amended to read:

Subd. 4. **Participation limit; interest.** The authority may participate in new seller-sponsored loans to the extent of 45 percent of the principal amount of the loan or ~~\$200,000~~ \$300,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the seller's retained portion of the loan.

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

Sec. 86. Minnesota Statutes 2008, section 41B.043, subdivision 1b, is amended to read:

Subd. 1b. **Loan participation.** The authority may participate in an agricultural improvement loan with an eligible lender to a farmer who meets the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who is actively engaged in farming. Participation is limited to 45 percent of the principal amount of the loan or ~~\$200,000~~ \$300,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.

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

Sec. 87. Minnesota Statutes 2008, section 41B.045, subdivision 2, is amended to read:

Subd. 2. **Loan participation.** The authority may participate in a livestock expansion loan with an eligible lender to a livestock farmer who meets the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who are actively engaged in a livestock operation. A prospective borrower must have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than \$660,000 in 2004 and an amount in subsequent years which is adjusted for inflation by multiplying that amount by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index.

Participation is limited to 45 percent of the principal amount of the loan or ~~\$275,000~~ \$400,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different from the interest rates and repayment terms of the lender's retained portion of the loan.

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

Sec. 88. Minnesota Statutes 2008, section 97A.045, subdivision 1, is amended to read:

Subdivision 1. **Duties; generally.** (a) The commissioner shall do all things the commissioner determines are necessary to preserve, protect, and propagate desirable species of wild animals. The commissioner shall make special provisions for the management of fish and wildlife to ensure recreational opportunities for anglers and hunters. The commissioner shall acquire wild animals for breeding or stocking and may dispose of or destroy undesirable or predatory wild animals and their dens, nests, houses, or dams.

(b) Notwithstanding chapters 17 and 35, the commissioner, in consultation with the commissioner of agriculture and the executive director of the Board of Animal Health, may capture or control nonnative or domestic animals that are released, have escaped, or are otherwise running at large and causing damage to natural resources or agricultural lands, or that are posing a threat to wildlife, domestic animals, or human health. The commissioner may work with other agencies to assist in the capture or control and may authorize persons to take such animals.

Sec. 89. Minnesota Statutes 2008, 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), 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.

Sec. 90. Minnesota Statutes 2008, 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), 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) This subdivision expires on December 31, 2010, 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 for the use of E20 as gasoline. The United States Environmental Protection Agency's failure to act on an application shall not be deemed approval of the use of E20, or a waiver under section 211(f)(4) of the Clean Air Act, United States Code, title 42, section 7545, subsection (f), paragraph (4).

Sec. 91. Minnesota Statutes 2008, section 336.9-601, is amended to read:

**336.9-601 RIGHTS AFTER DEFAULT; JUDICIAL ENFORCEMENT; CONSIGNOR OR BUYER OF ACCOUNTS, CHATTEL PAPER, PAYMENT INTANGIBLES, OR PROMISSORY NOTES.**

(a) **Rights of secured party after default.** After default, a secured party has the rights provided in this part and, except as otherwise provided in section 336.9-602, those provided by agreement of the parties. A secured party:

(1) may reduce a claim to judgment, foreclose, or otherwise enforce the claim, security interest, or agricultural lien by any available judicial procedure; and

(2) if the collateral is documents, may proceed either as to the documents or as to the goods they cover.

(b) **Rights and duties of secured party in possession or control.** A secured party in possession of collateral or control of collateral under section 336.7-106, 336.9-104, 336.9-105, 336.9-106, or 336.9-107 has the rights and duties provided in section 336.9-207.

(c) **Rights cumulative; simultaneous exercise.** The rights under subsections (a) and (b) are cumulative and may be exercised simultaneously.

(d) **Rights of debtor and obligor.** Except as otherwise provided in subsection (g) and section 336.9-605, after default, a debtor and an obligor have the rights provided in this part and by agreement of the parties.

(e) **Lien of levy after judgment.** If a secured party has reduced its claim to judgment, the lien of any levy that may be made upon the collateral by virtue of an execution based upon the judgment relates back to the earliest of:

(1) the date of perfection of the security interest or agricultural lien in the collateral;

(2) the date of filing a financing statement covering the collateral; or

(3) any date specified in a statute under which the agricultural lien was created.

(f) **Execution sale.** A sale pursuant to an execution is a foreclosure of the security interest or agricultural lien by judicial procedure within the meaning of this section. A secured party may purchase at the sale and thereafter hold the collateral free of any other requirements of this article.

(g) **Consignor or buyer of certain rights to payment.** Except as otherwise provided in section 336.9-607(c), this part imposes no duties upon a secured party that is a consignor or is a buyer of accounts, chattel paper, payment intangibles, or promissory notes.

(h) **Security interest in collateral that is agricultural property; enforcement.** A person may not begin to enforce a security interest in collateral that is agricultural property subject to sections 583.20 to 583.32 that has secured a debt of more than \$5,000 unless: a mediation notice under subsection (i) is served on the debtor after a condition of default has occurred in the security agreement and a copy served on the director of the agricultural extension service; and the debtor and creditor have completed mediation under sections 583.20 to 583.32; or as otherwise allowed under sections 583.20 to 583.32.

(i) **Mediation notice.** A mediation notice under subsection (h) must contain the following notice with the blanks properly filled in.

"TO: ...(Name of Debtor)..."

YOU HAVE DEFAULTED ON THE ...(Debt in Default)... SECURED BY AGRICULTURAL PROPERTY DESCRIBED AS ...(Reasonable Description of Agricultural Property Collateral)---. THE AMOUNT OF THE OUTSTANDING DEBT IS ...(Amount of Debt)...

AS A SECURED PARTY, ...(Name of Secured Party)... INTENDS TO ENFORCE THE SECURITY AGREEMENT AGAINST THE AGRICULTURAL PROPERTY DESCRIBED ABOVE BY REPOSSESSING, FORECLOSING ON, OR OBTAINING A COURT JUDGMENT AGAINST THE PROPERTY.

YOU HAVE THE RIGHT TO HAVE THE DEBT REVIEWED FOR MEDIATION. IF YOU REQUEST MEDIATION, A DEBT THAT IS IN DEFAULT WILL BE MEDIATED ONLY ONCE. IF YOU DO NOT REQUEST MEDIATION, THIS DEBT WILL NOT BE SUBJECT TO FUTURE MEDIATION IF THE SECURED PARTY ENFORCES THE DEBT.

IF YOU PARTICIPATE IN MEDIATION, THE DIRECTOR OF THE AGRICULTURAL EXTENSION SERVICE WILL PROVIDE AN ORIENTATION MEETING AND A FINANCIAL ANALYST TO HELP YOU TO PREPARE FINANCIAL INFORMATION. IF YOU DECIDE TO PARTICIPATE IN MEDIATION, IT WILL BE TO YOUR ADVANTAGE TO ASSEMBLE YOUR FARM FINANCE AND OPERATION RECORDS AND TO CONTACT A COUNTY EXTENSION OFFICE AS SOON AS POSSIBLE. MEDIATION WILL ATTEMPT TO ARRIVE AT AN AGREEMENT FOR HANDLING FUTURE FINANCIAL RELATIONS.

TO HAVE THE DEBT REVIEWED FOR MEDIATION YOU MUST FILE A MEDIATION REQUEST WITH THE DIRECTOR WITHIN 14 DAYS AFTER YOU RECEIVE THIS NOTICE. THE MEDIATION REQUEST FORM IS AVAILABLE AT ANY COUNTY RECORDER'S OR COUNTY EXTENSION OFFICE.

FROM: ...(Name and Address of Secured Party)..."

Sec. 92. Minnesota Statutes 2008, section 343.11, is amended to read:

**343.11 ACQUISITION OF PROPERTY, APPROPRIATIONS.**

Every county and district society for the prevention of cruelty to animals may acquire, by purchase, gift, grant, or devise, and hold, use, or convey, real estate and personal property, and lease, mortgage, sell, or use the same in any manner conducive to its interest, to the same extent as natural persons. The county board of any county, or the council of any city, in which such societies exist, may, in its discretion, appropriate for the maintenance and support of such societies in the transaction of the work for which they are organized, any sums of money not otherwise appropriated, ~~not to exceed in any one year the sum of \$4,800 or the sum of \$1 per capita based upon the county's or city's population as of the most recent federal census, whichever is greater;~~ provided, that no part of the appropriation shall be expended for the payment of the salary of any officer of the society.

Sec. 93. Minnesota Statutes 2008, section 550.365, subdivision 2, is amended to read:

Subd. 2. **Contents.** A mediation notice must contain the following notice with the blanks properly filled in.

"TO: ....(Name of Judgment Debtor)....

A JUDGMENT WAS ORDERED AGAINST YOU BY ....(Name of Court).... ON ....(Date of Judgment).

AS A JUDGMENT CREDITOR, ....(Name of Judgment Creditor).... INTENDS TO TAKE ACTION AGAINST THE AGRICULTURAL PROPERTY DESCRIBED AS ....(Description of Agricultural Property).... TO SATISFY THE JUDGMENT IN THE AMOUNT OF ....(Amount of Debt)....

YOU HAVE THE RIGHT TO HAVE THE DEBT REVIEWED FOR MEDIATION. IF YOU REQUEST MEDIATION, A DEBT THAT IS IN DEFAULT WILL BE MEDIATED ONLY ONCE. IF YOU DO NOT REQUEST MEDIATION, THIS DEBT WILL NOT BE SUBJECT TO FUTURE MEDIATION IF THE SECURED PARTY ENFORCES THE DEBT.

IF YOU PARTICIPATE IN MEDIATION, THE DIRECTOR OF THE AGRICULTURAL EXTENSION SERVICE WILL PROVIDE AN ORIENTATION MEETING AND A FINANCIAL ANALYST TO HELP YOU PREPARE FINANCIAL INFORMATION. IF YOU DECIDE TO PARTICIPATE IN MEDIATION, IT WILL BE TO YOUR ADVANTAGE TO ASSEMBLE YOUR FARM FINANCE AND OPERATION RECORDS AND TO CONTACT A COUNTY EXTENSION OFFICE AS SOON AS POSSIBLE. MEDIATION WILL ATTEMPT TO ARRIVE AT AN AGREEMENT FOR HANDLING FUTURE FINANCIAL RELATIONS.

TO HAVE THE DEBT REVIEWED FOR MEDIATION YOU MUST FILE A MEDIATION REQUEST WITH THE DIRECTOR WITHIN 14 DAYS AFTER YOU RECEIVE THIS NOTICE. THE MEDIATION REQUEST FORM IS AVAILABLE AT ANY COUNTY RECORDER'S OR COUNTY EXTENSION OFFICE.

FROM: ....(Name and Address of Judgment Creditor)...."

Sec. 94. Minnesota Statutes 2008, section 559.209, subdivision 2, is amended to read:

Subd. 2. **Contents.** A mediation notice must contain the following notice with the blanks properly filled in.

"TO: ....(Name of Contract for Deed Purchaser)...."

YOU HAVE DEFAULTED ON THE CONTRACT FOR DEED OF THE AGRICULTURAL PROPERTY DESCRIBED AS ....(Size and Reasonable Location of Property, Not Legal Description).... THE AMOUNT OF THE OUTSTANDING DEBT IS ....(Amount of Debt)....

AS THE CONTRACT FOR DEED VENDOR, ....(Contract for Deed Vendor).... INTENDS TO TERMINATE THE CONTRACT AND TAKE BACK THE PROPERTY.

YOU HAVE THE RIGHT TO HAVE THE CONTRACT FOR DEED DEBT REVIEWED FOR MEDIATION. IF YOU REQUEST MEDIATION, A DEBT THAT IS IN DEFAULT WILL BE MEDIATED ONLY ONCE. IF YOU DO NOT REQUEST MEDIATION, THIS DEBT WILL NOT BE SUBJECT TO FUTURE MEDIATION IF THE CONTRACT FOR DEED VENDOR BEGINS REMEDIES TO ENFORCE THE DEBT.

IF YOU PARTICIPATE IN MEDIATION, THE DIRECTOR OF THE AGRICULTURAL EXTENSION SERVICE WILL PROVIDE AN ORIENTATION MEETING AND A FINANCIAL ANALYST TO HELP YOU PREPARE FINANCIAL INFORMATION. IF YOU DECIDE TO PARTICIPATE IN MEDIATION, IT WILL BE TO YOUR ADVANTAGE TO ASSEMBLE YOUR FARM FINANCE AND OPERATION RECORDS AND TO CONTACT A COUNTY EXTENSION OFFICE AS SOON AS POSSIBLE. MEDIATION WILL ATTEMPT TO ARRIVE AT AN AGREEMENT FOR HANDLING FUTURE FINANCIAL RELATIONS.

TO HAVE THE CONTRACT FOR DEED DEBT REVIEWED FOR MEDIATION YOU MUST FILE A MEDIATION REQUEST WITH THE DIRECTOR WITHIN 14 DAYS AFTER YOU RECEIVE THE NOTICE. THE MEDIATION REQUEST FORM IS AVAILABLE AT ANY COUNTY EXTENSION OFFICE.

FROM: ....(Name and Address of Contract for Deed Vendor)...."

Sec. 95. Minnesota Statutes 2008, section 582.039, subdivision 2, is amended to read:

Subd. 2. **Contents.** A mediation notice must contain the following notice with the blanks properly filled in.

"TO: ....(Name of Record Owner)....

YOU HAVE DEFAULTED ON THE MORTGAGE OF THE AGRICULTURAL PROPERTY DESCRIBED AS ....(Size and Reasonable Location, Not Legal Description)---. THE AMOUNT OF THE OUTSTANDING DEBT ON THIS PROPERTY IS ....(Amount of Debt)....

AS HOLDER OF THE MORTGAGE, ....(Name of Holder of Mortgage).... INTENDS TO FORECLOSE ON THE PROPERTY DESCRIBED ABOVE.

YOU HAVE THE RIGHT TO HAVE THE MORTGAGE DEBT REVIEWED FOR MEDIATION. IF YOU REQUEST MEDIATION, A DEBT THAT IS IN DEFAULT WILL BE MEDIATED ONLY ONCE. IF YOU DO NOT REQUEST MEDIATION, THIS DEBT WILL NOT BE SUBJECT TO FUTURE MEDIATION IF THE SECURED PARTY ENFORCES THE DEBT.

IF YOU PARTICIPATE IN MEDIATION, THE DIRECTOR OF THE AGRICULTURAL EXTENSION SERVICE WILL PROVIDE AN ORIENTATION MEETING AND A FINANCIAL ANALYST TO HELP YOU PREPARE FINANCIAL INFORMATION. IF YOU DECIDE TO PARTICIPATE IN MEDIATION, IT WILL BE TO YOUR ADVANTAGE TO ASSEMBLE YOUR FARM FINANCE AND OPERATION RECORDS AND TO CONTACT A COUNTY EXTENSION OFFICE AS SOON AS POSSIBLE. MEDIATION WILL ATTEMPT TO ARRIVE AT AN AGREEMENT FOR HANDLING FUTURE FINANCIAL RELATIONS.

TO HAVE THE MORTGAGE DEBT REVIEWED FOR MEDIATION YOU MUST FILE A MEDIATION REQUEST WITH THE DIRECTOR WITHIN 14 DAYS AFTER YOU RECEIVE THIS NOTICE. THE MEDIATION REQUEST FORM IS AVAILABLE AT ANY COUNTY RECORDER'S OR COUNTY EXTENSION OFFICE.

FROM: ....(Name and Address of Holder of Mortgage)...."

Sec. 96. Minnesota Statutes 2008, section 583.215, is amended to read:

**583.215 EXPIRATION.**

~~(a)~~ Sections 336.9-601, subsections (h) and (i); 550.365; 559.209; 582.039; and 583.20 to 583.32, expire June 30, ~~2009~~ 2013.

~~(b) Laws 1986, chapter 398, article 1, section 18, as amended, is repealed.~~

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

Sec. 97. **HUMAN RESOURCES.**

For fiscal years 2010 and 2011, the Department of Agriculture, Board of Animal Health, and Agricultural Utilization Research Institute may not use funds appropriated in sections 1 to 5 or statutorily appropriated from the agricultural fund to directly or indirectly pay for the services of staff in the Office of the Governor.

Sec. 98. **BOVINE TUBERCULOSIS CONTROL ASSESSMENT; TEMPORARY ASSESSMENT; APPROPRIATION.**

(a) From January 1, 2009, to December 31, 2009, a person who purchases cattle that were raised or fed within this state shall collect a bovine tuberculosis control assessment of \$1 per head from the seller and shall submit all assessments collected to the commissioner of agriculture at least once every 30 days. If cattle that were raised or fed within this state are sold outside of the state and the assessment is not collected by the purchaser, the seller is responsible for submitting the assessment to the commissioner. For the purposes of this section, "a person who purchases cattle that were raised or fed within this state" includes the first purchaser, as defined in Minnesota Statutes, section 17.53, subdivision 8, paragraph (a), and any subsequent purchaser of the living animal.

(b) Money collected under this section shall be deposited in an account in the special revenue fund and is appropriated to the Board of Animal Health for bovine tuberculosis control activities.

(c) Notwithstanding paragraph (a), a person may not collect a bovine tuberculosis control assessment from a person whose cattle operation is located within a modified accredited zone established under Minnesota Statutes, section 35.244, unless the cattle owner voluntarily pays the assessment. The commissioner of agriculture shall publish and make available a list of cattle producers exempt under this paragraph.

(d) This section may be enforced under Minnesota Statutes, sections 17.982 to 17.984.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies retroactively to cattle purchased on or after January 1, 2009.

Sec. 99. **BIOFUEL STUDY; REPORT.**

The commissioner of agriculture must study the economic and technological feasibility of producing ethanol from whey. No later than May 1, 2010, the commissioner of agriculture must report findings to the legislative committees with jurisdiction over agriculture policy and finance.

Sec. 100. **GREEN JOBS FOOD PRODUCTION STUDY; REPORT.**

The Board of the Agricultural Utilization Research Institute must prepare a detailed study of this state's food production sector in coordination with the Minnesota State Colleges and Universities; urban, rural, and tribal community-based agriculture and food security organizations; members of the legislature with service on committees created by the Green Jobs Task Force; and other interested stakeholders. The study must define the size of the employment base and identify opportunities to increase the number of green jobs in each of the following sector segments: organics and organic value-added processing and local, conventional, natural, traditional, and urban farming. No later than January 15, 2010, the Board of the Agricultural Utilization Research Institute must report its findings to the legislative committees with jurisdiction over employment and economic development policy or finance or agriculture finance.

Sec. 101. **PILOT FOOD PROJECTS; REPORT.**

The commissioner of agriculture must solicit proposals and fund farm-to-school or farm-to-home pilot projects that encourage healthy eating for children, foster farm-to-consumer connections, and strengthen local economies. The commissioner must develop selection criteria in consultation with the chairs of the legislative committees with jurisdiction over agriculture finance and a representative of the University of Minnesota's farm-to-school project. The commissioner must select one project from each of the following areas of the state: a rural area, a tribal area, an urban core area, and a suburban area. No later than January 15, 2010, the commissioner must provide a program report and recommendations to the legislative committees with jurisdiction over agriculture policy or finance.

Sec. 102. **FEDERAL STIMULUS FUNDING.**

The commissioner of agriculture must apply for funding available to the state through the federal American Recovery and Reinvestment Act of 2009, Public Law 111-5, for areas under the purview of the commissioner including but not limited to agriculture and rural development, bioenergy, food safety, farm-to-school and related nutrition programs, and the development of local and regional food systems.

Sec. 103. **REPORT ON MINNESOTA PROCESSED FOODS LABELING.**

(a) The commissioner of agriculture must consult with Minnesota food processors and retailers regarding the development of labeling that identifies food products processed in this state. The commissioner must consult with interested parties including, but not limited to, the following organizations:

(1) at least four food processor industry representatives who represent different business sizes and product categories;

(2) at least two food retailers of which at least one must have retail store locations located outside of the Twin Cities metropolitan area;

(3) two representatives of the Department of Agriculture, one who works with the Minnesota grown program and one who works with the processed foods program;

(4) one representative of the Agricultural Utilization Research Institute; and

(5) two representatives of statewide agricultural producer groups.

(b) No later than March 31, 2010, the commissioner must report findings and recommendations to the legislative committees with jurisdiction over agriculture policy and finance. The report should include an assessment of the level of food processor interest in developing a trademarked logo or labeling statement as well as recommendations regarding program funding options, product eligibility criteria, and coordination with existing labeling and promotion programs and resources.

Sec. 104. **FERAL SWINE REPORT.**

The commissioner of natural resources, in coordination with the commissioner of agriculture and the executive director of the Board of Animal Health, must develop a report and recommend any necessary changes to state policies, authorities, and penalties related to feral swine and other nonnative or domestic animals released, that have escaped, or that are otherwise running at large. The agencies must consult with interested stakeholders. No later than January 15, 2010, the commissioner of natural resources must submit the report to the legislative committees with jurisdiction over natural resources or agriculture policy or finance.

Sec. 105. **DEADLINE FOR APPOINTMENTS.**

The commissioner of agriculture must complete the appointments required under Minnesota Statutes, section 18.91, by September 1, 2009. The commissioner or the commissioner's designee shall convene the first meeting of the committee no later than October 1, 2009.

Sec. 106. **APPROPRIATION MODIFICATION.**

(a) Notwithstanding Minnesota Statutes, section 35.085, the Board of Animal Health may make onetime grants to certain beef cattle producers participating in the bovine tuberculosis herd buyout authorized in Minnesota Statutes, section 35.086, from the \$100,000 appropriation for reimbursements in Laws 2007, chapter 45, article 1, section 4.



(b) A buyout participant is eligible for payment under this section if the Board of Animal Health quarantined the participant's herd and required the participant to sell young cattle at slaughter rather than as feeder cattle.

(c) For each head of cattle sold at slaughter under paragraph (b), the Board of Animal Health must pay the difference between the fair market feeder cattle value at the time of sale, as determined by the Board of Animal Health, and the documented slaughter price received by the participant.

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

Sec. 107. **UNUSED OFFICE SPACE.**

The commissioner of agriculture, in consultation with the commissioner of administration, must actively seek tenants to rent vacant or unused space in the Freeman Building. The commissioner of agriculture must notify entities that receive state funding of the amount and type of space available, the rental rate, and other lease terms. No later than February 1, 2011, the commissioner of agriculture must report actions taken and outcomes achieved under this section to the legislative committees with jurisdiction over agriculture finance.

Sec. 108. **REPEALER.**

Minnesota Statutes 2008, sections 17.49, subdivision 3; 18G.12, subdivision 5; 38.02, subdivisions 3 and 4; 41.51; 41.52; 41.53; 41.55; 41.56; 41.57; 41.58, subdivisions 1 and 2; 41.59, subdivision 1; 41.60; 41.61, subdivision 1; 41.62; 41.63; and 41.65, and Minnesota Rules, part 1505.0820, are repealed.

ARTICLE 2

RURAL FINANCE AUTHORITY

Section 1. **RURAL FINANCE AUTHORITY; APPROPRIATION.**

Subdivision 1. **Appropriation.** \$35,000,000 is appropriated from the bond proceeds fund to the commissioner of agriculture, as chair of the Board of the Rural Finance Authority, to purchase participation interests in or to make direct agricultural loans to farmers under Minnesota Statutes, chapter 41B, as authorized by the Minnesota Constitution, article XI, section 5, clause (h). This appropriation is for the beginning farmer program under Minnesota Statutes, section 41B.039; the loan restructuring program under Minnesota Statutes, section 41B.04; the seller-sponsored program under Minnesota Statutes, section 41B.042; the agricultural improvement loan program under Minnesota Statutes, section 41B.043; and the livestock expansion loan program under Minnesota Statutes, section 41B.045. All debt service on bond proceeds used to finance this appropriation must be repaid by the Rural Finance Authority under Minnesota Statutes, section 16A.643. Loan participations must be priced to provide full interest and principal coverage and a reserve for potential losses. Priority for loans must be given first, to basic beginning farmer loans; second, to seller-sponsored loans; and third, to agricultural improvement loans.

Subd. 2. **Bond sale.** To provide the money appropriated in this section from the bond proceeds fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$35,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 3. **Notice.** If the appropriations in this section are enacted more than once in the 2009 regular legislative session, these appropriations must be given effect only once.

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

## ARTICLE 3

## VETERANS AFFAIRS

Section 1. **VETERANS AFFAIRS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. "The first year" is fiscal year 2010. "The second year" is fiscal year 2011. "The biennium" is fiscal years 2010 and 2011.

	<b><u>APPROPRIATIONS</u></b> <b><u>Available for the Year</u></b> <b><u>Ending June 30</u></b>	
	<b><u>2010</u></b>	<b><u>2011</u></b>
Sec. 2. <b><u>VETERANS AFFAIRS</u></b>		
Subdivision 1. <b><u>Total Appropriation</u></b>	<b><u>\$59,127,000</u></b>	<b><u>\$58,192,000</u></b>
Subd. 2. <b><u>Veterans Services</u></b>	<b><u>15,716,000</u></b>	<b><u>15,716,000</u></b>

Of this amount, \$500,000 in fiscal year 2010 and \$500,000 in fiscal year 2011 are to be used to continue working on the merger of the Department of Veterans Affairs computer system and the former Veterans Homes Board computer system.

**Minnesota GI Bill.** \$1,450,000 each year is for the Minnesota GI Bill program in Minnesota Statutes, section 197.791. Of this amount, \$100,000 each year must be transferred to the Office of Higher Education for use in administering the GI Bill program.

**Veterans Service Organization Grants.** \$353,000 each year is for grants to the following congressionally chartered veterans service organizations, as designated by the commissioner: Disabled American Veterans, Military Order of the Purple Heart, the American Legion, Veterans of Foreign Wars, Vietnam Veterans of America, AMVETS, and Paralyzed Veterans of America. This funding must be allocated in direct proportion to the funding currently being provided by the commissioner to these organizations.

**Homeless Veterans.** \$350,000 each year is in addition to the base and is a onetime appropriation for a grant to the Minnesota Assistance Council for Veterans (MACV) to provide assistance throughout Minnesota to veterans and their families who are homeless or in danger of homelessness, including housing, utility, employment, and legal assistance, according to guidelines established by the commissioner. In order to avoid duplication of services, the commissioner must ensure that this assistance will be coordinated with all other available programs for veterans.

**Subd. 3. Veterans Homes**43,411,00042,476,000

**Veterans Homes Special Revenue Account.** The general fund appropriations made to the department may be transferred to a veterans homes special revenue account in the special revenue fund in the same manner as other receipts are deposited according to Minnesota Statutes, section 198.34, and are appropriated to the department for the operation of veterans homes facilities and programs.

**Repair and Betterment.** Of this appropriation, \$1,435,000 in fiscal year 2010 and \$500,000 in fiscal year 2011 are to be used for repair, maintenance, rehabilitation, and betterment activities at facilities statewide.

**Hastings Veterans Home.** \$220,000 each year is for increases in the mental health program at the Hastings Veterans Home.

**Food and Pharmaceuticals.** \$600,000 each year is for increases in food and pharmaceutical costs at the Minnesota veterans homes. This is a onetime appropriation.

Sec. 3. Minnesota Statutes 2008, section 43A.11, subdivision 7, is amended to read:

Subd. 7. **Ranking of veterans.** Applicants who meet the minimum qualifications for a vacant position and claim disabled veteran's preference shall be listed in the applicant pool ahead of all other applicants. Applicants who meet the minimum qualifications for a vacant position and claim nondisabled veteran's preference shall be listed in the applicant pool after those claiming disabled veteran's preference and ahead of nonveterans. Each recently separated veteran who meets minimum qualifications for a vacant position and has claimed a veterans or disabled veterans preference must be granted an interview for the position by the hiring authority.

The term "recently separated veteran" means a veteran, as defined in section 197.447, who has served in active military service, at any time on or after September 11, 2001, and who has been honorably discharged from active service, as shown by the person's form DD-214.

**EFFECTIVE DATE.** This section is effective July 1, 2009, and applies to all appointments made on or after that date.

Sec. 4. Minnesota Statutes 2008, 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) contain a space where the applicant may indicate a desire to make an anatomical gift according to paragraph (b); ~~and~~

(5) 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) 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. 5. Minnesota Statutes 2008, section 171.07, is amended by adding a subdivision to read:

Subd. 15. **Veteran designation.** (a) At the request of the applicant and on payment of the required fee, the department shall issue, renew, or reissue a driver's license or Minnesota identification card bearing the designation "Veteran" to an applicant who is a veteran, as defined in section 197.447.

(b) At the time of the initial application for the designation provided under this subdivision, the applicant must have a certified copy of the veteran's discharge papers.

(c) The commissioner of public safety is required to issue drivers' licenses and Minnesota identification cards with the veteran designation only after entering a new contract or in coordination with producing a new card design with modifications made as required by law.

**EFFECTIVE DATE.** This section is effective August 1, 2009, and applies to drivers' licenses and Minnesota identification cards issued as stated in paragraph (c).

Sec. 6. Minnesota Statutes 2008, section 171.12, is amended by adding a subdivision to read:

**Subd. 5a. Veteran designation.** When an applicant for a driver's license, instruction permit, or Minnesota identification card requests a veteran designation under section 171.06, subdivision 3, the commissioner shall maintain a computer record of veteran designations. The veteran designation may be removed from the computer record only upon written notice to the department. The veteran designation is classified as private data on individuals as defined in section 13.02, subdivision 12, except that this information is available to the commissioner of veterans affairs for the purpose of administering veterans benefits.

Sec. 7. Minnesota Statutes 2008, section 197.455, subdivision 1, is amended to read:

Subdivision 1. **Application.** (a) This section shall govern preference of a veteran under the civil service laws, charter provisions, ordinances, rules or regulations of a county, city, town, school district, or other municipality or political subdivision of this state. Any provision in a law, charter, ordinance, rule or regulation contrary to the applicable provisions of this section is void to the extent of such inconsistency.

(b) Sections 197.46 to ~~197.48 shall not~~ 197.481 also apply to ~~state civil service.~~ a veteran who is an incumbent in a classified appointment in the state civil service and has completed the probationary period for that position, as defined under section 43A.16. In matters of dismissal from such a position, a qualified veteran has the irrevocable option of using the procedures described in sections 197.46 to 197.481, or the procedures provided in the collective bargaining agreement applicable to the person, but not both. For a qualified veteran electing to use the procedures of sections 197.46 to 197.481, the matters governed by those sections must not be considered grievances under a collective bargaining agreement, and if a veteran elects to appeal the dispute through those sections, the veteran is precluded from making an appeal under the grievance procedure of the collective bargaining agreement.

**EFFECTIVE DATE.** This section is effective July 1, 2009, and applies to appointments to state and local government positions of employment made on or after that date.

Sec. 8. Minnesota Statutes 2008, 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, ~~teacher~~, 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. 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.

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

Sec. 9. Minnesota Statutes 2008, section 198.003, is amended by adding a subdivision to read:

Subd. 4a. **Federal funding.** The commissioner is authorized to apply for and accept federal funding for purposes of this section.

Sec. 10. Minnesota Statutes 2008, section 198.003, is amended by adding a subdivision to read:

Subd. 7. **Use of Medicare Part D for pharmacy costs.** (a) The commissioner shall maximize the use of Medicare Part D to pay pharmacy costs for eligible veterans residing at the veterans homes.

(b) The commissioner shall encourage eligible veterans to participate in the Medicare Part D program and assist veterans in obtaining Medicare Part D coverage.

(c) The commissioner shall take any necessary steps to prevent an eligible veteran participating in Medicare Part D from receiving fewer benefits under Medicare Part D than they would have received under their existing Veterans Administration benefits.

Sec. 11. **[198.365] VETERANS MENTAL HEALTH FACILITY; KANDIYOHI COUNTY.**

Subdivision 1. **Establishment.** (a) The commissioner of veterans affairs shall establish a 90-bed facility in Kandiyohi County to provide residential mental health nursing services to veterans, in conformance with licensing rules of the Department of Health and funding requirements of the United States Department of Veterans Affairs.

(b) Services provided by the facility may include, but not be limited to:

(1) geriatric care for mentally ill veterans who have severe behavior problems; and

(2) standard long-term care.

(c) To the extent practicable, the facility shall accept referrals from veterans homes in the state.

Subd. 2. **Funding.** (a) The facility must be purchased or built with funds, 65 percent of which must be provided by the federal government and 35 percent by other nonstate sources, including local units of government, veterans organizations, business entities, volunteer organizations, and any other nonstate sources deemed acceptable by the commissioner. Local contributions must include land for the facility and grounds, and funding sufficient to cover the full state and local contribution for the federal matching grant. The commissioner is authorized to accept pledges and funding, including contributions of land, from these local sources for this purpose.

(b) The commissioner shall seek private, local, state, and federal funding for possible development of a public-private partnership to provide services at this facility for veterans with traumatic brain injury and with posttraumatic stress disorder, as well as for veterans who have a dual diagnosis of mental illness and chemical dependency.

(c) The commissioner shall seek funding from private, local, state, and federal sources for possible development of traumatic brain injury research at this facility.

Sec. 12. Minnesota Statutes 2008, section 626.8517, is amended to read:

**626.8517 ELIGIBILITY FOR RECIPROCITY EXAMINATION BASED ON RELEVANT MILITARY EXPERIENCE.**

(a) For purposes of this section, "relevant military experience" means ~~five years of active duty military police service.~~

(1) five years' active service experience in a military law enforcement occupational specialty;

(2) three years' active service experience in a military law enforcement occupational specialty and completion of a two-year or more degree from a regionally accredited postsecondary education institution; or

(3) five years' cumulative experience as a full-time peace officer in another state combined with active service experience in a military law enforcement occupational specialty.

(b) A person who has relevant military experience under paragraph (a) and who has been honorably discharged from ~~the~~ military active service as evidenced by a form DD-214 is eligible to take the reciprocity examination. "Active service" has the meaning given in section 190.05, subdivision 5.

Sec. 13. Laws 2008, chapter 297, article 2, section 26, subdivision 3, is amended to read:

**Subd. 3. Administrative provisions.** (a) The commissioner of veterans affairs, or the commissioner's designee, must convene the initial meeting of the working group. Upon request of the working group, the commissioner must provide meeting space and administrative services for the group. The members of the working group must elect a chair or co-chairs from the legislative members of the working group at the initial meeting. Each subsequent meeting is at the call of the chair or co-chairs.

(b) Public members of the working group serve without special compensation or special payment of expenses from the working group.

(c) The working group expires on June 30, ~~2009~~ 2010, unless an extension is authorized by law by that date.

Sec. 14. **DATE OPERATIONAL.**

To the extent practicable, the commissioner of veterans affairs shall design, construct, furnish, and equip the veterans mental health facility authorized in Minnesota Statutes, section 198.365, for commencement of operations on July 1, 2013. No state general fund money may be expended for operational costs for this facility prior to that date and without further legislative authorization.

Sec. 15. **REPORTING REQUIRED.**

(a) The commissioner of finance must collect the following data annually from each cabinet-level state agency, with the exception of the Metropolitan Council, and must report those data, by agency, by the second week of each legislative session, beginning in 2011, to the chairs and leading minority members of each of the house of representatives and senate committees having responsibility for veterans policy and finance issues:

(1) the total number of persons employed in full-time positions by the state agency;

(2) the total number of employees identified in clause (1) who are veterans;

(3) the total number of vacant full-time positions in the agency filled by hiring or appointment during the designated fiscal year;

(4) the total number of applications received for the positions identified in clause (3);

(5) the total number of applications identified in clause (4) for which veterans preference was elected by the applicant;

(6) the total number of applications identified in clause (5) for which the veteran applicant was judged by the hiring authority as meeting minimum requirements for the open positions of employment;

(7) the total number of veteran applicants identified in clause (6) who were interviewed by the hiring authority for the open positions of employment in the agency;

(8) the total number of veteran applicants identified in clause (7) who were selected for and offered employment within the open positions of employment in the agency;

(9) the total number of veteran applicants identified in clause (8) who were hired into the open positions of employment in the agency;

(10) the total number of veteran applicants identified in clause (6) who were sent a rejection letter, in accordance with Minnesota Statutes, section 43A.11, subdivision 9; and

(11) any other data or information deemed important by the commissioner of administration and reflecting on the efforts of the subject agency to recruit and hire veterans.

(b) The data must reflect one full fiscal year or one full calendar year, as determined by the commissioner of finance.

(c) The term "veteran" has the meaning given in Minnesota Statutes, section 197.447.

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



Sec. 16. **ALLIED FORCES; ESTIMATE OF ELIGIBILITY.**

By January 15, 2010, the commissioner of veterans affairs shall contact the United States Department of Defense, the United States Department of Veterans Affairs, and other relevant federal agencies as necessary to determine the number and identities of Minnesota residents who, as former residents of Vietnam or Laos, significantly aided or assisted the United States armed forces during the period of the Vietnam War, and, to the extent possible and in observance of federal and state privacy laws and best practices, shall locate an official federal list of those persons. The purpose of this directive is to provide information helpful to the legislature in weighing the feasibility of extending state veterans' benefits to Minnesota residents who have served as allied soldiers during the Vietnam War.

Sec. 17. **INTERAGENCY STAFF.**

For fiscal years 2010 and 2011, the Department of Veterans Affairs may not use funds appropriated in this article directly or indirectly to pay for the services of staff in the Office of the Governor.

ARTICLE 4

MILITARY AFFAIRS

Section 1. **MILITARY APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. "The first year" is fiscal year 2010. "The second year" is fiscal year 2011. "The biennium" is fiscal years 2010 and 2011.

	<b><u>APPROPRIATIONS</u></b>	
	<b><u>Available for the Year</u></b>	
	<b><u>Ending June 30</u></b>	
	<b><u>2010</u></b>	<b><u>2011</u></b>
Sec. 2. <b><u>MILITARY AFFAIRS</u></b>		
Subdivision 1. <b><u>Total Appropriation</u></b>	<b><u>\$22,374,000</u></b>	<b><u>\$19,374,000</u></b>
<u>The amounts that may be spent for each purpose are specified in the following subdivisions.</u>		
Subd. 2. <b><u>Maintenance of Training Facilities</u></b>	<b><u>6,660,000</u></b>	<b><u>6,660,000</u></b>
Subd. 3. <b><u>General Support</u></b>	<b><u>2,366,000</u></b>	<b><u>2,366,000</u></b>
Subd. 4. <b><u>Enlistment Incentives</u></b>	<b><u>13,348,000</u></b>	<b><u>10,348,000</u></b>

If appropriations for either year of the biennium are insufficient, the appropriation from the other year is available. The appropriations for enlistment incentives are available until expended.

Sec. 3. **[192.525] POSTDEPLOYMENT HEALTH ASSESSMENTS.**

The adjutant general must establish a program of postdeployment health and wellness assessments for members of the National Guard who have been called into active military service and deployed outside the state. There must be a health and wellness assessment conducted between six months and one year after the end of a member's deployment. The adjutant general may call on other state agencies, the United States Department of Veterans Affairs, county veteran service officers, and other appropriate resources in administering this program."

Delete the title and insert:

"A bill for an act relating to appropriations; appropriating money for agriculture, the Board of Animal Health, Rural Finance Authority, veterans, and the military; changing certain agricultural and animal health requirements and programs; establishing a program; eliminating a sunset; requiring certain studies and reports; amending Minnesota Statutes 2008, sections 3.737, subdivision 1; 3.7371, subdivision 3; 13.643, by adding a subdivision; 17.03, subdivision 12; 17.115, subdivision 2; 18.75; 18.76; 18.77, subdivisions 1, 3, 5, by adding subdivisions; 18.78, subdivision 1, by adding a subdivision; 18.79; 18.80, subdivision 1; 18.81, subdivision 3, by adding subdivisions; 18.82, subdivisions 1, 3; 18.83; 18.84, subdivisions 1, 2, 3; 18.86; 18.87; 18.88; 18B.01, subdivision 8, by adding subdivisions; 18B.065, subdivisions 1, 2, 2a, 3, 7, by adding subdivisions; 18B.26, subdivisions 1, 3; 18B.31, subdivisions 3, 4; 18B.37, subdivision 1; 18C.415, subdivision 3; 18C.421; 18C.425, subdivisions 4, 6; 18E.03, subdivisions 2, 4; 18E.06; 18H.02, subdivision 12a, by adding subdivisions; 18H.07, subdivisions 2, 3; 18H.09; 18H.10; 28A.085, subdivision 1; 28A.21, subdivision 5; 31.94; 32.394, subdivision 8; 41A.09, subdivisions 2a, 3a; 41B.039, subdivision 2; 41B.04, subdivision 8; 41B.042, subdivision 4; 41B.043, subdivision 1b; 41B.045, subdivision 2; 43A.11, subdivision 7; 97A.045, subdivision 1; 171.06, subdivision 3; 171.07, by adding a subdivision; 171.12, by adding a subdivision; 197.455, subdivision 1; 197.46; 198.003, by adding subdivisions; 239.791, subdivisions 1, 1a; 336.9-601; 343.11; 550.365, subdivision 2; 559.209, subdivision 2; 582.039, subdivision 2; 583.215; 626.8517; Laws 2008, chapter 297, article 2, section 26, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 17; 18; 18B; 31; 41A; 192; 198; repealing Minnesota Statutes 2008, sections 17.49, subdivision 3; 18G.12, subdivision 5; 38.02, subdivisions 3, 4; 41.51; 41.52; 41.53; 41.55; 41.56; 41.57; 41.58, subdivisions 1, 2; 41.59, subdivision 1; 41.60; 41.61, subdivision 1; 41.62; 41.63; 41.65; Minnesota Rules, part 1505.0820."

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

MINORITY REPORT

April 17, 2009

I, the undersigned, being a minority of the Committee on Finance, recommend that H. F. No. 1122 do pass with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

AGRICULTURE

Section 1. **SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

	<u>2010</u>	<u>2011</u>	<u>Total</u>
<u>General</u>	\$46,096,000	\$46,096,000	\$92,192,000
<u>Clean Water</u>	\$3,075,000	\$5,850,000	\$8,925,000
<u>Remediation</u>	\$388,000	\$388,000	\$776,000
<b><u>Total</u></b>	<b><u>\$49,559,000</u></b>	<b><u>\$52,334,000</u></b>	<b><u>\$101,893,000</u></b>

Sec. 2. **AGRICULTURE APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this act. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this act mean that the appropriations listed under them are available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. "The first year" is fiscal year 2010. "The second year" is fiscal year 2011. "The biennium" is fiscal years 2010 and 2011.

	<b><u>APPROPRIATIONS</u></b> <b><u>Available for the Year</u></b> <b><u>Ending June 30</u></b>	
	<b><u>2010</u></b>	<b><u>2011</u></b>
Sec. 3. <b><u>DEPARTMENT OF AGRICULTURE</u></b>	\$42,853,000	\$45,628,000
Subdivision 1. <b><u>Total Appropriation</u></b>	<b><u>\$42,853,000</u></b>	<b><u>\$45,628,000</u></b>

Appropriations by Fund

	<u>2010</u>	<u>2011</u>
<u>General</u>	39,390,000	39,390,000
<u>Remediation</u>	388,000	388,000
<u>Clean Water</u>	3,075,000	5,850,000

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

Subd. 2. <b><u>Protection Services</u></b>	14,503,000	15,778,000
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Appropriations by Fund

<u>General</u>	12,540,000	12,540,000
<u>Remediation</u>	388,000	388,000
<u>Clean Water</u>	1,575,000	2,850,000

\$388,000 the first year and \$388,000 the second year are from the remediation fund for administrative funding for the voluntary cleanup program.

\$325,000 the first year and \$350,000 the second year are from the clean water fund to increase monitoring for pesticides and pesticide degradates in surface water and groundwater and to use data collected to assess pesticide use practices.

\$375,000 the first year and \$750,000 the second year are from the clean water fund to increase drinking water protection from agricultural chemicals, primarily nitrates.

\$875,000 the first year and \$1,750,000 the second year are from the clean water fund for research, pilot projects, and technical assistance related to ways agricultural practices can contribute to restoring impaired waters.

\$75,000 the first year and \$75,000 the second year are for compensation for destroyed or crippled animals under Minnesota Statutes, section 3.737. If the amount in the first year is insufficient, the amount in the second year is available in the first year.

\$75,000 the first year and \$75,000 the second year are for compensation for crop damage under Minnesota Statutes, section 3.7371. If the amount in the first year is insufficient, the amount in the second year is available in the first year.

If the commissioner determines that claims made under Minnesota Statutes, section 3.737 or 3.7371, are unusually high, amounts appropriated for either program may be transferred to the appropriation for the other program.

**Subd. 3. Agricultural Marketing and Development**

6,195,000

7,695,000

Appropriations by Fund

<u>General</u>	<u>4,695,000</u>	<u>4,695,000</u>
<u>Clean Water</u>	<u>1,500,000</u>	<u>3,000,000</u>

\$186,000 the first year and \$186,000 the second year are for transfer to the Minnesota grown account and may be used as grants for Minnesota grown promotion under Minnesota Statutes, section 17.102. Grants may be made for one year. Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered under contract on or before June 30, 2011, for Minnesota grown grants in this paragraph are available until June 30, 2013. \$50,000 of the appropriation in each year is for efforts that identify and promote Minnesota grown products in retail food establishments including but not limited to restaurants, grocery stores, and convenience stores.

\$100,000 the first year and \$100,000 the second year are to provide training and technical assistance to county and town officials relating to livestock siting issues and local zoning and land use planning, including maintenance of the checklist template clarifying the federal, state, and local government requirements for consideration of an animal agriculture modernization or expansion project. For the training and technical assistance program, the commissioner shall continue to seek guidance, advice, and support of livestock producer organizations, general agricultural organizations, local government associations, academic institutions, other government agencies, and others with expertise in land use and agriculture.

\$1,500,000 the first year and \$3,000,000 the second year are from the clean water fund for the agricultural best management practices loan program. At least \$1,450,000 the first year and at least \$2,900,000 the second year is for transfer to the agricultural best management practices loan account created pursuant to Minnesota Statutes, section 17.117, subdivision 5a, and is available for pass-through to local governments and lenders for low-interest loans.

\$100,000 the first year and \$100,000 the second year are for annual cost-share payments to resident farmers or persons who sell, process, or package agricultural products in this state for the costs of organic certification. Annual cost-share payments per farmer must be two-thirds of the cost of the certification or \$350, whichever is less. In any year that a resident farmer or person who sells, processes, or packages agricultural products in this state receives a federal organic certification cost-share payment, that resident farmer or person is not eligible for state cost-share payments. A certified farmer is eligible to receive annual certification cost-share payments for up to five years. \$15,000 each year is for organic market and program development. The commissioner may allocate any excess appropriation in either fiscal year for organic producer education efforts, assistance for persons transitioning from conventional to organic agriculture, or sustainable agriculture demonstration grants authorized under Minnesota Statutes, section 17.166, and pertaining to organic research or demonstration. Any unencumbered balance does not cancel at the end of the first year and is available for the second year.

Subd. 4. **Bioenergy and Value-Added Agriculture**

15,168,000

15,168,000

\$15,168,000 the first year and \$15,168,000 the second year are for ethanol producer payments under Minnesota Statutes, section 41A.09. If the total amount for which all producers are eligible in a quarter exceeds the amount available for payments, the commissioner shall make payments on a pro rata basis. If the appropriation exceeds the total amount for which all producers are eligible in a fiscal year for scheduled payments and for deficiencies

in payments during previous fiscal years, the balance in the appropriation is available to the commissioner to provide financial assistance under the 21st century agricultural reinvestment program in Minnesota Statutes, section 41A.12. The appropriation remains available until spent.

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

6,987,000

6,987,000

\$1,000,000 the first year and \$1,000,000 the second year are for the 21st century agricultural reinvestment program in new Minnesota Statutes, section 41A.12. Priority must be given to livestock programs under Minnesota Statutes, section 17.118. The commissioner may use up to 4-1/2 percent of this appropriation for costs incurred to administer the program.

\$505,000 the first year and \$505,000 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. Of this amount, \$4,000 each year is for 4-H premiums. 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 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.

\$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.

Sec. 4. **BOARD OF ANIMAL HEALTH**

**\$5,156,000**

**\$5,156,000**

\$2,531,000 the first year and \$2,531,000 the second year are for bovine tuberculosis eradication efforts in cattle herds.

\$100,000 the first year and \$100,000 the second year are for a program to control paratuberculosis (Johne's disease) in domestic bovine herds.

\$40,000 the first year and \$40,000 the second year are for a program to investigate the avian pneumovirus disease and to identify the infected flocks. This appropriation must be matched on a dollar-for-dollar or in-kind basis with nonstate sources and is in addition to money currently designated for turkey disease research. Costs of blood sample collection, handling, and transportation, in addition to costs associated with early diagnosis tests and the expenses of vaccine research trials, may be credited to the match.

\$400,000 the first year and \$400,000 the second year are for the purposes of cervidae inspection as authorized in Minnesota Statutes, section 35.155.

Sec. 5. **AGRICULTURAL UTILIZATION RESEARCH INSTITUTE**

**\$1,550,000**

**\$1,550,000**

\$350,000 the first year and \$350,000 the second year are for technical assistance and technology transfer to bioenergy crop producers and users.

Sec. 6. Minnesota Statutes 2008, 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 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 ~~and section 3.7371 up to a total of \$100,000 for both programs combined~~ the amount expressly appropriated for this purpose.

(b) Either the agent or the conservation officer must make a personal inspection of the site. The agent or the conservation officer 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, 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. 7. Minnesota Statutes 2008, section 3.7371, subdivision 3, is amended to read:

Subd. 3. **Compensation.** The crop owner is entitled to the target price or the market price, whichever is greater, of the damaged or destroyed crop plus adjustments for yield loss determined according to agricultural stabilization and conservation service programs for individual farms, adjusted annually, as determined by the commissioner, upon recommendation of the county extension agent for the owner's county. The commissioner, upon recommendation of the agent, shall determine whether the crop damage or destruction is caused by elk and, if so, the amount of the crop that is damaged or destroyed. In any fiscal year, a crop owner may not be compensated for a damaged or destroyed crop that is less than \$100 in value and may be compensated up to \$20,000, as determined under this section, if normal harvest procedures for the area are followed. In any fiscal year, the commissioner may provide compensation for claims filed under this section ~~and section 3.737 up to a total of \$100,000 for both programs combined~~ the amount expressly appropriated for this purpose.



Sec. 8. Minnesota Statutes 2008, section 13.643, is amended by adding a subdivision to read:

**Subd. 7. Research, monitoring, or assessment data.** (a) Except as provided in paragraph (b), the following data created, collected, and maintained by the Department of Agriculture during research, monitoring, or the assessment of farm practices and related to natural resources, the environment, agricultural facilities, or agricultural practices are classified as private or nonpublic:

(1) names, addresses, telephone numbers, and e-mail addresses of study participants or cooperators; and

(2) location of research, study site, and global positioning system data.

(b) The following data is public:

(1) location data and unique well numbers for wells and springs unless protected under section 18B.10 or another statute or rule; and

(2) data from samples collected from a public water supply as defined in Minnesota Rules, part 4720.5100.

(c) The Department of Agriculture may disclose data collected under paragraph (a) if the Department of Agriculture determines that there is a substantive threat to human health and safety or to the environment, or to aid in the law enforcement process. The Department of Agriculture may also disclose data with written consent of the subject of the data.

Sec. 9. Minnesota Statutes 2008, section 17.03, subdivision 12, is amended to read:

**Subd. 12. Contracts; appropriation.** The commissioner may accept money as part of a contract with any public or private entity to provide statutorily prescribed services by the department. A contract must specify the services to be provided by the department and the amount and method of reimbursement. Money generated in a contractual agreement under this section must be deposited in a special revenue fund and is appropriated to the department for purposes of providing services specified in the contracts. Contracts under this section must be processed in accordance with section 16C.05. ~~The commissioner must report revenues collected and expenditures made under this section to the chairs of the Environment and Natural Resources Finance Committee in the house of representatives and the Environment and Agriculture Budget Division in the senate by January 15 of each odd-numbered year.~~

Sec. 10. Minnesota Statutes 2008, section 17.115, subdivision 2, is amended to read:

**Subd. 2. Loan criteria.** (a) The shared savings loan program must provide loans for purchase of new or used machinery and installation of equipment for projects that make environmental improvements ~~or~~ and enhance farm profitability. Eligible loan uses do not include seed, fertilizer, or fuel.

(b) Loans may not exceed ~~\$25,000~~ \$40,000 per individual applying for a loan and may not exceed \$100,000 for loans to four or more individuals on joint projects. The loan repayment period may be up to seven years as determined by project cost and energy savings. The interest rate on the loans must not exceed six percent. ~~For loans made from May 1, 2004, to June 30, 2007, the interest rate must not exceed three percent.~~

(c) Loans may only be made to residents of this state engaged in farming.

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

Sec. 11. **[17.459] HORSES.**

**Subdivision 1. Classification as livestock.** Horses and other equines raised for the purposes of riding, driving, farm or ranch work, competition, racing, recreation, sale, or as breeding stock are livestock. Horses may be used for meat, hides, and animal by-products. Horses and their products are livestock and farm products for purposes of financial transactions and collateral.

Subd. 2. **Agricultural pursuit.** Raising horses and other equines is agricultural production and an agricultural pursuit. Horse breeding farms, horse training farms, horse boarding farms, or farms combining those purposes, are an intensive agricultural use that may be accomplished on limited acreage. These intensive agricultural uses are necessary for horses in order to control the feeding, safety, and overall condition of the animals.

Subd. 3. **Nonapplicability for property tax laws.** This section does not apply to the treatment of land used for raising horses under chapter 273.

Sec. 12. Minnesota Statutes 2008, section 18.75, is amended to read:

**18.75 PURPOSE.**

It is the policy of the legislature that residents of the state be protected from the injurious effects of noxious weeds on public health, the environment, public roads, crops, livestock, and other property. Sections 18.76 to ~~18.88~~ 18.91 contain procedures for controlling and eradicating noxious weeds on all lands within the state.

Sec. 13. Minnesota Statutes 2008, section 18.76, is amended to read:

**18.76 CITATION.**

Sections 18.76 to ~~18.88~~ 18.91 may be cited as the "Minnesota Noxious Weed Law."

Sec. 14. Minnesota Statutes 2008, section 18.77, subdivision 1, is amended to read:

Subdivision 1. **Scope.** The definitions in this section apply to sections 18.76 to ~~18.88~~ 18.91.

Sec. 15. Minnesota Statutes 2008, section 18.77, is amended by adding a subdivision to read:

Subd. 2a. **Certified noxious weed free.** "Certified noxious weed free" means that the material being certified has been inspected, tested, or processed to devitalize or remove the noxious weed propagating parts in order to verify that viable noxious weed propagating parts are not present in the material.

Sec. 16. Minnesota Statutes 2008, section 18.77, is amended by adding a subdivision to read:

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

Sec. 17. Minnesota Statutes 2008, section 18.77, subdivision 3, is amended to read:

Subd. 3. **Control.** "Control" means to destroy all or part of the aboveground growth of noxious weeds by a lawful method that prevents the maturation and spread of noxious weed propagating parts from one area to another.

Sec. 18. Minnesota Statutes 2008, section 18.77, is amended by adding a subdivision to read:

Subd. 3a. **County-designated employee.** "County-designated employee" means a person designated by a county board to oversee the responsibilities in section 18.81, subdivision 1a.

Sec. 19. Minnesota Statutes 2008, section 18.77, subdivision 5, is amended to read:

Subd. 5. **Growing crop.** "Growing crop" means an agricultural, horticultural, or forest crop that has been planted or regularly maintained and intended for harvest. "Growing crop" does not mean a permanent pasture, hay meadow, woodlot, or other noncrop area which contains native or seeded perennial plants used for grazing or hay purposes, and which is not harvested on a regular basis.

Sec. 20. Minnesota Statutes 2008, section 18.77, is amended by adding a subdivision to read:

Subd. 5a. **Inspector.** "Inspector" means the commissioner, agent of the commissioner, county agricultural inspector, local weed inspector, or assistant weed inspector.

Sec. 21. Minnesota Statutes 2008, section 18.77, is amended by adding a subdivision to read:

Subd. 8a. **Noxious weed management plan.** "Noxious weed management plan" means controlling or eradicating noxious weeds in the manner designated in a management plan developed for the area or site where the infestations are found using specific strategies or methods that are to be used singly or in combination to achieve control or eradication.

Sec. 22. Minnesota Statutes 2008, section 18.77, is amended by adding a subdivision to read:

Subd. 13. **Weed management area.** "Weed management area" means a designated area where special or unique noxious weed control or eradication strategies or methods are used according to a specific management plan developed for each management area established.

Sec. 23. Minnesota Statutes 2008, section 18.78, subdivision 1, is amended to read:

Subdivision 1. **Generally.** A person owning land, a person occupying land, or a person responsible for the maintenance of public land shall control or eradicate all noxious weeds on the land at a time and in a manner ordered by ~~the county agricultural inspector or a local weed~~ an inspector or county-designated employee.

Sec. 24. Minnesota Statutes 2008, section 18.78, is amended by adding a subdivision to read:

Subd. 3. **Cooperative weed control agreement.** The commissioner, municipality, or county agricultural inspector or county-designated employee may enter into a cooperative weed control agreement with a landowner or weed management area group to establish a mutually agreed upon noxious weed management plan for up to three years duration, whereby a noxious weed problem will be controlled without additional enforcement action. If a property owner fails to comply with the noxious weed management plan, an individual notice may be served.

Sec. 25. Minnesota Statutes 2008, section 18.79, is amended to read:

#### **18.79 DUTIES OF COMMISSIONER.**

Subdivision 1. **Enforcement.** The commissioner of agriculture shall administer and enforce sections 18.76 to ~~18.88~~ 18.91.

Subd. 2. **Authorized agents.** County agricultural inspectors may administer and enforce sections 18.76 to ~~18.88~~ 18.91. A county-designated employee may enforce sections 18.78, 18.82, 18.83, 18.84, 18.86, and 18.87.

Subd. 3. **Entry upon land.** To administer and enforce sections 18.76 to ~~18.88~~ 18.91, ~~county agricultural inspectors and local weed inspectors~~ an inspector or county-designated employee may enter upon land without consent of the owner and without being subject to an action for trespass or any damages.

Subd. 4. **Rules.** The commissioner may adopt necessary rules under chapter 14 for the proper enforcement of sections 18.76 to ~~18.88~~ 18.91.

Subd. 5. **Order for control or eradication of noxious weeds.** ~~A county agricultural inspector or a local weed~~ An inspector or county-designated employee may order the control or eradication of noxious weeds on any land within the ~~state~~ inspector's or county-designated employee's jurisdiction.

Subd. 6. **Initial Training for control or eradication of noxious weeds.** The commissioner shall conduct initial training considered necessary for ~~weed~~ inspectors and county-designated employees in the enforcement of the Minnesota Noxious Weed Law. The director of the Minnesota Extension Service may conduct educational programs for the general public that will aid compliance with the Minnesota Noxious Weed Law. Upon request, the commissioner may provide information and other technical assistance to the county weed inspector or county-designated employee to aid in the performance of responsibilities specified by the county board under section 18.81, subdivision 1.

Subd. 7. **Meetings and reports.** The commissioner shall designate by rule ~~the reports that are~~ required to be made and ~~the meetings that must be attended by~~ weed inspectors.

Subd. 8. **Prescribed forms.** The commissioner shall prescribe the forms to be used by ~~weed~~ inspectors and county-designated employees in the enforcement of sections 18.76 to ~~18.88~~ 18.91.

Subd. 9. **Injunction.** If the county agricultural inspector or county-designated employee applies to a court for a temporary or permanent injunction restraining a person from violating or continuing to violate sections 18.76 to ~~18.88~~ 18.91, the injunction may be issued without requiring a bond.

Subd. 10. **Prosecution.** On finding that a person has violated sections 18.76 to ~~18.88~~ 18.91, the county agricultural inspector or county-designated employee may start court proceedings in the locality in which the violation occurred. The county attorney may prosecute actions under sections 18.76 to ~~18.88~~ 18.91 within the county attorney's jurisdiction.

Subd. 12. **Noxious-weed-free forage and mulch certification agency.** The official certification agency for noxious-weed-free forage ~~and~~ mulch shall, soil, gravel, and other material must be determined by the commissioner ~~of agriculture~~ in consultation with the director of the Minnesota agricultural experiment station. The commissioner may also certify forage, mulch, soil, gravel, or other material as noxious weed free.

Subd. 13. **Noxious weed designation.** The commissioner, in consultation with the Noxious Weed Advisory Committee, shall determine which plants are noxious weeds subject to control under sections 18.76 to 18.91. The commissioner shall prepare, publish, and revise as necessary, but at least once every three years, a list of noxious weeds and their designated classification. The list must be distributed to the public by the commissioner who may request the help of the University of Minnesota Extension, the county agricultural inspectors, and any other organization the commissioner considers appropriate to assist in the distribution. The commissioner may, in consultation with the Noxious Weed Advisory Committee, accept and consider noxious weed designation petitions from Minnesota citizens or Minnesota organizations or associations.

Subd. 14. **County petition.** A county may petition the commissioner to designate specific noxious weeds which are a control problem in the county.

Subd. 15. **Noxious weed management.** The commissioner, in consultation with the Noxious Weed Advisory Committee, shall develop management strategies and criteria for each noxious weed category.

Subd. 16. **Gifts; grants; contracts; funds.** The commissioner, counties, and municipalities may apply for and accept any gift, grant, contract, or other funds or grants-in-aid from the federal government or other public and private sources for noxious weed control purposes.

Subd. 17. **Noxious weed investigation.** The commissioner shall investigate the subject of noxious weeds and conduct investigations outside this state to protect the interest of the agricultural industry, forests, or the environment of this state from noxious weeds not generally growing in Minnesota.

Subd. 18. **Noxious weed education.** The commissioner shall disseminate information and conduct educational campaigns with respect to control of noxious weeds or invasive plants to enhance regulatory compliance and voluntary efforts to eliminate or manage these plants. The commissioner shall call and attend meetings and conferences dealing with the subject of noxious weeds. The commissioner shall maintain on the department's Web site weed management information including but not limited to the roles and responsibilities of citizens and government entities under sections 18.76 to 18.91 and specific guidance as to whom a person should contact to report a noxious weed issue.

Subd. 19. **State and federal lands.** The commissioner shall inform and direct state and federal agencies regarding their responsibility to manage and control noxious weeds on land that those agencies own, control, or manage.

Subd. 20. **Interagency cooperation.** The commissioner shall cooperate with agencies of federal, state, and local governments and other persons in carrying out duties under sections 18.76 to 18.91.

Subd. 21. **Weed management area.** The commissioner, in consultation with the Noxious Weed Advisory Committee, may establish a weed management area to include a part of one or more counties or all of one or more counties of this state and shall include all the land within the boundaries of the area established. Weed management plans developed for a weed management area must be reviewed and approved by the commissioner and the Noxious Weed Advisory Committee. Weed management areas may seek funding under section 18.90.

Sec. 26. Minnesota Statutes 2008, section 18.80, subdivision 1, is amended to read:

Subdivision 1. **County agricultural inspectors; and county-designated employees.** The county board shall either appoint at least one or more county agricultural inspectors that meet the qualifications prescribed by rule. The appointment must be for a period of time which is sufficient to accomplish the duties assigned to this position inspector to carry out the duties specified under section 18.81, subdivisions 1a and 1b, or a county-designated employee to carry out the duties specified under section 18.81, subdivision 1a. A notice of the appointment of either a county agricultural inspector or county-designated employee must be delivered to the commissioner within ten 30 days of the appointment and it must establish the initial number of hours to be worked annually.

Sec. 27. Minnesota Statutes 2008, section 18.81, is amended by adding a subdivision to read:

Subd. 1a. **Duties; county agricultural inspectors and county-designated employees.** The county agricultural inspector or county-designated employee shall be responsible for:

- (1) the enforcement provisions under sections 18.78, 18.82, 18.83, 18.84, 18.86 and 18.87; and
- (2) providing a point of contact within the county for noxious weed issues.

Sec. 28. Minnesota Statutes 2008, section 18.81, is amended by adding a subdivision to read:

Subd. 1b. **County agricultural inspectors.** In addition to the mandatory duties specified in subdivision 1a, the county board must specify the responsibilities of the county agricultural inspector in the annual work plan. The responsibilities may include:

- (1) to see that sections 18.76 to 18.91 and rules adopted under those sections are carried out within the inspector's jurisdiction;
- (2) to see that sections 21.80 to 21.92 and rules adopted under those sections are carried out within the inspector's jurisdiction;

(3) to see that sections 21.71 to 21.78 and rules adopted under those sections are carried out within the inspector's jurisdiction;

(4) to participate in the control programs for invasive plant species, feed, fertilizer, pesticide, and plant and insect pests when requested, in writing, to do so by the commissioner;

(5) to participate in other agricultural programs under the control of the commissioner when requested, in writing, by the commissioner to do so;

(6) to administer the distribution of funds allocated by the county board to the county agricultural inspector for noxious weed control and eradication within the county;

(7) to submit reports and attend meetings that the commissioner requires;

(8) to publish a general weed notice of the legal duty to control noxious weeds in one or more legal newspapers of general circulation throughout the county; and

(9) to be the primary contact in the county for all plant biological control agents.

Sec. 29. Minnesota Statutes 2008, section 18.81, subdivision 3, is amended to read:

Subd. 3. **Nonperformance by inspectors; reimbursement for expenses.** If local weed inspectors neglect or fail to do their duty as prescribed in this section, the county agricultural inspector ~~shall~~ or county-designated employee, in consultation with the commissioner, may issue a notice to the inspector providing instructions on how and when to do their duty. If, after the time allowed in the notice, the local weed inspector has not complied as directed, the county agricultural inspector or county-designated employee may consult with the commissioner to perform the duty for the local weed inspector. A claim for the expense of doing the local weed inspector's duty is a legal charge against the municipality in which the inspector has jurisdiction. The county agricultural inspector ~~doing~~ or county-designated employee overseeing the work may file an itemized statement of costs with the clerk of the municipality in which the work was performed. The municipality shall immediately issue proper warrants to the county for the work performed. If the municipality fails to issue the warrants, the county auditor may include the amount contained in the itemized statement of costs as part of the next annual tax levy in the municipality and withhold that amount from the municipality in making its next apportionment.

Sec. 30. Minnesota Statutes 2008, section 18.82, subdivision 1, is amended to read:

Subdivision 1. **Permits.** Except as provided in section 21.74, if a person wants to transport along a public highway materials or equipment containing the propagating parts of weeds designated as noxious by the commissioner, the person must secure a written permit for transportation of the material or equipment from ~~a local weed inspector or county agricultural~~ an inspector or county-designated employee. Inspectors or county-designated employees may issue permits to persons residing or operating within their jurisdiction. If the noxious weed propagating parts are removed from materials and equipment or devitalized before being transported, a permit is not needed.

Sec. 31. Minnesota Statutes 2008, section 18.82, subdivision 3, is amended to read:

Subd. 3. **Duration of permit; revocation.** A permit under subdivision 1 is valid for up to one year after the date it is issued unless otherwise specified by the ~~weed inspector or county-designated employee~~ issuing the permit. The permit may be revoked if ~~a county agricultural inspector or local weed~~ an inspector or county-designated employee determines that the applicant has not complied with this section.

Sec. 32. Minnesota Statutes 2008, section 18.83, is amended to read:

**18.83 CONTROL; ERADICATION; NOTICES; EXPENSES.**

Subdivision 1. **General weed notice.** A general notice for noxious weed control or eradication must be published on or before May 15 of each year ~~and at other times the commissioner directs~~. Failure of the county agricultural ~~weed~~ inspector or county-designated employee to publish the general notice does not relieve a person from the necessity of full compliance with sections 18.76 to ~~18.88~~ 18.91 and related rules. The published notice is legal and sufficient notice when an individual notice cannot be served.

Subd. 2. **Individual notice.** ~~A weed~~ An inspector may find it necessary to secure more prompt or definite control or eradication of noxious weeds than is accomplished by the published general notice. In these special or individual instances, involving one or a limited number of persons, the ~~weed~~ inspector or county-designated employee having jurisdiction shall serve individual notices in writing upon the person who owns the land and the person who occupies the land, or the person responsible for or charged with the maintenance of public land, giving specific instructions on when and how named noxious weeds are to be controlled or eradicated. Individual notices provided for in this section must be served in the same manner as a summons in a civil action in the district court or by certified mail. Service on a person living temporarily or permanently outside of the ~~weed~~ inspector's or county-designated employee's jurisdiction may be made by sending the notice by certified mail to the last known address of the person, to be ascertained, if necessary, from the last tax list in the county treasurer's office.

Subd. 3. **Appeal of individual notice; appeal committee.** (1) A recipient of an individual notice may appeal, in writing, the order for control or eradication of noxious weeds. This appeal must be filed with a member of the appeal committee in the county where the land is located within two working days of the time the notice is received. The committee must inspect the land specified in the notice and report back to the recipient and the inspector or county-designated employee who issued the notice within five working days, either agreeing, disagreeing, or revising the order. The decision may be appealed in district court. If the committee agrees or revises the order, the control or eradication specified in the order, as approved or revised by the committee, may be carried out.

(2) The county board ~~of commissioners~~ shall appoint members of the appeal committee. The membership must include a county commissioner or municipal official and a landowner residing in the county. The expenses of the members may be reimbursed by the county upon submission of an itemized statement to the county auditor. At its option, the county board ~~of commissioners~~, by resolution, may delegate the duties of the appeal committee to its board of adjustment established pursuant to section 394.27. When carrying out the duties of the appeal committee, the zoning board of adjustment shall comply with all of the procedural requirements of this section.

Subd. 4. **Control or eradication by inspector or county-designated employee.** If a person does not comply with an individual notice served on the person or an individual notice cannot be served, the ~~weed~~ inspector or county-designated employee having jurisdiction shall have the noxious weeds controlled or eradicated within the time and in the manner the ~~weed~~ inspector or county-designated employee designates.

Subd. 5. **Control or eradication by inspector or county-designated employee in growing crop.** ~~A weed~~ An inspector or county-designated employee may consider it necessary to control or eradicate noxious weeds along with all or a part of a growing crop to prevent the maturation and spread of noxious weeds within the inspector's or county-designated employee's jurisdiction. If this situation exists, the ~~weed~~ inspector or county-designated employee may have the noxious weeds controlled or eradicated together with the crop after the appeal committee has reviewed the matter as outlined in subdivision 3 and reported back agreement with the order.

Subd. 6. **Authorization for person hired to enter upon land.** The ~~weed~~ inspector or county-designated employee may hire a person to control or eradicate noxious weeds if the person who owns the land, the person who occupies the land, or the person responsible for the maintenance of public land has failed to comply with an individual notice or with the published general notice when an individual notice cannot be served. The person hired must have authorization, in writing, from the ~~weed~~ inspector or county-designated employee to enter upon the land.

Subd. 7. **Expenses; reimbursements.** A claim for the expense of controlling or eradicating noxious weeds, which may include the costs of serving notices, is a legal charge against the county in which the land is located. The officers having the work done must file with the county auditor a verified and itemized statement of cost for all services rendered on each separate tract or lot of land. The county auditor shall immediately issue proper warrants to the persons named on the statement as having rendered services. To reimburse the county for its expenditure in this regard, the county auditor shall certify the total amount due and, unless an appeal is made in accordance with section 18.84, enter it on the tax roll as a tax upon the land and it must be collected as other real estate taxes are collected.

If public land is involved, the amount due must be paid from funds provided for maintenance of the land or from the general revenue or operating fund of the agency responsible for the land. Each claim for control or eradication of noxious weeds on public lands must first be approved by the commissioner of agriculture.

Sec. 33. Minnesota Statutes 2008, section 18.84, subdivision 1, is amended to read:

Subdivision 1. **Counties and municipalities.** Counties and municipalities are not liable for damages from the noxious weed control program for actions conducted in accordance with sections 18.76 to ~~18.88~~ 18.91.

Sec. 34. Minnesota Statutes 2008, section 18.84, subdivision 2, is amended to read:

Subd. 2. **Appeal of charges to county board.** A person who is ordered to control noxious weeds under sections 18.76 to ~~18.88~~ 18.91 and is charged for noxious weed control may appeal the cost of noxious weed control to the county board of the county where the noxious weed control measures were undertaken within 30 days after being charged. The county board shall determine the amount and approve the charge and filing of a lien against the property if it determines that the owner, or occupant if other than the owner, responsible for controlling noxious weeds did not comply with the order of the inspector or county-designated employee.

Sec. 35. Minnesota Statutes 2008, section 18.84, subdivision 3, is amended to read:

Subd. 3. **Court Appeal of costs to district court; petition.** (a) ~~A landowner who has appealed~~ person who is ordered to control noxious weeds under sections 18.76 to 18.91 and is charged for the cost of noxious weed control measures under subdivision 2 may petition for judicial review of the charges. The petition must be filed within 30 days after ~~the conclusion of the hearing before the county board~~ being charged. The petition must be filed with the court administrator in the county in which the land where the noxious weed control measures were undertaken is located, together with proof of service of a copy of the petition on the county auditor. No responsive pleadings may be required of the county, and no court fees may be charged for the appearance of the county in this matter.

(b) The petition must be captioned in the name of the person making the petition as petitioner and respective county as respondents. The petition must include the petitioner's name, the legal description of the land involved, a copy of the notice to control noxious weeds, and the date or dates on which appealed control measures were undertaken.

(c) The petition must state with specificity the grounds upon which the petitioner seeks to avoid the imposition of a lien for the cost of noxious weed control measures.

Sec. 36. Minnesota Statutes 2008, section 18.86, is amended to read:

#### **18.86 UNLAWFUL ACTS.**

No person may:

(1) hinder or obstruct in any way ~~the county agricultural inspectors or local weed inspectors~~ an inspector or county-designated employee in the performance of ~~their duties as provided in~~ under sections 18.76 to ~~18.88~~ 18.91 or related rules;



(2) neglect, fail, or refuse to comply with section 18.82 or related rules in the transportation and use of material or equipment infested with noxious weed propagating parts;

(3) sell material containing noxious weed propagating parts to a person who does not have a permit to transport that material or to a person who does not have a screenings permit issued in accordance with section 21.74; or

(4) neglect, fail, or refuse to comply with a general notice or an individual notice to control or eradicate noxious weeds.

Sec. 37. Minnesota Statutes 2008, section 18.87, is amended to read:

**18.87 PENALTY.**

A violation of section 18.86 or a rule adopted under that section is a misdemeanor. ~~County agricultural inspectors, local weed~~ Inspectors, or county-designated employees, or their appointed assistants are not subject to the penalties of this section for failure, neglect, or refusal to perform duties imposed on them by sections 18.76 to ~~18.88~~ 18.91.

Sec. 38. Minnesota Statutes 2008, section 18.88, is amended to read:

**18.88 NOXIOUS WEED PROGRAM FUNDING.**

Subdivision 1. **County.** The county board shall pay, from the general revenue or other fund for the county, the expenses for the county agricultural inspector position or county-designated employee, for noxious weed control or eradication on all land owned by the county or on land ~~that for which~~ the county is responsible for the its maintenance ~~of, and for the expenses of the appeal committee, and for necessary expenses as required for~~ quarantines within the county. Use of funding from grants and other sources for the administration and enforcement of the Minnesota Noxious Weed Law must be approved by the county board.

Subd. 2. **Municipality.** The municipality shall pay, from the general revenue or other fund for the municipality, the necessary expenses of the local weed inspector in the performance of duties required ~~for quarantines within the municipality, and~~ for noxious weed control or eradication on land owned by the municipality or on land for which the municipality is responsible for its maintenance. Use of funding from grants and other sources for the administration and enforcement of the Minnesota Noxious Weed Law must be approved by the town board or city mayor.

Subd. 3. **Funding.** Funding in the form of grants or cost sharing may be provided to the counties for the performance of their activities under section 18.81, subdivision 1.

Sec. 39. **[18.89] NOXIOUS WEED AND INVASIVE PLANT SPECIES ASSISTANCE FUND.**

The noxious weed and invasive plant species assistance fund is created in the state treasury. The fund may be used to carry out the purposes of section 18.90. Any money appropriated to the fund and any money received by the fund as gifts or grants or other private or public funds obtained for the purposes in section 18.91 must be credited to the fund. The money in the account is continuously appropriated to the commissioner to implement section 18.90.

Sec. 40. **[18.90] GRANT PROGRAM.**

(a) From funds available in the noxious weed and invasive plant species assistance fund established in section 18.89, the commissioner shall administer a grant program to assist counties and municipalities and other weed management entities in the cost of implementing and maintaining noxious weed control programs and in addressing

special weed control problems. The commissioner shall receive applications by counties, municipalities, weed management areas, and weed management entities for assistance under this section and, in consultation with the Noxious Weed Advisory Committee, award grants for any of the following eligible purposes:

(1) to conduct applied research to solve locally significant weed management problems;

(2) to demonstrate innovative control methods or land management practices which have the potential to reduce landowner costs to control noxious weeds or improve the effectiveness of noxious weed control;

(3) to encourage the ongoing support of weed management areas;

(4) to respond to introductions or infestations of invasive plants that threaten or potentially threaten the productivity of cropland and rangeland over a wide area;

(5) to respond to introductions or infestations of invasive plant species that threaten or potentially threaten the productivity of biodiversity of wildlife and fishery habitats on public and private lands;

(6) to respond to special weed control problems involving weeds not included in the list of noxious weeds published and distributed by the commissioner;

(7) to conduct monitoring or surveillance activities to detect, map, or determine the distribution of invasive plant species and to determine susceptible locations for the introduction or spread of invasive plant species; and

(8) to conduct educational activities.

(b) The commissioner shall select and prioritize applications for assistance under this section based on the following considerations:

(1) the seriousness of the noxious weed or invasive plant problem or potential problem addressed by the project;

(2) the ability of the project to provide timely intervention to save current and future costs of control and eradication;

(3) the likelihood that the project will prevent or resolve the problem or increase knowledge about resolving similar problems in the future;

(4) the extent to which the project will leverage federal funds and other nonstate funds;

(5) the extent to which the applicant has made progress in addressing noxious weed or invasive plant problems;

(6) the extent to which the project will provide a comprehensive approach to the control or eradication of noxious weeds;

(7) the extent to which the project will reduce the total population or area of infestation of a noxious weed;

(8) the extent to which the project uses the principles of integrated vegetation management and sound science; and

(9) other factors that the commissioner determines to be relevant.

(c) Nothing in this section may be construed to relieve a person of the duty or responsibility to control the spread of noxious weeds on lands owned and controlled by the person.

Sec. 41. **[18.91] ADVISORY COMMITTEE; MEMBERSHIP.**

Subdivision 1. **Duties.** The commissioner shall consult with the Noxious Weed Advisory Committee to advise the commissioner concerning responsibilities under the noxious weed control program. The committee shall also evaluate species for invasiveness, difficulty of control, cost of control, benefits, and amount of injury caused by them. For each species evaluated, the committee shall recommend to the commissioner on which noxious weed list or lists, if any, the species should be placed. Species currently designated as prohibited or restricted noxious weeds must be reevaluated every three years for a recommendation on whether or not they need to remain on the noxious weed lists. Members of the committee are not entitled to reimbursement of expenses nor payment of per diem. Members shall serve two-year terms with subsequent reappointment by the commissioner.

Subd. 2. **Membership.** The commissioner shall appoint members, which shall include representatives from the following:

- (1) horticultural science, agronomy, and forestry at the University of Minnesota;
- (2) the nursery and landscape industry in Minnesota;
- (3) the seed industry in Minnesota;
- (4) the Department of Agriculture;
- (5) the Department of Natural Resources;
- (6) a conservation organization;
- (7) an environmental organization;
- (8) at least two farm organizations;
- (9) the county agricultural inspectors;
- (10) city, township, and county governments;
- (11) the Department of Transportation;
- (12) the University of Minnesota Extension;
- (13) the timber and forestry industry in Minnesota;
- (14) the Board of Water and Soil Resources; and
- (15) soil and water conservation districts.

Subd. 3. **Additional duties.** The committee shall conduct evaluations of terrestrial plant species to recommend if they need to be designated as noxious weeds and into which noxious weed classification they should be designated, advise the commissioner on the implementation of the Minnesota Noxious Weed Law, and assist the commissioner in the development of management criteria for each noxious weed category.

Subd. 4. **Organization.** The committee shall select a chair from its membership. Meetings of the committee may be called by or at the direction of the commissioner or upon direction of the chair.

Subd. 5. **Expiration.** Notwithstanding section 15.059, subdivision 5, the committee expires June 30, 2013.

Sec. 42. Minnesota Statutes 2008, section 18B.01, is amended by adding a subdivision to read:

Subd. 1a. **Agricultural pesticide.** "Agricultural pesticide" means a pesticide that bears labeling that meets federal worker protection agricultural use requirements as provided by Code of Federal Regulations, title 40, parts 156 and 170 (2008).

Sec. 43. Minnesota Statutes 2008, section 18B.01, is amended by adding a subdivision to read:

Subd. 1b. **Agricultural pesticide dealer.** "Agricultural pesticide dealer" means a person who distributes an agricultural pesticide in the state or into the state to an end user. This action would commonly be described as a retail sale.

Sec. 44. Minnesota Statutes 2008, section 18B.01, subdivision 8, is amended to read:

Subd. 8. **Distribute.** "Distribute" means offer for sale, sell, barter, ship, deliver for shipment, receive and deliver, and offer to deliver pesticides in this state or into this state.

Sec. 45. Minnesota Statutes 2008, section 18B.01, is amended by adding a subdivision to read:

Subd. 14b. **Nonagricultural pesticide.** "Nonagricultural pesticide" means a pesticide that does not bear labeling that meets federal worker protection agricultural use requirements as provided by Code of Federal Regulation, title 40, parts 156 and 170 (2008).

Sec. 46. Minnesota Statutes 2008, section 18B.065, subdivision 1, is amended to read:

Subdivision 1. **Collection and disposal.** The commissioner of agriculture shall establish and operate a program to collect and dispose of waste pesticides. The program must be made available to agricultural and ~~residential~~ nonagricultural pesticide end users whose waste generating activity occurs in this state. Waste pesticide generated in another state is not eligible for collection under this section.

Sec. 47. Minnesota Statutes 2008, section 18B.065, subdivision 2, is amended to read:

Subd. 2. **Implementation.** (a) The commissioner may obtain a United States Environmental Protection Agency hazardous waste identification number to manage the waste pesticides collected.

(b) The commissioner may ~~not~~ limit the type and quantity of waste pesticides accepted for collection and may ~~not~~ assess pesticide end users for portions of the costs incurred.

Sec. 48. Minnesota Statutes 2008, section 18B.065, subdivision 2a, is amended to read:

Subd. 2a. **Disposal site requirement.** (a) For agricultural waste pesticides, the commissioner must designate a place in each county of the state that is available at least every other year for persons to dispose of unused portions of agricultural pesticides. The commissioner shall consult with the person responsible for solid waste management and disposal in each county to determine an appropriate location and to advertise each collection event. The commissioner may provide a collection opportunity in a county more frequently if the commissioner determines that a collection is warranted.

(b) For ~~residential nonagricultural~~ waste pesticides, the commissioner must provide ~~periodic~~ a disposal ~~opportunities~~ opportunity each year in each county.

(c) As provided under subdivision 7, the commissioner may enter into cooperative agreements with ~~county or regional solid waste management entities~~ local units of government to provide ~~these~~ the collections required under paragraph (a) or (b) and shall provide these entities a local unit of government, as part of the cooperative agreement, with funding for reasonable costs incurred including, but not limited to, related supplies, transportation, advertising, and disposal costs as well as reasonable overhead costs.

~~(e)~~ (d) A person who collects waste pesticide under ~~paragraph (a) or (b)~~ this section shall, on a form provided or in a method approved by the commissioner, record information on each waste pesticide product collected including, but not limited to, the quantity collected and either the product name, and its active ingredient or ingredients, quantity, and or the United States Environmental Protection Agency registration number, on a form provided by the commissioner. The person must submit this information to the commissioner at least annually by January 30.

Sec. 49. Minnesota Statutes 2008, section 18B.065, subdivision 3, is amended to read:

Subd. 3. **Information and; education; report.** (a) The commissioner shall provide informational and educational materials regarding waste pesticides and the proper management of waste pesticides to the public.

(b) No later than March 15 each year, the commissioner must report the following to the legislative committees with jurisdiction over agriculture finance:

(1) each instance of a refusal to collect waste pesticide or the assessment of a fee, in addition to the \$350 minimum fee, to a pesticide end user as authorized in subdivision 2, paragraph (b); and

(2) waste pesticide collection information including a discussion of the type and quantity of waste pesticide collected by the commissioner and any entity collecting waste pesticide under subdivision 7 during the previous calendar year, a summary of waste pesticide collection trends, and any corresponding program recommendations.

Sec. 50. Minnesota Statutes 2008, section 18B.065, subdivision 7, is amended to read:

Subd. 7. **Cooperative agreements.** (a) The commissioner may enter into cooperative agreements with state agencies and local units of government for administration of the waste pesticide collection program. The commissioner shall ensure that the program is carried out in all counties. If the commissioner cannot contract with another party to administer the program in a county, the commissioner shall perform collections according to the provisions of this section.

(b) The commissioner, according to the terms of a cooperative agreement between the commissioner and a local unit of government, may establish limits for unusual types or excessive quantities of waste pesticide offered by pesticide end users to the local unit of government.

Sec. 51. Minnesota Statutes 2008, section 18B.065, is amended by adding a subdivision to read:

Subd. 8. **Waste pesticide program surcharge.** The commissioner shall annually collect a waste pesticide program surcharge of \$50 on each pesticide product registered in the state as part of a pesticide product registration application under section 18B.26, subdivision 3.

Sec. 52. Minnesota Statutes 2008, section 18B.065, is amended by adding a subdivision to read:

Subd. 9. **Waste pesticide cooperative agreement account.** (a) A waste pesticide cooperative agreement account is created in the agricultural fund. Notwithstanding section 18B.05, the proceeds of surcharges imposed under subdivision 8 must be deposited in the agricultural fund and credited to the waste pesticide cooperative agreement account.

(b) Money in the waste pesticide cooperative agreement account, including interest, is appropriated to the commissioner and may only be used for costs incurred under a cooperative agreement pursuant to this section.

(c) Notwithstanding paragraph (b), if the amount available in the waste pesticide cooperative agreement account in any fiscal year exceeds the amount obligated to local units of government under subdivision 7, the excess is appropriated to the commissioner to perform waste pesticide collections under this section.

Sec. 53. Minnesota Statutes 2008, section 18B.26, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** (a) Except as provided in paragraphs (b) to (d), a person may not use or distribute a pesticide in this state unless it is registered with the commissioner. Pesticide registrations expire on December 31 of each year and may be renewed on or before that date for the following calendar year.

(b) Registration is not required if a pesticide is shipped from one plant or warehouse to another plant or warehouse operated by the same person and used solely at the plant or warehouse as an ingredient in the formulation of a pesticide that is registered under this chapter.

(c) An unregistered pesticide that was previously registered with the commissioner may be used for a period of two years following the cancellation of the registration of the pesticide, unless the commissioner determines that the continued use of the pesticide would cause unreasonable adverse effects on the environment, or with the written permission of the commissioner. To use the unregistered pesticide at any time after the two-year period, the pesticide end user must demonstrate to the satisfaction of the commissioner, if requested, that the pesticide has been continuously registered under a different brand name or by a different manufacturer and has similar composition, or, the pesticide end user obtains the written permission of the commissioner.

(d) The commissioner may allow specific pesticide products that are not registered with the commissioner to be distributed in this state for use in another state.

(e) Each pesticide with a unique United States Environmental Protection Agency pesticide registration number or a unique brand name must be registered with the commissioner.

(f) It is unlawful for a person to distribute or use a pesticide in the state, or to sell into the state for use in the state, any pesticide product that has not been registered by the commissioner and for which the applicable pesticide registration application fee, gross sales fee, or waste pesticide program surcharge is not paid pursuant to subdivisions 3 and 4.

(g) Every person who sells for use in the state a pesticide product that has been registered by the commissioner shall pay to the commissioner the applicable registration application fees, sales fees, and waste pesticide program surcharges. These sales expressly include all sales made electronically, telephonically, or by any other means that result in a pesticide product being shipped to or used in the state. There is a rebuttable presumption that pesticide products that are sold or distributed in or into the state by any person are sold or distributed for use in the state.

Sec. 54. Minnesota Statutes 2008, section 18B.26, subdivision 3, is amended to read:

Subd. 3. **Registration application and gross sales fee.** (a) For an agricultural pesticide, a registrant shall pay an annual registration application fee for each agricultural pesticide to be registered, and this fee is set at 0.4 percent of annual gross sales within the state and annual gross sales of pesticides used in the state, with a minimum nonrefundable fee of \$250 \$350. The fee is due by December 31 preceding the year for which the application for registration is made. The fee is nonrefundable.

~~The registrant shall determine when and which pesticides are sold or used in this state.~~ (b) For a nonagricultural pesticide, a registrant shall pay a minimum annual registration application fee for each nonagricultural pesticide of \$350. The fee is due by December 31 preceding the year for which the application for registration is made. The fee is nonrefundable. The registrant of a nonagricultural pesticide shall pay, in addition to the \$350 minimum fee, a fee of 0.5 percent of annual gross sales of the nonagricultural pesticide in the state and the annual gross sales of the nonagricultural pesticide sold into the state for use in this state. The commissioner may not assess a fee under this paragraph if the amount due based on percent of annual gross sales is less than \$10. The registrant shall secure sufficient sales information of nonagricultural pesticides distributed into this state from distributors and dealers, regardless of distributor location, to make a determination. Sales of nonagricultural pesticides in this state and sales of nonagricultural pesticides for use in this state by out-of-state distributors are not exempt and must be included in the registrant's annual report, as required under paragraph (e) (g), and fees shall be paid by the registrant based upon those reported sales. Sales of nonagricultural pesticides in the state for use outside of the state are exempt from the application gross sales fee in this paragraph if the registrant properly documents the sale location and distributors. A registrant paying more than the minimum fee shall pay the balance due by March 1 based on the gross sales of the nonagricultural pesticide by the registrant for the preceding calendar year. The fee for disinfectants and sanitizers shall be the minimum. The minimum fee is due by December 31 preceding the year for which the application for registration is made. In each fiscal year, the commissioner shall allocate from the pesticide regulatory account a sum sufficient to collect and dispose of waste pesticides under section 18B.065. However, notwithstanding section 18B.065, if the commissioner determines that the balance in the pesticide regulatory account at the end of the fiscal year will be less than \$500,000, the commissioner may suspend waste pesticide collections or provide partial payment to a person for waste pesticide collection. The commissioner must notify as soon as possible and no later than August 1 a person under contract to collect waste pesticides of an anticipated suspension or payment reduction. A pesticide determined by the commissioner to be a sanitizer or disinfectant is exempt from the gross sales fee.

(c) For agricultural pesticides, a licensed agricultural pesticide dealer shall pay a gross sales fee of 0.55 percent of annual gross sales of the agricultural pesticide in the state and the annual gross sales of the agricultural pesticide sold into the state for use in this state.

(d) In those cases where a registrant first sells an agricultural pesticide in or into the state to a pesticide end user, the registrant must first obtain an agricultural pesticide dealer license and is responsible for payment of the annual gross sales fee under paragraph (c), record keeping under paragraph (i), and all other requirements of section 18B.316.

(e) If the total annual revenue from fees collected by the commissioner on the registration and sale of pesticides is less than \$6,600,000 for revenue collected in fiscal year 2011, 2012, or 2013, the commissioner may increase pesticide sales and product registration fees by the amount necessary to ensure this level of revenue is achieved.

~~(b)~~ (f) An additional fee of \$100 50 percent of the registration application fee must be paid by the applicant for each pesticide to be registered if the application is a renewal application that is submitted after December 31.

~~(e)~~ (g) A registrant must annually report to the commissioner the amount and type and annual gross sales of each registered nonagricultural pesticide sold, offered for sale, or otherwise distributed in the state. The report shall be filed by March 1 for the previous year's registration. The commissioner shall specify the form of the report or approve the method for submittal of the report and may require additional information deemed necessary to determine the amount and type of pesticides nonagricultural pesticide annually distributed in the state. The information required shall include the brand name, United States Environmental Protection Agency registration number and amount, and formulation of each nonagricultural pesticide sold, offered for sale, or otherwise distributed in the state, but the information collected, if made public, shall be reported in a manner which does not identify a specific brand name in the report.

(h) A licensed agricultural pesticide dealer must annually report to the commissioner the amount, type, and annual gross sales of each registered agricultural pesticide sold, offered for sale, or otherwise distributed in the state or into the state for use in the state. The report must be filed by January 31 for the previous year's sales. The commissioner shall specify the form, contents, and approved electronic method for submittal of the report and may require additional information deemed necessary to determine the amount and type of agricultural pesticide annually distributed within the state or into the state. The information required must include the brand name, United States Environmental Protection Agency registration number, and amount of each agricultural pesticide sold, offered for sale, or otherwise distributed in the state or into the state.

(i) A person who registers a pesticide with the commissioner under paragraph (b), or a registrant under paragraph (d), shall keep accurate records for five years detailing all distribution or sales transactions into the state or in the state and subject to a fee and surcharge under this section.

(j) The records are subject to inspection, copying, and audit by the commissioner and must clearly demonstrate proof of payment of all applicable fees and surcharges for each registered pesticide product sold for use in this state. A person who is located outside of this state must maintain and make available records required by this subdivision in this state or pay all costs incurred by the commissioner in the inspecting, copying, or auditing of the records.

(k) The commissioner may adopt by rule regulations that require persons subject to audit under this section to provide information determined by the commissioner to be necessary to enable the commissioner to perform the audit.

~~(l)~~ (1) A registrant who is required to pay more than the minimum fee for any pesticide under paragraph ~~(a)~~ (b) must pay a late fee penalty of \$100 for each pesticide application fee paid after March 1 in the year for which the license is to be issued.

**EFFECTIVE DATE.** This section is effective July 1, 2009. However:

(1) the provisions of Minnesota Statutes 2008, section 18B.26, subdivision 3, remain in effect until December 31, 2010, for the registrants of pesticide products sold within the state or used in the state during calendar year 2009; and

(2) the commissioner of agriculture may not implement paragraph (c), (d), (e), (f), (g), (h), (i), (j), (k), or (l) until January 1, 2010.

Sec. 55. Minnesota Statutes 2008, section 18B.31, subdivision 3, is amended to read:

Subd. 3. **License.** A pesticide dealer license:

(1) is issued by the commissioner upon receipt and review of a complete initial or renewal application;

(2) is valid for one year and expires on ~~December~~ January 31 of each year unless it is suspended or revoked before that date;

~~(2)~~ (3) is not transferable to another location; and

~~(3)~~ (4) must be prominently displayed to the public in the pesticide dealer's place of business.

Sec. 56. Minnesota Statutes 2008, section 18B.31, subdivision 4, is amended to read:

Subd. 4. **Application.** (a) A person must apply to the commissioner for a pesticide dealer license on the forms and in the manner required by the commissioner.



(b) The commissioner may require an additional demonstration of dealer qualification if the dealer has had a license suspended or revoked, or has otherwise had a history of violations of this chapter.

(c) An application for renewal of a pesticide dealer license is not complete until the commissioner receives the report and applicable fees required under section 18B.316, subdivision 8.

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

Sec. 57. **[18B.316] AGRICULTURAL PESTICIDE DEALER LICENSE AND REPORTING.**

Subdivision 1. **Requirement.** (a) A person must not distribute or sell an agricultural pesticide in the state or into the state without first obtaining an agricultural pesticide dealer license.

(b) Each location or place of business from which an agricultural pesticide is distributed or sold in the state or into the state is required to have a separate agricultural pesticide dealer license.

(c) A person who is a licensed pesticide dealer under section 18B.31 is not required to also be licensed under this subdivision.

Subd. 2. **Exemption.** A person who is a pesticide registrant under provisions of this chapter is exempt from the requirement of subdivision 1, except in those cases where a registrant first sells an agricultural pesticide in or into the state to a pesticide end user, the registrant must first obtain an agricultural pesticide dealer license.

Subd. 3. **Resident agent.** (a) A person required to be licensed under subdivisions 1 and 2, or a person licensed as a pesticide dealer pursuant to section 18B.31 and who operates from a location or place of business outside the state and who distributes or sells an agricultural pesticide into the state, must continuously maintain in this state the following:

(1) a registered office; and

(2) a registered agent, who may be either a resident of this state whose business office or residence is identical with the registered office under clause (1), a domestic corporation or limited liability company, or a foreign corporation of limited liability company authorized to transact business in this state and having a business office identical with the registered office.

A person licensed under this section or section 18B.31 shall annually file with the commissioner, either at the time of initial licensing or as part of license renewal, the name, address, telephone number, and e-mail address of the licensee's registered agent.

For licensees under section 18B.31 who are located in the state, the licensee is the registered agent.

Subd. 4. **Responsibility.** The resident agent is responsible for the acts of a licensed agricultural pesticide dealer, or of a licensed pesticide dealer under section 18B.31 who operates from a location or place of business outside the state and who distributes or sells an agricultural pesticide into the state, as well as the acts of the employees of those licensees.

Subd. 5. **Records.** A person licensed as an agricultural pesticide dealer, or a person licensed as a pesticide dealer pursuant to section 18B.31, must maintain for five years at the person's principal place of business accurate records of purchases, sales, and distributions of agricultural pesticides in and into this state, including those of its branch locations. The records shall be made available for audit under provisions of this chapter and chapter 18D.

Subd. 6. **Agricultural pesticide sales invoices.** Sales invoices for agricultural pesticides sold in or into this state by a licensed agricultural pesticide dealer or a pesticide dealer under this section must show the percent of gross sales fee rate assessed and the gross sales fee paid under section 18B.26, subdivision 3, paragraph (c). Only the person who actually will pay the gross sales fee may show the rate or the amount of the fee as a line item on the sales invoice.

Subd. 7. **License.** An agricultural pesticide dealer license:

(1) is issued by the commissioner upon receipt and review of a complete initial or renewal application;

(2) is valid for one year and expires on January 31 of each year;

(3) is not transferable from one location or place of business to another location or place of business; and

(4) must be prominently displayed to the public in the agricultural pesticide dealer's place of business and in the registered office of the resident agent.

Subd. 8. **Report of sales and payment to the commissioner.** A person who is an agricultural pesticide dealer, or is a licensed pesticide dealer under section 18B.31, who distributes or sells an agricultural pesticide in or into the state, and a pesticide registrant pursuant to section 18B.26, subdivision 3, paragraph (d), shall no later than January 31 of each year report and pay applicable fees on annual gross sales of agricultural pesticides to the commissioner pursuant to requirements under section 18B.26, subdivision 3, paragraphs (c) and (h).

Subd. 9. **Application.** (a) A person must apply to the commissioner for an agricultural pesticide dealer license on forms and in a manner approved by the commissioner.

(b) The applicant must be the person in charge of each location or place of business from which agricultural pesticides are distributed or sold in or into the state.

(c) The commissioner may require that the applicant provide information regarding the applicant's proposed operations and other information considered pertinent by the commissioner.

(d) The commissioner may require additional demonstration of licensee qualification if the licensee has had a license suspended or revoked, or has otherwise had a history of violations in another state or violations of this chapter.

(e) A licensed agricultural pesticide dealer who changes the dealer's address or place of business must immediately notify the commissioner of the change.

(f) An application for renewal of an agricultural pesticide dealer license is complete only when a report and any applicable payment of fees under subdivision 8 are received by the commissioner.

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, an additional fee of 50 percent of the application fee must be paid by the applicant before the commissioner may issue the license.

**EFFECTIVE DATE.** This section is effective July 1, 2009. However, the commissioner of agriculture may not implement subdivision 9, paragraph (f), until January 1, 2011.

Sec. 58. **18B.346 PESTICIDE APPLICATION ON RAILROAD PROPERTY.**

Subdivision 1. **Applicability.** This section applies only to common carrier railroads.

Subd. 2. **Safety information.** (a) In coordination with common carrier railroad companies operating in this state, the commissioner shall provide annual pesticide safety outreach opportunities for railroad employees.

(b) A common carrier railroad that operates in this state must provide annual employee pesticide safety training opportunities.

Subd. 3. **Pesticide applications.** (a) A person may not directly apply a restricted use pesticide to occupied or unoccupied locomotives, track repair equipment, or on-track housing units unless the pesticide is specifically labeled for that use.

(b) Employees of common carrier railroads must not be required to work in affected areas in a manner that is inconsistent with the pesticide label.

Subd. 4. **Misuse reporting.** A common carrier railroad or a commercial applicator hired by the common carrier railroad to apply pesticide must report to the commissioner within four hours, or as soon as practicable, any pesticide misuse known to the railroad company or commercial applicator that occurred on railroad property or to other property under the control of the railroad company. For the purposes of this section, "misuse" means a pesticide application that violates subdivision 3 or any provision in section 18B.07.

Sec. 59. Minnesota Statutes 2008, section 18B.37, subdivision 1, is amended to read:

Subdivision 1. **Pesticide dealer.** (a) A pesticide dealer must maintain records of all sales of restricted use pesticides as required by the commissioner. Records must be kept at the time of sale on forms supplied by the commissioner or on the pesticide dealer's forms if they are approved by the commissioner.

(b) Records must be submitted annually with the renewal application for a pesticide dealer license or upon request of the commissioner.

(c) Copies of records required under this subdivision must be maintained by the pesticide dealer for a period of five years after the date of the pesticide sale.

Sec. 60. Minnesota Statutes 2008, section 18C.415, subdivision 3, is amended to read:

Subd. 3. **Effective period.** ~~Other~~ Licenses are for the period from January 1 to the following December 31 and must be renewed annually by the licensee before January 1. A license is not transferable from one person to another, from the ownership to whom issued to another ownership, or from one location to another location.

Sec. 61. Minnesota Statutes 2008, section 18C.421, is amended to read:

**18C.421 DISTRIBUTOR'S TONNAGE REPORT.**

Subdivision 1. ~~Semiannual statement~~ **Annual tonnage report.** (a) Each licensed distributor of fertilizer and each registrant of a specialty fertilizer, soil amendment, or plant amendment must file a semiannual statement for the periods ending December 31 and June 30 with the commissioner on forms furnished by the commissioner stating the number of net tons and grade of each raw fertilizer material distributed or the number of net tons of each brand or grade of fertilizer, soil amendment, or plant amendment registrant under section 18C.411 and licensee under section 18C.415 shall file an annual tonnage report for the previous year ending June 30 with the commissioner, on forms

provided or approved by the commissioner, stating the number of net tons of each brand or grade of fertilizer, soil amendment, or plant amendment distributed in this state or the number of net tons and grade of each raw fertilizer material distributed in this state during the reporting period.

~~(b) A tonnage reports are report~~ is not required to be ~~filed with~~ submitted and an inspection fee under section 18C.425, subdivision 6, is not required to be paid to the commissioner ~~from licensees by a licensee who distributes~~ distributes fertilizer solely by custom application.

~~(c) A report from a licensee who sells to an ultimate consumer must be accompanied by records or invoice copies indicating the name of the distributor who paid the inspection fee, the net tons received, and the grade or brand name of the products received.~~

~~(d)~~ (c) The annual tonnage report is due must be submitted to the commissioner on or before the last day of the month following the close of each reporting period July 31 of each calendar year.

(e) (d) The inspection fee at the rate stated in section 18C.425, subdivision 6, must accompany the statement.

Subd. 2. **Additional reports.** The commissioner may by rule require additional reports for the purpose of gathering statistical data relating to fertilizer, soil amendments, and plant amendments distribution in the state.

Subd. 3. **Late annual report and inspection fee penalty.** (a) If a ~~distributor does not file the semiannual statement~~ registrant or licensee fails to submit an annual tonnage report or pay the inspection fees ~~fee~~ under section 18C.425, subdivision 6, by ~~31 days after the end of the reporting period~~ July 31, the commissioner shall assess the registrant or licensee a penalty of the greater of \$25 \$50 or ten percent of the amount due ~~against the licensee or registrant~~.

(b) The fees due, plus the penalty, may be recovered in a civil action against the licensee or registrant.

(c) The assessment of the penalty does not prevent the commissioner from taking other actions as provided in this chapter and sections 18D.301 to 18D.331.

~~Subd. 4. **Responsibility for inspection fees.** If more than one person is involved in the distribution of a fertilizer, soil amendment, or plant amendment, the distributor who imports, manufactures, or produces the fertilizer or who has the specialty fertilizer, soil amendment, or plant amendment registered is responsible for the inspection fee on products produced or brought into this state. The distributor must separately list the inspection fee on the invoice to the licensee. The last licensee must retain the invoices showing proof of inspection fees paid for three years and must pay the inspection fee on products brought into this state before July 1, 1989, unless the reporting and paying of fees have been made by a prior distributor of the fertilizer.~~

Subd. 5. **Verification of statements annual tonnage report.** The commissioner may verify the records on which the ~~statement of~~ annual tonnage report is based.

Sec. 62. Minnesota Statutes 2008, section 18C.425, subdivision 4, is amended to read:

Subd. 4. **Fee for late application.** If an application for renewal of a ~~fertilizer license or registration of a specialty fertilizer, soil amendment, or plant amendment~~ under section 18C.411 or a license under section 18C.415 is not filed before January 1 or July 1 of a year, as required submitted to the commissioner after December 31, an additional application late fee of one-half of the amount due must be paid in addition to the application fee before the renewal license or registration may be issued.

Sec. 63. Minnesota Statutes 2008, section 18C.425, subdivision 6, is amended to read:

Subd. 6. **Payment of inspection fees fee.** (a) The person who registers and distributes in the state a specialty fertilizer, soil amendment, or plant amendment under section 18C.411 shall pay the inspection fee to the commissioner.

(b) The person licensed under section 18C.415 who distributes a fertilizer to a person not required to be so licensed shall pay the inspection fee to the commissioner, except as exempted under section 18C.421, subdivision 1, paragraph (b).

(c) The person responsible for payment of the inspection fees for fertilizers, soil amendments, or plant amendments sold and used in this state must pay an inspection fee of ~~30~~ 70 cents per ton of fertilizer, soil amendment, and plant amendment sold or distributed in this state, with a minimum of \$10 on all tonnage reports. Products sold or distributed to manufacturers or exchanged between them are exempt from the inspection fee imposed by this subdivision if the products are used exclusively for manufacturing purposes.

(d) A registrant or licensee must retain invoices showing proof of fertilizer, plant amendment, or soil amendment distribution amounts and inspection fees paid for a period of three years.

Sec. 64. Minnesota Statutes 2008, section 18E.03, subdivision 2, is amended to read:

Subd. 2. **Expenditures.** (a) Money in the agricultural chemical response and reimbursement account may only be used:

(1) to pay for the commissioner's responses to incidents under chapters 18B, 18C, and 18D that are not eligible for payment under section 115B.20, subdivision 2;

(2) to pay for emergency responses that are otherwise unable to be funded;

(3) to reimburse and pay corrective action costs under section 18E.04; and

(4) ~~by the board~~ to reimburse the commissioner for board staff and other administrative costs and the commissioner's incident response program costs related to eligible incident sites, up to ~~\$225,000~~ \$450,000 per fiscal year.

(b) Money in the agricultural chemical response and reimbursement account is appropriated to the commissioner to make payments as provided in this subdivision.

Sec. 65. Minnesota Statutes 2008, section 18E.03, subdivision 4, is amended to read:

Subd. 4. **Fee.** (a) The response and reimbursement fee consists of the surcharges and any adjustments made by the commissioner in this subdivision and shall be collected by the commissioner. The amount of the response and reimbursement fee shall be determined and imposed annually by the commissioner as required to satisfy the requirements in subdivision 3. The commissioner shall adjust the amount of the surcharges imposed in proportion to the amount of the surcharges listed in this subdivision. License application categories under paragraph (d) must be charged in proportion to the amount of surcharges imposed up to a maximum of 50 percent of the license fees set under chapters 18B and 18C.

(b) The commissioner shall impose a surcharge on pesticides registered under chapter 18B to be collected as a surcharge on the ~~registration application fee~~ gross sales under section 18B.26, subdivision 3, that is equal to 0.1 percent of sales of the pesticide in the state and sales of pesticides for use in the state during the previous calendar

year, except the surcharge may not be imposed on pesticides that are sanitizers or disinfectants as determined by the commissioner. No surcharge is required if the surcharge amount based on percent of annual gross sales is less than \$10. ~~The registrant shall determine when and which pesticides are sold or used in this state. The registrant shall secure sufficient sales information of pesticides distributed into this state from distributors and dealers, regardless of distributor location, to make a determination. Sales of pesticides in this state and sales of pesticides for use in this state by out-of-state distributors are not exempt and must be included in the registrant's annual report, as required under section 18B.26, subdivision 3, paragraph (c), and fees shall be paid by the registrant based upon those reported sales.~~ Sales of pesticides in the state for use outside of the state are exempt from the surcharge in this paragraph if the registrant, agricultural pesticide dealer, or pesticide dealer properly documents the sale location and the distributors.

(c) The commissioner shall impose a ten cents per ton surcharge on the inspection fee under section 18C.425, subdivision 6, for fertilizers, soil amendments, and plant amendments.

(d) The commissioner shall impose a surcharge on the license application of persons licensed under chapters 18B and 18C consisting of:

(1) a \$75 surcharge for each site where pesticides are stored or distributed, to be imposed as a surcharge on pesticide dealer application fees under section 18B.31, subdivision 5, and the agricultural pesticide dealer application fee under section 18B.316, subdivision 10;

(2) a \$75 surcharge for each site where a fertilizer, plant amendment, or soil amendment is distributed, to be imposed on persons licensed under sections 18C.415 and 18C.425;

(3) a \$50 surcharge to be imposed on a structural pest control applicator license application under section 18B.32, subdivision 6, for business license applications only;

(4) a \$20 surcharge to be imposed on commercial applicator license application fees under section 18B.33, subdivision 7; and

(5) a \$20 surcharge to be imposed on noncommercial applicator license application fees under section 18B.34, subdivision 5, except a surcharge may not be imposed on a noncommercial applicator that is a state agency, political subdivision of the state, the federal government, or an agency of the federal government.

(e) A \$1,000 fee shall be imposed on each site where pesticides are stored and sold for use outside of the state unless:

(1) the distributor properly documents that it has less than \$2,000,000 per year in wholesale value of pesticides stored and transferred through the site; or

(2) the registrant pays the surcharge under paragraph (b) and the registration fee under section 18B.26, subdivision 3, for all of the pesticides stored at the site and sold for use outside of the state.

(f) Paragraphs (c) to (e) apply to sales, licenses issued, applications received for licenses, and inspection fees imposed on or after July 1, 1990.

**EFFECTIVE DATE.** This section is effective July 1, 2009. However, the commissioner of agriculture may not implement the change to paragraph (b) until January 1, 2010.

Sec. 66. Minnesota Statutes 2008, section 18E.06, is amended to read:

**18E.06 REPORT.**

By December 1 of each year, the Agricultural Chemical Response Compensation Board and the commissioner shall submit to the house of representatives Committee on Ways and Means, the senate Committee on Finance, the house of representatives and senate committees with jurisdiction over the environment, natural resources, and agriculture, and the Environmental Quality Board a report detailing the board's activities and reimbursements and the expenditures and activities associated with the commissioner's incident response program for which money from the account has been spent during the previous year.

Sec. 67. Minnesota Statutes 2008, section 18H.02, subdivision 12a, is amended to read:

Subd. 12a. **Individual Dormant.** "Individual" means a human being "Dormant" means nursery stock without etiolated growth.

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

Sec. 68. Minnesota Statutes 2008, section 18H.02, is amended by adding a subdivision to read:

Subd. 12b. **Etiolated growth.** "Etiolated growth" means bleached and unnatural growth resulting from the exclusion of sunlight.

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

Sec. 69. Minnesota Statutes 2008, section 18H.02, is amended by adding a subdivision to read:

Subd. 12c. **Individual.** "Individual" means a human being.

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

Sec. 70. Minnesota Statutes 2008, section 18H.02, is amended by adding a subdivision to read:

Subd. 24a. **Packaged stock.** "Packaged stock" means bare root nursery stock packed with the roots in moisture-retaining material encased in plastic film or other material designed to hold the moisture-retaining material in place.

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

Sec. 71. Minnesota Statutes 2008, section 18H.07, subdivision 2, is amended to read:

Subd. 2. **Nursery stock grower certificate.** (a) A nursery stock grower must pay an annual fee based on the area of all acreage on which nursery stock is grown for certification as follows:

- (1) less than one-half acre, \$150;
- (2) from one-half acre to two acres, \$200;
- (3) over two acres up to five acres, \$300;
- (4) over five acres up to ten acres, \$350;

- (5) over ten acres up to 20 acres, \$500;
- (6) over 20 acres up to 40 acres, \$650;
- (7) over 40 acres up to 50 acres, \$800;
- (8) over 50 acres up to 200 acres, \$1,100;
- (9) over 200 acres up to 500 acres, \$1,500; and
- (10) over 500 acres, \$1,500 plus \$2 for each additional acre.

(b) In addition to the fees in paragraph (a), a penalty of ten percent of the fee due must be charged for each month, or portion thereof, that the fee is delinquent up to a maximum of 30 percent for any application for renewal not received by January 1 postmarked by December 31 of the current year ~~following expiration of a certificate.~~

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

Sec. 72. Minnesota Statutes 2008, section 18H.07, subdivision 3, is amended to read:

Subd. 3. **Nursery stock dealer certificate.** (a) A nursery stock dealer must pay an annual fee based on the dealer's gross sales of certified nursery stock per location during the most recent certificate year. A certificate applicant operating for the first time must pay the minimum fee. The fees per sales location are:

- (1) gross sales up to \$5,000, \$150;
- (2) gross sales over \$5,000 up to \$20,000, \$175;
- (3) gross sales over \$20,000 up to \$50,000, \$300;
- (4) gross sales over \$50,000 up to \$75,000, \$425;
- (5) gross sales over \$75,000 up to \$100,000, \$550;
- (6) gross sales over \$100,000 up to \$200,000, \$675; and
- (7) gross sales over \$200,000, \$800.

(b) In addition to the fees in paragraph (a), a penalty of ten percent of the fee due must be charged for each month, or portion thereof, that the fee is delinquent up to a maximum of 30 percent for any application for renewal not received by January 1 postmarked by December 31 of the current year ~~following expiration of a certificate.~~

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

Sec. 73. Minnesota Statutes 2008, section 18H.09, is amended to read:

#### **18H.09 NURSERY STOCK CERTIFICATION REQUIREMENTS.**

(a) All nursery stock growing at sites identified by nursery stock dealers or nursery stock growers and submitted for inspection must be inspected by the commissioner within the previous 12 months prior to sale and found apparently free from quarantine and regulated nonquarantine pests as well as significantly dangerous or potentially damaging plant pests. The commissioner may waive a site inspection under the following conditions:



- (1) the nursery stock is not going to be sold within 12 months;
- (2) the nursery stock will not be moved out of Minnesota; and
- (3) the nursery site or stock is not subject to certification requirements associated with a state or federally regulated or quarantined plant pest.

All nursery stock originating from out of state and offered for sale in Minnesota must have been inspected by the appropriate state or federal agency during the previous 12 months and found free from quarantine and regulated nonquarantine pests as well as significantly dangerous or potentially damaging plant pests. A nursery stock certificate is valid from January 1 to December 31.

(b) Nursery stock must be accessible to the commissioner for inspection during regular business hours. Weeds or other growth that hinder a proper inspection are grounds to suspend or withhold a certificate or require a reinspection.

(c) Inspection reports issued to growers must contain a list of the plant pests found at the time of inspection. Withdrawal-from-distribution orders are considered part of the inspection reports. A withdrawal-from-distribution order must contain a list of plants withdrawn from distribution and the location of the plants.

(d) The commissioner may post signs to delineate sections withdrawn from distribution. These signs must remain in place until the commissioner removes them or grants written permission to the grower to remove the signs.

(e) Inspection reports issued to dealers must outline the violations involved and corrective actions to be taken including withdrawal-from-distribution orders which would specify nursery stock that could not be distributed from a certain area.

(f) Optional inspections of plants may be conducted by the commissioner upon request by any persons desiring an inspection. A fee as provided in section 18H.07 must be charged for such an inspection.

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

Sec. 74. Minnesota Statutes 2008, section 18H.10, is amended to read:

#### **18H.10 STORAGE OF NURSERY STOCK.**

All nursery stock must be kept and displayed under conditions of temperature, light, and moisture sufficient to maintain the viability and vigor of the nursery stock. Packaged dormant nursery stock must be stored under conditions that retard growth, prevent etiolated growth, and protect its viability.

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

Sec. 75. Minnesota Statutes 2008, section 28A.085, subdivision 1, is amended to read:

Subdivision 1. **Violations; prohibited acts.** The commissioner may charge a reinspection fee for each reinspection of a food handler that:

- (1) is found with a major violation of requirements in chapter 28, 29, 30, 31, 31A, 32, 33, or 34, or rules adopted under one of those chapters;

(2) is found with a violation of section 31.02, 31.161, or 31.165, and requires a follow-up inspection after an administrative meeting held pursuant to section 31.14; or

(3) fails to correct equipment and facility deficiencies as required in rules adopted under chapter 28, 29, 30, 31, 31A, 32, or 34. The first reinspection of a firm with gross food sales under \$1,000,000 must be assessed at ~~\$75~~ \$150. The fee for a firm with gross food sales over \$1,000,000 is ~~\$100~~ \$200. The fee for a subsequent reinspection of a firm for the same violation is 50 percent of their current license fee or ~~\$200~~ \$300, whichever is greater. The establishment must be issued written notice of violations with a reasonable date for compliance listed on the notice. An initial inspection relating to a complaint is not a reinspection.

Sec. 76. Minnesota Statutes 2008, section 28A.21, subdivision 5, is amended to read:

Subd. 5. **Duties.** The task force shall:

- (1) coordinate educational efforts regarding food safety and defense;
- (2) provide advice and coordination to state agencies as requested by the agencies;
- (3) serve as a source of information and referral for the public, news media, and others concerned with food safety and defense; and
- (4) make recommendations to Congress, the legislative committees with jurisdiction over agriculture finance and policy, the legislature, and others about appropriate action to improve food safety and defense in the state.

Sec. 77. Minnesota Statutes 2008, section 31.94, is amended to read:

**31.94 COMMISSIONER DUTIES.**

- (a) In order to promote opportunities for organic agriculture in Minnesota, the commissioner shall:
  - (1) survey producers and support services and organizations to determine information and research needs in the area of organic agriculture practices;
  - (2) work with the University of Minnesota to demonstrate the on-farm applicability of organic agriculture practices to conditions in this state;
  - (3) direct the programs of the department so as to work toward the promotion of organic agriculture in this state;
  - (4) inform agencies of how state or federal programs could utilize and support organic agriculture practices; and
  - (5) work closely with producers, the University of Minnesota, the Minnesota Trade Office, and other appropriate organizations to identify opportunities and needs as well as ensure coordination and avoid duplication of state agency efforts regarding research, teaching, marketing, and extension work relating to organic agriculture.
- (b) By November 15 of each even-numbered year the commissioner, in conjunction with the task force created in paragraph (c), shall report on the status of organic agriculture in Minnesota to the legislative policy and finance committees and divisions with jurisdiction over agriculture. The report must include:
  - (1) a description of current state or federal programs directed toward organic agriculture, including significant results and experiences of those programs;

(2) a description of specific actions the department of agriculture is taking in the area of organic agriculture, including the proportion of the department's budget spent on organic agriculture;

(3) a description of current and future research needs at all levels in the area of organic agriculture;

(4) suggestions for changes in existing programs or policies or enactment of new programs or policies that will affect organic agriculture;

(5) a description of market trends and potential for organic products;

(6) available information, using currently reliable data, on the price received, yield, and profitability of organic farms, and a comparison with data on conventional farms; and

(7) available information, using currently reliable data, on the positive and negative impacts of organic production on the environment and human health.

(c) ~~The commissioner shall appoint~~ A Minnesota Organic Advisory Task Force ~~to shall~~ advise the commissioner and the University of Minnesota on policies and practices to programs that will improve organic agriculture in Minnesota, including how available resources can most effectively be used for outreach, education, research, and technical assistance that meet the needs of the organic agriculture community. The task force must consist of the following residents of the state:

(1) three farmers using organic agriculture methods;

(2) two ~~organic food~~ wholesalers, retailers, or distributors of organic products;

(3) one representative of organic ~~food~~ certification agencies;

(4) two organic ~~food~~ processors;

(5) one representative from ~~the University of Minnesota Extension Service~~;

(6) one ~~representative from a University of Minnesota postsecondary research institution~~ faculty member;

(7) one representative from a nonprofit organization representing producers;

(8) ~~one~~ two at-large ~~member~~ members;

(9) one representative from the United States Department of Agriculture; and

(10) one organic consumer representative.

The commissioner, in consultation with the director of the Minnesota Agricultural Experiment Station; the dean and director of University of Minnesota Extension; and the dean of the College of Food, Agricultural and Natural Resource Sciences shall appoint members to serve staggered two-year terms.

~~Terms~~, Compensation, and removal of members are governed by section 15.059, subdivision 6. The task force must meet at least twice each year and expires on June 30, ~~2009~~ 2013.

(d) For the purposes of expanding, improving, and developing production and marketing of the organic products of Minnesota agriculture, the commissioner may receive funds from state and federal sources and spend them, including through grants or contracts, to assist producers and processors to achieve certification, to conduct education or marketing activities, to enter into research and development partnerships, or to address production or marketing obstacles to the growth and well-being of the industry.

(e) The commissioner may facilitate the registration of state organic production and handling operations including those exempt from organic certification according to Code of Federal Regulations, title 7, section 205.101, and certification agents operating within the state.

**EFFECTIVE DATE.** This section is effective June 30, 2009.

Sec. 78. Minnesota Statutes 2008, section 32.394, subdivision 8, is amended to read:

Subd. 8. **Grade A inspection fees.** A processor or marketing organization of milk, milk products, sheep milk, or goat milk who wishes to market Grade A milk or use the Grade A label must apply for Grade A inspection service from the commissioner. A pasteurization plant requesting Grade A inspection service must hold a Grade A permit and pay an annual inspection fee of no more than \$500. For Grade A farm inspection service, the fee must be no more than \$50 per farm, paid annually by the processor or by the marketing organization on behalf of its patrons. For a farm requiring a reinspection in addition to the required biannual inspections, an additional fee of ~~\$45~~ \$100 per reinspection must be paid by the processor or by the marketing organization on behalf of its patrons.

Sec. 79. Minnesota Statutes 2008, section 41A.09, subdivision 2a, is amended to read:

Subd. 2a. **Definitions.** For the purposes of this section, the terms defined in this subdivision have the meanings given them.

(a) "Ethanol" means fermentation ethyl alcohol derived from agricultural products, including potatoes, cereal grains, cheese whey, and sugar beets; forest products; or other renewable resources, including residue and waste generated from the production, processing, and marketing of agricultural products, forest products, and other renewable resources, that:

(1) meets all of the specifications in ASTM specification D4806-04a; and

(2) is denatured as specified in Code of Federal Regulations, title 27, parts 20 and 21.

(b) "Ethanol plant" means a plant at which ethanol is produced.

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

~~(d) "Rural economic infrastructure" means the development of activities that will enhance the value of agricultural crop or livestock commodities or by-products or waste from farming operations through new and improved value-added conversion processes and technologies, the development of more timely and efficient infrastructure delivery systems, and the enhancement of marketing opportunities. "Rural economic infrastructure" also means land, buildings, structures, fixtures, and improvements located or to be located in Minnesota and used or operated primarily for the processing or the support of production of marketable products from agricultural commodities or wind energy produced in Minnesota.~~

Sec. 80. Minnesota Statutes 2008, section 41A.09, subdivision 3a, is amended to read:

Subd. 3a. **Ethanol producer payments.** (a) The commissioner shall make cash payments to producers of ethanol located in the state that have begun production at a specific location by June 30, 2000. For the purpose of this subdivision, an entity that holds a controlling interest in more than one ethanol plant is considered a single producer. The amount of the payment for each producer's annual production, except as provided in paragraph (c), is

20 cents per gallon for each gallon of ethanol produced at a specific location on or before June 30, 2000, or ten years after the start of production, whichever is later. ~~Annually, within 90 days of the end of its fiscal year, an ethanol producer receiving payments under this subdivision must file a disclosure statement on a form provided by the commissioner. The initial disclosure statement must include a summary description of the organization of the business structure of the claimant, a listing of the percentages of ownership by any person or other entity with an ownership interest of five percent or greater, and a copy of its annual audited financial statements, including the auditor's report and footnotes. The disclosure statement must include information demonstrating what percentage of the entity receiving payments under this section is owned by farmers or other entities eligible to farm or own agricultural land in Minnesota under the provisions of section 500.24. Subsequent annual reports must reflect noncumulative changes in ownership of ten percent or more of the entity. The report need not disclose the identity of the persons or entities eligible to farm or own agricultural land with ownership interests, individuals residing within 30 miles of the plant, or of any other entity with less than ten percent ownership interest, but the claimant must retain information within its files confirming the accuracy of the data provided. This data must be made available to the commissioner upon request. Not later than the 15th day of February in each year the commissioner shall deliver to the chairs of the standing committees of the senate and the house of representatives that deal with agricultural policy and agricultural finance issues an annual report summarizing aggregated data from plants receiving payments under this section during the preceding calendar year. Audited financial statements and notes and disclosure statements submitted to the commissioner are nonpublic data under section 13.02, subdivision 9. Notwithstanding the provisions of chapter 13 relating to nonpublic data, summaries of the submitted audited financial reports and notes and disclosure statements will be contained in the report to the committee chairs and will be public data.~~

(b) No payments shall be made for ethanol production that occurs after June 30, 2010. A producer of ethanol shall not transfer the producer's eligibility for payments under this section to an ethanol plant at a different location.

(c) If the level of production at an ethanol plant increases due to an increase in the production capacity of the plant, the payment under paragraph (a) applies to the additional increment of production until ten years after the increased production began. Once a plant's production capacity reaches 15,000,000 gallons per year, no additional increment will qualify for the payment.

(d) Total payments under paragraphs (a) and (c) to a producer in a fiscal year may not exceed \$3,000,000.

(e) By the last day of October, January, April, and July, each producer shall file a claim for payment for ethanol production during the preceding three calendar months. A producer that files a claim under this subdivision shall include a statement of the producer's total ethanol production in Minnesota during the quarter covered by the claim. For each claim and statement of total ethanol production filed under this subdivision, the volume of ethanol production must be examined by an independent certified public accountant in accordance with standards established by the American Institute of Certified Public Accountants.

(f) Payments shall be made November 15, February 15, May 15, and August 15. A separate payment shall be made for each claim filed. Except as provided in paragraph (g), the total quarterly payment to a producer under this paragraph may not exceed \$750,000.

(g) Notwithstanding the quarterly payment limits of paragraph (f), the commissioner shall make an additional payment in the fourth quarter of each fiscal year to ethanol producers for the lesser of: (1) 20 cents per gallon of production in the fourth quarter of the year that is greater than 3,750,000 gallons; or (2) the total amount of payments lost during the first three quarters of the fiscal year due to plant outages, repair, or major maintenance. Total payments to an ethanol producer in a fiscal year, including any payment under this paragraph, must not exceed the total amount the producer is eligible to receive based on the producer's approved production capacity. The provisions of this paragraph apply only to production losses that occur in quarters beginning after December 31, 1999.

(h) The commissioner shall reimburse ethanol producers for any deficiency in payments during earlier quarters if the deficiency occurred because of unallotment or because appropriated money was insufficient to make timely payments in the full amount provided in paragraph (a). Notwithstanding the quarterly or annual payment limitations in this subdivision, the commissioner shall begin making payments for earlier deficiencies in each fiscal year that appropriations for ethanol payments exceed the amount required to make eligible scheduled payments. Payments for earlier deficiencies must continue until the deficiencies for each producer are paid in full, except the commissioner shall not make a deficiency payment to an entity that no longer produces ethanol on a commercial scale at the location for which the entity qualified for producer payments, or to an assignee of the entity.

(i) The commissioner may ~~make direct payments to producers of rural economic infrastructure~~ provide financial assistance under the 21st century agricultural reinvestment program in section 41A.12 with any amount of the annual appropriation for ethanol producer payments ~~and rural economic infrastructure~~ that is in excess of the amount required to make scheduled ethanol producer payments and deficiency payments under paragraphs (a) to (h).

Sec. 81. **[41A.12] 21ST CENTURY AGRICULTURAL REINVESTMENT PROGRAM.**

Subdivision 1. **Establishment.** The 21st century agricultural reinvestment program is established in order to promote the advancement of the state's agricultural and renewable energy industries.

Subd. 2. **Activities authorized.** For the purposes of this program, the commissioner may issue grants, loans, or other forms of financial assistance. Eligible activities include, but are not limited to, grants to livestock producers under the livestock investment grant program under section 17.118 and bioenergy awards made by the NextGen Energy Board under section 41A.105.

Subd. 3. **Oversight.** The commissioner, in consultation with the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over agriculture finance, must allocate available funds among eligible uses, develop competitive eligibility criteria, and award funds on a needs basis.

Sec. 82. Minnesota Statutes 2008, section 41B.039, subdivision 2, is amended to read:

Subd. 2. **State participation.** The state may participate in a new real estate loan with an eligible lender to a beginning farmer to the extent of 45 percent of the principal amount of the loan or ~~\$200,000~~ \$300,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.

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

Sec. 83. Minnesota Statutes 2008, section 41B.04, subdivision 8, is amended to read:

Subd. 8. **State's State participation.** With respect to loans that are eligible for restructuring under sections 41B.01 to 41B.23 and upon acceptance by the authority, the authority shall enter into a participation agreement or other financial arrangement whereby it shall participate in a restructured loan to the extent of 45 percent of the primary principal or ~~\$225,000~~ \$400,000, whichever is less. The authority's portion of the loan must be protected during the authority's participation by the first mortgage held by the eligible lender to the extent of its participation in the loan.

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

Sec. 84. Minnesota Statutes 2008, section 41B.042, subdivision 4, is amended to read:

Subd. 4. **Participation limit; interest.** The authority may participate in new seller-sponsored loans to the extent of 45 percent of the principal amount of the loan or ~~\$200,000~~ \$300,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the seller's retained portion of the loan.

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

Sec. 85. Minnesota Statutes 2008, section 41B.043, subdivision 1b, is amended to read:

Subd. 1b. **Loan participation.** The authority may participate in an agricultural improvement loan with an eligible lender to a farmer who meets the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who is actively engaged in farming. Participation is limited to 45 percent of the principal amount of the loan or ~~\$200,000~~ \$300,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different than the interest rates and repayment terms of the lender's retained portion of the loan.

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

Sec. 86. Minnesota Statutes 2008, section 41B.045, subdivision 2, is amended to read:

Subd. 2. **Loan participation.** The authority may participate in a livestock expansion loan with an eligible lender to a livestock farmer who meets the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who are actively engaged in a livestock operation. A prospective borrower must have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than \$660,000 in 2004 and an amount in subsequent years which is adjusted for inflation by multiplying that amount by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index.

Participation is limited to 45 percent of the principal amount of the loan or ~~\$275,000~~ \$400,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different from the interest rates and repayment terms of the lender's retained portion of the loan.

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

Sec. 87. Minnesota Statutes 2008, section 97A.045, subdivision 1, is amended to read:

Subdivision 1. **Duties; generally.** (a) The commissioner shall do all things the commissioner determines are necessary to preserve, protect, and propagate desirable species of wild animals. The commissioner shall make special provisions for the management of fish and wildlife to ensure recreational opportunities for anglers and hunters. The commissioner shall acquire wild animals for breeding or stocking and may dispose of or destroy undesirable or predatory wild animals and their dens, nests, houses, or dams.

(b) Notwithstanding chapters 17 and 35, the commissioner, in consultation with the commissioner of agriculture and the executive director of the Board of Animal Health, may capture or control nonnative or domestic animals that are released, have escaped, or are otherwise running at large and causing damage to natural resources or agricultural lands, or that are posing a threat to wildlife, domestic animals, or human health. The commissioner may work with other agencies to assist in the capture or control and may authorize persons to take such animals.

Sec. 88. Minnesota Statutes 2008, 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), 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.

Sec. 89. Minnesota Statutes 2008, 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), 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) This subdivision expires on December 31, 2010, 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 for the use of E20 as gasoline. The United States Environmental Protection Agency's failure to act on an application shall not be deemed approval of the use of E20, or a waiver under section 211(f)(4) of the Clean Air Act, United States Code, title 42, section 7545, subsection (f), paragraph (4).



Sec. 90. Minnesota Statutes 2008, section 336.9-601, is amended to read:

**336.9-601 RIGHTS AFTER DEFAULT; JUDICIAL ENFORCEMENT; CONSIGNOR OR BUYER OF ACCOUNTS, CHATTEL PAPER, PAYMENT INTANGIBLES, OR PROMISSORY NOTES.**

(a) **Rights of secured party after default.** After default, a secured party has the rights provided in this part and, except as otherwise provided in section 336.9-602, those provided by agreement of the parties. A secured party:

(1) may reduce a claim to judgment, foreclose, or otherwise enforce the claim, security interest, or agricultural lien by any available judicial procedure; and

(2) if the collateral is documents, may proceed either as to the documents or as to the goods they cover.

(b) **Rights and duties of secured party in possession or control.** A secured party in possession of collateral or control of collateral under section 336.7-106, 336.9-104, 336.9-105, 336.9-106, or 336.9-107 has the rights and duties provided in section 336.9-207.

(c) **Rights cumulative; simultaneous exercise.** The rights under subsections (a) and (b) are cumulative and may be exercised simultaneously.

(d) **Rights of debtor and obligor.** Except as otherwise provided in subsection (g) and section 336.9-605, after default, a debtor and an obligor have the rights provided in this part and by agreement of the parties.

(e) **Lien of levy after judgment.** If a secured party has reduced its claim to judgment, the lien of any levy that may be made upon the collateral by virtue of an execution based upon the judgment relates back to the earliest of:

(1) the date of perfection of the security interest or agricultural lien in the collateral;

(2) the date of filing a financing statement covering the collateral; or

(3) any date specified in a statute under which the agricultural lien was created.

(f) **Execution sale.** A sale pursuant to an execution is a foreclosure of the security interest or agricultural lien by judicial procedure within the meaning of this section. A secured party may purchase at the sale and thereafter hold the collateral free of any other requirements of this article.

(g) **Consignor or buyer of certain rights to payment.** Except as otherwise provided in section 336.9-607(c), this part imposes no duties upon a secured party that is a consignor or is a buyer of accounts, chattel paper, payment intangibles, or promissory notes.

(h) **Security interest in collateral that is agricultural property; enforcement.** A person may not begin to enforce a security interest in collateral that is agricultural property subject to sections 583.20 to 583.32 that has secured a debt of more than \$5,000 unless: a mediation notice under subsection (i) is served on the debtor after a condition of default has occurred in the security agreement and a copy served on the director of the agricultural extension service; and the debtor and creditor have completed mediation under sections 583.20 to 583.32; or as otherwise allowed under sections 583.20 to 583.32.

(i) **Mediation notice.** A mediation notice under subsection (h) must contain the following notice with the blanks properly filled in.

"TO: ...(Name of Debtor)..."

YOU HAVE DEFAULTED ON THE ...(Debt in Default)... SECURED BY AGRICULTURAL PROPERTY DESCRIBED AS ...(Reasonable Description of Agricultural Property Collateral)-. THE AMOUNT OF THE OUTSTANDING DEBT IS ...(Amount of Debt)...

AS A SECURED PARTY, ...(Name of Secured Party)... INTENDS TO ENFORCE THE SECURITY AGREEMENT AGAINST THE AGRICULTURAL PROPERTY DESCRIBED ABOVE BY REPOSSESSING, FORECLOSING ON, OR OBTAINING A COURT JUDGMENT AGAINST THE PROPERTY.

YOU HAVE THE RIGHT TO HAVE THE DEBT REVIEWED FOR MEDIATION. IF YOU REQUEST MEDIATION, A DEBT THAT IS IN DEFAULT WILL BE MEDIATED ONLY ONCE. IF YOU DO NOT REQUEST MEDIATION, THIS DEBT WILL NOT BE SUBJECT TO FUTURE MEDIATION IF THE SECURED PARTY ENFORCES THE DEBT.

IF YOU PARTICIPATE IN MEDIATION, THE DIRECTOR OF THE AGRICULTURAL EXTENSION SERVICE WILL PROVIDE AN ORIENTATION MEETING AND A FINANCIAL ANALYST TO HELP YOU TO PREPARE FINANCIAL INFORMATION. IF YOU DECIDE TO PARTICIPATE IN MEDIATION, IT WILL BE TO YOUR ADVANTAGE TO ASSEMBLE YOUR FARM FINANCE AND OPERATION RECORDS AND TO CONTACT A COUNTY EXTENSION OFFICE AS SOON AS POSSIBLE. MEDIATION WILL ATTEMPT TO ARRIVE AT AN AGREEMENT FOR HANDLING FUTURE FINANCIAL RELATIONS.

TO HAVE THE DEBT REVIEWED FOR MEDIATION YOU MUST FILE A MEDIATION REQUEST WITH THE DIRECTOR WITHIN 14 DAYS AFTER YOU RECEIVE THIS NOTICE. THE MEDIATION REQUEST FORM IS AVAILABLE AT ANY COUNTY RECORDER'S OR COUNTY EXTENSION OFFICE.

FROM: ...(Name and Address of Secured Party)..."

Sec. 91. Minnesota Statutes 2008, section 550.365, subdivision 2, is amended to read:

Subd. 2. **Contents.** A mediation notice must contain the following notice with the blanks properly filled in.

"TO: ....(Name of Judgment Debtor)....

A JUDGMENT WAS ORDERED AGAINST YOU BY ....(Name of Court).... ON ....(Date of Judgment).

AS A JUDGMENT CREDITOR, ...(Name of Judgment Creditor)... INTENDS TO TAKE ACTION AGAINST THE AGRICULTURAL PROPERTY DESCRIBED AS ...(Description of Agricultural Property).... TO SATISFY THE JUDGMENT IN THE AMOUNT OF ...(Amount of Debt).

YOU HAVE THE RIGHT TO HAVE THE DEBT REVIEWED FOR MEDIATION. IF YOU REQUEST MEDIATION, A DEBT THAT IS IN DEFAULT WILL BE MEDIATED ONLY ONCE. IF YOU DO NOT REQUEST MEDIATION, THIS DEBT WILL NOT BE SUBJECT TO FUTURE MEDIATION IF THE SECURED PARTY ENFORCES THE DEBT.

IF YOU PARTICIPATE IN MEDIATION, THE DIRECTOR OF THE AGRICULTURAL EXTENSION SERVICE WILL PROVIDE AN ORIENTATION MEETING AND A FINANCIAL ANALYST TO HELP YOU PREPARE FINANCIAL INFORMATION. IF YOU DECIDE TO PARTICIPATE IN MEDIATION, IT WILL BE TO YOUR ADVANTAGE TO ASSEMBLE YOUR FARM FINANCE AND OPERATION RECORDS AND TO CONTACT A COUNTY EXTENSION OFFICE AS SOON AS POSSIBLE. MEDIATION WILL ATTEMPT TO ARRIVE AT AN AGREEMENT FOR HANDLING FUTURE FINANCIAL RELATIONS.

TO HAVE THE DEBT REVIEWED FOR MEDIATION YOU MUST FILE A MEDIATION REQUEST WITH THE DIRECTOR WITHIN 14 DAYS AFTER YOU RECEIVE THIS NOTICE. THE MEDIATION REQUEST FORM IS AVAILABLE AT ANY COUNTY RECORDER'S OR COUNTY EXTENSION OFFICE.

FROM: ....(Name and Address of Judgment Creditor)...."

Sec. 92. Minnesota Statutes 2008, section 559.209, subdivision 2, is amended to read:

Subd. 2. **Contents.** A mediation notice must contain the following notice with the blanks properly filled in.

"TO: ....(Name of Contract for Deed Purchaser)....

YOU HAVE DEFAULTED ON THE CONTRACT FOR DEED OF THE AGRICULTURAL PROPERTY DESCRIBED AS ....(Size and Reasonable Location of Property, Not Legal Description)---. THE AMOUNT OF THE OUTSTANDING DEBT IS ....(Amount of Debt)....

AS THE CONTRACT FOR DEED VENDOR, ....(Contract for Deed Vendor).... INTENDS TO TERMINATE THE CONTRACT AND TAKE BACK THE PROPERTY.

YOU HAVE THE RIGHT TO HAVE THE CONTRACT FOR DEED DEBT REVIEWED FOR MEDIATION. IF YOU REQUEST MEDIATION, A DEBT THAT IS IN DEFAULT WILL BE MEDIATED ONLY ONCE. IF YOU DO NOT REQUEST MEDIATION, THIS DEBT WILL NOT BE SUBJECT TO FUTURE MEDIATION IF THE CONTRACT FOR DEED VENDOR BEGINS REMEDIES TO ENFORCE THE DEBT.

IF YOU PARTICIPATE IN MEDIATION, THE DIRECTOR OF THE AGRICULTURAL EXTENSION SERVICE WILL PROVIDE AN ORIENTATION MEETING AND A FINANCIAL ANALYST TO HELP YOU PREPARE FINANCIAL INFORMATION. IF YOU DECIDE TO PARTICIPATE IN MEDIATION, IT WILL BE TO YOUR ADVANTAGE TO ASSEMBLE YOUR FARM FINANCE AND OPERATION RECORDS AND TO CONTACT A COUNTY EXTENSION OFFICE AS SOON AS POSSIBLE. MEDIATION WILL ATTEMPT TO ARRIVE AT AN AGREEMENT FOR HANDLING FUTURE FINANCIAL RELATIONS.

TO HAVE THE CONTRACT FOR DEED DEBT REVIEWED FOR MEDIATION YOU MUST FILE A MEDIATION REQUEST WITH THE DIRECTOR WITHIN 14 DAYS AFTER YOU RECEIVE THE NOTICE. THE MEDIATION REQUEST FORM IS AVAILABLE AT ANY COUNTY EXTENSION OFFICE.

FROM: ....(Name and Address of Contract for Deed Vendor)...."

Sec. 93. Minnesota Statutes 2008, section 582.039, subdivision 2, is amended to read:

Subd. 2. **Contents.** A mediation notice must contain the following notice with the blanks properly filled in.

"TO: ....(Name of Record Owner)....

YOU HAVE DEFAULTED ON THE MORTGAGE OF THE AGRICULTURAL PROPERTY DESCRIBED AS ....(Size and Reasonable Location, Not Legal Description)---. THE AMOUNT OF THE OUTSTANDING DEBT ON THIS PROPERTY IS ....(Amount of Debt)....

AS HOLDER OF THE MORTGAGE, ....(Name of Holder of Mortgage).... INTENDS TO FORECLOSE ON THE PROPERTY DESCRIBED ABOVE.

YOU HAVE THE RIGHT TO HAVE THE MORTGAGE DEBT REVIEWED FOR MEDIATION. IF YOU REQUEST MEDIATION, A DEBT THAT IS IN DEFAULT WILL BE MEDIATED ONLY ONCE. IF YOU DO NOT REQUEST MEDIATION, THIS DEBT WILL NOT BE SUBJECT TO FUTURE MEDIATION IF THE SECURED PARTY ENFORCES THE DEBT.

IF YOU PARTICIPATE IN MEDIATION, THE DIRECTOR OF THE AGRICULTURAL EXTENSION SERVICE WILL PROVIDE AN ORIENTATION MEETING AND A FINANCIAL ANALYST TO HELP YOU PREPARE FINANCIAL INFORMATION. IF YOU DECIDE TO PARTICIPATE IN MEDIATION, IT WILL BE TO YOUR ADVANTAGE TO ASSEMBLE YOUR FARM FINANCE AND OPERATION RECORDS AND TO CONTACT A COUNTY EXTENSION OFFICE AS SOON AS POSSIBLE. MEDIATION WILL ATTEMPT TO ARRIVE AT AN AGREEMENT FOR HANDLING FUTURE FINANCIAL RELATIONS.

TO HAVE THE MORTGAGE DEBT REVIEWED FOR MEDIATION YOU MUST FILE A MEDIATION REQUEST WITH THE DIRECTOR WITHIN 14 DAYS AFTER YOU RECEIVE THIS NOTICE. THE MEDIATION REQUEST FORM IS AVAILABLE AT ANY COUNTY RECORDER'S OR COUNTY EXTENSION OFFICE.

FROM: ....(Name and Address of Holder of Mortgage)...."

Sec. 94. Minnesota Statutes 2008, section 583.215, is amended to read:

**583.215 EXPIRATION.**

~~(a)~~ Sections 336.9-601, subsections (h) and (i); 550.365; 559.209; 582.039; and 583.20 to 583.32, expire June 30, ~~2009~~ 2013.

~~(b) Laws 1986, chapter 398, article 1, section 18, as amended, is repealed.~~

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

Sec. 95. **HUMAN RESOURCES.**

For fiscal years 2010 and 2011, the Department of Agriculture, Board of Animal Health, and Agricultural Utilization Research Institute may not use funds appropriated in sections 1 to 5 or statutorily appropriated from the agricultural fund to directly or indirectly pay for the services of staff in the Office of the Governor.

Sec. 96. **BOVINE TUBERCULOSIS CONTROL ASSESSMENT; TEMPORARY ASSESSMENT; APPROPRIATION.**

(a) From January 1, 2009, to December 31, 2009, a person who purchases cattle that were raised or fed within this state shall collect a bovine tuberculosis control assessment of \$1 per head from the seller and shall submit all assessments collected to the commissioner of agriculture at least once every 30 days. If cattle that were raised or fed within this state are sold outside of the state and the assessment is not collected by the purchaser, the seller is responsible for submitting the assessment to the commissioner. For the purposes of this section, "a person who purchases cattle that were raised or fed within this state" includes the first purchaser, as defined in Minnesota Statutes, section 17.53, subdivision 8, paragraph (a), and any subsequent purchaser of the living animal.

(b) Money collected under this section shall be deposited in an account in the special revenue fund and is appropriated to the Board of Animal Health for bovine tuberculosis control activities.

(c) Notwithstanding paragraph (a), a person may not collect a bovine tuberculosis control assessment from a person whose cattle operation is located within a modified accredited zone established under Minnesota Statutes, section 35.244, unless the cattle owner voluntarily pays the assessment. The commissioner of agriculture shall publish and make available a list of cattle producers exempt under this paragraph.

(d) This section may be enforced under Minnesota Statutes, sections 17.982 to 17.984.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies retroactively to cattle purchased on or after January 1, 2009.

Sec. 97. **BIOFUEL STUDY; REPORT.**

The commissioner of agriculture must study the economic and technological feasibility of producing ethanol from whey. No later than May 1, 2010, the commissioner of agriculture must report findings to the legislative committees with jurisdiction over agriculture policy and finance.

Sec. 98. **FEDERAL STIMULUS FUNDING.**

The commissioner of agriculture must apply for funding available to the state through the federal American Recovery and Reinvestment Act of 2009, Public Law 111-5, for areas under the purview of the commissioner including but not limited to agriculture and rural development, bioenergy, food safety, farm-to-school and related nutrition programs, and the development of local and regional food systems.

Sec. 99. **REPORT ON MINNESOTA PROCESSED FOODS LABELING.**

(a) The commissioner of agriculture must consult with Minnesota food processors and retailers regarding the development of labeling that identifies food products processed in this state. The commissioner must consult with interested parties including, but not limited to, the following organizations:

(1) at least four food processor industry representatives who represent different business sizes and product categories;

(2) at least two food retailers of which at least one must have retail store locations located outside of the Twin Cities metropolitan area;

(3) two representatives of the Department of Agriculture, one who works with the Minnesota grown program and one who works with the processed foods program;

(4) one representative of the Agricultural Utilization Research Institute; and

(5) two representatives of statewide agricultural producer groups.

(b) No later than March 31, 2010, the commissioner must report findings and recommendations to the legislative committees with jurisdiction over agriculture policy and finance. The report should include an assessment of the level of food processor interest in developing a trademarked logo or labeling statement as well as recommendations regarding program funding options, product eligibility criteria, and coordination with existing labeling and promotion programs and resources.

Sec. 100. **FERAL SWINE REPORT.**

The commissioner of natural resources, in coordination with the commissioner of agriculture and the executive director of the Board of Animal Health, must develop a report and recommend any necessary changes to state policies, authorities, and penalties related to feral swine and other nonnative or domestic animals released, that have escaped, or that are otherwise running at large. The agencies must consult with interested stakeholders. No later than January 15, 2010, the commissioner of natural resources must submit the report to the legislative committees with jurisdiction over natural resources or agriculture policy or finance.

Sec. 101. **DEADLINE FOR APPOINTMENTS.**

The commissioner of agriculture must complete the appointments required under Minnesota Statutes, section 18.91, by September 1, 2009. The commissioner or the commissioner's designee shall convene the first meeting of the committee no later than October 1, 2009.

**Sec. 102. APPROPRIATION MODIFICATION.**

(a) Notwithstanding Minnesota Statutes, section 35.085, the Board of Animal Health may make onetime grants to certain beef cattle producers participating in the bovine tuberculosis herd buyout authorized in Minnesota Statutes, section 35.086, from the \$100,000 appropriation for reimbursements in Laws 2007, chapter 45, article 1, section 4.

(b) A buyout participant is eligible for payment under this section if the Board of Animal Health quarantined the participant's herd and required the participant to sell young cattle at slaughter rather than as feeder cattle.

(c) For each head of cattle sold at slaughter under paragraph (b), the Board of Animal Health must pay the difference between the fair market feeder cattle value at the time of sale, as determined by the Board of Animal Health, and the documented slaughter price received by the participant.

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

**Sec. 103. UNUSED OFFICE SPACE.**

The commissioner of agriculture, in consultation with the commissioner of administration, must actively seek tenants to rent vacant or unused space in the Freeman Building. The commissioner of agriculture must notify entities that receive state funding of the amount and type of space available, the rental rate, and other lease terms. No later than February 1, 2011, the commissioner of agriculture must report actions taken and outcomes achieved under this section to the legislative committees with jurisdiction over agriculture finance.

**Sec. 104. REPEALER.**

Minnesota Statutes 2008, sections 17.49, subdivision 3; 18G.12, subdivision 5; 38.02, subdivisions 3 and 4; 41.51; 41.52; 41.53; 41.55; 41.56; 41.57; 41.58, subdivisions 1 and 2; 41.59, subdivision 1; 41.60; 41.61, subdivision 1; 41.62; 41.63; and 41.65, and Minnesota Rules, part 1505.0820, are repealed.

**ARTICLE 2****RURAL FINANCE AUTHORITY****Section 1. RURAL FINANCE AUTHORITY; APPROPRIATION.**

Subdivision 1. **Appropriation.** \$35,000,000 is appropriated from the bond proceeds fund to the commissioner of agriculture, as chair of the Board of the Rural Finance Authority, to purchase participation interests in or to make direct agricultural loans to farmers under Minnesota Statutes, chapter 41B, as authorized by the Minnesota Constitution, article XI, section 5, clause (h). This appropriation is for the beginning farmer program under Minnesota Statutes, section 41B.039; the loan restructuring program under Minnesota Statutes, section 41B.04; the seller-sponsored program under Minnesota Statutes, section 41B.042; the agricultural improvement loan program under Minnesota Statutes, section 41B.043; and the livestock expansion loan program under Minnesota Statutes, section 41B.045. All debt service on bond proceeds used to finance this appropriation must be repaid by the Rural Finance Authority under Minnesota Statutes, section 16A.643. Loan participations must be priced to provide full interest and principal coverage and a reserve for potential losses. Priority for loans must be given first, to basic beginning farmer loans; second, to seller-sponsored loans; and third, to agricultural improvement loans.

Subd. 2. **Bond sale.** To provide the money appropriated in this section from the bond proceeds fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$35,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Subd. 3. **Notice.** If the appropriations in this section are enacted more than once in the 2009 regular legislative session, these appropriations must be given effect only once.

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

## ARTICLE 3

### VETERANS AFFAIRS

#### Section 1. **VETERANS AFFAIRS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. "The first year" is fiscal year 2010. "The second year" is fiscal year 2011. "The biennium" is fiscal years 2010 and 2011.

	<b><u>APPROPRIATIONS</u></b> <b><u>Available for the Year</u></b> <b><u>Ending June 30</u></b>	
	<b><u>2010</u></b>	<b><u>2011</u></b>
Sec. 2. <b><u>VETERANS AFFAIRS</u></b>		
Subdivision 1. <b><u>Total Appropriation</u></b>	<b><u>\$66,958,000</u></b>	<b><u>\$68,558,000</u></b>
Subd. 2. <b><u>Veterans Services</u></b>	<b><u>22,032,000</u></b>	<b><u>22,032,000</u></b>

Of this amount, \$980,000 in fiscal year 2010 and \$980,000 in fiscal year 2011 are to be used to continue working on the merger of the Department of Veterans Affairs computer system and the former Veterans Homes Board computer system.

**Homeless Veterans.** \$750,000 each year is in addition to the base and is a onetime appropriation for a grant to the Minnesota Assistance Council for Veterans (MACV) to provide assistance throughout Minnesota to veterans and their families who are homeless or in danger of homelessness, including housing, utility, employment, and legal assistance, according to guidelines established by the commissioner. In order to avoid duplication of services, the commissioner must ensure that this assistance will be coordinated with all other available programs for veterans.

**State Soldiers Assistance Fund.** \$500,000 each year is to be added to the state soldiers assistance fund.

Subd. 3. <b><u>Veterans Homes</u></b>	<b><u>44,926,000</u></b>	<b><u>46,526,000</u></b>
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**Veterans Homes Special Revenue Account.** The general fund appropriations made to the department may be transferred to a veterans homes special revenue account in the special revenue

fund in the same manner as other receipts are deposited according to Minnesota Statutes, section 198.34, and are appropriated to the department for the operation of veterans homes facilities and programs.

**Repair and Betterment.** Of this appropriation, \$1,250,000 in fiscal year 2010 and \$1,250,000 in fiscal year 2011 are to be used for repair, maintenance, rehabilitation, and betterment activities at facilities statewide.

Sec. 3. Minnesota Statutes 2008, section 16C.16, is amended by adding a subdivision to read:

**Subd. 6a. Veteran-owned small businesses.** (a) The commissioner shall award up to a six percent preference, but no less than the percentage awarded to any other group under this section, in the amount bid on state procurement to certified small businesses that are majority-owned and operated either:

(1) by veterans, as indicated by the person's United States Department of Defense form DD-214 or by the commissioner of veterans affairs; or

(2) by veterans having service-connected disabilities, as determined at any time by the United States Department of Veterans Affairs.

(b) The purpose of this designation is to facilitate the transition of veterans from military to civilian life, and to help compensate veterans for their sacrifices, including but not limited to their sacrifice of health and time, to the state and nation during their military service, as well as to enhance economic development within Minnesota.

(c) For purposes of this section and section 16C.19, the following terms have the meanings given them:

(1) "veteran" has the meaning given in section 197.447;

(2) "service-connected disability" has the meaning given in United States Code, title 38, section 101(16), as determined by the United States Department of Veterans Affairs.

**EFFECTIVE DATE.** This section is effective July 1, 2009, and applies to procurement contract bid solicitations issued on and after that date.

Sec. 4. Minnesota Statutes 2008, section 16C.19, is amended to read:

#### **16C.19 ELIGIBILITY; RULES.**

(a) A small business wishing to participate in the programs under section 16C.16, subdivisions 4 to 7, must be certified by the commissioner. The commissioner shall adopt by rule standards and procedures for certifying that small businesses, small targeted group businesses, and small businesses located in economically disadvantaged areas are eligible to participate under the requirements of sections 16C.16 to 16C.21. The commissioner shall adopt by rule standards and procedures for hearing appeals and grievances and other rules necessary to carry out the duties set forth in sections 16C.16 to 16C.21.

(b) The commissioner may make rules which exclude or limit the participation of nonmanufacturing business, including third-party lessors, brokers, franchises, jobbers, manufacturers' representatives, and others from eligibility under sections 16C.16 to 16C.21.



(c) The commissioner may make rules that set time limits and other eligibility limits on business participation in programs under sections 16C.16 to 16C.21.

(d) Notwithstanding paragraph (c), for purposes of sections 16C.16 to 16C.21, a veteran-owned small business or service-disabled veteran-owned small business, the principal place of business of which is in Minnesota, is certified if it has been verified by the United States Department of Veterans Affairs as being a veteran-owned small business or service disabled veteran-owned small business in accordance with Public Law 109-461 and Code of Federal Regulations, title 38, part 74.

**EFFECTIVE DATE.** This section is effective July 1, 2009, and applies to procurement contract bid solicitations issued on and after that date.

Sec. 5. Minnesota Statutes 2008, section 16C.20, is amended to read:

#### **16C.20 CERTIFICATION.**

A business that is certified by the commissioner of administration as a small business, small targeted group business ~~or~~, a small business located in an economically disadvantaged area, or a veteran-owned small business is eligible to participate under the requirements of sections 137.31 and 161.321 and, if certified as a small business ~~or~~, small targeted group business, or veteran-owned small business, under section 473.142 without further certification by the contracting agency.

**EFFECTIVE DATE.** This section is effective July 1, 2009, and applies to procurement contract bid solicitations issued on and after that date.

Sec. 6. Minnesota Statutes 2008, section 43A.11, subdivision 7, is amended to read:

Subd. 7. **Ranking of veterans.** Applicants who meet the minimum qualifications for a vacant position and claim disabled veteran's preference shall be listed in the applicant pool ahead of all other applicants. Applicants who meet the minimum qualifications for a vacant position and claim nondisabled veteran's preference shall be listed in the applicant pool after those claiming disabled veteran's preference and ahead of nonveterans. Each recently separated veteran who meets minimum qualifications for a vacant position and has claimed a veterans or disabled veterans preference must be granted an interview for the position by the hiring authority.

The term "recently separated veteran" means a veteran, as defined in section 197.447, who has served in active military service, at any time on or after September 11, 2001, and who has been honorably discharged from active service, as shown by the person's form DD-214.

**EFFECTIVE DATE.** This section is effective July 1, 2009, and applies to all appointments made on or after that date.

Sec. 7. Minnesota Statutes 2008, section 43A.23, subdivision 1, is amended to read:

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

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

(c) Notwithstanding paragraph (b), a self-insured hospital and medical product offered under sections 43A.22 to 43A.30 is not required to extend dependent coverage to an eligible employee's unmarried child under the age of 25 to the full extent required under chapters 62A and 62L. Dependent coverage must, at a minimum, extend to an eligible employee's unmarried child who is under the age of 19 or an unmarried child under the age of 25 who is a full-time student. A person who is at least 19 years of age but who is under the age of 25 and who is not a full-time student must be permitted to be enrolled as a dependent of an eligible employee until age 25 if the person:

(1) was a full-time student immediately prior to being ordered into active military service, as defined in section 190.05, subdivision 5b or 5c;

(2) has been separated or discharged from active military service; and

(3) would be eligible to enroll as a dependent of an eligible employee, except that the person is not a full-time student.

The definition of "full-time student" for purposes of this paragraph includes any student who by reason of illness, injury, or physical or mental disability as documented by a physician is unable to carry what the educational institution considers a full-time course load so long as the student's course load is at least 60 percent of what otherwise is considered by the institution to be a full-time course load. Any notice regarding termination of coverage due to attainment of the limiting age must include information about this definition of "full-time student."

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

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to persons separated or discharged from active military service before, on, or after that date.

Sec. 8. Minnesota Statutes 2008, section 85.053, subdivision 10, is amended to read:

Subd. 10. **Free entrance; totally and permanently disabled veterans.** The commissioner shall issue an annual park permit for no charge ~~for~~ to any veteran with a total and permanent service-connected disability, as determined by the United States Department of Veterans Affairs, who presents each year a copy of their determination letter to a park attendant or commissioner's designee. For the purposes of this section, "veteran" ~~with a total and permanent service-connected disability" means a resident who has a total and permanent service-connected disability as adjudicated by the United States Veterans Administration or by the retirement board of one of the several branches of the armed forces~~ has the meaning given in section 197.447.

**EFFECTIVE DATE.** This section is effective July 1, 2009, for state park permits issued on or after that date.

Sec. 9. Minnesota Statutes 2008, section 97A.465, subdivision 5, is amended to read:

Subd. 5. **Preference to service members.** (a) For purposes of this subdivision:

(1) "qualified service member or veteran" means a Minnesota resident who;

(i) is currently serving, or has served at any time during the past 24 months, in active service as a member of the United States armed forces, including the National Guard or other military reserves;

(ii) has received a Purple Heart medal for qualifying military service, as shown by official military records; or

(iii) has a service-connected disability rated at 70 percent or more as defined by the United States Veterans Administration; and

(2) "active service" means service defined under section 190.05, subdivision 5b or 5c.

(b) Notwithstanding any other provision of this chapter, chapter 97B or 97C, or administrative rules, the commissioner ~~may~~ shall give first preference to qualified service members or veterans in any drawing or lottery involving the selection of applicants for hunting or fishing licenses, permits, and special permits. This subdivision does not apply to licenses or permits for taking moose, elk, or prairie chickens. Actions of the commissioner under this subdivision are not rules under the Administrative Procedure Act and section 14.386 does not apply.

Sec. 10. Minnesota Statutes 2008, section 161.321, is amended to read:

#### **161.321 SMALL BUSINESS CONTRACTS.**

Subdivision 1. **Definitions.** For purposes of this section the following terms have the meanings given them, except where the context clearly indicates a different meaning is intended.

(a) "Award" means the granting of a contract in accordance with all applicable laws and rules governing competitive bidding except as otherwise provided in this section.

(b) "Contract" means an agreement entered into between a business entity and the state of Minnesota for the construction of transportation improvements.

(c) "Subcontractor" means a business entity which enters into a legally binding agreement with another business entity which is a party to a contract as defined in paragraph (b).

(d) "Targeted group business" means a business designated under section 16C.16, subdivision 5.

(e) "Veteran-owned small business" means a business designated under section 16C.16, subdivision 6a.

Subd. 2. **Small business set-asides.** (a) The commissioner may award up to a six percent preference in the amount bid for specified construction work to small targeted group businesses and veteran-owned small businesses.

(b) The commissioner may designate a contract for construction work for award only to small targeted group businesses if the commissioner determines that at least three small targeted group businesses are likely to bid. The commissioner may designate a contract for construction work for award only to veteran-owned small businesses if the commissioner determines that at least three veteran-owned small businesses are likely to bid.

(c) The commissioner, as a condition of awarding a construction contract, may set goals that require the prime contractor to subcontract a portion of the contract to small targeted group businesses and veteran-owned small businesses. The commissioner must establish a procedure for granting waivers from the subcontracting requirement when qualified small targeted group businesses and veteran-owned small businesses are not reasonably available. The commissioner may establish financial incentives for prime contractors who exceed the goals for use of subcontractors and financial penalties for prime contractors who fail to meet goals under this paragraph. The subcontracting requirements of this paragraph do not apply to prime contractors who are small targeted group businesses or veteran-owned small businesses.

(d) The commissioner may award up to a four percent preference in the amount bid on procurement to small businesses located in an economically disadvantaged area as defined in section 16C.16, subdivision 7.

Subd. 3. **Awards to small businesses.** At least 75 percent of subcontracts awarded to small targeted group businesses must be performed by the business to which the subcontract is awarded or another small targeted group business. At least 75 percent of subcontracts awarded to veteran-owned small businesses must be performed by the business to which the subcontract is awarded or another veteran-owned small business.

Subd. 4. **Awards, limitations.** Contracts awarded pursuant to this section are subject to all limitations contained in rules adopted by the commissioner of administration.

Subd. 5. **Recourse to other businesses.** If the commissioner is unable to award a contract pursuant to the provisions of subdivisions 2 and 3, the award may be placed pursuant to the normal solicitation and award provisions set forth in this chapter and chapter 16C.

Subd. 6. **Rules.** The rules adopted by the commissioner of administration to define small businesses and to set time and other eligibility requirements for participation in programs under sections 16C.16 to 16C.19 apply to this section. The commissioner may promulgate other rules necessary to carry out this section.

Subd. 7. **Noncompetitive bids.** The commissioner is encouraged to purchase from small targeted group businesses and veteran-owned small businesses designated under section 16C.16 when making purchases that are not subject to competitive bidding procedures.

Subd. 8. **Report by commissioner.** The commissioner of transportation shall report to the commissioner of administration on compliance with this section. The information must be reported at the time and in the manner requested by the commissioner.

**EFFECTIVE DATE.** This section is effective July 1, 2009, and applies to procurement contract bid solicitations issued on and after that date.

Sec. 11. Minnesota Statutes 2008, 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) contain a space where the applicant may indicate a desire to make an anatomical gift according to paragraph (b); ~~and~~

(5) 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) 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. 12. Minnesota Statutes 2008, section 171.07, is amended by adding a subdivision to read:

Subd. 15. **Veteran designation.** (a) At the request of the applicant and on payment of the required fee, the department shall issue, renew, or reissue a driver's license or Minnesota identification card bearing the designation "Veteran" to an applicant who is a veteran, as defined in section 197.447.

(b) At the time of the initial application for the designation provided under this subdivision, the applicant must have a certified copy of the veteran's discharge papers.

(c) The commissioner of public safety is required to issue drivers' licenses and Minnesota identification cards with the veteran designation only after entering a new contract or in coordination with producing a new card design with modifications made as required by law.

**EFFECTIVE DATE.** This section is effective August 1, 2009, and applies to drivers' licenses and Minnesota identification cards issued as stated in paragraph (c).

Sec. 13. Minnesota Statutes 2008, section 171.12, is amended by adding a subdivision to read:

Subd. 5a. **Veteran designation.** When an applicant for a driver's license, instruction permit, or Minnesota identification card requests a veteran designation under section 171.06, subdivision 3, the commissioner shall maintain a computer record of veteran designations. The veteran designation may be removed from the computer record only upon written notice to the department. The veteran designation is classified as private data on individuals as defined in section 13.02, subdivision 12, except that this information is available to the commissioner of veterans affairs for the purpose of administering veterans benefits.

Sec. 14. **[192.525] POSTDEPLOYMENT HEALTH ASSESSMENTS.**

The adjutant general shall establish a program of postdeployment health assessments for members of the National Guard who have been called into active military service and deployed outside the state. There must be health assessments approximately six months and one year after the end of a member's deployment. The adjutant general may call on other state agencies, the United States Department of Veterans Affairs, county veteran service officers, and other appropriate resources in administering this program.

Sec. 15. Minnesota Statutes 2008, section 197.455, subdivision 1, is amended to read:

Subdivision 1. **Application.** (a) This section shall govern preference of a veteran under the civil service laws, charter provisions, ordinances, rules or regulations of a county, city, town, school district, or other municipality or political subdivision of this state. Any provision in a law, charter, ordinance, rule or regulation contrary to the applicable provisions of this section is void to the extent of such inconsistency.

(b) Sections 197.46 to ~~197.48~~ shall not 197.481 also apply to state civil service. a veteran who is an incumbent in a classified appointment in the state civil service and has completed the probationary period for that position, as defined under section 43A.16. In matters of dismissal from such a position, a qualified veteran has the irrevocable option of using the procedures described in sections 197.46 to 197.481, or the procedures provided in the collective bargaining agreement applicable to the person, but not both. For a qualified veteran electing to use the procedures of sections 197.46 to 197.481, the matters governed by those sections must not be considered grievances under a collective bargaining agreement, and if a veteran elects to appeal the dispute through those sections, the veteran is precluded from making an appeal under the grievance procedure of the collective bargaining agreement.

**EFFECTIVE DATE.** This section is effective July 1, 2009, and applies to appointments to state and local government positions of employment made on or after that date.

Sec. 16. Minnesota Statutes 2008, 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, ~~teacher~~, 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. 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.

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

Sec. 17. Minnesota Statutes 2008, section 198.003, is amended by adding a subdivision to read:

Subd. 4a. **Federal funding.** The commissioner is authorized to apply for and accept federal funding for purposes of this section.

Sec. 18. Minnesota Statutes 2008, section 198.003, is amended by adding a subdivision to read:

Subd. 7. **Use of Medicare Part D for pharmacy costs.** (a) The commissioner shall maximize the use of Medicare Part D to pay pharmacy costs for eligible veterans residing at the veterans homes.

(b) The commissioner shall encourage eligible veterans to participate in the Medicare Part D program and assist veterans in obtaining Medicare Part D coverage.

(c) The commissioner shall take any necessary steps to prevent an eligible veteran participating in Medicare Part D from receiving fewer benefits under Medicare Part D than they would have received under their existing Veterans Administration benefits.

Sec. 19. **[198.365] VETERANS MENTAL HEALTH FACILITY; KANDIYOHI COUNTY.**

Subdivision 1. **Establishment.** (a) The commissioner of veterans affairs shall establish a 90-bed facility in Kandiyohi County to provide residential mental health nursing services to veterans, in conformance with licensing rules of the Department of Health and funding requirements of the United States Department of Veterans Affairs.

(b) Services provided by the facility may include, but not be limited to:

(1) geriatric care for mentally ill veterans who have severe behavior problems; and

(2) standard long-term care.

(c) To the extent practicable, the facility shall accept referrals from veterans homes in the state.

Subd. 2. **Funding.** (a) The facility must be purchased or built with funds, 65 percent of which must be provided by the federal government and 35 percent by other nonstate sources, including local units of government, veterans organizations, business entities, volunteer organizations, and any other nonstate sources deemed acceptable by the commissioner. Local contributions must include land for the facility and grounds, and funding sufficient to cover the full state and local contribution for the federal matching grant. The commissioner is authorized to accept pledges and funding, including contributions of land, from these local sources for this purpose.

(b) The commissioner shall seek private, local, state, and federal funding for possible development of a public-private partnership to provide services at this facility for veterans with traumatic brain injury and with posttraumatic stress disorder, as well as for veterans who have a dual diagnosis of mental illness and chemical dependency.

(c) The commissioner shall seek funding from private, local, state, and federal sources for possible development of traumatic brain injury research at this facility.

Sec. 20. Minnesota Statutes 2008, section 471.975, is amended to read:

**471.975 MAY PAY DIFFERENTIAL OF RESERVE ON ACTIVE DUTY.**

(a) Except as provided in paragraph (b), a statutory or home rule charter city, county, town, or other political subdivision may pay to each eligible member of the National Guard or other reserve component of the armed forces of the United States an amount equal to the difference between the member's ~~basic~~ base active duty military salary and the salary the member would be paid as an active political subdivision employee, including any adjustments the member would have received if not on leave of absence. This payment may be made only to a person whose ~~basic~~ base active duty military salary is less than the salary the person would be paid as an active political subdivision employee. Back pay authorized by this section may be paid in a lump sum. Payment under this section must not extend beyond four years from the date the employee reported for active service, plus any additional time the employee may be legally required to serve.

(b) Subject to the limits under paragraph (g), each school district shall pay to each eligible member of the National Guard or other reserve component of the armed forces of the United States an amount equal to the difference between the member's ~~basic~~ base active duty military salary and the salary the member would be paid as an active school district employee, including any adjustments the member would have received if not on leave of absence. The pay differential must be based on a comparison between the member's daily base rate of active duty pay, calculated by dividing the member's base military monthly salary by the number of paid days in the month, and the member's daily rate of pay for the member's school district salary, calculated by dividing the member's total school district salary by the number of contract days. The member's salary as a school district employee must include the member's basic salary and any additional salary the member earns from the school district for cocurricular and extracurricular activities. The differential payment under this paragraph must be the difference between the daily base rates of military pay times the number of school district contract days the member misses because of military active duty. This payment may be made only to a person whose ~~basic active duty military salary~~ daily base rate of active duty pay is less than the ~~salary the person would be paid~~ person's daily rate of pay as an active school district employee. Payments may be made at the intervals at which the member received pay as a school district employee. Payment under this section must not extend beyond four years from the date the employee reported for active service, plus any additional time the employee may be legally required to serve.



(c) An eligible member of the reserve components of the armed forces of the United States is a reservist or National Guard member who was an employee of a political subdivision at the time the member reported for active service on or after May 29, 2003, or who is on active service on May 29, 2003.

(d) Except as provided in paragraph (e) and elsewhere in Minnesota Statutes, a statutory or home rule charter city, county, town, or other political subdivision has total discretion regarding employee benefit continuation for a member who reports for active service and the terms and conditions of any benefit.

(e) A school district must continue the employee's enrollment in health and dental coverage, and the employer contribution toward that coverage, until the employee is covered by health and dental coverage provided by the armed forces. If the employee had elected dependent coverage for health or dental coverage as of the time that the employee reported for active service, a school district must offer the employee the option to continue the dependent coverage at the employee's own expense. A school district must permit the employee to continue participating in any pretax account in which the employee participated when the employee reported for active service, to the extent of employee pay available for that purpose.

(f) For purposes of this section, "active service" has the meaning given in section 190.05, subdivision 5, but excludes service performed exclusively for purposes of:

- (1) basic combat training, advanced individual training, annual training, and periodic inactive duty training;
- (2) special training periodically made available to reserve members; and
- (3) service performed in accordance with section 190.08, subdivision 3.

(g) A school district making payments under paragraph (b) shall place a sum equal to any difference between the amount of salary that would have been paid to the employee who is receiving the payments and the amount of salary being paid to substitutes for that employee into a special fund that must be used to pay or partially pay the deployed employee's payments under paragraph (b). A school district is required to pay only this amount to the deployed school district employee.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to members of the National Guard and other reserve components of the United States armed forces serving in active military service on or after that date.

Sec. 21. Minnesota Statutes 2008, section 473.142, is amended to read:

**473.142 SMALL BUSINESSES.**

(a) The Metropolitan Council and agencies specified in section 473.143, subdivision 1, may award up to a six percent preference in the amount bid for specified goods or services to small targeted group businesses and veteran-owned small businesses designated under section 16C.16.

(b) The council and each agency specified in section 473.143, subdivision 1, may designate a purchase of goods or services for award only to small targeted group businesses designated under section 16C.16 if the council or agency determines that at least three small targeted group businesses are likely to bid. The council and each agency specified in section 473.143, subdivision 1, may designate a purchase of goods or services for award only to veteran-owned small businesses designated under section 16C.16 if the council or agency determines that at least three veteran-owned small businesses are likely to bid.

(c) The council and each agency specified in section 473.143, subdivision 1, as a condition of awarding a construction contract or approving a contract for consultant, professional, or technical services, may set goals that require the prime contractor to subcontract a portion of the contract to small targeted group businesses and veteran-owned small businesses designated under section 16C.16. The council or agency must establish a procedure for granting waivers from the subcontracting requirement when qualified small targeted group businesses and veteran-owned small businesses are not reasonably available. The council or agency may establish financial incentives for prime contractors who exceed the goals for use of subcontractors and financial penalties for prime contractors who fail to meet goals under this paragraph. The subcontracting requirements of this paragraph do not apply to prime contractors who are small targeted group businesses and veteran-owned small businesses. At least 75 percent of the value of the subcontracts awarded to small targeted group businesses under this paragraph must be performed by the business to which the subcontract is awarded or by another small targeted group business. At least 75 percent of the value of the subcontracts awarded to veteran-owned small businesses under this paragraph must be performed by the business to which the subcontract is awarded or another veteran-owned small business.

(d) The council and each agency listed in section 473.143, subdivision 1, are encouraged to purchase from small targeted group businesses and veteran-owned small businesses designated under section 16C.16 when making purchases that are not subject to competitive bidding procedures.

(e) The council and each agency may adopt rules to implement this section.

(f) Each council or agency contract must require the prime contractor to pay any subcontractor within ten days of the prime contractor's receipt of payment from the council or agency for undisputed services provided by the subcontractor. The contract must require the prime contractor to pay interest of 1-1/2 percent per month or any part of a month to the subcontractor on any undisputed amount not paid on time to the subcontractor. The minimum monthly interest penalty payment for an unpaid balance of \$100 or more is \$10. For an unpaid balance of less than \$100, the prime contractor shall pay the actual penalty due to the subcontractor. A subcontractor who prevails in a civil action to collect interest penalties from a prime contractor must be awarded its costs and disbursements, including attorney fees, incurred in bringing the action.

(g) This section does not apply to procurement financed in whole or in part with federal funds if the procurement is subject to federal disadvantaged, minority, or women business enterprise regulations. The council and each agency shall report to the commissioner of administration on compliance with this section. The information must be reported at the time and in the manner requested by the commissioner.

**EFFECTIVE DATE.** This section is effective July 1, 2009, and applies to procurement contract bid solicitations issued on and after that date.

Sec. 22. Minnesota Statutes 2008, section 626.8517, is amended to read:

**626.8517 ELIGIBILITY FOR RECIPROCITY EXAMINATION BASED ON RELEVANT MILITARY EXPERIENCE.**

(a) For purposes of this section, "relevant military experience" means ~~five years of active duty military police service;~~

(1) five years' active service experience in a military law enforcement occupational specialty;

(2) three years' active service experience in a military law enforcement occupational specialty and completion of a two-year or more degree from a regionally accredited postsecondary education institution; or

(3) five years' cumulative experience as a full-time peace officer in another state combined with active service experience in a military law enforcement occupational specialty.

(b) A person who has relevant military experience under paragraph (a) and who has been honorably discharged from ~~the~~ military active service as evidenced by a form DD-214 is eligible to take the reciprocity examination. "Active service" has the meaning given in section 190.05, subdivision 5.

Sec. 23. Laws 2008, chapter 297, article 2, section 26, subdivision 3, is amended to read:

Subd. 3. **Administrative provisions.** (a) The commissioner of veterans affairs, or the commissioner's designee, must convene the initial meeting of the working group. Upon request of the working group, the commissioner must provide meeting space and administrative services for the group. The members of the working group must elect a chair or co-chairs from the legislative members of the working group at the initial meeting. Each subsequent meeting is at the call of the chair or co-chairs.

(b) Public members of the working group serve without special compensation or special payment of expenses from the working group.

(c) The working group expires on June 30, ~~2009~~ 2010, unless an extension is authorized by law by that date.

Sec. 24. **DATE OPERATIONAL.**

To the extent practicable, the commissioner of veterans affairs shall design, construct, furnish, and equip the veterans mental health facility authorized in Minnesota Statutes, section 198.365, for commencement of operations on July 1, 2013. No state general fund money may be expended for operational costs for this facility prior to that date and without further legislative authorization.

Sec. 25. **REPORTING REQUIRED.**

(a) The commissioner of finance must collect the following data annually from each cabinet-level state agency, with the exception of the Metropolitan Council, and must report those data, by agency, by the second week of each legislative session, beginning in 2011, to the chairs and leading minority members of each of the house of representatives and senate committees having responsibility for veterans policy and finance issues:

(1) the total number of persons employed in full-time positions by the state agency;

(2) the total number of employees identified in clause (1) who are veterans;

(3) the total number of vacant full-time positions in the agency filled by hiring or appointment during the designated fiscal year;

(4) the total number of applications received for the positions identified in clause (3);

(5) the total number of applications identified in clause (4) for which veterans preference was elected by the applicant;

(6) the total number of applications identified in clause (5) for which the veteran applicant was judged by the hiring authority as meeting minimum requirements for the open positions of employment;

(7) the total number of veteran applicants identified in clause (6) who were interviewed by the hiring authority for the open positions of employment in the agency;

(8) the total number of veteran applicants identified in clause (7) who were selected for and offered employment within the open positions of employment in the agency;

(9) the total number of veteran applicants identified in clause (8) who were hired into the open positions of employment in the agency;

(10) the total number of veteran applicants identified in clause (6) who were sent a rejection letter, in accordance with Minnesota Statutes, section 43A.11, subdivision 9; and

(11) any other data or information deemed important by the commissioner of administration and reflecting on the efforts of the subject agency to recruit and hire veterans.

(b) The data must reflect one full fiscal year or one full calendar year, as determined by the commissioner of finance.

(c) The term "veteran" has the meaning given in Minnesota Statutes, section 197.447.

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

Sec. 26. **INTERAGENCY STAFF.**

For fiscal years 2010 and 2011, the Department of Veterans Affairs may not use funds appropriated in this article directly or indirectly to pay for the services of staff in the Office of the Governor.

#### ARTICLE 4

#### MILITARY AFFAIRS

Section 1. **MILITARY APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. "The first year" is fiscal year 2010. "The second year" is fiscal year 2011. "The biennium" is fiscal years 2010 and 2011.

	<b><u>APPROPRIATIONS</u></b>	
	<b><u>Available for the Year</u></b>	
	<b><u>Ending June 30</u></b>	
	<b><u>2010</u></b>	<b><u>2011</u></b>
Sec. 2. <b><u>MILITARY AFFAIRS</u></b>		
Subdivision 1. <b><u>Total Appropriation</u></b>	<b><u>\$19,374,000</u></b>	<b><u>\$19,374,000</u></b>
<u>The amounts that may be spent for each purpose are specified in the following subdivisions.</u>		
Subd. 2. <b><u>Maintenance of Training Facilities</u></b>	<u>6,660,000</u>	<u>6,660,000</u>
Subd. 3. <b><u>General Support</u></b>	<u>2,366,000</u>	<u>2,366,000</u>
Subd. 4. <b><u>Enlistment Incentives</u></b>	<u>10,348,000</u>	<u>10,348,000</u>

If appropriations for either year of the biennium are insufficient, the appropriation from the other year is available. The appropriations for enlistment incentives are available until expended."

Delete the title and insert:

"A bill for an act relating to appropriations; appropriating money for agriculture, the Board of Animal Health, the Rural Finance Authority, veterans, and the military; changing certain requirements and programs; amending Minnesota Statutes 2008, sections 3.737, subdivision 1; 3.7371, subdivision 3; 13.643, by adding a subdivision; 16C.16, by adding a subdivision; 16C.19; 16C.20; 17.03, subdivision 12; 17.115, subdivision 2; 18.75; 18.76; 18.77, subdivisions 1, 3, 5, by adding subdivisions; 18.78, subdivision 1, by adding a subdivision; 18.79; 18.80, subdivision 1; 18.81, subdivision 3, by adding subdivisions; 18.82, subdivisions 1, 3; 18.83; 18.84, subdivisions 1, 2, 3; 18.86; 18.87; 18.88; 18B.01, subdivision 8, by adding subdivisions; 18B.065, subdivisions 1, 2, 2a, 3, 7, by adding subdivisions; 18B.26, subdivisions 1, 3; 18B.31, subdivisions 3, 4; 18B.37, subdivision 1; 18C.415, subdivision 3; 18C.421; 18C.425, subdivisions 4, 6; 18E.03, subdivisions 2, 4; 18E.06; 18H.02, subdivision 12a, by adding subdivisions; 18H.07, subdivisions 2, 3; 18H.09; 18H.10; 28A.085, subdivision 1; 28A.21, subdivision 5; 31.94; 32.394, subdivision 8; 41A.09, subdivisions 2a, 3a; 41B.039, subdivision 2; 41B.04, subdivision 8; 41B.042, subdivision 4; 41B.043, subdivision 1b; 41B.045, subdivision 2; 43A.11, subdivision 7; 43A.23, subdivision 1; 85.053, subdivision 10; 97A.045, subdivision 1; 97A.465, subdivision 5; 161.321; 171.06, subdivision 3; 171.07, by adding a subdivision; 171.12, by adding a subdivision; 197.455, subdivision 1; 197.46; 198.003, by adding subdivisions; 239.791, subdivisions 1, 1a; 336.9-601; 471.975; 473.142; 550.365, subdivision 2; 559.209, subdivision 2; 582.039, subdivision 2; 583.215; 626.8517; Laws 2008, chapter 297, article 2, section 26, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 17; 18; 18B; 41A; 192; 198; repealing Minnesota Statutes 2008, sections 17.49, subdivision 3; 18G.12, subdivision 5; 38.02, subdivisions 3, 4; 41.51; 41.52; 41.53; 41.55; 41.56; 41.57; 41.58, subdivisions 1, 2; 41.59, subdivision 1; 41.60; 41.61, subdivision 1; 41.62; 41.63; 41.65; Minnesota Rules, part 1505.0820."

Signed:

RON SHIMANSKI

Shimanski moved that the Minority Report on H. F. No. 1122 be substituted for the Majority Report and that the Minority Report be now adopted.

#### LAY ON THE TABLE

Juhnke moved that the Minority report on H. F. No. 1122 be laid on the table.

A roll call was requested and properly seconded.

#### CALL OF THE HOUSE

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

Abeler	Anderson, S.	Beard	Bly	Brynaert	Carlson
Anderson, B.	Anzelc	Benson	Brod	Buesgens	Champion
Anderson, P.	Atkins	Bigham	Brown	Bunn	Clark

Cornish	Gottwalt	Juhnke	Mahoney	Pelowski	Smith
Davids	Greiling	Kahn	Mariani	Peppin	Solberg
Davnie	Gunther	Kalin	Marquart	Persell	Sterner
Dean	Hackbarth	Kath	Masin	Peterson	Swails
Demmer	Hamilton	Kelly	McFarlane	Poppe	Thao
Dettmer	Hansen	Kiffmeyer	McNamara	Reinert	Thissen
Dill	Hausman	Knuth	Morgan	Rosenthal	Tillberry
Dittrich	Haws	Koenen	Morrow	Rukavina	Torkelson
Doepke	Hayden	Kohls	Mullery	Ruud	Urdahl
Doty	Hilstrom	Laine	Murdock	Sailer	Wagenius
Downey	Hilty	Lanning	Murphy, E.	Sanders	Ward
Drazkowski	Holberg	Lenczewski	Murphy, M.	Scalze	Welti
Eastlund	Hoppe	Lesch	Nelson	Scott	Westrom
Eken	Hornstein	Liebling	Newton	Seifert	Winkler
Emmer	Hortman	Lieder	Nornes	Sertich	Zellers
Falk	Hosch	Lillie	Norton	Severson	Spk. Kelliher
Faust	Howes	Loeffler	Obermueller	Shimanski	
Fritz	Huntley	Loon	Olin	Simon	
Gardner	Jackson	Mack	Otremba	Slawik	
Garofalo	Johnson	Magnus	Paymar	Slocum	

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

The question recurred on the Juhnke motion and the roll was called.

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

There were 86 yeas and 47 nays as follows

Those who voted in the affirmative were:

Anzelc	Falk	Jackson	Mahoney	Paymar	Solberg
Atkins	Faust	Johnson	Mariani	Pelowski	Sterner
Benson	Fritz	Juhnke	Marquart	Persell	Swails
Bigham	Gardner	Kahn	Masin	Peterson	Thao
Bly	Greiling	Kalin	Morgan	Poppe	Thissen
Brown	Hansen	Kath	Morrow	Reinert	Tillberry
Brynaert	Hausman	Knuth	Mullery	Rosenthal	Wagenius
Bunn	Haws	Koenen	Murphy, E.	Rukavina	Ward
Carlson	Hayden	Laine	Murphy, M.	Ruud	Welti
Champion	Hilstrom	Lenczewski	Nelson	Sailer	Winkler
Davnie	Hilty	Lesch	Newton	Scalze	Spk. Kelliher
Dill	Hornstein	Liebling	Norton	Sertich	
Dittrich	Hortman	Lieder	Obermueller	Simon	
Doty	Hosch	Lillie	Olin	Slawik	
Eken	Huntley	Loeffler	Otremba	Slocum	

Those who voted in the negative were:

Abeler	Anderson, S.	Buesgens	Dean	Doepke	Eastlund
Anderson, B.	Beard	Cornish	Demmer	Downey	Emmer
Anderson, P.	Brod	Davids	Dettmer	Drazkowski	Garofalo

Gottwalt	Hoppe	Lanning	McNamara	Scott	Torkelson
Gunther	Howes	Loon	Murdock	Seifert	Urdahl
Hackbarth	Kelly	Mack	Nornes	Severson	Westrom
Hamilton	Kiffmeyer	Magnus	Peppin	Shimanski	Zellers
Holberg	Kohls	McFarlane	Sanders	Smith	

The motion prevailed and the Minority Report on H. F. No. 1122 was laid on the table.

The question recurred on the adoption of the Majority Report from the Committee on Finance relating to H. F. No. 1122.

A roll call was requested and properly seconded.

The question was taken on the adoption of the Majority Report from the Committee on Finance relating to H. F. No. 1122 and the roll was called. There were 87 yeas and 47 nays as follows:

Those who voted in the affirmative were:

Anzenc	Eken	Huntley	Loeffler	Otremba	Slocum
Atkins	Falk	Jackson	Mahoney	Paymar	Solberg
Benson	Faust	Johnson	Mariani	Pelowski	Sterner
Bigham	Fritz	Juhnke	Marquart	Persell	Swails
Bly	Gardner	Kahn	Masin	Peterson	Thao
Brown	Greiling	Kalin	Morgan	Poppe	Thissen
Brynaert	Hansen	Kath	Morrow	Reinert	Tillberry
Bunn	Hausman	Knuth	Mullery	Rosenthal	Wagenius
Carlson	Haws	Koenen	Murphy, E.	Rukavina	Ward
Champion	Hayden	Laine	Murphy, M.	Ruud	Welti
Clark	Hilstrom	Lenczewski	Nelson	Sailer	Winkler
Davnie	Hilty	Lesch	Newton	Scalze	Spk. Kelliher
Dill	Hornstein	Liebling	Norton	Sertich	
Dittrich	Hortman	Lieder	Obermueller	Simon	
Doty	Hosch	Lillie	Olin	Slawik	

Those who voted in the negative were:

Abeler	Davids	Emmer	Howes	McFarlane	Severson
Anderson, B.	Dean	Garofalo	Kelly	McNamara	Shimanski
Anderson, P.	Demmer	Gottwalt	Kiffmeyer	Murdock	Smith
Anderson, S.	Dettmer	Gunther	Kohls	Nornes	Torkelson
Beard	Doepke	Hackbarth	Lanning	Peppin	Urdahl
Brod	Downey	Hamilton	Loon	Sanders	Westrom
Buesgens	Drazkowski	Holberg	Mack	Scott	Zellers
Cornish	Eastlund	Hoppe	Magnus	Seifert	

The Majority Report on H. F. No. 1122 was adopted.

#### CALL OF THE HOUSE LIFTED

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

Carlson from the Committee on Finance to which was referred:

H. F. No. 1169, A bill for an act relating to employment; concerning certain purchases and acquisitions by public employers; concerning required work-related purchases for employees of public employers; establishing purchasing preferences; proposing coding for new law in Minnesota Statutes, chapter 181.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

JOBS AND ECONOMIC DEVELOPMENT APPROPRIATIONS

Section 1. **JOBS AND ECONOMIC DEVELOPMENT APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

	<u>2010</u>	<u>2011</u>	<u>Total</u>
<u>General</u>	\$134,168,000	\$133,992,000	\$268,160,000
<u>Workforce Development</u>	26,208,000	25,358,000	51,566,000
<u>Remediation</u>	700,000	700,000	1,400,000
<u>Workers' Compensation</u>	22,574,000	22,574,000	45,148,000
<b><u>Total</u></b>	<b><u>\$183,650,000</u></b>	<b><u>\$182,624,000</u></b>	<b><u>\$366,274,000</u></b>

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

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. "The first year" is fiscal year 2010. "The second year" is fiscal year 2011. "The biennium" is fiscal years 2010 and 2011.

**APPROPRIATIONS**  
**Available for the Year**  
**Ending June 30**  
**2010**                      **2011**

Sec. 3. **DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT**

Subdivision 1. **Total Appropriation**    **\$65,064,000**                      **\$64,214,000**

Appropriations by Fund

	<u>2010</u>	<u>2011</u>
<u>General</u>	39,185,000	39,185,000
<u>Remediation</u>	700,000	700,000
<u>Workforce Development</u>	25,179,000	24,329,000



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

**Subd. 2. Business and Community Development**

8,015,000

8,015,000

Appropriations by Fund

<u>General</u>	<u>6,926,000</u>	<u>6,926,000</u>
<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>
<u>Workforce Development</u>	<u>389,000</u>	<u>389,000</u>

(a) \$700,000 each year is from the remediation fund for contaminated site cleanup and development grants under Minnesota Statutes, section 116J.554. This appropriation is available until expended.

(b)(1) \$150,000 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.

(c) \$225,000 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.

(d) \$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 and for contract procurement support to businesses in northeast and southwest Minnesota.

(e) \$50,000 each year is from the general fund for a grant to the Minnesota Inventors Congress, of which at least \$5,000 must be used for youth inventors.

(f)(1) \$100,000 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 is a onetime appropriation. 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.

(g) Notwithstanding Minnesota Statutes, section 268.18, subdivision 2, \$500,000 of funds collected for unemployment insurance administration under this subdivision is appropriated as follows: \$250,000 to the city of Hugo for reimbursement of tornado relief efforts and \$250,000 to Lake County for ice storm damage; and \$70,000 the first year is from the general fund for tornado relief for the city of Hugo.

(h) \$1,000,000 in the first year is from the 21st Century Minerals 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.

(i)(1) \$189,000 each year is appropriated from the general 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.

(j) Of the amount appropriated in Laws 2008, chapter 179, section 21, subdivision 3, from the bond proceeds fund to the commissioner of employment and economic development for bioscience business development public infrastructure grants under Minnesota Statutes, section 116J.435, up to \$2,000,000 may be used for a grant to the city of Pine Island for the design and construction of publicly owned water and sewer infrastructure at the Elk Run Bioscience Park. Notwithstanding Minnesota Statutes, section 116J.435, the grant under this section may be used for public infrastructure to support residential, industrial, office, or research park development. The limits under Minnesota Statutes, section 116J.435, subdivision 3, paragraph (b), apply to the grant under this section.

**Subd. 3. Workforce Development**

54,603,000

53,753,000

Appropriations by Fund

<u>General</u>	<u>29,813,000</u>	<u>29,813,000</u>
<u>Workforce Development</u>	<u>24,790,000</u>	<u>23,940,000</u>

(a) \$4,562,000 each year is from the general fund for the Minnesota job skills partnership program under Minnesota Statutes, sections 116L.01 to 116L.17. If the appropriation for either year is insufficient, the appropriation for the other year is available. This appropriation is available until spent.

(b) \$8,800,000 each year is from the general fund for the state's vocational rehabilitation program under Minnesota Statutes, chapter 268A.

(c) \$5,986,000 each year is from the general fund for the state services for the blind activities.

(d) \$2,380,000 each year is from the general fund for grants to centers for independent living under Minnesota Statutes, section 268A.11.

(e) \$350,000 each year is from the general fund and \$105,000 each year is from the workforce development fund for a grant under Minnesota Statutes, section 116J.8747, to Twin Cities RISE! to provide training to hard-to-train individuals. Funds unexpended in the first year are available for expenditure in the second year.

(f) \$150,000 each year is from the general fund and \$50,000 each year is from the workforce development fund for a grant to Northern Connections in Perham to implement and operate a pilot workforce program that provides one-stop supportive services to individuals as they transition into the workforce.

(g) \$150,000 each year is from the general fund for a grant to Advocating Change Together for training, technical assistance, and resource materials for persons with developmental and mental illness disabilities.

(h) \$5,627,000 each year is from the general fund and \$6,920,000 each year is from the workforce development fund for extended employment services for persons with severe disabilities or related conditions under Minnesota Statutes, section 268A.15. Of the general fund appropriation, \$125,000 each year is to supplement funds paid for wage incentives for the community support fund established in Minnesota Rules, part 3300.2045.

(i) \$1,613,000 each year is from the general fund for grants to programs that provide employment support services to persons with mental illness under Minnesota Statutes, sections 268A.13 and 268A.14. Grants may be used for special projects for young people with mental illness transitioning from school to work and people with serious mental illness receiving services through a mental health court or civil commitment court. Special projects must demonstrate interagency collaboration.

(j) \$145,000 each year is from the general fund and \$175,000 each year is from the workforce development fund for a grant under Minnesota Statutes, section 268A.03, to Rise, Inc. for the Minnesota Employment Center for People Who are Deaf or Hard of Hearing. Money not expended the first year is available the second year.

(k) \$50,000 each year is from the general fund and \$250,000 each year is from the workforce development fund for a grant to Lifetrack Resources for its immigrant and refugee collaborative program, including those related to job-seeking skills and workplace orientation, intensive job development, functional work English, and on-site job coaching. This appropriation may also be used in Rochester.

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

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

(n) \$1,250,000 each year is from the workforce development fund for grants for the Minneapolis summer youth employment program. The grants shall be used to fund up to 500 jobs for youth each summer. Of this appropriation, \$310,000 each year is for a grant to the learn-to-earn summer youth employment program. The commissioner shall establish criteria for awarding the grants. This appropriation is available in either year of the biennium and is available until spent.

(o) \$575,000 each year is from the workforce development fund for grants to fund summer youth employment in St. Paul. The grants shall be used to fund up to 500 jobs for youth each summer. The commissioner shall establish criteria for awarding the grants. This appropriation is available in either year of the biennium and is available until spent.

(p) \$1,000,000 each year is from the workforce development fund for the youthbuild program under Minnesota Statutes, sections 116L.361 to 116L.366.

(q) \$100,000 each year is from the workforce development fund for grants for the indigenous earthkeepers program for American Indian youth environmental education and training. Funds must be used to provide summer programming for up to 80 American Indian youth ages 14 to 19 for up to eight weeks. The indigenous earthkeepers program must use the environment, with native language as its primary core, to develop student academic skills and knowledge at Center School and Healthy Nations Program of the Minneapolis American Indian Center. The program must foster a sense of civic and environmental responsibility by providing youth the opportunity to serve on small, natural, and urban resource crews in the Twin Cities metropolitan area and outside of the metropolitan area. In addition, it must build the capacity of these youths to improve their lives in an indigenous-inspired and culturally relevant manner. At a minimum, the program curriculum must include water studies, identification of waterway cleanup sites, cleanup of waterways significant to indigenous culture and education, plant identification, gardening, and indigenous language components. This is a onetime appropriation.

(r) \$340,000 each year is from the workforce development fund for grants to provide interpreters for a regional transition program that specializes in providing culturally appropriate transition services leading to employment for deaf, hard-of-hearing, and deaf-blind students.

(s) The first \$1,450,000 deposited in each year of the biennium into the contingent account created under Minnesota Statutes, section 268.199, shall be transferred before the closing of each fiscal year to the workforce development fund created under Minnesota Statutes, section 116L.20. Deposits in excess of \$1,450,000 shall be transferred before the closing of each fiscal year to the general fund.

(t) \$75,000 each year is from the workforce development fund for a grant to the Ramsey County Workforce Investment Board for the development of the building lives program. This is a onetime appropriation.

(u) \$75,000 each year is from the workforce development fund for a grant to a nonprofit organization. The nonprofit organization must work on behalf of all licensed vendors to coordinate their efforts to respond to solicitations or other requests from private and governmental units as defined in Minnesota Statutes, section 471.59, subdivision 1, in order to increase employment opportunities for persons with disabilities. This is a onetime appropriation.

(v) \$500,000 each year from the workforce development fund is for a grant to the Minnesota Alliance of Boys and Girls Clubs to administer a statewide project of youth job skills development. This project, which may have career guidance components, including health and life skills, is to encourage, train, and assist youth in job-seeking skills, workplace orientation, and job site knowledge through coaching. This grant requires a 25 percent match from nonstate resources.

(w) \$100,000 in the first year is from the workforce development fund for a grant to the Southeast Asian Collaborative in Hennepin County for an intensive intervention transitional employment training project to move refugee and immigrant welfare recipients into unsubsidized employment leading to economic self-sufficiency. One of the five partners in the collaborative shall be chosen as the fiscal agent by the commissioner of employment and economic development. The primary effort must be on intensive employment skills training, including workplace English and overcoming cultural barriers, and on specialized training in fields of work which involve a credit-based curriculum. For recipients without a high school diploma or a GED, extra effort shall be made to help the recipient meet the ability to benefit test so the recipient can receive financial aid for further training. During the specialized training, efforts should be made to involve the recipients with an internship program and retention specialist. This appropriation is not available until the commissioner of finance has determined that at least an equal amount has been committed from nonstate funds.

(x) \$7,500,000 each year is from the workforce development fund for grants to establish two emergency employment pilot projects in counties with high unemployment rates. The grants may be used for wage subsidies of up to 50 percent of the wage paid. The maximum wage subsidy shall be \$5 per hour. This is a onetime appropriation.

(y) \$1,000,000 each year is from reserve funds allocated to the Department of Employment and Economic Development under the American Recovery and Reinvestment Act, Public Law 115-5, for Workforce Investment Act adult and displaced worker programs for on-the-job training for eligible persons in counties with high unemployment. This is a onetime appropriation.

(z) \$750,000 the first year is from the workforce development fund to Enterprise Minnesota, Inc. for the small business growth acceleration program established under Minnesota Statutes, section 116O.115.

(aa) \$150,000 each year is for a grant to the nonprofit organization selected to administer the demonstration project for high-risk adults under Laws 2007, chapter 54, article 1, section 19, in order to continue the project for a second biennium. This is a onetime appropriation.

(bb) Of the money available to Minnesota from the American Recovery and Reinvestment Act of 2009, Public Law 111-5, and allocated to the Department of Employment and Economic Development for state employment programs, \$500,000 is for a grant to an organization doing business in St. Paul, Hibbing, and Grand Rapids, Minnesota, that provides progressive development and employment opportunities in competitive business enterprises for people with disabilities. The appropriation in this section must be used to provide employee and program services, and is available until expended. No nonstate match is required for this grant.

(cc) All Wagner-Peyser funds available to the state for job seeker services under the American Recovery and Reinvestment Act of 2009, Public Law 111-5, must be allocated to workforce development centers for universal job seeker services.

(dd) All Workforce Investment Act discretionary funds available to the commissioner for workforce development under the American Recovery and Reinvestment Act of 2009, Public Law 111-5, must first be allocated to replace reductions in state general fund or workforce development fund resources for employment and training or youth programs.

Subd. 4. State-Funded Administration

2,446,000

2,446,000

Sec. 4. **PUBLIC FACILITIES AUTHORITY****\$100,000****\$100,000**

\$100,000 the first year and \$100,000 the second year are for the small community wastewater treatment program under Minnesota Statutes, chapter 446A. This appropriation is available until spent.

Sec. 5. **EXPLORE MINNESOTA TOURISM****\$10,311,000****\$10,311,000**

(a) Of this amount, \$12,000 each year is for a grant to the Upper Minnesota Film Office.

(b) To develop maximum private sector involvement in tourism, \$500,000 the first year and \$500,000 the second year must be matched by Explore Minnesota Tourism from nonstate sources. Each \$1 of state incentive must be matched with \$3 of private sector funding. Cash match is defined as revenue to the state or documented cash expenditures directly expended to support Explore Minnesota Tourism programs. Up to one-half of the private sector contribution may be in-kind or soft match. The incentive in the first year shall be based on fiscal year 2009 private sector contributions. The incentive in the second year will be based on fiscal year 2010 private sector contributions. This incentive is ongoing.

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

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

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

(d) \$650,000 the first year and \$650,000 the second year are appropriated for a grant to the Minnesota Film and TV Board for the film jobs production program under Minnesota Statutes, section 116U.26. These appropriations are available in either year of the biennium and are available until expended.

Sec. 6. **HOUSING FINANCE AGENCY**Subdivision 1. **Total Appropriation****\$45,208,000****\$45,208,000**

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



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

**Subd. 2. Challenge Program**

9,517,000

9,517,000

For the economic development and housing challenge program under Minnesota Statutes, section 462A.33. Of this amount, \$1,395,000 each year shall be made available during the first 11 months of the fiscal year exclusively for housing projects for American Indians. Any funds not committed to housing projects for American Indians in the first 11 months of the fiscal year shall be available for any eligible activity under Minnesota Statutes, section 462A.33.

**Base Adjustment.** Beginning July 1, 2011, the base is reduced by \$1,150,000.

**Subd. 3. Housing Trust Fund**

10,555,000

10,555,000

For deposit in the housing trust fund account created under Minnesota Statutes, section 462A.201, and used for the purposes provided in that section.

**Subd. 4. Rental Assistance for Mentally III**

2,638,000

2,638,000

For a rental housing assistance program for persons with a mental illness or families with an adult member with a mental illness under Minnesota Statutes, section 462A.2097.

**Subd. 5. Family Homeless Prevention**

7,465,000

7,465,000

For the family homeless prevention and assistance programs under Minnesota Statutes, section 462A.204.

**Subd. 6. Home Ownership Assistance Fund**

385,000

385,000

For the home ownership assistance program under Minnesota Statutes, section 462A.21, subdivision 8. In fiscal years 2012 and 2013, the base shall be \$885,000 each year.

**Subd. 7. Affordable Rental Investment Fund**

8,996,000

8,996,000

For the affordable rental investment fund program under Minnesota Statutes, section 462A.21, subdivision 8b. The appropriation is to finance the acquisition, rehabilitation, and debt restructuring of federally assisted rental property and for making equity take-out loans under Minnesota Statutes, section 462A.05, subdivision 39.

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

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

**Subd. 8. Housing Rehabilitation**

4,287,000

4,287,000

For the housing rehabilitation program under Minnesota Statutes, section 462A.05, subdivision 14, for rental housing developments.

**Subd. 9. Homeownership Education, Counseling, and Training**

865,000

865,000

For the homeownership education, counseling, and training program under Minnesota Statutes, section 462A.209.

**Subd. 10. Capacity Building Grants**

250,000

250,000

For nonprofit capacity building grants under Minnesota Statutes, section 462A.21, subdivision 3b.

**Subd. 11. Transfer of Disaster Relief Contingency Funds**

\$1,500,000 of the amount unobligated and unencumbered in the disaster relief contingency fund under Minnesota Statutes, section 462A.21, subdivision 29, is transferred to the housing trust fund under Minnesota Statutes, section 462A.201, for grants for temporary rental assistance for families with children who are homeless and in need of or utilizing an emergency shelter facility. This is a onetime transfer and is not added to the agency's permanent budget base.

**Subd. 12. Demonstration Project for High-Risk Adults**

\$250,000 in fiscal year 2010 and \$250,000 in fiscal year 2011 are appropriated from the general fund to the commissioner of the Housing Finance Agency for grants to the nonprofit organization selected to administer the demonstration project for high-risk adults under Laws 2007, chapter 54, article 1, section 19, in order to continue the project for a second biennium. This is a onetime appropriation.

**Sec. 7. Commissioner of Finance****\$5,000****\$5,000**

\$5,000 in fiscal year 2010 and \$5,000 in fiscal year 2011 are for the commissioner of finance for administrative expenses under section 327C.03.

**Sec. 8. DEPARTMENT OF LABOR AND INDUSTRY****Subdivision 1. Total Appropriation****\$22,780,000****\$22,780,000**Appropriations by Fund

	<u>2010</u>	<u>2011</u>
<u>General</u>	<u>880,000</u>	<u>880,000</u>
<u>Workers' Compensation</u>	<u>20,871,000</u>	<u>20,871,000</u>
<u>Workforce Development</u>	<u>1,029,000</u>	<u>1,029,000</u>

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

**Subd. 2. Workers' Compensation****14,890,000****14,890,000**

This appropriation is from the workers' compensation fund.

\$200,000 each year is for grants to the Vinland Center for rehabilitation services. Grants shall be distributed as the department refers injured workers to the Vinland Center for rehabilitation services.

**Subd. 3. Labor Standards/Apprenticeship****1,909,000****1,909,000**Appropriations by Fund

<u>General</u>	<u>880,000</u>	<u>880,000</u>
<u>Workforce Development</u>	<u>1,029,000</u>	<u>1,029,000</u>

(a) The appropriation from the workforce development fund is for the apprenticeship program under Minnesota Statutes, chapter 178, and includes \$100,000 each year for labor education and advancement program grants and to expand and promote registered apprenticeship training in nonconstruction trade programs.

(b) \$150,000 each year is from the workforce development fund for prevailing wage enforcement.

(c) \$200,000 the first year and \$200,000 the second year are from the assigned risk safety account for independent contractor investigator services to ensure compliance with the state's independent contractor exemption certificate program under Minnesota Statutes, section 181.723.

Subd. 4. <b><u>General Support</u></b>	<u>5,981,000</u>	<u>5,981,000</u>
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This appropriation is from the workers' compensation fund.

Sec. 9. **BUREAU OF MEDIATION SERVICES**

Subdivision 1. <b><u>Total Appropriation</u></b>	<b><u>\$1,683,000</u></b>	<b><u>\$1,683,000</u></b>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. <b><u>Mediation Services</u></b>	<u>1,583,000</u>	<u>1,583,000</u>
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Subd. 3. <b><u>Labor Management Cooperation Grants</u></b>	<u>100,000</u>	<u>100,000</u>
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\$100,000 each year is for grants to area labor management committees. Grants may be awarded for a 12-month period beginning July 1 each year. Any unencumbered balance remaining at the end of the first year does not cancel but is available for the second year.

Sec. 10. <b><u>WORKERS' COMPENSATION COURT OF APPEALS</u></b>	<b><u>\$1,703,000</u></b>	<b><u>\$1,703,000</u></b>
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This appropriation is from the workers' compensation fund.

Sec. 11. **MINNESOTA HISTORICAL SOCIETY**

Subdivision 1. <b><u>Total Appropriation</u></b>	<b><u>\$22,719,000</u></b>	<b><u>\$22,613,000</u></b>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. <b><u>Education and Outreach</u></b>	<u>12,870,000</u>	<u>12,870,000</u>
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Notwithstanding Minnesota Statutes, section 138.668, the Minnesota Historical Society may not charge a fee for its general tours at the Capitol, but may charge fees for special programs other than general tours.

<u>Subd. 3. <b>Preservation and Access</b></u>	<u>9,585,000</u>	<u>9,585,000</u>
<u>Subd. 4. <b>Fiscal Agent</b></u>		
<u>(a) Minnesota International Center</u>	<u>40,000</u>	<u>40,000</u>
<u>(b) Minnesota Air National Guard Museum</u>	<u>14,000</u>	<u>0</u>
<u>(c) Minnesota Military Museum</u>	<u>92,000</u>	<u>0</u>
<u>(d) Farmamerica</u>	<u>118,000</u>	<u>118,000</u>
<u>(e) Balances Forward</u>		

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

The general fund base for the Minnesota Air National Guard Museum in fiscal year 2012 is \$16,000.

The general fund base for the Minnesota Military Museum in fiscal year 2012 is \$100,000.

Subd. 5. **Fund Transfer**

The Minnesota Historical Society may reallocate funds appropriated in and between subdivisions 2 and 3 for any program purposes and the appropriations are available in either year of the biennium.

Sec. 12. <u><b>BOARD OF ACCOUNTANCY</b></u>	<u>\$505,000</u>	<u>\$505,000</u>
Sec. 13. <u><b>BOARD OF ARCHITECTURE, ENGINEERING, LAND SURVEYING, LANDSCAPE ARCHITECTURE, GEOSCIENCE, AND INTERIOR DESIGN</b></u>	<u>\$815,000</u>	<u>\$815,000</u>
Sec. 14. <u><b>BOARD OF BARBER AND COSMETOLOGIST EXAMINERS</b></u>	<u>\$839,000</u>	<u>\$839,000</u>
Sec. 15. <u><b>COMBATIVE SPORTS COMMISSION</b></u>	<u>\$125,000</u>	<u>\$125,000</u>
<u>The appropriation is to transition the commission to being a self-funded entity.</u>		
Sec. 16. <u><b>LEGISLATIVE COORDINATING COMMISSION</b></u>	<u>\$70,000</u>	<u>\$0</u>

From the general fund to the Legislative Coordinating Commission under Minnesota Statutes, section 3.303, for fiscal year 2010 for the economic development strategy working group established in article 2, section 40.

Sec. 17. **BOARD OF THE ARTS**Subdivision 1. **Total Appropriation****\$9,530,000****\$9,530,000**

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

Subd. 2. **Operations and Services**

600,000

600,000

Subd. 3. **Grants Program**

6,202,000

6,202,000

Subd. 4. **Regional Arts Councils**

2,728,000

2,728,000

Sec. 18. **MINNESOTA HUMANITIES CENTER****\$238,000****\$238,000**Sec. 19. **PUBLIC BROADCASTING****\$1,955,000****\$1,955,000**

(a) \$1,161,000 the first year and \$1,161,000 the second year are for matching grants for public television.

(b) \$200,000 the first year and \$200,000 the second year are for public television equipment grants. Equipment or matching grant allocations shall be made after considering the recommendations of the Minnesota Public Television Association.

(c) \$17,000 the first year and \$17,000 the second year are for grants to the Twin Cities regional cable channel.

(d) \$287,000 the first year and \$287,000 the second year are for community service grants to public educational radio stations.

(e) \$100,000 the first year and \$100,000 the second year are for equipment grants to public educational radio stations.

(f) The grants in paragraphs (d) and (e) must be allocated after considering the recommendations of the Association of Minnesota Public Educational Radio Stations under Minnesota Statutes, section 129D.14.

(g) \$190,000 the first year and \$190,000 the second year are for equipment grants to Minnesota Public Radio, Inc.

(h) Any unencumbered balance remaining the first year for grants to public television or radio stations does not cancel and is available for the second year.

Sec. 20. Laws 1998, chapter 404, section 23, subdivision 6, as amended by Laws 2002, chapter 220, article 10, section 35, subdivision 6, is amended to read:

Subd. 6. **St. Paul RiverCentre Arena**

65,000,000

This appropriation is from the general fund to the commissioner of finance for a loan to the city of St. Paul to demolish the existing St. Paul RiverCentre Arena and to design, construct, furnish, and equip a new arena. This appropriation is not available until the lessee to whom the city has leased the arena has agreed to make rental or other payments to the city under the terms set forth in this subdivision. The loan is repayable solely from and secured by the payments made to the city by the lessee. The loan is not a public debt and the full faith, credit, and taxing powers of the city are not pledged for its repayment.

(a) ~~\$48,000,000~~ \$15,250,000 of the loan must be repaid to the commissioner, without interest, within ~~20~~ 12 years from the date of substantial completion of the arena in accordance with the following schedule:

(1) no repayments are due in the first two years from the date of substantial completion;

(2) in each of the years three to five, the lessee must pay \$1,250,000;

(3) in each of the years six to ten, the lessee must pay \$1,500,000; and

(4) in each of the years 11 to ~~13~~ 12, the lessee must pay \$2,000,000;

~~(5) in year 14, the lessee must pay \$3,000,000;~~

~~(6) in year 15, the lessee must pay \$4,000,000; and~~

~~(7) in each of the years 16 to 20, the lessee must pay \$4,750,000.~~

(b) The commissioner must deposit the repayments in the state treasury and credit them to the general fund.

(c) The loan may not be made until the commissioner has entered into an agreement with the city of St. Paul identifying the rental or other payments that will be made and establishing the dates on and the amounts in which the payments will be made to the city and by the city to the commissioner. The payments may include operating revenues and additional payments to be made by the lessee under agreements to be negotiated between the commissioner, the city, and the lessee. Those agreements may include, but are not limited to, an agreement whereby the lessee pledges to provide each year a letter of credit sufficient to guarantee the payment of the amount due for the next succeeding year; an agreement whereby the lessee agrees to maintain a net worth, certified each year by a financial institution or accounting firm satisfactory to the commissioner, that is greater than the balance due under the payment schedule in paragraph (a); and any other agreements the commissioner may deem necessary to ensure that the payments are made as scheduled.

(d) The agreements must provide that the failure of the lessee to make a payment due to the city under the agreement is an event of default under the lease between the city and the lessee and that the state is entitled to enforce the remedies of the lessor under the lease in the event of default. Those remedies must include, but need not be limited to, the obligation of the lessee to pay the balance due for the remainder of the payment schedule in the event the lessee ceases to operate a National Hockey League team in the arena.

(e) By January 1, 1999, the commissioner shall report to the chair of the senate committee on state government finance and the chair of the house committee on ways and means the terms of an agreement between the lessee and the amateur sports commission whereby the lessee agrees to make the facilities of the arena available to the commission on terms satisfactory to the commission for amateur sports activities consistent with the purposes of Minnesota Statutes, chapter 240A, each year during the time the loan is outstanding. The amateur sports commission must negotiate in good faith and may be required to pay no more than actual out-of-pocket expenses for the time it uses the arena. The agreement may not become effective before February 1, 1999. During any calendar year after 1999 that an agreement under this paragraph is not in effect and a payment is due under the schedule, the lessee must pay to the commissioner a penalty of \$750,000 for that year. If the amateur sports commission has not negotiated in good faith, no penalty is due.

**EFFECTIVE DATE.** This section is effective the day after the city of St. Paul issues up to \$40,000,000 in bonds for a community ice facility as authorized in law.

## ARTICLE 2

### EMPLOYMENT AND ECONOMIC DEVELOPMENT-RELATED PROVISIONS

Section 1. Minnesota Statutes 2008, section 15.75, subdivision 5, is amended to read:

Subd. 5. **Agreements with Department of Employment and Economic Development.** The commissioner of employment and economic development may enter into agreements with regional entities established under subdivision 4 to prepare plans to ensure coordination of the department's business development, community development, workforce development, and trade functions with programs of local units of government and other public and private development agencies in the regions. The plans will identify regional development priorities and serve as a guide for the implementation of the department's programs in the regions.

Sec. 2. Minnesota Statutes 2008, section 16B.54, subdivision 2, is amended to read:

Subd. 2. **Vehicles.** (a) The commissioner may direct an agency to make a transfer of a passenger motor vehicle or truck currently assigned to it. The transfer must be made to the commissioner for use in the central motor pool. The commissioner shall reimburse an agency whose motor vehicles have been paid for with funds dedicated by the Constitution for a special purpose and which are assigned to the central motor pool. The amount of reimbursement for a motor vehicle is its average wholesale price as determined from the midwest edition of the National Automobile Dealers Association official used car guide.



(b) To the extent that funds are available for the purpose, the commissioner may purchase or otherwise acquire additional passenger motor vehicles and trucks necessary for the central motor pool. The title to all motor vehicles assigned to or purchased or acquired for the central motor pool is in the name of the Department of Administration.

(c) On the request of an agency, the commissioner may transfer to the central motor pool any passenger motor vehicle or truck for the purpose of disposing of it. The department or agency transferring the vehicle or truck must be paid for it from the motor pool revolving account established by this section in an amount equal to two-thirds of the average wholesale price of the vehicle or truck as determined from the midwest edition of the National Automobile Dealers Association official used car guide.

(d) The commissioner shall provide for the uniform marking of all motor vehicles. Motor vehicle colors must be selected from the regular color chart provided by the manufacturer each year. The commissioner may further provide for the use of motor vehicles without marking by:

- (1) the governor;
- (2) the lieutenant governor;
- (3) the Division of Criminal Apprehension, the Division of Alcohol and Gambling Enforcement, and arson investigators of the Division of Fire Marshal in the Department of Public Safety;
- (4) the Financial Institutions Division and investigative staff of the Department of Commerce;
- (5) the Division of Disease Prevention and Control of the Department of Health;
- (6) the State Lottery;
- (7) criminal investigators of the Department of Revenue;
- (8) state-owned community service facilities in the Department of Human Services;
- ~~(9) the investigative staff of the Department of Employment and Economic Development;~~
- ~~(40)~~ (9) the Office of the Attorney General; and
- ~~(44)~~ (10) the investigative staff of the Gambling Control Board.

Sec. 3. Minnesota Statutes 2008, section 84.94, subdivision 3, is amended to read:

Subd. 3. **Identification and classification.** The Department of Natural Resources, with the cooperation of the state Geological Survey, ~~Departments~~ the Department of Transportation, and ~~Energy, Planning and Development~~ the Department of Employment and Economic Development, outside of the metropolitan area as defined in section 473.121, shall conduct a program of identification and classification of potentially valuable publicly or privately owned aggregate lands located outside of urban or developed areas where aggregate mining is restricted, without consideration of their present land use. The program shall give priority to identification and classification in areas of the state where urbanization or other factors are or may be resulting in a loss of aggregate resources to development. Lands shall be classified as:

- (1) identified resources, being those containing significant aggregate deposits;
- (2) potential resources, being those containing potentially significant deposits and meriting further evaluation; or

(3) subeconomic resources, being those containing no significant deposits.

As lands are classified, the information on the classification shall be transmitted to each of the departments and agencies named in this subdivision, to the planning authority of the appropriate county and municipality, and to the appropriate county engineer. The county planning authority shall notify owners of land classified under this subdivision by publication in a newspaper of general circulation in the county or by mail.

Sec. 4. Minnesota Statutes 2008, section 115C.08, subdivision 4, is amended to read:

Subd. 4. **Expenditures.** (a) Money in the fund may only be spent:

- (1) to administer the petroleum tank release cleanup program established in this chapter;
  - (2) for agency administrative costs under sections 116.46 to 116.50, sections 115C.03 to 115C.06, and costs of corrective action taken by the agency under section 115C.03, including investigations;
  - (3) for costs of recovering expenses of corrective actions under section 115C.04;
  - (4) for training, certification, and rulemaking under sections 116.46 to 116.50;
  - (5) for agency administrative costs of enforcing rules governing the construction, installation, operation, and closure of aboveground and underground petroleum storage tanks;
  - (6) for reimbursement of the environmental response, compensation, and compliance account under subdivision 5 and section 115B.26, subdivision 4;
  - (7) for administrative and staff costs as set by the board to administer the petroleum tank release program established in this chapter;
  - (8) for corrective action performance audits under section 115C.093;
  - (9) for contamination cleanup grants, as provided in paragraph (c); and
  - (10) to assess and remove abandoned underground storage tanks under section 115C.094 and, if a release is discovered, to pay for the specific consultant and contractor services costs necessary to complete the tank removal project, including, but not limited to, excavation soil sampling, groundwater sampling, soil disposal, and completion of an excavation report.
- (b) Except as provided in paragraph (c), money in the fund is appropriated to the board to make reimbursements or payments under this section.
- (c) \$6,200,000 is annually appropriated from the fund to the commissioner of employment and economic development for contamination cleanup grants under section 116J.554. Of this amount, the commissioner may spend up to ~~\$180,000~~ \$225,000 annually for administration of the contamination cleanup grant program. The appropriation does not cancel and is available until expended. The appropriation shall not be withdrawn from the fund nor the fund balance reduced until the funds are requested by the commissioner of employment and economic development. The commissioner shall schedule requests for withdrawals from the fund to minimize the necessity to impose the fee authorized by subdivision 2. Unless otherwise provided, the appropriation in this paragraph may be used for:

(1) project costs at a qualifying site if a portion of the cleanup costs are attributable to petroleum contamination or new and used tar and tar-like substances, including but not limited to bitumen and asphalt, but excluding bituminous or asphalt pavement, that consist primarily of hydrocarbons and are found in natural deposits in the earth or are distillates, fractions or residues from the processing of petroleum crude or petroleum products as defined in section 296A.01; and

(2) the costs of performing contamination investigation if there is a reasonable basis to suspect the contamination is attributable to petroleum or new and used tar and tar-like substances, including but not limited to bitumen and asphalt, but excluding bituminous or asphalt pavement, that consist primarily of hydrocarbons and are found in natural deposits in the earth or are distillates, fractions, or residues from the processing of petroleum crude or petroleum products as defined in section 296A.01.

Sec. 5. Minnesota Statutes 2008, section 116J.035, subdivision 1, is amended to read:

Subdivision 1. **Powers.** (a) The commissioner may:

- (1) apply for, receive, and expend money from municipal, county, regional, and other government agencies;
  - (2) apply for, accept, and disburse grants and other aids from other public or private sources;
  - (3) contract for professional services if such work or services cannot be satisfactorily performed by employees of the department or by any other state agency;
  - (4) enter into interstate compacts to jointly carry out such research and planning with other states or the federal government where appropriate;
  - (5) distribute informational material at no cost to the public upon reasonable request; and
  - (6) enter into contracts necessary for the performance of the commissioner's duties with federal, state, regional, metropolitan, local, and other agencies or units of government; educational institutions, including the University of Minnesota. Contracts made pursuant to this section shall not be subject to the competitive bidding requirements of chapter 16C.
- (b) The commissioner may apply for, receive, and expend money made available from federal or other sources for the purpose of carrying out the duties and responsibilities of the commissioner pursuant to this chapter.
- (c) All moneys received by the commissioner pursuant to this chapter shall be deposited in the state treasury and, subject to section 3.3005, are appropriated to the commissioner for the purpose for which the moneys have been received. The money shall not cancel and shall be available until expended.

Sec. 6. Minnesota Statutes 2008, section 116J.035, subdivision 6, is amended to read:

Subd. 6. **Receipt of gifts, money; appropriation.** ~~(a) The commissioner may accept gifts, bequests, grants, payments for services, and other public and private money to help finance the activities of the department.;~~

- (1) apply for, accept, and disburse gifts, bequests, grants, payments for services, loans, or other property from the United States, the state, private foundations, or any other source;
- (2) enter into an agreement required for the gifts, grants, or loans; and
- (3) hold, use, and dispose of its assets according to the terms of the gift, grant, loan, or agreement.

(b) Money received by the commissioner under this subdivision must be deposited in a separate account in the state treasury and invested by the State Board of Investment. The amount deposited, including investment earnings, is appropriated to the commissioner to carry out duties under this section.

Sec. 7. Minnesota Statutes 2008, section 116J.401, subdivision 2, is amended to read:

Subd. 2. **Duties; authorizations; limitations.** (a) The commissioner of employment and economic development shall:

(1) provide regional development commissions, the Metropolitan Council, and units of local government with information, technical assistance, training, and advice on using federal and state programs;

(2) receive and administer the Small Cities Community Development Block Grant Program authorized by Congress under the Housing and Community Development Act of 1974, as amended;

(3) receive and administer the section 107 technical assistance program grants authorized by Congress under the Housing and Community Development Act of 1974, as amended;

(4) receive, administer, and supervise other state and federal grants and grant programs for planning, community affairs, community development purposes, employment and training services, and other state and federal programs assigned to the department by law or by the governor in accordance with section 4.07;

(5) receive applications for state and federal grants and grant programs for planning, community affairs, and community development purposes, and other state and federal programs assigned to the department by law or by the governor in accordance with section 4.07;

(6) act as the agent of, and cooperate with, the federal government in matters of mutual concern, including the administration of any federal funds granted to the state to aid in the performance of functions of the commissioner;

(7) provide consistent, integrated employment and training services across the state;

(8) administer the Wagner-Peyser Act, the Workforce Investment Act, and other federal employment and training programs;

(9) establish the standards for all employment and training services administered under this chapter and chapters 116L, 248, 268, and 268A;

(10) administer the aspects of the Minnesota family investment program, general assistance, and food stamps that relate to employment and training services, subject to the contract under section 116L.86, subdivision 1;

(11) obtain reports from local service units and service providers for the purpose of evaluating the performance of employment and training services;

(12) as requested, certify employment and training services, and decertify services that fail to comply with performance criteria according to standards established by the commissioner;

(13) develop standards for the contents and structure of the local service unit plans and plans for Indian tribe employment and training services, review and comment on those plans, and approve or disapprove the plans;

(14) supervise the county boards of commissioners, local service units, and any other units of government designated in federal or state law as responsible for employment and training programs;

- (15) establish administrative standards and payment conditions for providers of employment and training services;
- (16) enter into agreements with Indian tribes as necessary to provide employment and training services as appropriate funds become available;
- (17) cooperate with the federal government and its employment and training agencies in any reasonable manner as necessary to qualify for federal aid for employment and training services and money;
- (18) administer and supervise all forms of unemployment insurance provided for under federal and state laws;
- (19) provide current state and substate labor market information and forecasts, in cooperation with other agencies;
- (20) require all general employment and training programs that receive state funds to make available information about opportunities for women in nontraditional careers in the trades and technical occupations;
- (21) consult with the Rehabilitation Council for the Blind on matters pertaining to programs and services for the blind and visually impaired;
- (22) enter into agreements with other departments of the state and local units of government as necessary; ~~and~~
- (23) establish and maintain administrative units necessary to perform administrative functions common to all divisions of the department-;
- (24) investigate, study, and undertake ways and means of promoting and encouraging the prosperous development and protection of the legitimate interest and welfare of Minnesota business, industry, and commerce, within and outside the state;
- (25) locate markets for manufacturers and processors and aid merchants in locating and contacting markets;
- (26) as necessary or useful for the proper execution of the powers and duties of the commissioner in promoting and developing Minnesota business, industry, and commerce, both within and outside the state, investigate and study conditions affecting Minnesota business, industry, and commerce; collect and disseminate information; and engage in technical studies, scientific investigations, statistical research, and educational activities;
- (27) plan and develop an effective business information service both for the direct assistance of business and industry of the state and for the encouragement of business and industry outside the state to use economic facilities within the state;
- (28) compile, collect, and develop periodically, or otherwise make available, information relating to current business conditions;
- (29) conduct or encourage research designed to further new and more extensive uses of the natural and other resources of the state and designed to develop new products and industrial processes;
- (30) study trends and developments in the industries of the state and analyze the reasons underlying the trends;
- (31) study costs and other factors affecting successful operation of businesses within the state;
- (32) make recommendations regarding circumstances promoting or hampering business and industrial development;

(33) serve as a clearinghouse for business and industrial problems of the state;

(34) advise small business enterprises regarding improved methods of accounting and bookkeeping;

(35) cooperate with interstate commissions engaged in formulating and promoting the adoption of interstate compacts and agreements helpful to business, industry, and commerce;

(36) cooperate with other state departments and with boards, commissions, and other state agencies in the preparation and coordination of plans and policies for the development of the state and for the use and conservation of its resources insofar as the use, conservation, and development may be appropriately directed or influenced by a state agency;

(37) in connection with state, county, and municipal public works projects, assemble and coordinate information relative to the status, scope, cost, and employment possibilities and availability of materials, equipment, and labor and recommend limitations on the public works;

(38) gather current progress information with reference to public and private works projects of the state and its political subdivisions with reference to conditions of employment;

(39) inquire into and report to the governor, when requested by the governor, with respect to any program of public state improvements and its financing; and request and obtain information from other state departments or agencies as may be needed for the report;

(40) study changes in population and current trends and prepare plans and suggest policies for the development and conservation of the resources of the state;

(41) confer and cooperate with the executive, legislative, or planning authorities of the United States, neighboring states and provinces, and the counties and municipalities of neighboring states, for the purpose of bringing about a coordination between the development of neighboring provinces, states, counties, and municipalities and the development of this state;

(42) generally gather, compile, and make available statistical information relating to business, trade, commerce, industry, transportation, communication, natural resources, and other like subjects in this state, with authority to call upon other state departments for statistical data and results obtained by them and to arrange and compile that statistical information in a reasonable manner;

(43) publish documents and annually convene regional meetings to inform businesses, local government units, assistance providers, and other interested persons of changes in state and federal law related to economic development;

(44) annually convene conferences of providers of economic development-related financial and technical assistance for the purposes of exchanging information on economic development assistance, coordinating economic development activities, and formulating economic development strategies;

(45) provide business with information on the economic benefits of energy conservation and on the availability of energy conservation assistance;

(46) as part of the biennial budget process, prepare performance measures for each business loan or grant program within the jurisdiction of the commissioner. Measures include source of funds for each program, number of jobs proposed or promised at the time of application and the number of jobs created, estimated number of jobs retained, the average salary and benefits for the jobs resulting from the program, and the number of projects approved;

(47) provide a continuous program of education for business people;

(48) publish, disseminate, and distribute information and statistics;

(49) promote and encourage the expansion and development of markets for Minnesota products;

(50) promote and encourage the location and development of new businesses in the state as well as the maintenance and expansion of existing businesses and for that purpose cooperate with state and local agencies and individuals, both within and outside the state;

(51) advertise and disseminate information as to natural resources, desirable locations, and other advantages for the purpose of attracting businesses to locate in this state;

(52) aid the various communities in this state in attracting business to their communities;

(53) advise and cooperate with municipal, county, regional, and other planning agencies and planning groups within the state for the purpose of promoting coordination between the state and localities as to plans and development in order to maintain a high level of gainful employment in private profitable production and achieve commensurate advancement in social and cultural welfare;

(54) coordinate the activities of statewide and local planning agencies, correlate information secured from them and from state departments and disseminate information and suggestions to the planning agencies;

(55) encourage and assist in the organization and functioning of local planning agencies where none exist; and

(56) adopt measures calculated to promote public interest in and understanding of the problems of planning and, to that end, may publish and distribute copies of any plan or any report and may employ other means of publicity and education that will give full effect to the provisions of sections 116J.58 to 116J.63.

(b) At the request of any governmental subdivision in paragraph (a), clause (53), the commissioner may provide planning assistance, which includes but is not limited to surveys, land use studies, urban renewal plans, technical services and other planning work to any city or other municipality in the state or perform similar planning work in any county, metropolitan area, or regional area in the state. The commissioner must not perform the planning work with respect to a metropolitan or regional area which is under the jurisdiction for planning purposes of a county, metropolitan, regional, or joint planning body, except at the request or with the consent of the respective county, metropolitan, regional, or joint planning body.

(c) The commissioner is authorized to:

(1) receive and expend money from municipal, county, regional, and other planning agencies;

(2) accept and disburse grants and other aids for planning purposes from the federal government and from other public or private sources;

(3) utilize money received under clause (2) for the employment of consultants and other temporary personnel to assist in the supervision or performance of planning work supported by money other than state-appropriated money;

(4) enter into contracts with agencies of the federal government, units of local government or combinations thereof, and with private persons that are necessary in the performance of the planning assistance function of the commissioner; and

(5) assist any local government unit in filling out application forms for the federal grants-in-aid.

(d) In furtherance of its planning functions, any city or town, however organized, may expend money and contract with agencies of the federal government, appropriate departments of state government, other local units of government, and with private persons.

Sec. 8. Minnesota Statutes 2008, section 116J.431, subdivision 1, is amended to read:

Subdivision 1. **Grant program established; purpose.** (a) The commissioner shall make grants to counties or cities to provide up to 50 percent of the capital costs of public infrastructure necessary for an eligible economic development project. The county or city receiving a grant must provide for the remainder of the costs of the project, either in cash or in kind. In-kind contributions may include the value of site preparation other than the public infrastructure needed for the project.

~~For purposes of this section, "city" means a statutory or home rule charter city located outside the metropolitan area, as defined in section 473.121, subdivision 2.~~

~~"Public infrastructure" means publicly owned physical infrastructure necessary to support economic development projects, including, but not limited to, sewers, water supply systems, utility extensions, streets, wastewater treatment systems, stormwater management systems, and facilities for pretreatment of wastewater to remove phosphorus.~~

(b) The purpose of the grants made under this section is to keep or enhance jobs in the area, increase the tax base, or to expand or create new economic development.

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

Sec. 9. Minnesota Statutes 2008, section 116J.431, is amended by adding a subdivision to read:

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

(b) "City" means a statutory or home rule charter city located outside the metropolitan area, as defined in section 473.121, subdivision 2.

(c) "County" means a county located outside the metropolitan area, as defined in section 473.121, subdivision 2.

(d) "Public infrastructure" means publicly owned physical infrastructure necessary to support economic development projects, including, but not limited to, sewers, water supply systems, utility extensions, streets, wastewater treatment systems, storm water management systems, and facilities for pretreatment of wastewater to remove phosphorus.

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

Sec. 10. Minnesota Statutes 2008, section 116J.431, subdivision 2, is amended to read:

Subd. 2. **Eligible projects.** An economic development project for which a county or city may be eligible to receive a grant under this section includes:

(1) manufacturing;

(2) technology;



(3) warehousing and distribution;

(4) research and development;

(5) agricultural processing, defined as transforming, packaging, sorting, or grading livestock or livestock products into goods that are used for intermediate or final consumption, including goods for nonfood use; or

(6) industrial park development that would be used by any other business listed in this subdivision.

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

Sec. 11. Minnesota Statutes 2008, section 116J.431, subdivision 4, is amended to read:

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 county or city must include in its application a resolution of the county or city council certifying that the required local match is available. The commissioner must evaluate complete applications for eligible projects using the following criteria:

(1) the project is an eligible project as defined under subdivision 2;

(2) the project will result in substantial public and private capital investment and provide substantial economic benefit to the county or city in which the project would be located;

(3) the project is not relocating substantially the same operation from another location in the state, unless the commissioner determines the project cannot be reasonably accommodated within the county or city in which the business is currently located, or the business would otherwise relocate to another state; and

(4) the project will create or maintain full-time jobs.

(b) The determination of whether to make a grant for a site 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.

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

Sec. 12. Minnesota Statutes 2008, section 116J.431, subdivision 6, is amended to read:

Subd. 6. **Maximum grant amount.** A county or city may receive no more than \$1,000,000 in two years for one or more projects.

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

Sec. 13. **[116J.438] MINNESOTA GREEN ENTERPRISE ASSISTANCE.**

(a) The commissioner of employment and economic development shall lead a multiagency project to advise, promote, market, and coordinate state agency collaboration on green enterprise and green economy projects, as defined in section 116J.437. The project must involve collaboration with state agencies, local governments, and the business and agricultural communities. The objective of the project is to utilize existing state resources to expedite the delivery of grants, licenses, permits, and other state authorizations and approvals for green economy projects. The commissioner shall appoint a lead person to coordinate green enterprise assistance activities.

(b) As part of the project, the commissioners of employment and economic development, the Pollution Control Agency, natural resources, agriculture, transportation, and commerce shall each assign sufficient employees to the project to carry out its purpose.

(c) The commissioner of employment and economic development shall seek out and may appoint persons from the business community to represent the state at trade shows or missions, as well as assisting the commissioner in project activities.

(d) The commissioner may accept gifts, contributions, and in-kind services for the purposes of this section, under the authority provided in section 116J.035, subdivision 1. Any funds received must be placed in a special revenue account for the purposes of this section.

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

Sec. 14. Minnesota Statutes 2008, section 116J.554, subdivision 1, is amended to read:

Subdivision 1. **Authority.** (a) The commissioner may make a grant to an applicant development authority to pay for up to 75 percent of the project costs for a qualifying site.

(b) The commissioner may also make a grant to an applicant development authority to pay up to 75 percent or \$50,000, whichever is less, toward the cost of performing contaminant investigations and the development of a response action plan for a qualifying site.

(c) The commissioner may also make a grant to an applicant to fill a site that would represent more than 50 percent of the remaining land in a city suitable for industrial development if it were properly filled.

(d) The determination of whether to make a grant for a qualifying site is within the sole discretion of the commissioner, subject to the process provided by this section, and available unencumbered money in the appropriation. The commissioner's decisions and application of the priorities under section 116J.555 are not subject to judicial review, except for abuse of discretion.

(e) The total amount of money provided in grants under paragraph (b) may not exceed ~~\$250,000~~ \$500,000 per fiscal year.

(f) In making grants under paragraph (b), the commissioner shall give priority to applicants that have not received a grant under paragraph (a) or section 473.252 during the year ending on the date of application.

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

Sec. 15. Minnesota Statutes 2008, section 116J.555, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

The factors are not listed in a rank order of priority; rather the commissioner may weigh each factor, depending upon the facts and circumstances, as the commissioner considers appropriate. The commissioner may consider other factors that affect the net return of public benefits for completion of the response action plan. The commissioner, notwithstanding the listing of priorities and the goal of maximizing the return of public benefits, shall make grants that distribute available money to sites both within and outside of the metropolitan area. The commissioner shall provide a written statement of the supporting reasons for each grant. Unless sufficient applications are not received for qualifying sites outside of the metropolitan area, at least ~~25~~ 50 percent of the money provided as grants must be made for sites located outside of the metropolitan area.

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

Sec. 16. Minnesota Statutes 2008, section 116J.68, subdivision 2, is amended to read:

Subd. 2. **Duties.** The bureau shall:

~~(a)~~ (1) provide information and assistance with respect to all aspects of business planning and business management related to the start-up, operation, or expansion of a small business in Minnesota;

~~(b)~~ (2) refer persons interested in the start-up, operation, or expansion of a small business in Minnesota to assistance programs sponsored by federal agencies, state agencies, educational institutions, chambers of commerce, civic organizations, community development groups, private industry associations, and other organizations ~~or to the business assistance referral system established by the Minnesota Project Outreach Corporation;~~

~~(c)~~ (3) plan, develop, and implement a master file of information on small business assistance programs of federal, state, and local governments, and other public and private organizations so as to provide comprehensive, timely information to the bureau's clients;

~~(d)~~ (4) employ staff with adequate and appropriate skills and education and training for the delivery of information and assistance;

~~(e)~~ (5) seek out and utilize, to the extent practicable, contributed expertise and services of federal, state, and local governments, educational institutions, and other public and private organizations;

~~(f)~~ (6) maintain a close and continued relationship with the director of the procurement program within the Department of Administration so as to facilitate the department's duties and responsibilities under sections 16C.16 to 16C.19 relating to the small targeted group business and economically disadvantaged business program of the state;

~~(g)~~ (7) develop an information system which will enable the commissioner and other state agencies to efficiently store, retrieve, analyze, and exchange data regarding small business development and growth in the state. All executive branch agencies of state government and the secretary of state shall to the extent practicable, assist the bureau in the development and implementation of the information system;

~~(h)~~ (8) establish and maintain a toll free telephone number so that all small business persons anywhere in the state can call the bureau office for assistance. An outreach program shall be established to make the existence of the bureau well known to its potential clientele throughout the state. If the small business person requires a referral to another provider the bureau may use the business assistance referral system established by the Minnesota Project Outreach Corporation;

~~(i)~~ (9) conduct research and provide data as required by the state legislature;

~~(j)~~ (10) develop and publish material on all aspects of the start-up, operation, or expansion of a small business in Minnesota;

~~(k)~~ (11) collect and disseminate information on state procurement opportunities, including information on the procurement process;

~~(l)~~ (12) develop a public awareness program through the use of newsletters, personal contacts, and electronic and print news media advertising about state assistance programs for small businesses, including those programs specifically for socially disadvantaged small business persons;

~~(m)~~ (13) enter into agreements with the federal government and other public and private entities to serve as the statewide coordinator or host agency for the federal small business development center program under United States Code, title 15, section 648; and

~~(n)~~ (14) assist providers in the evaluation of their programs and the assessment of their service area needs. The bureau may establish model evaluation techniques and performance standards for providers to use.

Sec. 17. Minnesota Statutes 2008, section 116J.8731, subdivision 2, is amended to read:

Subd. 2. **Administration.** The commissioner shall administer the fund as part of the Small Cities Development Block Grant Program. Funds shall be made available to local communities and recognized Indian tribal governments in accordance with the rules adopted for economic development grants in the small cities community development block grant program, except that all units of general purpose local government are eligible applicants for Minnesota investment funds. The commissioner may also make funds available within the department for eligible expenditures under subdivision 3, clause (2). A home rule charter or statutory city, county, or town may loan or grant money received from repayment of funds awarded under this section to a regional development commission, other regional entity, or statewide community capital fund as determined by the commissioner, to capitalize or to provide the local match required for capitalization of a regional or statewide revolving loan fund.

Sec. 18. Minnesota Statutes 2008, section 116J.8731, subdivision 3, is amended to read:

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

(1) 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) 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).

Sec. 19. **[116J.997] PROGRAM ACCOUNTABILITY REQUIREMENTS.**

Subdivision 1. **Accountability measurement.** By October 1, 2009, the commissioner of employment and economic development shall develop a uniform accountability report for economic development or workforce-related programs funded in whole or in part by state or federal funds. The commissioner shall also develop a formula for measuring the return on investment for each program and a comparison of the return on investment of all programs funded in whole or in part by state or federal funds. The requirements of this section apply to programs administered directly by the commissioner or administered by other organizations under a grant made by the department. The report and formula required by this subdivision shall be submitted to the chairs of the committees of the house of representatives and senate having jurisdiction over economic development and workforce policy and finance by October 15, 2009, for review and comment.

Subd. 2. **Report to the legislature.** By December 31 of each even-numbered year the commissioner must report to the committees of the house of representatives and the senate having jurisdiction over economic development and workforce policy and finance the following information for each program subject to the requirements of subdivision 1:

(1) the target population;

(2) the number of jobs affected by the program, including the number of net new jobs created in the state and the average annual wage per job;

(3) the number of individuals leaving the unemployment compensation program as a result of the program;

(4) the number of individuals leaving the Minnesota Family Investment Program support as a result of the program;

(5) the region of the state in which the program operated;

(6) the amount of state or federal funds allocated to the program; and

(7) the return on investment as calculated by the formula developed by the commissioner.

Subd. 3. **Report to the commissioner.** Before receiving additional state funds, a recipient of a grant made by or through the department must report to the commissioner by September 1 of each even-numbered year on each of the clauses in subdivision 2 for each program it administers. The report must be in a format prescribed by the commissioner.

Beginning November 1, 2009, the commissioner shall provide notice to grant applicants and recipients regarding the data collection and reporting requirements under this subdivision and must provide technical assistance to applicants and recipients to assist in complying with the requirements of this subdivision.

Subd. 4. **Biennial budget request.** The information collected and reported under subdivisions 2 and 3 shall be included in budgets submitted to the legislature under section 16A.11.

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

Sec. 20. Minnesota Statutes 2008, section 116L.03, subdivision 5, is amended to read:

Subd. 5. **Terms.** The terms of appointed members shall be for four years ~~except for the initial appointments. The initial appointments of the governor shall have the following terms: two members each for one, two, three, and four years.~~ No member shall serve more than two terms, and no person shall be appointed after December 31, 2001, for any term that would cause that person to serve a total of more than eight years on the board. Compensation for board members is as provided in section 15.0575, subdivision 3.

Sec. 21. Minnesota Statutes 2008, section 116L.05, subdivision 5, is amended to read:

Subd. 5. **Use of workforce development funds.** After March 1 of any fiscal year, the board may use workforce development funds for the purposes outlined in sections 116L.02, 116L.04, and 116L.10 to 116L.14, or to provide incumbent worker training services under section 116L.18 if the following conditions have been met:

(1) the board examines relevant economic indicators, including the projected number of layoffs for the remainder of the fiscal year and the next fiscal year, evidence of declining and expanding industries, the number of initial applications for and the number of exhaustions of unemployment benefits, job vacancy data, and any additional relevant information brought to the board's attention;

(2) the board accounts for all allocations made in section 116L.17, subdivision 2;

(3) based on the past expenditures and projected revenue, the board estimates future funding needs for services under section 116L.17 for the remainder of the current fiscal year and the next fiscal year;

(4) the board determines there will be unspent funds after meeting the needs of dislocated workers in the current fiscal year and there will be sufficient revenue to meet the needs of dislocated workers in the next fiscal year; and

(5) the board reports its findings in clauses (1) to (4) to the chairs of legislative committees with jurisdiction over the workforce development fund, to the commissioners of revenue and finance, and to the public.

Sec. 22. Minnesota Statutes 2008, section 116L.20, subdivision 1, is amended to read:

Subdivision 1. **Determination and collection of special assessment.** (a) In addition to amounts due from an employer under the Minnesota unemployment insurance program, each employer, except an employer making reimbursements is liable for a special assessment levied at the rate of ~~10.12~~ .12 percent per year on all taxable wages, as defined in section 268.035, subdivision 24, ~~except that effective July 1, 2009, until June 30, 2011, the special assessment shall be levied at a rate of .14 percent per year on all taxable wages as defined in section 268.035, subdivision 24.~~ The assessment shall become due and be paid by each employer on the same schedule and in the same manner as other amounts due from an employer under section 268.051, subdivision 1.

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

Sec. 23. Minnesota Statutes 2008, section 116L.362, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) The commissioner shall make grants to eligible organizations for programs to provide education and training services to targeted youth. The purpose of these programs is to provide specialized training and work experience for targeted youth who have not been served effectively by the current educational system. The programs are to include a work experience component with work projects that result in the rehabilitation, improvement, or construction of (1) residential units for the homeless; ~~or~~; (2) improvements to the energy efficiency and environmental health of residential units; (3) facilities to support community garden projects; ~~or~~ (4) education, social service, or health facilities which are owned by a public agency or a private nonprofit organization.

(b) Eligible facilities must principally provide services to homeless or very low income individuals and families, and include the following:

- (1) Head Start or day care centers;
- (2) homeless, battered women, or other shelters;
- (3) transitional housing;
- (4) youth or senior citizen centers; ~~and~~
- (5) community health centers; and
- (6) community garden facilities.

Two or more eligible organizations may jointly apply for a grant. The commissioner shall administer the grant program.

Sec. 24. Minnesota Statutes 2008, section 116L.364, subdivision 3, is amended to read:

Subd. 3. **Work experience component.** A work experience component must be included in each program. The work experience component must provide vocational skills training in an industry where there is a viable expectation of job opportunities. A training subsidy, living allowance, or stipend, not to exceed an amount equal to 100 percent of the poverty line for a family of two as defined in United States Code, title 42, section 673, paragraph (2), may be provided to program participants. The wage or stipend must be provided to participants who are recipients of public assistance in a manner or amount which will not reduce public assistance benefits. The work experience component must be designed so that work projects result in (1) the expansion or improvement of residential units for homeless persons and very low income families; or (2) improvements to the energy efficiency and environmental health of residential units; (3) facilities to support community garden projects; or (4) rehabilitation, improvement, or construction of eligible education, social service, or health facilities that principally serve homeless or very low income individuals and families. Any work project must include direct supervision by individuals skilled in each specific vocation. Program participants may earn credits toward the completion of their secondary education from their participation in the work experience component.

Sec. 25. Minnesota Statutes 2008, section 116L.871, subdivision 1, is amended to read:

Subdivision 1. **Responsibility and certification.** (a) Unless prohibited by federal law or otherwise determined by state law, a local service unit is responsible for the delivery of employment and training services. ~~As of July 1, 1998,~~ Employment and training services may be delivered by certified employment and training service providers.

(b) The local service unit's employment and training service provider must meet the certification standards in this subdivision if the county requests that they be certified to deliver any of the following employment and training services and programs: wage subsidies; general assistance grant diversion; food stamp employment and training programs; community work experience programs; and MFIP employment services.

(c) The commissioner shall certify a local service unit's service provider to provide these employment and training services and programs if the commissioner determines that the provider has:

- (1) past experience in direct delivery of the programs specified in paragraph (b);
- (2) staff capabilities and qualifications, including adequate staff to provide timely and effective services to clients, and proven staff experience in providing specific services such as assessments, career planning, job development, job placement, support services, and knowledge of community services and educational resources;

(3) demonstrated effectiveness in providing services to public assistance recipients and other economically disadvantaged clients; and

(4) demonstrated administrative capabilities, including adequate fiscal and accounting procedures, financial management systems, participant data systems, and record retention procedures.

(d) When the only service provider that meets the criterion in paragraph (c), clause (1), has been decertified, according to subdivision 1a, in that local service unit, the following criteria shall be substituted: past experience in direct delivery of multiple, coordinated, nonduplicative services, including outreach, assessments, identification of client barriers, employability development plans, and provision or referral to support services.

Sec. 26. Minnesota Statutes 2008, section 116L.96, is amended to read:

#### **116L.96 DISPLACED HOMEMAKER PROGRAMS.**

The commissioner of ~~economic security~~ employment and economic development may enter into arrangements with existing private or nonprofit organizations and agencies with experience in dealing with displaced homemakers to provide counseling and training services. The commissioner shall assist displaced homemakers in applying for appropriate welfare programs and shall take welfare allowances received into account in setting the stipend level. Income received as a stipend under these programs shall be totally disregarded for purposes of determining eligibility for and the amount of a general assistance grant.

Sec. 27. Minnesota Statutes 2008, section 116O.115, subdivision 2, is amended to read:

Subd. 2. **Qualified company.** A company is qualified to receive assistance under the small business growth acceleration program if ~~it~~ the company is a manufacturing company or a manufacturing-related service company that employs ~~400~~ 250 or fewer full-time equivalent employees.

Sec. 28. Minnesota Statutes 2008, section 116O.115, subdivision 4, is amended to read:

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

(b) The maximum amount of funds awarded to a qualified company under the small business growth acceleration program for a particular project must not exceed ~~50~~ 75 percent of the total cost of a project and must not under any circumstances exceed \$25,000 during a calendar year. The corporation shall not award to a qualified company small business growth acceleration program funds in excess of \$50,000 per year.

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

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

(e) Receipt of funds from an award under this section is contingent upon a contribution of funds by the qualified company to the project, as follows:



(1) a company with under 50 employees must contribute one dollar for every three dollars of program assistance awarded;

(2) a company with 50 to 100 employees must contribute one dollar for every one dollar of program assistance awarded; and

(3) a company with 101 to 250 employees must contribute three dollars for every one dollar of program assistance awarded.

Sec. 29. Minnesota Statutes 2008, section 123A.08, subdivision 1, is amended to read:

Subdivision 1. **Outside sources for resources and services.** A center may accept:

- (1) resources and services from postsecondary institutions serving center pupils;
- (2) resources from ~~Job Training Partnership Act~~ Workforce Investment Act of 1998, Public Law 105-220 programs, including funding for jobs skills training for various groups and the percentage reserved for education;
- (3) resources from the Department of Human Services and county welfare funding;
- (4) resources from a local education and employment transitions partnership; or
- (5) private resources, foundation grants, gifts, corporate contributions, and other grants.

Sec. 30. Minnesota Statutes 2008, section 124D.49, subdivision 3, is amended to read:

Subd. 3. **Local education and employment transitions systems.** A local education and employment transitions partnership must assess the needs of employers, employees, and learners, and develop a plan for implementing and achieving the objectives of a local or regional education and employment transitions system. The plan must provide for a comprehensive local system for assisting learners and workers in making the transition from school to work or for retraining in a new vocational area. The objectives of a local education and employment transitions system include:

- (1) increasing the effectiveness of the educational programs and curriculum of elementary, secondary, and postsecondary schools and the work site in preparing students in the skills and knowledge needed to be successful in the workplace;
- (2) implementing learner outcomes for students in grades kindergarten through 12 designed to introduce the world of work and to explore career opportunities, including nontraditional career opportunities;
- (3) eliminating barriers to providing effective integrated applied learning, service-learning, or work-based curriculum;
- (4) increasing opportunities to apply academic knowledge and skills, including skills needed in the workplace, in local settings which include the school, school-based enterprises, postsecondary institutions, the workplace, and the community;
- (5) increasing applied instruction in the attitudes and skills essential for success in the workplace, including cooperative working, leadership, problem-solving, and respect for diversity;
- (6) providing staff training for vocational guidance counselors, teachers, and other appropriate staff in the importance of preparing learners for the transition to work, and in methods of providing instruction that incorporate applied learning, work-based learning, and service-learning experiences;

(7) identifying and enlisting local and regional employers who can effectively provide work-based or service-learning opportunities, including, but not limited to, apprenticeships, internships, and mentorships;

(8) recruiting community and workplace mentors including peers, parents, employers and employed individuals from the community, and employers of high school students;

(9) identifying current and emerging educational, training, and employment needs of the area or region, especially within industries with potential for job growth;

(10) improving the coordination and effectiveness of local vocational and job training programs, including vocational education, adult basic education, tech prep, apprenticeship, service-learning, youth entrepreneur, youth training and employment programs administered by the commissioner of employment and economic development, and local job training programs under the ~~Job Training Partnership Act, United States Code, title 29, section 1501, et seq.~~ Workforce Investment Act of 1998, Public Law 105-220;

(11) identifying and applying for federal, state, local, and private sources of funding for vocational or applied learning programs;

(12) providing students with current information and counseling about career opportunities, potential employment, educational opportunities in postsecondary institutions, workplaces, and the community, and the skills and knowledge necessary to succeed;

(13) providing educational technology, including interactive television networks and other distance learning methods, to ensure access to a broad variety of work-based learning opportunities;

(14) including students with disabilities in a district's vocational or applied learning program and ways to serve at-risk learners through collaboration with area learning centers under sections 123A.05 to 123A.09, or other alternative programs; and

(15) providing a warranty to employers, postsecondary education programs, and other postsecondary training programs, that learners successfully completing a high school work-based or applied learning program will be able to apply the knowledge and work skills included in the program outcomes or graduation requirements. The warranty shall require education and training programs to continue to work with those learners that need additional skill development until they can demonstrate achievement of the program outcomes or graduation requirements.

Sec. 31. Minnesota Statutes 2008, section 160.276, subdivision 8, is amended to read:

Subd. 8. **Revenue.** The agreement may provide that the vendor pay a portion of the gross revenues derived from advertising. These revenues must be paid to the state for deposit in the safety rest area account established in section 160.2745. The commissioner of transportation and director of ~~the Office of~~ Explore Minnesota Tourism may enter into an interagency agreement to define the distribution of the revenues generated in this subdivision and subdivisions 2a and 3a.

Sec. 32. Minnesota Statutes 2008, section 241.27, subdivision 1, is amended to read:

Subdivision 1. **Establishment of Minnesota correctional industries; MINNCOR industries.** For the purpose of providing adequate, regular and suitable employment, educational training, and to aid the inmates of state correctional facilities, the commissioner of corrections may establish, equip, maintain and operate at any correctional facility under the commissioner's control such industrial and commercial activities as may be deemed necessary and suitable to the profitable employment, educational training and development of proper work habits of the inmates of state correctional facilities. The industrial and commercial activities authorized by this section are

designated MINNCOR industries and shall be for the primary purpose of sustaining and ensuring MINNCOR industries' self-sufficiency, providing educational training, meaningful employment and the teaching of proper work habits to the inmates of correctional facilities under the control of the commissioner of corrections, and not solely as competitive business ventures. The net profits from these activities shall be used for the benefit of the inmates as it relates to education, self-sufficiency skills, and transition services and not to fund non-inmate-related activities or mandates. Prior to the establishment of any industrial and commercial activity, the commissioner of corrections may consult with representatives of business, industry, organized labor, the state Department of Education, the state Apprenticeship Council, the state Department of Labor and Industry, the Department of Employment ~~Security and Economic Development~~, the Department of Administration, and such other persons and bodies as the commissioner may feel are qualified to determine the quantity and nature of the goods, wares, merchandise and services to be made or provided, and the types of processes to be used in their manufacture, processing, repair, and production consistent with the greatest opportunity for the reform and educational training of the inmates, and with the best interests of the state, business, industry and labor.

The commissioner of corrections shall, at all times in the conduct of any industrial or commercial activity authorized by this section, utilize inmate labor to the greatest extent feasible, provided, however, that the commissioner may employ all administrative, supervisory and other skilled workers necessary to the proper instruction of the inmates and the profitable and efficient operation of the industrial and commercial activities authorized by this section.

Additionally, the commissioner of corrections may authorize the director of any correctional facility under the commissioner's control to accept work projects from outside sources for processing, fabrication or repair, provided that preference shall be given to the performance of such work projects for state departments and agencies.

Sec. 33. Minnesota Statutes 2008, section 248.061, subdivision 3, is amended to read:

Subd. 3. **Eligible individual.** "Eligible individual" means an individual who is eligible for library loan services through the Library of Congress and the ~~State Library for the Blind and Physically Handicapped~~ Minnesota Braille and Talking Book Library under Code of Federal Regulations, title 36, section 701.10, subsection (b).

Sec. 34. Minnesota Statutes 2008, section 248.07, subdivision 7, is amended to read:

Subd. 7. **Blind, vending stands and machines on governmental property; liability limited.** (a) Notwithstanding any other law, for the rehabilitation of blind persons the commissioner shall have exclusive authority to establish and to operate vending stands and vending machines in all buildings and properties owned or rented exclusively by the Minnesota State Colleges and Universities at a state university, a community college, a consolidated community technical college, or a technical college served by the commissioner before January 1, 1996, or by any department or agency of the state of Minnesota except the Department of Natural Resources properties operated directly by the Division of State Parks and not subject to private leasing. ~~The merchandise to be dispensed by such~~ Vending stands and machines authorized under this subdivision may include dispense nonalcoholic beverages, food, candies, tobacco, souvenirs, notions and related items. ~~Such vending stands and vending machines herein authorized shall~~ and must be operated on the same basis as other vending stands for the blind established and supervised by the commissioner under federal law. The commissioner shall waive this authority to displace any present private individual concessionaire in any state-owned or rented building or property who is operating under a contract with a specific renewal or termination date, until the renewal or termination date. With the consent of the governing body of a governmental subdivision of the state, the commissioner may establish and supervise vending stands and vending machines for the blind in any building or property exclusively owned or rented by the governmental subdivision.

(b) The Department of Employment and Economic Development is not liable under chapter 176 for any injury sustained by a blind vendor's employee or agent. The Department of Employment and Economic Development, its officers, and its agents are not liable for the acts or omissions of a blind vendor or of a blind vendor's employee or agent that may result in the blind vendor's liability to third parties. The Department of Employment and Economic Development, its officers, and its agents are not liable for negligence based on any theory of liability for claims arising from the relationship created under this subdivision with the blind vendor.

Sec. 35. Minnesota Statutes 2008, section 248.07, subdivision 8, is amended to read:

Subd. 8. **Use of revolving fund, licenses for operation of vending machines stands.** (a) The revolving fund created by Laws 1947, chapter 535, section 5, is continued as provided in this subdivision and shall be known as the revolving fund for vocational rehabilitation of the blind. It shall be used for the purchase of equipment and supplies for establishing and operating of vending stands by blind persons. All income, receipts, earnings, and federal grants vending machine income due to the operation thereof of vending stands operated under this subdivision shall also be paid into the fund. All interest earned on money accrued in the fund must be credited to the fund by the commissioner of finance. All equipment, supplies, and expenses for setting up these stands shall be paid for from the fund.

~~Authority is hereby given to~~ (b) The commissioner is authorized to use the money available in the revolving fund that originated as operational charges to individuals licensed under this subdivision for the establishment, operation, and supervision of vending stands by blind persons for the following purposes:

- (1) purchase, upkeep and replacement of equipment;
- (2) expenses incidental to the setting up of new stands and improvement of old stands;
- (3) reimbursement under section 15.059 to individual blind vending operators for reasonable expenses incurred in attending supervisory meetings as called by the commissioner and other expenditures for management services consistent with federal law; and
- (4) purchase of fringe benefits for blind vending operators and their employees such as group health insurance, retirement program, vacation or sick leave assistance provided that the purchase of any fringe benefit is approved by a majority vote of blind vending operators licensed pursuant to this subdivision after the commissioner provides to each blind vending operator information on all matters relevant to the fringe benefits. "Majority vote" means a majority of blind vending operators voting. Fringe benefits shall be paid only from assessments of operators for specific benefits, gifts to the fund for fringe benefit purposes, and vending income which is not assignable to an individual stand.

(c) Money originally deposited as merchandise and supplies repayments by individuals licensed under this subdivision may be expended for initial and replacement stocks of supplies and merchandise. Money originally deposited from vending income on federal property must be spent consistent with federal law.

(d) All other deposits may be used for the purchase of general liability insurance or any other expense related to the operation and supervision of vending stands.

(e) The commissioner shall issue each license for the operation of a vending stand or vending machine for an indefinite period but may terminate any license in the manner provided. In granting licenses for new or vacated stands preference on the basis of seniority of experience in operating stands under the control of the commissioner shall be given to capable operators who are deemed competent to handle the enterprise under consideration. Application of this preference shall not prohibit the commissioner from selecting an operator from the community in which the stand is located.

Sec. 36. Minnesota Statutes 2008, section 256J.626, subdivision 4, is amended to read:

Subd. 4. **County and tribal biennial service agreements.** (a) Effective January 1, 2004, and each two-year period thereafter, each county and tribe must have in place an approved biennial service agreement related to the services and programs in this chapter. In counties with a city of the first class with a population over 300,000, the county must consider a service agreement that includes a jointly developed plan for the delivery of employment services with the city. Counties may collaborate to develop multicounty, multitribal, or regional service agreements.

(b) The service agreements will be completed in a form prescribed by the commissioner. The agreement must include:

(1) a statement of the needs of the service population and strengths and resources in the community;

(2) numerical goals for participant outcomes measures to be accomplished during the biennial period. The commissioner may identify outcomes from section 256J.751, subdivision 2, as core outcomes for all counties and tribes;

(3) strategies the county or tribe will pursue to achieve the outcome targets. Strategies must include specification of how funds under this section will be used and may include community partnerships that will be established or strengthened;

(4) strategies the county or tribe will pursue under family stabilization services; and

(5) other items prescribed by the commissioner in consultation with counties and tribes.

(c) The commissioner shall provide each county and tribe with information needed to complete an agreement, including: (1) information on MFIP cases in the county or tribe; (2) comparisons with the rest of the state; (3) baseline performance on outcome measures; and (4) promising program practices.

(d) The service agreement must be submitted to the commissioner by October 15, 2003, and October 15 of each second year thereafter. The county or tribe must allow a period of not less than 30 days prior to the submission of the agreement to solicit comments from the public on the contents of the agreement.

(e) The commissioner must, within 60 days of receiving each county or tribal service agreement, inform the county or tribe if the service agreement is approved. If the service agreement is not approved, the commissioner must inform the county or tribe of any revisions needed prior to approval.

~~(f) The service agreement in this subdivision supersedes the plan requirements of section 116L.88.~~

Sec. 37. Minnesota Statutes 2008, section 256J.66, subdivision 1, is amended to read:

Subdivision 1. **Establishing the on-the-job training program.** (a) County agencies may develop on-the-job training programs for MFIP caregivers who are participating in employment and training services. A county agency that chooses to provide on-the-job training may make payments to employers for on-the-job training costs that, during the period of the training, must not exceed 50 percent of the wages paid by the employer to the participant. The payments are deemed to be in compensation for the extraordinary costs associated with training participants under this section and in compensation for the costs associated with the lower productivity of the participants during training.

(b) Provision of an on-the-job training program under the ~~Job Training Partnership Act~~ Workforce Investment Act of 1998, Public Law 105-220, in and of itself, does not qualify as an on-the-job training program under this section.

(c) Employers must compensate participants in on-the-job training ~~shall be compensated by the employer~~ at the same rates, including periodic increases, as similarly situated employees or trainees and in accordance with applicable law, but in no event less than the federal or applicable state minimum wage, whichever is higher.

Sec. 38. Minnesota Statutes 2008, section 268A.06, subdivision 1, is amended to read:

Subdivision 1. **Application.** Any city, town, county, nonprofit corporation, regional treatment center, or any combination thereof, may apply to the commissioner for assistance in establishing or operating a community rehabilitation facility. Application for assistance ~~shall~~ must be on forms prescribed by the commissioner. ~~Each applicant shall annually submit to the commissioner its plan and budget for the next fiscal year. No An applicant shall be~~ is not eligible for a grant hereunder under this section unless its plan and budget audited financial statements of the prior fiscal year have been approved by the commissioner.

Sec. 39. Minnesota Statutes 2008, section 469.169, subdivision 3, is amended to read:

Subd. 3. **Evaluation of applications.** (a) The commissioner shall review and evaluate the applications submitted pursuant to subdivision 2 and shall determine whether each area is eligible for designation as an enterprise zone. In determining whether an area is eligible under section 469.168, subdivision 4, paragraph (a), if unemployment, employment, income, or other necessary data are not available for the area from the federal departments of labor or commerce or the state demographer, the commissioner may rely upon other data submitted by the municipality if the commissioner determines it is statistically reliable or accurate. The commissioner, together with the commissioner of revenue, shall prepare an estimate of the amount of state tax revenue which will be foregone for each application if the area is designated as a zone.

(b) By October 1 of each year, the commissioner shall submit to the Legislative Advisory Commission a list of the areas eligible for designation as enterprise zones, along with recommendations for designation and supporting documentation. In making recommendations for designation, the commissioner shall consider and evaluate the applications pursuant to the following criteria:

- (1) the pervasiveness of poverty, unemployment, and general distress in the area;
- (2) the extent of chronic abandonment, deterioration, or reduction in value of commercial, industrial, or residential structures in the area and the extent of property tax arrearages in the area;
- (3) the prospects for new investment and economic development in the area with the tax reductions proposed in the application relative to the state and local tax revenue which would be foregone;
- (4) the competing needs of other areas of the state;
- (5) the municipality's proposed use of other state and federal development funds or programs to increase the probability of new investment and development occurring;
- (6) the extent to which the projected development in the zone will provide employment to residents of the economic hardship area, and particularly individuals who are unemployed or who are economically disadvantaged as defined in the federal Job Training Partnership Act of 1982, Volume 96, Statutes at Large, page 1322 Workforce Investment Act of 1998, Public Law 105-220;
- (7) the funds available pursuant to subdivision 7; and
- (8) other relevant factors that the commissioner specifies in the commissioner's recommendations.

(c) The commissioner shall submit a separate list of the areas entitled to designation as federally designated zones and border city zones along with recommendations for the amount of funds to be allocated to each area.

Sec. 40. **ECONOMIC DEVELOPMENT STRATEGY WORKING GROUP.**

(a) An 18-member bipartisan working group to develop an economic development strategy to guide job and business growth in Minnesota and to strengthen the state's economy is established. The working group consists of six members of the house of representatives and three members of the public appointed by the speaker of the house and six members of the senate and three members of the public appointed by the subcommittees on committees of the senate. The working group is responsible to review and analyze Minnesota's current economic development strategy and make recommendations on improvements according to this section. The Legislative Coordinating Commission under Minnesota Statutes, section 3.303, must provide staff support for the working group.

(b) The working group must conduct an academic and practitioner led effort to:

(1) perform best practices research on economic development principles to apply to Minnesota;

(2) assess Minnesota's current economic development strategies, including tax incentives and appropriation funded programs and grants to determine how well these strategies are working and how they compare to best practices;

(3) develop a comprehensive strategy to move Minnesota's economy forward;

(4) develop a set of benchmarks to measure Minnesota's investments in economic development strategies; and

(5) recommend the best structure to govern and lead Minnesota's economic development strategy.

(c) Appointments to the working group shall be made by June 1, 2009, and the first meeting shall be convened no later than July 1, 2009. The task force shall elect a chair from among its members at the first meeting. The working group may contract for research studies and assistance necessary to fulfill its responsibilities. The working group must report to the committees of the legislature with responsibility for economic development by February 15, 2010.

Sec. 41. **APPROPRIATION; GREEN ENTERPRISE ASSISTANCE.**

The remaining balance of the fiscal year 2009 special revenue fund appropriation for the Green Jobs Task Force under Laws 2008, chapter 363, article 6, section 3, subdivision 4, is transferred and appropriated to the commissioner of employment and economic development for the purposes of green enterprise assistance under Minnesota Statutes, section 116J.438. This appropriation is available until spent.

Sec. 42. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall renumber Minnesota Statutes, section 116J.58, subdivision 2, as Minnesota Statutes, section 116J.035, subdivision 1a, and shall revise statutory cross-references consistent with that renumbering.

Sec. 43. **REVISOR'S INSTRUCTION.**

In Minnesota Statutes, the revisor of statutes shall change the term "commission" to "center" wherever the term appears as part of or in reference to "Minnesota Humanities Commission."

Sec. 44. **REPEALER.**

Minnesota Statutes 2008, sections 116J.402; 116J.413; 116J.431, subdivision 5; 116J.58, subdivision 1; 116J.59; 116J.61; 116J.656; 116L.16; 116L.88; and 116U.65, are repealed.

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

ARTICLE 3

UNEMPLOYMENT INSURANCE POLICY

Section 1. Minnesota Statutes 2008, section 268.052, subdivision 2, is amended to read:

Subd. 2. **Election by state or political subdivision to be a taxpaying employer.** (a) The state or political subdivision may elect to be a taxpaying employer for any calendar year if a notice of election is filed within 30 calendar days following January 1 of that calendar year. Upon election, the state or political subdivision must be assigned the new employer tax rate under section 268.051, subdivision 5, for the calendar year of the election and unless or until it qualifies for an experience rating under section 268.051, subdivision 3.

(b) An election is for a minimum period of two calendar years following the effective date of the election and continue unless a notice terminating the election is filed not later than 30 calendar days before the beginning of the calendar year. The termination is effective at the beginning of the next calendar year. ~~Upon election, the commissioner shall establish a reimbursable account for the state or political subdivision. A termination of election is allowed only if the state or political subdivision has, since the beginning of the experience rating period under section 268.051, subdivision 3, paid taxes equal to or more than 125 percent of the unemployment benefits used in computing the experience rating. In addition, any unemployment benefits paid after the experience rating period are transferred to the new reimbursable account of the state or political subdivision. If the amount of taxes paid since the beginning of the experience rating period exceeds 125 percent of the amount of unemployment benefits paid during the experience rating period, that amount in excess is applied against any unemployment benefits paid after the experience rating period.~~

(c) The method of payments to the trust fund under subdivisions 3 and 4 applies to all taxes paid by or due from the state or political subdivision that elects to be taxpaying employers under this subdivision.

(d) A notice of election or a notice terminating election must be filed by electronic transmission in a format prescribed by the commissioner.

Sec. 2. Minnesota Statutes 2008, section 268.053, subdivision 1, is amended to read:

Subdivision 1. **Election.** (a) Any nonprofit organization that has employees in covered employment must pay taxes on a quarterly basis in accordance with section 268.051 unless it elects to make reimbursements to the trust fund the amount of unemployment benefits charged to its reimbursable account under section 268.047.

The organization may elect to make reimbursements for a period of not less than two calendar years beginning with the date that the organization was determined to be an employer with covered employment by filing a notice of election not later than 30 calendar days after the date of the determination.

(b) Any nonprofit organization that makes an election will continue to be liable for reimbursements until it files a notice terminating its election not later than 30 calendar days before the beginning of the calendar year the termination is to be effective.



(c) A nonprofit organization that has been making reimbursements that files a notice of termination of election must be assigned the new employer tax rate under section 268.051, subdivision 5, for the calendar year of the termination of election and unless or until it qualifies for an experience rating under section 268.051, subdivision 3.

(d) Any nonprofit organization that has been paying taxes may elect to make reimbursements by filing no less than 30 calendar days before January 1 of any calendar year a notice of election. ~~Upon election, the commissioner shall establish a reimbursable account for the nonprofit organization. An election is allowed only if the nonprofit organization has, since the beginning of the experience rating period under section 268.051, subdivision 3, paid taxes equal to or more than 125 percent of the unemployment benefits used in computing the experience rating. In addition, any unemployment benefits paid after the experience rating period are transferred to the new reimbursable account of the nonprofit organization. If the amount of taxes paid since the beginning of the experience rating period exceeds 125 percent of the amount of unemployment benefits paid during the experience rating period, that amount in excess is applied against any unemployment benefits paid after the experience rating period. The election is not terminable by the organization for that and the next calendar year.~~

(e) The commissioner may for good cause extend the period that a notice of election, or a notice of termination, must be filed and may permit an election to be retroactive.

(f) A notice of election or notice terminating election must be filed by electronic transmission in a format prescribed by the commissioner.

Sec. 3. Minnesota Statutes 2008, section 268.066, is amended to read:

#### **268.066 CANCELLATION OF AMOUNTS DUE FROM AN EMPLOYER.**

(a) The commissioner ~~shall~~ must cancel as uncollectible any amounts due from an employer under this chapter or section 116L.20, that remain unpaid six years after the amounts have been first determined due, except where the delinquent amounts are secured by a notice of lien, a judgment, are in the process of garnishment, or are under a payment plan.

(b) The commissioner may cancel at any time as uncollectible any amount due, or any portion of an amount due, from an employer under this chapter or section 116L.20, that (1) are uncollectible due to death or bankruptcy, or (2) the Collection Division of the Department of Revenue under section 16D.04 was unable to collect, ~~or (3).~~

(c) The commissioner may cancel at any time any interest, penalties, or fees due from an employer, or any portions due, if the commissioner determines that it is not in the public interest to pursue collection of the amount due. This paragraph does not apply to unemployment insurance taxes or reimbursements due.

Sec. 4. Minnesota Statutes 2008, section 268.067, is amended to read:

#### **268.067 COMPROMISE.**

(a) The commissioner may compromise in whole or in part any action, determination, or decision that affects only an employer and not an applicant, ~~and that has occurred during the prior 24 months.~~ This paragraph ~~may apply~~ applies if it is determined by a court of law, or a confession of judgment, that an applicant, while employed, wrongfully took from the employer \$500 or more in money or property.

(b) The commissioner may at any time compromise any ~~amount~~ unemployment insurance tax or reimbursement due from an employer under this chapter or section 116L.20.

(c) Any compromise involving an amount over ~~\$2,500~~ \$10,000 must be authorized by an attorney licensed to practice law in Minnesota who is an employee of the department designated by the commissioner for that purpose.

(d) Any compromise must be in the best interest of the state of Minnesota.

Sec. 5. Minnesota Statutes 2008, section 268.069, subdivision 2, is amended to read:

Subd. 2. **Unemployment benefits paid from state funds.** Unemployment benefits are paid from state funds and are not considered paid from any special insurance plan, nor as paid by an employer. An application for unemployment benefits is not considered a claim against an employer but is considered a request for unemployment benefits from the trust fund. The commissioner has the responsibility for the proper payment of unemployment benefits regardless of the level of interest or participation by an applicant or an employer in any determination or appeal. An applicant's entitlement to unemployment benefits must be determined based upon that information available ~~without regard to any burden of proof~~, and any agreement between an applicant and an employer is not binding on the commissioner in determining an applicant's entitlement. ~~There is no presumption of entitlement or nonentitlement to unemployment benefits.~~

Sec. 6. Minnesota Statutes 2008, section 268.07, subdivision 3b, is amended to read:

Subd. 3b. **Limitations on applications and benefit accounts.** (a) An application for unemployment benefits is effective the Sunday of the calendar week that the application was filed. ~~Upon specific request of an applicant,~~ An application for unemployment benefits may be backdated one calendar week before the Sunday of the week the application was actually filed if the applicant requests the backdating at the time the application is filed. An application may be backdated only if the applicant ~~was unemployed throughout~~ had no employment during the period of the backdating. If an individual attempted to file an application for unemployment benefits, but was prevented from filing an application by the department, the application is effective the Sunday of the calendar week the individual first attempted to file an application.

(b) A benefit account established under subdivision 2 is effective the date the application for unemployment benefits was effective.

(c) A benefit account, once established, may later be withdrawn only if:

(1) the applicant has not been paid any unemployment benefits on that benefit account; and

(2) a new application for unemployment benefits is filed and a new benefit account is established at the time of the withdrawal; and,

~~(2) the applicant has not served the nonpayable waiting week under section 268.085, subdivision 1, clause (5).~~

A determination or amended determination of eligibility or ineligibility issued under section 268.101, that was ~~issued~~ sent before the withdrawal of the benefit account, remains in effect and is not voided by the withdrawal of the benefit account. A determination of ineligibility requiring subsequent earnings to satisfy the period of ineligibility under section 268.095, subdivision 10, applies to the weekly unemployment benefit amount on the new benefit account.

(d) An application for unemployment benefits is not allowed before the Sunday following the expiration of the benefit year on a prior benefit account. Except as allowed under paragraph ~~(b)~~ (c), an applicant may establish only one benefit account each 52 calendar weeks.

Sec. 7. Minnesota Statutes 2008, section 268.085, subdivision 3, is amended to read:

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

(1) vacation pay paid upon temporary, indefinite, or seasonal separation. This clause does not apply to (i) vacation pay paid upon a permanent separation from employment, or (ii) vacation pay paid from a vacation fund administered by a union or a third party not under the control of the employer;

(2) severance pay, bonus pay, sick pay, and any other payments, except earnings under subdivision 5, and back pay under subdivision 6, paid by an employer because of, upon, or after separation from employment, but only if the payment is considered wages at the time of payment under section 268.035, subdivision 29; or

(3) pension, retirement, or annuity payments from any plan contributed to by a base period employer including the United States government, except Social Security benefits that are provided for in subdivision 4. The base period employer is considered to have contributed to the plan if the contribution is excluded from the definition of wages under section 268.035, subdivision 29, clause (1).

If the pension, retirement, or annuity payment is paid in a lump sum, an applicant is not considered to have received the lump sum a payment if (i) the applicant immediately deposits that payment in a qualified pension plan or account, or (ii) that payment is an early distribution for which the applicant paid an early distribution penalty under the Internal Revenue Code, United States Code, title 26, section 72(t)(1).

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

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

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

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

Sec. 8. Minnesota Statutes 2008, section 268.085, subdivision 6, is amended to read:

Subd. 6. **Receipt of back pay.** (a) Back pay received by an applicant within 24 months of the establishment of the benefit account with respect to any week occurring in the 104 weeks before the payment of the back pay during the benefit year must be deducted from unemployment benefits paid for that week.

If the back pay is not paid with respect to a specific period, the back pay must be applied to the period immediately following the last day of employment.

(b) If the back pay is reduced by the amount of unemployment benefits that have been paid, the amount of back pay withheld must be:

(1) paid by the employer to the trust fund within 30 calendar days and subject to the same collection procedures that apply to past due taxes;

(2) applied to unemployment benefit overpayments resulting from the payment of the back pay; and

(3) credited to the maximum amount of unemployment benefits available to the applicant in a benefit year that includes the weeks for which back pay was deducted.

(c) Unemployment benefits paid the applicant must be removed from the computation of the tax rate for taxpaying employers and removed from the reimbursable account for nonprofit and government employers that have elected to be liable for reimbursements in the calendar quarter the trust fund receives payment.

(d) Payments to the trust fund under this subdivision are considered as made by the applicant.

Sec. 9. Minnesota Statutes 2008, section 268.085, subdivision 15, is amended to read:

Subd. 15. **Available for suitable employment defined.** (a) "Available for suitable employment" means an applicant is ready and willing to accept suitable employment ~~in the labor market area~~. The attachment to the work force must be genuine. An applicant may restrict availability to suitable employment, but there must be no other restrictions, either self-imposed or created by circumstances, temporary or permanent, that prevent accepting suitable employment.

(b) To be considered "available for suitable employment," a student must be willing to quit school to accept suitable employment.

(c) An applicant who is absent from the labor market area for personal reasons, other than to search for work, is not "available for suitable employment."

(d) An applicant who has restrictions on the hours of the day or days of the week that the applicant can or will work, that are not normal for the applicant's usual occupation or other suitable employment, is not "available for suitable employment." An applicant must be available for daytime employment, if suitable employment is performed during the daytime, even though the applicant previously worked the night shift.

~~(e) An applicant must have transportation throughout the labor market area to be considered "available for suitable employment."~~

Sec. 10. Minnesota Statutes 2008, section 268.095, subdivision 1, is amended to read:

Subdivision 1. **Quit.** An applicant who quit employment is ineligible for all unemployment benefits according to subdivision 10 except when:

(1) the applicant quit the employment because of a good reason caused by the employer as defined in subdivision 3;

(2) the applicant quit the employment to accept other covered employment that provided substantially better terms and conditions of employment, but the applicant did not work long enough at the second employment to have sufficient subsequent earnings to satisfy the period of ineligibility that would otherwise be imposed under subdivision 10 for quitting the first employment;

(3) the applicant quit the employment within 30 calendar days of beginning the employment because the employment was unsuitable for the applicant;

(4) the employment was unsuitable for the applicant and the applicant quit to enter reemployment assistance training;

(5) the employment was part time and the applicant also had full-time employment in the base period, from which full-time employment the applicant separated because of reasons for which the applicant was held not to be ineligible, and the wage credits from the full-time employment are sufficient to meet the minimum requirements to establish a benefit account under section 268.07;

(6) the applicant quit because the employer notified the applicant that the applicant was going to be laid off because of lack of work within 30 calendar days. An applicant who quit employment within 30 calendar days of a notified date of layoff because of lack of work is ineligible for unemployment benefits through the end of the week that includes the scheduled date of layoff;

(7) the applicant quit the employment because the applicant's serious illness or injury made it medically necessary that the applicant quit, provided that the applicant inform the employer of the serious illness or injury and request accommodation and no reasonable accommodation is made available.

If the applicant's serious illness is chemical dependency, this exception does not apply if the applicant was previously diagnosed as 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.

This exception raises an issue of the applicant's ~~being able to work~~ availability being available for suitable employment under section 268.085, subdivision 1, that the commissioner ~~shall~~ must determine;

(8) the applicant's loss of child care for the applicant's minor child caused the applicant to quit the employment, provided the applicant made reasonable effort to obtain other child care and requested time off or other accommodation from the employer and no reasonable accommodation is available.

This exception raises an issue of the applicant's ~~availability being available~~ availability being available for suitable employment under section 268.085, subdivision 1, that the commissioner ~~shall~~ must determine; or

(9) domestic abuse of the applicant or the applicant's minor child, necessitated the applicant's quitting the employment. Domestic abuse must be shown by one or more of the following:

(i) a district court order for protection or other documentation of equitable relief issued by a court;

(ii) a police record documenting the domestic abuse;

(iii) documentation that the perpetrator of the domestic abuse has been convicted of the offense of domestic abuse;

(iv) medical documentation of domestic abuse; or

(v) written statement that the applicant or the applicant's minor child is a victim of domestic abuse, provided by a social worker, member of the clergy, shelter worker, attorney at law, or other professional who has assisted the applicant in dealing with the domestic abuse.

Domestic abuse for purposes of this clause is defined under section 518B.01.

Sec. 11. Minnesota Statutes 2008, 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 job assignment, ~~or~~ (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 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. 12. Minnesota Statutes 2008, section 268.103, is amended by adding a subdivision to read:

Subd. 2a. **Employer-agent appeals filed online.** (a) If an agent files an appeal on behalf of an employer, the appeal must be filed online. The appeal must be filed through the electronic address provided on the determination being appealed. Use of another method of filing does not constitute an appeal. This paragraph does not apply to an employee filing an appeal on behalf of an employer.

(b) All information requested when the appeal is filed must be supplied or the communication does not constitute an appeal.

Sec. 13. Minnesota Statutes 2008, section 268.18, subdivision 4a, is amended to read:

Subd. 4a. **Court fees; collection fees.** (a) If the commissioner is required to pay any court fees in an attempt to enforce collection of overpaid unemployment benefits, penalties, or interest, the commissioner may add the amount of the court fees to the total amount due.

(b) If an applicant who has been determined overpaid unemployment benefits because of fraud seeks to have any portion of the debt discharged under the federal bankruptcy code, and the commissioner files an objection in bankruptcy court to the discharge, the commissioner may add the commissioner's cost of any court fees to the debt if the bankruptcy court does not discharge the debt.

(c) If the Internal Revenue Service assesses the commissioner a fee for offsetting from a federal tax refund the amount of any fraud overpayment, including penalties and interest, the amount of the fee may be added to the total amount due. The offset amount must be put in the trust fund and that amount credited to the total amount due from the applicant.

Sec. 14. Minnesota Statutes 2008, section 268.186, is amended to read:

#### **268.186 RECORDS; AUDITS.**

(a) Each employer must keep true and accurate records for the periods of time and containing the information the commissioner may require by rule. For the purpose of administering this chapter, the commissioner has the power to audit, examine, or cause to be supplied or copied, any books, correspondence, papers, records, or memoranda that are relevant, whether the books, correspondence, papers, records, or memoranda are the property of or in the possession of the employer or any other person at any reasonable time and as often as may be necessary.

(b) Any employer that refuses to allow an audit of its records by the department, or that fails to make all necessary records available for audit in Minnesota upon request of the commissioner, may be assessed an administrative penalty of \$500. An employer that fails to provide a weekly breakdown of money earned by an applicant upon request of the commissioner, information necessary for the detection of applicant fraud under section 268.18, subdivision 2, may be assessed an administrative penalty of \$100. Any notice requesting a weekly breakdown must clearly state that a \$100 penalty may be assessed for failure to provide the information. The penalty collected is credited to the ~~administration account to be used by the commissioner to ensure integrity in the administration of the unemployment insurance program trust fund.~~

(c) The commissioner may make summaries, compilations, photographs, duplications, or reproductions of any records, or reports that the commissioner considers advisable for the preservation of the information contained therein. Any summaries, compilations, photographs, duplications, or reproductions is admissible in any proceeding under this chapter. The commissioner may duplicate records, reports, summaries, compilations, instructions, determinations, or any other written or recorded matter pertaining to the administration of this chapter.

(d) Regardless of any law to the contrary, the commissioner may provide for the destruction of any records, reports, or reproductions, or other papers that are no longer necessary for the administration of this chapter, including any required audit. In addition, the commissioner may provide for the destruction or disposition of any record, report, or other paper from which the information has been electronically captured and stored, or that has been photographed, duplicated, or reproduced.

Sec. 15. **ENTREPRENEURSHIP FOR DISLOCATED WORKERS.**

Subdivision 1. **Authorization.** Minnesota has been awarded a federal grant by the United States Department of Labor under the Project GATE (Growing America Through Entrepreneurship) program to assist certain dislocated workers in starting a business. Providing unemployment benefits while the dislocated worker is receiving services such as entrepreneurial training, business counseling, and technical assistance will assist in the success of this pilot project. In order to provide unemployment benefits, the commissioner of employment and economic development is authorized to waive the availability for suitable employment requirements of Minnesota Statutes, section 268.085, subdivision 1, as well as the earnings deductibility provisions of Minnesota Statutes, section 268.085, subdivision 5, for individuals enrolled in this pilot project.

Subd. 2. **Limitations.** A maximum of 500 applicants for unemployment benefits are authorized to receive a waiver.

Subd. 3. **Expiration date.** The authorization under subdivision 1 expires June 30, 2012.

Sec. 16. **EFFECTIVE DATE.**

Sections 1 to 6, 8 to 11, 13, and 14 are effective August 2, 2009, and apply to all department determinations and unemployment law judge decisions issued on or after that date. Section 11 is effective April 1, 2010, and applies to all department determinations and unemployment law judge decisions issued on or after that date. Section 7 is effective retroactively from December 1, 2008. Section 15 is effective the day following final enactment.

ARTICLE 4

UNEMPLOYMENT INSURANCE TECHNICAL CHANGES

Section 1. Minnesota Statutes 2008, section 268.031, is amended to read:

**268.031 STANDARD OF PROOF AND PRESUMPTION OF ELIGIBILITY.**

Subdivision 1. **Standard of proof.** All issues of fact under the Minnesota Unemployment Insurance Law are determined by a preponderance of the evidence. ~~Preponderance of the evidence means evidence in substantiation of a fact that, when weighed against the evidence opposing the fact, is more convincing and has a greater probability of truth.~~

Subd. 2. **Presumption of eligibility.** An applicant is presumed to be eligible for unemployment benefits unless precluded by statute from receiving benefits. In determining eligibility or ineligibility for benefits, any statutory provision that would preclude an applicant from receiving benefits must be narrowly construed.

Sec. 2. **[268.034] COMPUTATIONS OF MONEY ROUNDED DOWN.**

Computations of money required under this chapter that do not result in a whole dollar are rounded down to the next lower whole dollar, unless specifically provided otherwise by law.

Sec. 3. Minnesota Statutes 2008, section 268.035, subdivision 2, is amended to read:

Subd. 2. **Agricultural employment.** "Agricultural employment" means services:

(1) on a farm, in the employ of any person or family farm corporation in connection with cultivating the soil, or in connection with raising or harvesting any agricultural or horticultural commodity, including the raising, shearing, feeding, caring for, training, and management of livestock, bees, poultry, fur-bearing animals, and wildlife;

(2) in the employ of the owner or tenant or other operator of a farm, in connection with the operation, management, conservation, improvement, or maintenance of the farm and its tools and equipment, or in salvaging timber or clearing land of brush and other debris left by a tornado-like storm, if the major part of the employment is performed on a farm;

(3) in connection with the production or harvesting of any commodity defined as an agricultural product in United States Code, title 7, section 1626 of the Agricultural Marketing Act, or in connection with cotton ginning, or in connection with the operation or maintenance of ditches, canals, reservoirs, or waterways, not owned or operated for profit, used exclusively for supplying and storing water for farming purposes;

(4) in the employ of the operator of a farm in handling, planting, drying, packing, packaging, processing, freezing, grading, storing, or delivering to storage or to market or to a carrier for transportation to market, in its unmanufactured state, any agricultural or horticultural commodity; but only if the operator produced more than one-half of the commodity with respect to which the employment is performed, or in the employ of a group of operators of farms or a cooperative organization of which the operators are members, but only if the operators produced more than one-half of the commodity with respect to which the employment is performed; however, this clause ~~shall~~ is not ~~be~~ applicable to employment performed in connection with commercial canning or commercial freezing or in connection with any agricultural or horticultural commodity after its delivery to a terminal market for distribution for consumption; or

(5) on a farm operated for profit if the employment is not in the course of the employer's trade or business.

For purposes of this subdivision, the term "farm" includes stock, dairy, poultry, fruit, fur-bearing animals, and truck farms, plantations, ranches, nurseries, orchards, ranges, greenhouses, or other similar structures used primarily for the raising of agricultural or horticultural commodities.

Sec. 4. Minnesota Statutes 2008, section 268.035, is amended by adding a subdivision to read:

Subd. 9a. **Construction; independent contractor.** For purposes of this chapter, section 181.723 determines whether a worker is an independent contractor or an employee when performing public or private sector commercial or residential building construction or improvement services.



Sec. 5. Minnesota Statutes 2008, section 268.035, is amended by adding a subdivision to read:

Subd. 12c. **Determination.** "Determination" means a document sent to an applicant or employer by mail or electronic transmission that is an initial department ruling on a specific issue. All documents that are determinations under this chapter use that term in the title of the document and are appealable to an unemployment law judge under section 268.105, subdivision 1.

Sec. 6. Minnesota Statutes 2008, section 268.035, subdivision 17, is amended to read:

Subd. 17. **Filing; filed.** "Filing" or "filed" means the personal delivery of any document an application, appeal, or other required action to the commissioner or any of the commissioner's agents, or the depositing of the document if done by mail, deposited in the United States mail properly addressed to the department with postage prepaid, in which case the document it is considered filed on the day indicated by the cancellation mark of the United States Postal Service.

~~If, where allowed,~~ an application, appeal, or other required action is made by electronic transmission, it is considered filed on the day received by the department.

Sec. 7. Minnesota Statutes 2008, section 268.035, is amended by adding a subdivision to read:

Subd. 20a. **Preponderance of the evidence.** "Preponderance of the evidence" means evidence in substantiation of a fact that, when weighed against the evidence opposing the fact, is more convincing and has a greater probability of truth.

Sec. 8. Minnesota Statutes 2008, section 268.042, subdivision 3, is amended to read:

**Subd. 3. Election to have noncovered employment considered covered employment.** (a) Any employer that has employment performed for it that is noncovered employment under section 268.035, subdivision 20, may file with the commissioner, by electronic transmission in a format prescribed by the commissioner, an election that all employees in that class of employment, in one or more distinct establishments or places of business, is considered covered employment for not less than two calendar years. The commissioner has discretion on the approval of any election. Upon the approval of the commissioner, sent by mail or electronic transmission, the employment constitutes covered employment beginning the calendar quarter after the date of approval or beginning a later calendar quarter if requested by the employer. The employment ceases to be considered covered employment as of the first day of January of any calendar year only if at least 30 calendar days before the first day of January the employer has filed with the commissioner, by electronic transmission in a format prescribed by the commissioner, a notice to that effect.

(b) The commissioner must terminate any election agreement under this subdivision upon 30 calendar days' notice sent by mail or electronic transmission, if the employer is delinquent on any taxes due or reimbursements due the trust fund.

Sec. 9. Minnesota Statutes 2008, section 268.043, is amended to read:

#### **268.043 DETERMINATIONS OF COVERAGE.**

(a) The commissioner, upon the commissioner's own motion or upon application of a person, ~~shall~~ must determine if that person is an employer or whether services performed for it constitute employment and covered employment, or whether ~~the any compensation for services~~ constitutes wages, and notify the person of the determination. The determination is final unless the person, files an appeal within 20 calendar days after ~~sending of the determination~~ the commissioner sends the determination by mail or electronic transmission, ~~files an appeal~~. Proceedings on the appeal are conducted in accordance with section 268.105.

(b) No person may be initially determined an employer, or that services performed for it were in employment or covered employment, for periods more than four years before the year in which the determination is made, unless the commissioner finds that there was fraudulent action to avoid liability under this chapter.

Sec. 10. Minnesota Statutes 2008, section 268.044, subdivision 2, is amended to read:

Subd. 2. **Failure to timely file report; late fees.** (a) Any employer that fails to submit the quarterly wage detail report when due must pay a late fee of \$10 per employee, computed based upon the highest of:

(1) the number of employees reported on the last wage detail report submitted;

(2) the number of employees reported in the corresponding quarter of the prior calendar year; or

(3) if no wage detail report has ever been submitted, the number of employees listed at the time of employer registration.

The late fee is ~~waived~~ canceled if the wage detail report is received within 30 calendar days after a demand for the report is sent to the employer by mail or electronic transmission. A late fee assessed an employer may not be ~~waived~~ canceled more than twice each 12 months. The amount of the late fee assessed may not be less than \$250.

(b) If the wage detail report is not received in a manner and format prescribed by the commissioner within 30 calendar days after demand is sent under paragraph (a), the late fee assessed under paragraph (a) doubles and a renewed demand notice and notice of the increased late fee will be sent to the employer by mail or electronic transmission.

(c) Late fees due under this subdivision may be ~~compromised~~ canceled, in whole or in part, under section ~~268.067~~ 268.066 where good cause for late submission is found by the commissioner.

Sec. 11. Minnesota Statutes 2008, section 268.047, subdivision 1, is amended to read:

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

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

Sec. 12. Minnesota Statutes 2008, section 268.047, subdivision 2, is amended to read:

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

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

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

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

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

~~(5) (4)~~ the employer is a fire department or firefighting corporation or operator of a life-support transportation service, and continues to provide employment for the applicant as a volunteer firefighter or a volunteer ambulance service personnel during the benefit year on the same basis that employment was provided in the base period. This exception terminates effective the first week that the employer fails to meet the benefit year employment requirements;

~~(6) (5)~~ the applicant's unemployment from this employer was a direct result of the condemnation of property by a governmental agency, a fire, flood, or act of nature, where 25 percent or more of the employees employed at the affected location, including the applicant, became unemployed as a result. This exception does not apply where the unemployment was a direct result of the intentional act of the employer or a person acting on behalf of the employer;

~~(7) (6)~~ the unemployment benefits were paid by another state as a result of the transferring of wage credits under a combined wage arrangement provided for in section 268.131;

~~(8) (7)~~ the applicant stopped working because of a labor dispute at the applicant's primary place of employment if the employer was not a party to the labor dispute;

~~(9) (8)~~ the unemployment benefits were determined overpaid unemployment benefits under section 268.18;

~~(10) (9)~~ the applicant was employed as a replacement worker, for a period of six months or longer, for an employee who is in the military reserve and was called for active duty during the time the applicant worked as a replacement, and the applicant was laid off because the employee returned to employment after active duty; or

~~(11) (10)~~ the trust fund was reimbursed for the unemployment benefits by the federal government.

Sec. 13. Minnesota Statutes 2008, section 268.051, subdivision 1, is amended to read:

Subdivision 1. **Payments.** (a) Unemployment insurance taxes and any special assessments, fees, or surcharges accrue and become payable by each employer for each calendar year on the taxable wages that the employer paid to employees in covered employment, except for:

(1) nonprofit organizations that elect to make reimbursements as provided in section 268.053; and

(2) the state of Minnesota and political subdivisions that make reimbursements, unless they elect to pay taxes as provided in section 268.052.

Each employer must pay taxes quarterly, at the employer's assigned tax rate under subdivision 6, on the taxable wages paid to each employee. The commissioner must compute the tax due from the wage detail report required under section 268.044 and notify the employer of the tax due. The taxes and any special assessments, fees, or surcharges must be paid to the trust fund and must be received by the department on or before the last day of the month following the end of the calendar quarter.

(b) ~~The tax amount computed, if not a whole dollar, is rounded down to the next lower whole dollar.~~

(e) If for any reason the wages on the wage detail report under section 268.044 are adjusted for any quarter, the commissioner must recompute the taxes due for that quarter and assess the employer for any amount due or credit the employer as appropriate.

Sec. 14. Minnesota Statutes 2008, section 268.051, subdivision 4, is amended to read:

Subd. 4. **Experience rating history transfer.** (a) When:

(1) a taxing employer acquires all of the organization, trade or business, or workforce of another taxing employer; and

(2) there is 25 percent or more common ownership or there is substantially common management or control between the predecessor and successor, the experience rating history of the predecessor employer is transferred to the successor employer.

(b) When:

(1) a taxing employer acquires a portion, but less than all, of the organization, trade or business, or workforce of another taxing employer; and

(2) there is 25 percent or more common ownership or there is substantially common management or control between the predecessor and successor, the successor employer acquires, as of the date of acquisition, the experience rating history attributable to the portion it acquired, and the predecessor employer retains the experience rating history attributable to the portion that it has retained. If the commissioner determines that sufficient information is not available to substantiate that a distinct severable portion was acquired and to assign the appropriate distinct severable portion of the experience rating history, the commissioner ~~shall~~ must assign the successor employer that percentage of the predecessor employer's experience rating history equal to that percentage of the employment positions it has obtained, and the predecessor employer retains that percentage of the experience rating history equal to the percentage of the employment positions it has retained.

(c) The term "common ownership" for purposes of this subdivision includes ownership by a spouse, parent, grandparent, child, grandchild, brother, sister, aunt, uncle, niece, nephew, or first cousin, by birth or by marriage.

(d) Each successor employer that is subject to paragraph (a) or (b) must notify the commissioner of the acquisition by electronic transmission, in a format prescribed by the commissioner, within 30 calendar days of the date of acquisition. Any successor employer that fails to notify the commissioner is subject to the penalties under section 268.184, subdivision 1a, if the successor's ~~experience rating assigned tax rate~~ assigned tax rate under subdivision 2 or 5 is lower than the predecessor's ~~experience rating assigned tax rate~~ at the time of the acquisition. Payments made toward the penalties are credited to the administration account to be used to ensure integrity in the unemployment insurance program.

(e) If the successor employer under paragraphs (a) and (b) had an experience rating at the time of the acquisition, the transferred experience rating history of the predecessor is combined with the successor's experience rating history for purposes of recomputing a tax rate.

(f) If there has been a transfer of an experience rating history under paragraph (a) or (b), employment with a predecessor employer is not considered to have been terminated if similar employment is offered by the successor employer and accepted by the employee.

(g) The commissioner, upon notification of an employer, or upon the commissioner's own motion if the employer fails to provide the required notification, ~~shall~~ must determine if an employer is a successor within the meaning of this subdivision. The commissioner ~~shall~~ must, after determining the issue of succession or nonsuccession, recompute the tax rate under subdivision 6 of all employers affected. The commissioner ~~shall~~ must send the recomputed tax rate to all affected employers by mail or electronic transmission. Any affected employer may appeal the recomputed tax rate in accordance with the procedures in subdivision 6, paragraph (c).

(h) The "experience rating history" for purposes of this subdivision and subdivision 4a means the amount of unemployment benefits paid and the taxable wages that are being used and would be used in computing the current and any future experience rating.

For purposes of this chapter, an "acquisition" means anything that results in the obtaining by the successor employer, in any way or manner, of the organization, trade or business, or workforce of the predecessor employer.

A "distinct severable portion" in paragraph (b) means a location or unit separately identifiable within the employer's wage detail report under section 268.044.

(i) Regardless of the ownership, management, or control requirements of paragraph (a), if there is an acquisition or merger of a publicly held corporation by or with another publicly held corporation the experience rating histories of the corporations are combined as of the date of acquisition or merger for the purpose of recomputing a tax rate.

Sec. 15. Minnesota Statutes 2008, section 268.057, subdivision 4, is amended to read:

Subd. 4. **Costs.** ~~(a) Any person employer, and any applicant subject to section 268.18, subdivision 2, that fails to pay any amount when due under this chapter is liable for any filing fees, recording fees, sheriff fees, costs incurred by referral to any public or private collection agency, or litigation costs, including attorney fees, incurred in the collection of the amounts due.~~

~~(b) If any tendered payment of any amount due is not honored when presented to a financial institution for payment, any costs assessed the department by the financial institution and a fee of \$25 must be assessed to the person.~~

~~(c) Costs and fees collected under this subdivision are credited to the administration account to be used by the commissioner to ensure integrity in the administration of the unemployment insurance program.~~

Sec. 16. Minnesota Statutes 2008, section 268.057, subdivision 5, is amended to read:

Subd. 5. **Interest on amounts past due.** If any amounts due from an employer under this chapter or section 116L.20, except late fees under section 268.044, are not received on the date due the unpaid balance bears interest at the rate of one and one-half percent per month or any part thereof. ~~Interest assessed, if not a whole dollar amount, is rounded down to the next lower whole dollar. Interest collected is credited to the contingent account. Interest may be compromised under section 268.067.~~

Sec. 17. Minnesota Statutes 2008, section 268.0625, subdivision 1, is amended to read:

Subdivision 1. **Notice of debt to licensing authority.** The state of Minnesota or a political subdivision may not issue, transfer, or renew, and must revoke a license for the conduct of any profession, trade, or business, if the commissioner notifies the licensing authority that the licensee, applicant, or employer owes any amount due under

this chapter or section 116L.20, of \$500 or more. A licensing authority that has received ~~such~~ a notice may issue, transfer, renew, or not revoke the license only if the licensing authority has received a copy of the debt clearance certificate issued by the commissioner.

Sec. 18. Minnesota Statutes 2008, section 268.069, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** The commissioner ~~shall~~ must pay unemployment benefits from the trust fund to an applicant who has met each of the following requirements:

(1) the applicant has filed an application for unemployment benefits and established a benefit account in accordance with section 268.07;

(2) the applicant has not been held ineligible for unemployment benefits under section 268.095 because of a quit or discharge;

(3) the applicant has met all of the ongoing eligibility requirements under ~~sections~~ section 268.085 and 268.086;

(4) the applicant does not have an outstanding overpayment of unemployment benefits, including any penalties or interest; and

(5) the applicant has not been held ineligible for unemployment benefits under section 268.182 because of a false representation or concealment of facts.

Sec. 19. Minnesota Statutes 2008, section 268.07, subdivision 1, is amended to read:

Subdivision 1. **Application for unemployment benefits; determination of benefit account.** (a) An application for unemployment benefits may be filed in person, by mail, or by electronic transmission as the commissioner may require. The applicant must be unemployed at the time the application is filed and must provide all requested information in the manner required. If the applicant is not unemployed at the time of the application or fails to provide all requested information, the communication is not considered an application for unemployment benefits.

(b) The commissioner ~~shall~~ must examine each application for unemployment benefits to determine the base period and the benefit year, and based upon all the covered employment in the base period the commissioner shall determine the weekly unemployment benefit amount available, if any, and the maximum amount of unemployment benefits available, if any. The determination is known as the, which is a document separate and distinct from a document titled a determination of eligibility or determination of ineligibility issued under section 268.101, must be titled determination of benefit account. A determination of benefit account must be sent to the applicant and all base period employers, by mail or electronic transmission.

(c) If a base period employer did not provide wage information for the applicant as provided for in section 268.044, or provided erroneous information, the commissioner may accept an applicant certification as to wage credits, based upon the applicant's records, and issue a determination of benefit account.

(d) The commissioner may, at any time within 24 months from the establishment of a benefit account, reconsider any determination of benefit account and make an amended determination if the commissioner finds that the determination was incorrect for any reason. An amended determination of benefit account must be promptly sent to the applicant and all base period employers, by mail or electronic transmission. This subdivision does not apply to documents titled determinations of eligibility or determinations of ineligibility issued under section 268.101.

(e) If an amended determination of benefit account reduces the weekly unemployment benefit amount or maximum amount of unemployment benefits available, any unemployment benefits that have been paid greater than the applicant was entitled is considered an overpayment of unemployment benefits. A determination or amended determination issued under this section that results in an overpayment of unemployment benefits must set out the amount of the overpayment and the requirement under section 268.18, subdivision 1, that the overpaid unemployment benefits must be repaid.

Sec. 20. Minnesota Statutes 2008, section 268.07, subdivision 2, is amended to read:

Subd. 2. **Benefit account requirements and weekly unemployment benefit amount and maximum amount of unemployment benefits.** (a) To establish a benefit account, an applicant must have:

- (1) high quarter wage credits of \$1,000 or more; and
- (2) wage credits, in other than the high quarter, of \$250 or more.

(b) If an applicant has established a benefit account, the weekly unemployment benefit amount available during the benefit year is the higher of:

- (1) 50 percent of the applicant's average weekly wage during the base period, to a maximum of 66-2/3 percent of the state's average weekly wage; or
- (2) 50 percent of the applicant's average weekly wage during the high quarter, to a maximum of 43 percent of the state's average weekly wage.

The applicant's average weekly wage under clause (1) is computed by dividing the total wage credits by 52. The applicant's average weekly wage under clause (2) is computed by dividing the high quarter wage credits by 13.

(c) ~~The state's maximum weekly unemployment benefit amount and an applicant's weekly unemployment benefit amount and maximum amount of unemployment benefits available is rounded down to the next lower whole dollar.~~ The state's maximum weekly benefit amount, computed in accordance with section 268.035, subdivision 23, applies to a benefit account established effective on or after the last Sunday in October. Once established, an applicant's weekly unemployment benefit amount is not affected by the last Sunday in October change in the state's maximum weekly unemployment benefit amount.

(d) The maximum amount of unemployment benefits available on any benefit account is the lower of:

- (1) 33-1/3 percent of the applicant's total wage credits; or
- (2) 26 times the applicant's weekly unemployment benefit amount.

Sec. 21. Minnesota Statutes 2008, section 268.07, subdivision 3, is amended to read:

Subd. 3. **Second benefit account requirements.** To establish a second benefit account following the expiration of a benefit year on a prior benefit account, an applicant must ~~have sufficient wage credits to establish a benefit account under~~ meet the requirements of subdivision 2 and must have performed services in covered employment after the effective date of the prior benefit account. The wages paid for ~~that employment~~ those services must ~~equal or not less than~~ be at least eight times the weekly unemployment benefit amount of the prior benefit account. ~~Part of the purpose of reason for~~ this subdivision is to prevent an applicant from establishing more than one benefit account as a result of one loss of employment.

Sec. 22. Minnesota Statutes 2008, section 268.084, is amended to read:

**268.084 PERSONAL IDENTIFICATION NUMBER; PRESUMPTION.**

(a) Each applicant must be issued a personal identification number (PIN) for the purpose of filing continued requests for unemployment benefits, accessing information, and engaging in other transactions with the department.

(b) If a PIN assigned to an applicant is used in the filing of a continued request for unemployment benefits under section ~~268.086~~ 268.0865 or any other type of transaction, the applicant is presumed to have been the individual using that PIN and presumed to have received any unemployment benefit payment issued. This presumption may be rebutted by a preponderance of the evidence showing that the applicant assigned the PIN was not the individual who used that PIN in the transaction.

(c) The commissioner ~~shall~~ must notify each applicant of this section.

Sec. 23. Minnesota Statutes 2008, section 268.085, subdivision 1, is amended to read:

Subdivision 1. **Eligibility conditions.** An applicant may be eligible to receive unemployment benefits for any week if:

(1) the applicant has ~~an active benefit account and has~~ filed a continued request for unemployment benefits for that week under section ~~268.086~~ 268.0865;

(2) the week for which unemployment benefits are requested is in the applicant's benefit year;

(3) the applicant was unemployed as defined in section 268.035, subdivision 26;

(4) the applicant was ~~able to work and was~~ available for suitable employment, ~~and was actively seeking suitable employment as defined in subdivision 15.~~ The applicant's weekly unemployment benefit amount is reduced one-fifth for each day the applicant is ~~unable to work or is~~ unavailable for suitable employment. ~~If the computation of the reduced unemployment benefits is not a whole dollar, it is rounded down to the next lower whole dollar.~~ This clause does not apply to an applicant who is in reemployment assistance training, or each day the applicant is on jury duty or serving as an election judge;

(5) the applicant was actively seeking suitable employment as defined in subdivision 16. This clause does not apply to an applicant who is in reemployment assistance training or who was on jury duty throughout the week;

(6) the applicant has served a nonpayable waiting period of one week that the applicant is otherwise entitled to some amount of unemployment benefits. This clause does not apply if the applicant would have been entitled to federal disaster unemployment assistance because of a disaster in Minnesota, but for the applicant's establishment of a benefit account under section 268.07; and

~~(6)~~ (7) the applicant has been participating in reemployment assistance services, such as job search and resume writing classes, if the applicant has been determined in need of reemployment assistance services by the commissioner, unless the applicant has good cause for failing to participate.

Sec. 24. Minnesota Statutes 2008, section 268.085, subdivision 2, is amended to read:

Subd. 2. **Not eligible.** An applicant is ineligible for unemployment benefits for any week:

(1) that occurs before the effective date of a benefit account;



(2) that the applicant, at the beginning of the week, has an outstanding fraud overpayment balance under section 268.18, subdivision 2, including any penalties and interest;

(3) that occurs in a period when the applicant is a student in attendance at, or on vacation from a secondary school including the period between academic years or terms;

(4) that the applicant is incarcerated or performing ~~court-ordered~~ court-ordered community service. The applicant's weekly unemployment benefit amount is reduced by one-fifth for each day the applicant is incarcerated or performing ~~court-ordered~~ court-ordered community service. ~~If the computation of the reduced unemployment benefits is not a whole dollar, it is rounded down to the next lower whole dollar;~~

(5) that the applicant fails or refuses to provide information on an issue of ineligibility required under section 268.101;

(6) that the applicant is performing services 32 hours or more, in employment, covered employment, noncovered employment, volunteer work, or self-employment regardless of the amount of any earnings; or

(7) with respect to which the applicant is receiving, has received, or has filed an application for unemployment benefits under any federal law or the law of any other state. If the appropriate agency finally determines that the applicant is not entitled to the unemployment benefits, this clause does not apply.

Sec. 25. Minnesota Statutes 2008, section 268.085, subdivision 3a, is amended to read:

Subd. 3a. **Workers' compensation and disability insurance offset.** (a) An applicant is not eligible to receive unemployment benefits for any week in which the applicant is receiving or has received compensation for loss of wages equal to or in excess of the applicant's weekly unemployment benefit amount under:

- (1) the workers' compensation law of this state;
- (2) the workers' compensation law of any other state or similar federal law; or
- (3) any insurance or trust fund paid in whole or in part by an employer.

(b) This subdivision does not apply to an applicant who has a claim pending for loss of wages under paragraph (a); however, before unemployment benefits may be paid when a claim is pending, the issue of the applicant being ~~able to work~~ available for suitable employment, as required under subdivision 1, clause ~~(2)~~ (4), is determined under section 268.101, subdivision ~~3~~ 2. If the applicant later receives compensation as a result of the pending claim, the applicant is subject to the provisions of paragraph (a) and the unemployment benefits paid are subject to recoupment by the commissioner to the extent that the compensation constitutes overpaid unemployment benefits.

(c) If the amount of compensation described under paragraph (a) for any week is less than the applicant's weekly unemployment benefit amount, unemployment benefits requested for that week are reduced by the amount of that compensation payment.

Sec. 26. Minnesota Statutes 2008, section 268.085, subdivision 4, is amended to read:

Subd. 4. **Social Security benefits.** (a) Any applicant aged 62 or over is required to state when filing an application for unemployment benefits and when filing continued requests for unemployment benefits if the applicant is receiving, has filed for, or intends to file for, primary Social Security old age benefits for any week during the benefit year.

~~If the effective date of the applicant's Social Security claim for old age benefits is, or will be, after the start of the base period, there must be deducted from an applicant's weekly unemployment benefit amount~~ Unless paragraph (b) applies, 50 percent of the weekly equivalent of the primary Social Security old age benefit the applicant has received, has filed for, or intends to file for, with respect to that week must be deducted from an applicant's weekly unemployment benefit amount.

~~(b) If the effective date all of the applicant's wage credits were earned while the applicant was claiming Social Security claim for old age benefits is before the start of the base period, there is no deduction from the applicant's weekly unemployment benefit amount. The purpose of this paragraph is to ensure that an applicant who is claiming Social Security benefits has demonstrated a desire and ability to work.~~

~~(b)~~ (c) An applicant who is receiving, has received, or has filed for primary Social Security disability benefits for any week during the benefit year must be determined unable to work and unavailable for suitable employment for that week, unless:

(1) the Social Security Administration approved the collecting of primary Social Security disability benefits each month the applicant was employed during the base period; or

(2) the applicant provides a statement from an appropriate health care professional who is aware of the applicant's Social Security disability claim and the basis for that claim, certifying that the applicant is able to work and available for suitable employment.

If an applicant meets the requirements of clause (1) there is no deduction from the applicant's weekly benefit amount for any Social Security disability benefits. If only clause (2) applies, then there must be deducted from the applicant's weekly unemployment benefit amount 50 percent of the weekly equivalent of the primary Social Security disability benefits the applicant is receiving, has received, or has filed for, with respect to that week; provided, however, that if the Social Security Administration determines that an individual is not entitled to receive primary Social Security disability benefits for any week the applicant has applied for those benefits, the 50 percent deduction does not apply to that week.

~~(c)~~ (d) Information from the Social Security Administration is considered conclusive, absent specific evidence showing that the information was erroneous.

~~(d) If the computation of the reduced unemployment benefits is not a whole dollar, it is rounded down to the next lower whole dollar.~~

(e) This subdivision does not apply to Social Security survivor benefits.

Sec. 27. Minnesota Statutes 2008, section 268.085, subdivision 5, is amended to read:

Subd. 5. **Deductible earnings.** (a) If the applicant has earnings, including holiday pay, with respect to any week, from employment, covered employment, noncovered employment, self-employment, or volunteer work, equal to or in excess of the applicant's weekly unemployment benefit amount, the applicant is ineligible for unemployment benefits for that week.

(b) If the applicant has earnings, with respect to any week, that is less than the applicant's weekly unemployment benefit amount, from employment, covered employment, noncovered employment, self-employment, or volunteer work, 55 percent of the earnings are deducted from the weekly unemployment benefit amount.

~~The resulting unemployment benefit, if not a whole dollar, is rounded down to the next lower whole dollar.~~

(c) No deduction is made from an applicant's weekly unemployment benefit amount for earnings from service in the National Guard or a United States military reserve unit or from direct service as a volunteer firefighter or volunteer ambulance service personnel. This exception to paragraphs (a) and (b) does not apply to on-call or standby pay provided to a volunteer firefighter or volunteer ambulance service personnel. No deduction is made for jury duty pay or for pay as an election judge.

(d) The applicant may report deductible earnings on continued requests for unemployment benefits at the next lower whole dollar amount.

(e) Deductible earnings does not include any money considered a deductible payment under subdivision 3, but includes all compensation considered wages under section 268.035, subdivision 29, and any other compensation considered earned income under state and federal law for income tax purposes.

Sec. 28. **[268.0865] CONTINUED REQUEST FOR UNEMPLOYMENT BENEFITS.**

**Subdivision 1. Continued request for unemployment benefits defined.** A continued request for unemployment benefits is a certification by an applicant, done on a weekly basis, that the applicant is unemployed and meets the ongoing eligibility requirements for unemployment benefits under section 268.085. A continued request must include information on possible issues of ineligibility in accordance with section 268.101, subdivision 1, paragraph (c).

**Subd. 2. Filing continued requests for unemployment benefits.** (a) The commissioner must designate to each applicant one of the following methods for filing a continued request:

(1) by electronic transmission under subdivision 3; or

(2) by mail under subdivision 4.

(b) The method designated by the commissioner is the only method allowed for filing a continued request by that applicant. An applicant may ask that the other allowed method be designated and the commissioner must consider inconvenience to the applicant as well as administrative capacity in determining whether to allow an applicant to change the designated method for filing a continued request for unemployment benefits.

**Subd. 3. Continued request for unemployment benefits by electronic transmission.** (a) A continued request for unemployment benefits by electronic transmission must be filed to that electronic mail address, telephone number, or Internet address prescribed by the commissioner for that applicant. In order to constitute a continued request, all information asked for, including information authenticating that the applicant is sending the transmission, must be provided in the format required. If all of the information asked for is not provided, the communication does not constitute a continued request for unemployment benefits.

(b) The electronic transmission communication must be filed on the date and during the time of day designated for the applicant for filing a continued request by electronic transmission.

(c) If the electronic transmission continued request is not filed on the date and during the time of day designated, a continued request by electronic transmission must be accepted if the applicant files the continued request by electronic transmission within two calendar weeks following the week in which the date designated occurred. If the continued request by electronic transmission is not filed within two calendar weeks following the week in which the date designated occurred, the electronic continued request will not be accepted and the applicant is ineligible for unemployment benefits for the period covered by the continued request, unless the applicant shows good cause for failing to file the continued request by electronic transmission within the time period required.

**Subd. 4. Continued request for unemployment benefits by mail.** (a) A continued request for unemployment benefits by mail must be on a form prescribed by the commissioner. The form, in order to constitute a continued request, must be totally completed and signed by the applicant. The form must be filed on the date required for the applicant for filing a continued request by mail, in an envelope with postage prepaid, and sent to the address designated.

(b) If the mail continued request for unemployment benefits is not filed on the date designated, a continued request must be accepted if the form is filed by mail within two calendar weeks following the week in which the date designated occurred. If the form is not filed within two calendar weeks following the week in which the date designated occurred, the form will not be accepted and the applicant is ineligible for unemployment benefits for the period covered by the continued request for unemployment benefits, unless the applicant shows good cause for failing to file the form by mail within the time period required.

(c) If the applicant has been designated to file a continued request for unemployment benefits by mail, an applicant may submit the form by facsimile transmission on the day otherwise required for mailing, or within two calendar weeks following the week in which the date designated occurred. A form submitted by facsimile transmission must be sent only to the telephone number assigned for that purpose.

(d) An applicant who has been designated to file a continued request by mail may personally deliver a continued request form only to the location to which the form was otherwise designated to be mailed.

**Subd. 5. Good cause defined.** (a) "Good cause" for purposes of this section is a compelling substantial reason that would have prevented a reasonable person acting with due diligence from filing a continued request for unemployment benefits within the time periods required.

(b) "Good cause" does not include forgetfulness, loss of the continued request form if filing by mail, having returned to work, having an appeal pending, or inability to file a continued request for unemployment benefits by the method designated if the applicant was aware of the inability and did not make diligent effort to have the method of filing a continued request changed by the commissioner. "Good cause" does not include having previously made an attempt to file a continued request for unemployment benefits but where the communication was not considered a continued request because the applicant failed to submit all required information.

Sec. 29. Minnesota Statutes 2008, section 268.095, subdivision 10, is amended to read:

**Subd. 10. Ineligibility duration.** (a) Ineligibility from the payment of all unemployment benefits under subdivisions 1 and 4 is for the duration of the applicant's unemployment and until the end of the calendar week that the applicant had total earnings in subsequent covered employment of eight times the applicant's weekly unemployment benefit amount.

(b) Ineligibility imposed under subdivisions 1 and 4 begins on the Sunday of the week that the applicant became separated from employment.

(c) In addition to paragraph (a), if the applicant was discharged from employment because of aggravated employment misconduct, wage credits from that employment are canceled and cannot be used for purposes of a benefit account under section 268.07, subdivision 2.

Sec. 30. Minnesota Statutes 2008, section 268.095, subdivision 11, is amended to read:

**Subd. 11. Application.** (a) This section and section 268.085, subdivision 13c, and this section apply to all covered employment, full time or part time, temporary or of limited duration, permanent or of indefinite duration, that occurred in Minnesota during the base period, the period between the end of the base period and the effective date of the benefit account, or the benefit year, except as provided for in subdivision 1, clause (5).

(b) Paragraph (a) also applies to employment covered under an unemployment insurance program of any other state or established by an act of Congress.

Sec. 31. Minnesota Statutes 2008, section 268.101, subdivision 1, is amended to read:

Subdivision 1. **Notification.** (a) In an application for unemployment benefits, each applicant must report the name and the reason for no longer working for the applicant's most recent employer, as well as the names of all employers and the reasons for no longer working for all employers during the six calendar months before the date of the application. If the reason reported for no longer working for any of those employers is other than a layoff because of lack of work, that raises an issue of ineligibility that the department must determine. An applicant must report any offers of employment refused during the eight calendar weeks before the date of the application for unemployment benefits and the name of the employer that made the offer. An applicant's failure to report the name of an employer, or giving an incorrect reason for no longer working for an employer, or failing to disclose an offer of employment that was refused, is a violation of section 268.182, subdivision 2.

In an application, the applicant must also provide all information necessary to determine the applicant's eligibility for unemployment benefits under this chapter. If the applicant fails or refuses to provide information necessary to determine the applicant's eligibility for unemployment benefits, the applicant is ineligible for unemployment benefits under section 268.085, subdivision 2, until the applicant provides this required information.

(b) Upon establishment of a benefit account under section 268.07, subdivision 2, the commissioner shall notify, by mail or electronic transmission, all employers the applicant was required to report on the application and all base period employers and determined successors to those employers under section 268.051, subdivision 4, in order to provide the employer an opportunity to raise, in a manner and format prescribed by the commissioner, any issue of ineligibility. An employer must be informed of the effect that failure to raise an issue of ineligibility as a result of a quit or discharge of the applicant, ~~within ten calendar days after sending of the notice,~~ as provided for under subdivision 2, paragraph (b), may have on the employer under section 268.047.

(c) Each applicant must report any employment, and loss of employment, and offers of employment refused, during those weeks the applicant filed continued requests for unemployment benefits under section ~~268.086~~ 268.0865. Each applicant who stops filing continued requests during the benefit year and later begins filing continued requests during that same benefit year must report the name of any employer the applicant worked for during the period between the filing of continued requests and the reason the applicant stopped working for the employer. The applicant must report any offers of employment refused during the period between the filing of continued requests for unemployment benefits. Those employers from which the applicant has reported a loss of employment under this paragraph must be notified by mail or electronic transmission and provided an opportunity to raise, in a manner prescribed by the commissioner, any issue of ineligibility. An employer must be informed of the effect that failure to raise an issue of ineligibility as a result of a quit or a discharge of the applicant may have on the employer under section 268.047.

(d) The purpose for requiring the applicant to report the name of employers and the reason for no longer working for those employers, or offers of employment refused, under paragraphs (a) and (c) is for the commissioner to obtain information from an applicant raising all issues that may result in the applicant being ineligible for unemployment benefits under section 268.095, because of a quit or discharge, or the applicant being ineligible for unemployment benefits under section 268.085, subdivision 13c. If the reason given by the applicant for no longer working for an employer is other than a layoff because of lack of work, that raises an issue of ineligibility and the applicant is required, as part of the determination process under subdivision 2, paragraph (a), to state all the facts about the cause for no longer working for the employer, if known. If the applicant fails or refuses to provide any required information, the applicant is ineligible for unemployment benefits under section 268.085, subdivision 2, until the applicant provides this required information.

Sec. 32. Minnesota Statutes 2008, section 268.101, subdivision 2, is amended to read:

Subd. 2. **Determination.** (a) The commissioner ~~shall~~ must determine any issue of ineligibility raised by information required from an applicant under subdivision 1, paragraph (a) or (c), and send to the applicant and any involved employer, by mail or electronic transmission, a document titled a determination of eligibility or a determination of ineligibility, as is appropriate. The determination on an issue of ineligibility as a result of a quit or a discharge of the applicant must state the effect on the employer under section 268.047. A determination must be made in accordance with this paragraph even if a notified employer has not raised the issue of ineligibility.

(b) The commissioner ~~shall~~ must determine any issue of ineligibility raised by an employer and send to the applicant and that employer, by mail or electronic transmission, a document titled a determination of eligibility or a determination of ineligibility as is appropriate. The determination on an issue of ineligibility as a result of a quit or discharge of the applicant must state the effect on the employer under section 268.047.

If a base period employer:

(1) was not the applicant's most recent employer before the application for unemployment benefits;

(2) did not employ the applicant during the six calendar months before the application for unemployment benefits; and

(3) did not raise an issue of ineligibility as a result of a quit or discharge of the applicant within ten calendar days of notification under subdivision 1, paragraph (b);

then any exception under section 268.047, subdivisions 2 and 3, begins the Sunday two weeks following the week that the issue of ineligibility as a result of a quit or discharge of the applicant was raised by the employer.

A communication from an employer must specifically set out why the applicant should be determined ineligible for unemployment benefits for that communication to be considered to have raised an issue of ineligibility for purposes of this section. A statement of "protest" or a similar term without more information does not constitute raising an issue of ineligibility for purposes of this section.

(c) Subject to section 268.031, an issue of ineligibility is determined based upon that information required of an applicant, any information that may be obtained from an applicant or employer, and information from any other source, ~~without regard to any burden of proof.~~

(d) Regardless of the requirements of this subdivision, the commissioner is not required to send to an applicant a copy of the determination where the applicant has satisfied a period of ineligibility because of a quit or a discharge under section 268.095, subdivision 10.

(e) The commissioner may issue a determination on an issue of ineligibility at any time within 24 months from the establishment of a benefit account based upon information from any source, even if the issue of ineligibility was not raised by the applicant or an employer. This paragraph does not prevent the imposition of a penalty on an applicant under section 268.18, subdivision 2, or 268.182.

(f) A determination of eligibility or determination of ineligibility is final unless an appeal is filed by the applicant or notified employer within 20 calendar days after sending. The determination must contain a prominent statement indicating the consequences of not appealing. Proceedings on the appeal are conducted in accordance with section 268.105.

(g) An issue of ineligibility required to be determined under this section includes any question regarding the denial or allowing of unemployment benefits under this chapter except for issues under section 268.07. An issue of ineligibility for purposes of this section includes any question of effect on an employer under section 268.047.

(h) Except for issues of ineligibility as a result of a quit or discharge of the applicant, the employer will be (1) sent a copy of the determination of eligibility or a determination of ineligibility, or (2) considered an involved employer for purposes of an appeal under section 268.105, only if the employer raised the issue of ineligibility.

Sec. 33. Minnesota Statutes 2008, section 268.103, subdivision 1, is amended to read:

Subdivision 1. **In commissioner's discretion.** (a) The commissioner ~~shall have the discretion to~~ may allow an appeal to be filed by electronic transmission. If the commissioner allows an appeal to be filed by electronic transmission, that must be clearly set out on the determination or decision subject to appeal.

(b) The commissioner may restrict the manner, ~~and format, and conditions~~ under which an appeal by electronic transmission may be filed. ~~Any Restrictions as to days, hours, a specific telephone number, or electronic address, or other conditions,~~ must be clearly set out on the determination or decision subject to appeal.

(c) All information requested by the commissioner when an appeal is filed by electronic transmission must be supplied or the communication does not constitute an appeal.

(d) Subject to subdivision 2, this section applies to requests for reconsideration under section 268.105, subdivision 2.

Sec. 34. Minnesota Statutes 2008, 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, and that the parties have certain. ~~and that the parties have certain.~~ 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 ~~without regard to any burden of proof as an evidence gathering inquiry and not an adversarial proceeding.~~ 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 hired after July 1, 2009, must be paid a salary of 75 percent of the salary set under section 15A.083, subdivision 7, for a workers' compensation judge. A full-time senior unemployment law judge hired after July 1, 2009, must be paid a salary of 80 percent of the salary set under section 15A.083, subdivision 7, for a workers' compensation judge. The chief unemployment law judge must be paid a salary of 85 percent of the salary set under section 15A.083, subdivision 7, for a workers' compensation judge.

Sec. 35. Minnesota Statutes 2008, section 268.105, subdivision 2, is amended to read:

Subd. 2. **Request for reconsideration.** (a) Any involved applicant, involved employer, or the commissioner may, within 20 calendar days of the sending of the unemployment law judge's decision under subdivision 1, file a request for reconsideration asking the unemployment law judge to reconsider that decision. Section 268.103 applies to a request for reconsideration. If a request for reconsideration is timely filed, the unemployment law judge must issue an order:

- (1) modifying the findings of fact and decision issued under subdivision 1;
- (2) setting aside the ~~findings of fact and~~ decision issued under subdivision 1 and directing that an additional evidentiary hearing be conducted under subdivision 1; or
- (3) affirming the findings of fact and decision issued under subdivision 1.

(b) Upon a timely request for reconsideration having been filed, the department must send a notice, by mail or electronic transmission, to all involved parties that a request for reconsideration has been filed. The notice must inform the involved parties:

- (1) of the opportunity to provide comment on the request for reconsideration, and the right under subdivision 5 to obtain a copy of any recorded testimony and exhibits offered or received into evidence at the evidentiary hearing;
- (2) that providing specific comments as to a perceived factual or legal error in the decision, or a perceived error in procedure during the evidentiary hearing, will assist the unemployment law judge in deciding the request for reconsideration;
- (3) of the right to obtain any comments and submissions provided by the other involved party regarding the request for reconsideration; and
- (4) of the provisions of paragraph (c) regarding additional evidence.

This paragraph does not apply if paragraph (d) is applicable.



(c) In deciding a request for reconsideration, the unemployment law judge must not, except for purposes of determining whether to order an additional evidentiary hearing, consider any evidence that was not submitted at the evidentiary hearing conducted under subdivision 1.

The unemployment law judge must order an additional evidentiary hearing if an involved party shows that evidence which was not submitted at the evidentiary hearing: (1) would likely change the outcome of the decision and there was good cause for not having previously submitted that evidence; or (2) would show that the evidence that was submitted at the evidentiary hearing was likely false and that the likely false evidence had an effect on the outcome of the decision.

(d) If the involved applicant or involved employer who filed the request for reconsideration failed to participate in the evidentiary hearing conducted under subdivision 1, an order setting aside the ~~findings of fact and~~ decision and directing that an additional evidentiary hearing be conducted must be issued if the party who failed to participate had good cause for failing to do so. In the notice that a request for reconsideration has been filed, the party who failed to participate must be informed of the requirement, and provided the opportunity, to show good cause for failing to participate. If the unemployment law judge determines that good cause for failure to participate has not been shown, the unemployment law judge must state that in the order issued under paragraph (a).

Submission of a written statement at the evidentiary hearing under subdivision 1 does not constitute participation for purposes of this paragraph.

All involved parties must be informed of this paragraph with the notice of appeal and notice of hearing provided for in subdivision 1.

"Good cause" for purposes of this paragraph is a reason that would have prevented a reasonable person acting with due diligence from participating at the evidentiary hearing.

(e) A request for reconsideration must be decided by the unemployment law judge who issued the ~~findings of fact and~~ decision under subdivision 1 unless that unemployment law judge: (1) is no longer employed by the department; (2) is on an extended or indefinite leave; (3) has been disqualified from the proceedings on the judge's own motion; or (4) has been removed from the proceedings ~~as provided for under subdivision 1 or applicable rule~~ by the chief unemployment law judge.

(f) The unemployment law judge must send to any involved applicant or involved employer, by mail or electronic transmission, the order issued under this subdivision. An order modifying the previously issued findings of fact and decision or an order affirming the previously issued findings of fact and decision is the final department decision on the matter and is final and binding on the involved applicant and involved employer unless judicial review is sought under subdivision 7.

Sec. 36. Minnesota Statutes 2008, section 268.105, subdivision 3a, is amended to read:

Subd. 3a. **Decisions.** (a) If an unemployment law judge's decision or order allows unemployment benefits to an applicant, the unemployment benefits must be paid regardless of any request for reconsideration or any appeal to the Minnesota Court of Appeals having been filed.

(b) If an unemployment law judge's decision or order modifies or reverses a determination, or prior decision of the unemployment law judge, allowing unemployment benefits to an applicant, any benefits paid in accordance with the determination, or prior decision of the unemployment law judge, is considered an overpayment of those unemployment benefits. A decision or order issued under this section that results in an overpayment of unemployment benefits must set out the amount of the overpayment and the requirement under section 268.18, subdivision 1, that the overpaid unemployment benefits must be repaid.

(c) If an unemployment law judge's order under subdivision 2 allows unemployment benefits to an applicant under section 268.095 because of a quit or discharge and the unemployment law judge's decision is reversed by the Minnesota Court of Appeals or the Supreme Court of Minnesota, the applicant cannot be held ineligible for any of the unemployment benefits paid the applicant and it is not considered an overpayment of those unemployment benefits under section 268.18, subdivision 1. The effect of the court's reversal is the application of section 268.047, subdivision 3, in computing the future tax rate of the employer.

(d) If an unemployment law judge, under subdivision 2, orders the taking of additional evidence, the unemployment law judge's prior decision must continue to be enforced until new findings of fact and decision are made by the unemployment law judge.

Sec. 37. Minnesota Statutes 2008, section 268.105, subdivision 4, is amended to read:

Subd. 4. **Oaths; subpoenas.** An unemployment law judge has authority to administer oaths and affirmations, take depositions, and issue subpoenas to compel the attendance of witnesses and the production of documents and other personal property considered necessary as evidence in connection with the subject matter of an evidentiary hearing.

The unemployment law judge must give full consideration to a request for a subpoena and must not unreasonably deny a request for a subpoena. If a subpoena request is initially denied, the unemployment law judge must, on the unemployment law judge's own motion, reconsider that request during the evidentiary hearing and rule on whether the request was properly denied. If the request was not properly denied, the evidentiary hearing must be continued for issuance of the subpoena. The subpoenas are enforceable through the district court in Ramsey County. Witnesses subpoenaed, other than an involved applicant or involved employer or officers and employees of an involved employer, must be paid by the department the same witness fees as in a civil action in district court.

Sec. 38. Minnesota Statutes 2008, section 268.105, subdivision 5, is amended to read:

Subd. 5. **Use of evidence; data privacy.** (a) All testimony at any evidentiary hearing conducted under subdivision 1 must be recorded. A copy of any recorded testimony and exhibits offered or received into evidence at the hearing must, upon request, be furnished to a party at no cost during the time period for filing a request for reconsideration or while a request for reconsideration is pending.

(b) Regardless of any provision of law to the contrary, if recorded testimony and exhibits received into evidence at the evidentiary hearing are not requested during the time period for filing a request for reconsideration, ~~or~~ while a request for reconsideration is pending, during the time for filing any appeal under subdivision 7, or during the pendency thereof, that testimony and other evidence may later be made available only under a district court order. A subpoena is not considered a district court order.

(c) Testimony obtained under subdivision 1, may not be used or considered for any purpose, including impeachment, in any civil, administrative, or contractual proceeding, except by a local, state, or federal human rights agency with enforcement powers, unless the proceeding is initiated by the department.

Sec. 39. Minnesota Statutes 2008, section 268.115, subdivision 5, is amended to read:

Subd. 5. **Maximum amount of extended unemployment benefits.** The maximum amount of extended unemployment benefits available to an applicant is 50 percent of the maximum amount of regular unemployment benefits available in the benefit year, ~~rounded down to the next lower whole dollar.~~ If the total rate of unemployment computed under subdivision 1, clause (2)(ii), equaled or exceeded eight percent, the maximum amount of extended unemployment benefits available is 80 percent of the maximum amount of regular unemployment benefits available in the benefit year.

Sec. 40. Minnesota Statutes 2008, section 268.125, subdivision 5, is amended to read:

Subd. 5. **Maximum amount of unemployment benefits.** The maximum amount of additional unemployment benefits available in the applicant's benefit year is one-half of the applicant's maximum amount of regular unemployment benefits available under section 268.07, subdivision 2, ~~rounded down to the next lower whole dollar.~~ Extended unemployment benefits paid and unemployment benefits paid under any federal law other than regular unemployment benefits must be deducted from the maximum amount of additional unemployment benefits available.

Sec. 41. Minnesota Statutes 2008, section 268.135, subdivision 4, is amended to read:

Subd. 4. **Weekly benefit amount.** (a) An applicant who is eligible for shared work benefits is paid an amount equal to the regular weekly unemployment benefit amount multiplied by the nearest full percentage of reduction of the applicant's regular weekly hours of work as set in the plan. ~~The benefit payment, if not a whole dollar must be rounded down to the next lower whole dollar.~~

(b) The deductible earnings provisions of section 268.085, subdivision 5, must not apply to earnings from the shared work employer of an applicant eligible for shared work benefits unless the resulting amount would be less than the regular weekly unemployment benefit amount the applicant would otherwise be eligible for without regard to shared work benefits.

(c) An applicant is not eligible for shared work benefits for any week that employment is performed for the shared work employer in excess of the reduced hours set forth in the plan.

Sec. 42. Minnesota Statutes 2008, section 268.145, subdivision 1, is amended to read:

Subdivision 1. **Notification.** (a) Upon filing an application for unemployment benefits, the applicant must be informed that:

- (1) unemployment benefits are subject to federal and state income tax;
- (2) there are requirements for filing estimated tax payments;
- (3) the applicant may elect to have federal income tax withheld from unemployment benefits;
- (4) if the applicant elects to have federal income tax withheld, the applicant may, in addition, elect to have Minnesota state income tax withheld; and
- (5) at any time during the benefit year the applicant may change a prior election.

(b) If an applicant elects to have federal income tax withheld, the commissioner ~~shall~~ must deduct ten percent for federal income tax, ~~rounded down to the next lower whole dollar.~~ If an applicant also elects to have Minnesota state income tax withheld, the commissioner ~~shall~~ must make an additional five percent deduction for state income tax, ~~rounded down to the next lower whole dollar.~~ Any amounts deducted or offset under sections 268.155, 268.18, and 268.184 have priority over any amounts deducted under this section. Federal income tax withholding has priority over state income tax withholding.

(c) An election to have income tax withheld may not be retroactive and only applies to unemployment benefits paid after the election.

Sec. 43. Minnesota Statutes 2008, section 268.18, subdivision 1, is amended to read:

Subdivision 1. **Nonfraud overpayment.** (a) Any applicant who (1) because of a determination or amended determination issued under section 268.07 or 268.101, or any other section of this chapter, or (2) because of an appeal decision or order under section 268.105, has received any unemployment benefits that the applicant was held not entitled to, must promptly repay the unemployment benefits to the trust fund.

(b) If the applicant fails to repay the unemployment benefits overpaid, the commissioner may offset from any future unemployment benefits otherwise payable the amount of the overpayment. Except when the overpayment resulted because the applicant failed to report deductible earnings or deductible or benefit delaying payments, no single offset may exceed 50 percent of the amount of the payment from which the offset is made. The overpayment may also be collected by the ~~same methods as delinquent payments from an employer~~ allowed under state and federal law.

(c) If an applicant has been overpaid unemployment benefits under the law of another state, because of a reason other than fraud, and that state certifies that the applicant is liable under its law to repay the unemployment benefits and requests the commissioner to recover the overpayment, the commissioner may offset from future unemployment benefits otherwise payable the amount of overpayment, except that no single offset may exceed 50 percent of the amount of the payment from which the offset is made.

~~(d) If under paragraph (b) or (c) the reduced unemployment benefits as a result of a 50 percent offset is not a whole dollar amount, it is rounded down to the next lower whole dollar.~~

Sec. 44. Minnesota Statutes 2008, section 268.18, subdivision 2, is amended to read:

Subd. 2. **Overpayment because of fraud.** (a) Any applicant who receives unemployment benefits by knowingly misrepresenting, misstating, or failing to disclose any material fact, or who makes a false statement or representation without a good faith belief as to the correctness of the statement or representation, has committed fraud. After the discovery of facts indicating fraud, the commissioner ~~shall~~ must make a determination that the applicant obtained unemployment benefits by fraud and that the applicant must promptly repay the unemployment benefits to the trust fund. In addition, the commissioner ~~shall~~ must assess a penalty equal to 40 percent of the amount fraudulently obtained. This penalty is in addition to penalties under section 268.182.

(b) Unless the applicant files an appeal within 20 calendar days after the sending of the determination of overpayment by fraud to the applicant by mail or electronic transmission, the determination is final. Proceedings on the appeal are conducted in accordance with section 268.105.

(c) If the applicant fails to repay the unemployment benefits, penalty, and interest assessed, the total due may be collected by the ~~same methods as delinquent payments from an employer~~ allowed under state and federal law. A determination of overpayment by fraud must state the methods of collection the commissioner may use to recover the overpayment. Money received in repayment of fraudulently obtained unemployment benefits, penalties, and interest is first applied to the unemployment benefits overpaid, then to the penalty amount due, then to any interest due. 62.5 percent of the payments made toward the penalty are credited to the contingent account and 37.5 percent credited to the administration account ~~for deterring, detecting, or collecting overpayments.~~

(d) If an applicant has been overpaid unemployment benefits under the law of another state because of fraud and that state certifies that the applicant is liable to repay the unemployment benefits and requests the commissioner to recover the overpayment, the commissioner may offset from future unemployment benefits otherwise payable the amount of overpayment.

(e) Unemployment benefits paid for weeks more than four years before the date of a determination of overpayment by fraud issued under this subdivision are not considered overpaid unemployment benefits.

Sec. 45. Minnesota Statutes 2008, section 268.196, subdivision 1, is amended to read:

Subdivision 1. **Administration account.** (a) There is created in the state treasury a special account to be known as the administration account. All money that is deposited ~~or paid~~ into this account is continuously available to the commissioner for expenditure to administer the Minnesota unemployment insurance program, and does not lapse at any time. The administration account consists of:

(1) all money received from the federal government to administer the Minnesota unemployment insurance program, any federal unemployment insurance program, or assistance provided to any other state to administer that state's unemployment insurance program;

(2) five percent of any money recovered on overpaid unemployment benefits as provided for in section 268.194, subdivision 1, clause (7), which must be used for deterring, detecting, and collecting overpaid unemployment benefits;

(3) any money received as compensation for services or facilities supplied to the federal government or any other state;

(4) any money credited to this account under this chapter;

~~(5) any amounts received for losses sustained by this account or by reason of damage to equipment or supplies; and~~

~~(6) any proceeds from the sale or disposition of any equipment or supplies that may no longer be necessary for the proper administration of those sections.~~

(b) All money in this account must be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as are provided by law for the other special accounts in the state treasury. The commissioner of finance, as treasurer and custodian of this account, is liable for the faithful performance of duties in connection with this account.

~~(c) All money in this account must be spent for the purposes and in the amounts found necessary by the United States Secretary of Labor for the proper and efficient administration of the Minnesota unemployment insurance program.~~

Sec. 46. Minnesota Statutes 2008, section 268.196, subdivision 2, is amended to read:

Subd. 2. **State to replace money wrongfully used.** If any money received under United States Code, title 42, section 501 of the Social Security Act ~~or the Wagner-Peyser Act~~, is found by the United States Secretary of Labor to have been spent for purposes other than ~~or in amounts in excess of, those necessary~~ for the proper administration of the Minnesota unemployment insurance program, ~~the commissioner may replace the money from the contingent account. If the money is not replaced from the contingent account, it is the policy of this state that the money be replaced by money appropriated for that purpose from the general funds of this state. If not replaced from the contingent account,~~ the commissioner shall must, at the earliest opportunity, submit to the legislature a request for the appropriation of that amount.

Sec. 47. Minnesota Statutes 2008, section 268.199, is amended to read:

#### **268.199 CONTINGENT ACCOUNT.**

(a) There is created in the state treasury a special account, to be known as the contingent account, that does not lapse nor revert to any other fund or account. This account consists of ~~all money appropriated by the legislature~~, all money collected under this chapter that is required to be placed in this account; and any interest earned on the

account. All money in this account is supplemental to all federal money available to the commissioner. Money in this account is appropriated to the commissioner and is available to the commissioner for administration of the Minnesota unemployment insurance program unless otherwise appropriated by session law.

(b) All money in this account must be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as is provided by law for the other special accounts in the state treasury. ~~On June 30 of each year, all amounts in excess of \$300,000 in this account must be paid over to the trust fund.~~

Sec. 48. Minnesota Statutes 2008, section 268.211, is amended to read:

**268.211 UNEMPLOYMENT INSURANCE BENEFITS TELEPHONE SYSTEM.**

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

Sec. 49. **REVISOR'S INSTRUCTION.**

In Minnesota Statutes, chapter 268, the revisor shall change "shall" to "must," except in Minnesota Statutes, sections 268.035 and 268.103.

Sec. 50. **REPEALER.**

Minnesota Statutes 2008, sections 268.085, subdivision 14; and 268.086, subdivisions 1, 2, 3, 5, 6, 7, 8, and 9, are repealed.

Sec. 51. **EFFECTIVE DATE.**

Sections 1 to 49 are effective August 2, 2009, and apply to all department determinations and unemployment law judge decisions issued on or after that date.

ARTICLE 5

LABOR STANDARDS AND WAGES

Section 1. Minnesota Statutes 2008, section 177.30, is amended to read:

**177.30 KEEPING RECORDS; PENALTY.**

(a) Every employer subject to sections 177.21 to 177.44 must make and keep a record of:

- (1) the name, address, and occupation of each employee;
- (2) the rate of pay, and the amount paid each pay period to each employee;
- (3) the hours worked each day and each workweek by the employee;

(4) for each employer subject to sections 177.41 to 177.44, and while performing work on public works projects funded in whole or in part with state funds, the employer shall furnish under oath signed by an owner or officer of an employer to the contracting authority and the project owner every two weeks, a certified payroll report with respect

to the wages and benefits paid each employee during the preceding weeks specifying for each employee: name; identifying number; prevailing wage master job classification of each employee working on the project for each hour; hours worked each day; total hours; rate of pay; gross amount earned; each deduction for taxes; total deductions; net pay for week; dollars contributed per hour for each benefit, including name and address of administrator; benefit account number; and telephone number for health and welfare, vacation or holiday, apprenticeship training, pension, and other benefit programs; and

(5) other information the commissioner finds necessary and appropriate to enforce sections 177.21 to ~~177.35~~ 177.435. The records must be kept for three years in or near the premises where an employee works except each employer subject to sections 177.41 to 177.44, and while performing work on public works projects funded in whole or in part with state funds, the records must be kept for three years after the contracting authority has made final payment on the public works project.

(b) The commissioner may fine an employer up to \$1,000 for each failure to maintain records as required by this section. This penalty is in addition to any penalties provided under section 177.32, subdivision 1. In determining the amount of a civil penalty under this subdivision, the appropriateness of such penalty to the size of the employer's business and the gravity of the violation shall be considered.

Sec. 2. Minnesota Statutes 2008, section 177.31, is amended to read:

**177.31 POSTING OF LAW AND RULES; PENALTY.**

Every employer subject to sections 177.21 to ~~177.35~~ 177.44 must obtain and keep a summary of those sections, approved by the department, and copies of any applicable rules adopted under those sections, or a summary of the rules. The employer must post the summaries in a conspicuous and accessible place in or about the premises in which any person covered by sections 177.21 to ~~177.35~~ 177.44 is employed. The department shall furnish copies of the summaries and rules to employers without charge.

The commissioner may fine an employer up to \$200 for each failure to comply with this section. This penalty is in addition to any penalties provided by section 177.32, subdivision 1.

Sec. 3. Minnesota Statutes 2008, section 177.32, is amended to read:

**177.32 PENALTIES.**

Subdivision 1. **Misdemeanors.** An employer who does any of the following is guilty of a misdemeanor:

(1) hinders or delays the commissioner in the performance of duties required under sections 177.21 to ~~177.35~~ 177.435;

(2) refuses to admit the commissioner to the place of business or employment of the employer, as required by section 177.27, subdivision 1;

(3) repeatedly fails to make, keep, and preserve records as required by section 177.30;

(4) falsifies any record;

(5) refuses to make any record available, or to furnish a sworn statement of the record or any other information as required by section 177.27;

(6) repeatedly fails to post a summary of sections 177.21 to ~~177.35~~ 177.44 or a copy or summary of the applicable rules as required by section 177.31;

- (7) pays or agrees to pay wages at a rate less than the rate required under sections 177.21 to ~~177.35~~ 177.44;
- (8) refuses to allow adequate time from work as required by section 177.253; or
- (9) otherwise violates any provision of sections 177.21 to ~~177.35~~ 177.44.

Subd. 2. **Fine.** An employer shall be fined not less than \$700 nor more than \$3,000 if convicted of discharging or otherwise discriminating against any employee because:

- (1) the employee has complained to the employer or to the department that wages have not been paid in accordance with sections 177.21 to ~~177.35~~ 177.435;
- (2) the employee has instituted or will institute a proceeding under or related to sections 177.21 to ~~177.35~~ 177.435; or
- (3) the employee has testified or will testify in any proceeding.

Sec. 4. Minnesota Statutes 2008, section 177.42, subdivision 6, is amended to read:

Subd. 6. **Prevailing wage rate.** "Prevailing wage rate" means the hourly basic rate of pay plus the contribution ~~for health and welfare benefits, vacation benefits, pension benefits, and any other economic benefit~~ paid to or for the largest number of workers engaged in the same class of labor within the area ~~and for medical or hospital care, pensions on retirement or death, compensation for injuries or illness resulting from occupational activity, or insurance to provide any of the foregoing, for unemployment benefits, life insurance, disability and sickness insurance, or accident insurance, for vacation and holiday pay, for defraying the costs of apprenticeship or other similar programs, or for other bona fide fringe benefits, but only where the contractor or subcontractor is not required by other federal, state, or local law to provide any of those benefits, the amount of:~~

- (1) the rate of contribution irrevocably made by a contractor or subcontractor to a trustee or to a third person under a fund, plan, or program; and
- (2) the rate of costs to the contractor or subcontractor that may be reasonably anticipated in providing benefits to laborers and mechanics pursuant to an enforceable commitment to carry out a financially responsible plan or program which was communicated in writing to the laborers and mechanics affected.

"Prevailing wage rate" includes, for the purposes of section 177.44, rental rates for truck hire paid to those who own and operate the truck.

The prevailing wage rate may not be less than a reasonable and living wage.

Sec. 5. Minnesota Statutes 2008, section 177.42, is amended by adding a subdivision to read:

Subd. 7. **Employer.** "Employer" means an individual, partnership, association, corporation, business trust, or other business entity that hires a laborer, worker, or mechanic.

Sec. 6. Minnesota Statutes 2008, section 177.43, subdivision 3, is amended to read:

Subd. 3. **Contract requirements.** The contract must specifically state the prevailing wage rates, prevailing hours of labor, and hourly basic rates of pay. The contracting authority shall incorporate into its proposals and all contracts the applicable wage determinations for the contract along with contract language provided by the commissioner of labor and industry to notify the contractor and all subcontractors of the applicability of sections



177.41 to 177.44. Failure to incorporate the determination or provided contract language into the contracts shall make the contracting authority liable for making whole the contractor or subcontractor for any increases in the wages paid, including employment taxes and reasonable administrative costs based on the appropriate prevailing wage due to the laborers or mechanics working on the project. The contract must also provide that the contracting agency shall demand, and the contractor and subcontractor shall furnish to the contracting agency, copies of any or all payrolls not more than 14 days after the end of each pay period. The payrolls must contain all the data required by section 177.30. The contracting authority may examine all records relating to wages paid laborers or mechanics on work to which sections 177.41 to 177.44 apply.

Sec. 7. Minnesota Statutes 2008, section 177.43, subdivision 6a, is amended to read:

Subd. 6a. **Prevailing wage violations.** (a) If an employer is found by the commissioner to have violated this section prior to the issuance of a compliance order under section 177.27, subdivision 4, the commissioner shall order the employer to cease and desist from engaging in the violative practice and to take affirmative steps that in the judgment of the commissioner will effectuate the purposes of the section or rule violated. The commissioner shall require any employer that has violated this section to pay the aggrieved parties back pay, less any amount actually paid to the employee by the employer, and, if the employer has repeatedly violated this section, for an additional equal amount as liquidated damages. For the purposes of this subdivision, "repeatedly" means to be found by the commissioner to have violated this section more than once within a two-year period. An employer who is found by the commissioner to have repeatedly or willfully violated this section is subject to a civil penalty of up to \$1,000 for each violation for each employee. In determining the amount of a civil penalty under this subdivision, the appropriateness of the penalty to the size of the employer's business and the gravity of the violation shall be considered.

(b) Upon issuing a compliance order to an employer pursuant to section 177.27, subdivision 4, for violation of sections 177.41 to 177.44, the commissioner shall issue a withholding order to the contracting authority ordering the contracting authority to withhold payment of sufficient sum to the prime or general contractor on the project to satisfy the back wages assessed or otherwise cure the violation, and the contracting authority must withhold the sum ordered until the compliance order has become a final order of the commissioner and has been fully paid or otherwise resolved by the employer.

(c) During an investigation of a violation of sections 177.41 to 177.44 which the commissioner reasonably determines is likely to result in the finding of a violation of sections 177.41 to 177.44 and the issuance of a compliance order pursuant to section 177.27, subdivision 4, the commissioner may notify the contracting authority of the determination and the amount expected to be assessed and the contracting authority shall give the commissioner 90 days' prior notice of the date the contracting authority intends to make final payment.

Sec. 8. **[181.305] MINING EQUIPMENT OPERATORS, HOURS.**

Subdivision 1. **Required hours.** No employer may require an employee to operate mining equipment or other mobile equipment used in the mining process for more than 16 cumulative hours following eight consecutive hours off duty. "Mining equipment or other mobile equipment" includes but is not limited to haul trucks, off-road dump trucks, front-end loaders, graders, or plows. Nothing in this subdivision shall:

- (1) prohibit an employee from working longer than 16 cumulative hours on duty if they so desire; or
- (2) supersede the terms of a valid collective bargaining agreement.

Subd. 2. **Penalties.** An employer who violates this section is guilty of a misdemeanor and is liable to an employee for injuries sustained in consequence of the violation.

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

## ARTICLE 6

## LICENSING AND FEES

Section 1. **[326B.153] BUILDING PERMIT FEES.**

Subdivision 1. **Building permits.** (a) Fees for building permits submitted as required in section 326B.106 include:

(1) the fee as set forth in the fee schedule in paragraph (b) or as adopted by a municipality; and

(2) the surcharge required by section 326B.148.

(b) The total valuation and fee schedule is:

(1) \$1 to \$500, \$29.50;

(2) \$501 to \$2,000, \$28 for the first \$500 plus \$3.70 for each additional \$100 or fraction thereof, to and including \$2,000;

(3) \$2,001 to \$25,000, \$83.50 for the first \$2,000 plus \$16.55 for each additional \$1,000 or fraction thereof, to and including \$25,000;

(4) \$25,001 to \$50,000, \$464.15 for the first \$25,000 plus \$12 for each additional \$1,000 or fraction thereof, to and including \$50,000;

(5) \$50,001 to \$100,000, \$764.15 for the first \$50,000 plus \$8.45 for each additional \$1,000 or fraction thereof, to and including \$100,000;

(6) \$100,001 to \$500,000, \$1,186.65 for the first \$100,000 plus \$6.75 for each additional \$1,000 or fraction thereof, to and including \$500,000;

(7) \$500,001 to \$1,000,000, \$3,886.65 for the first \$500,000 plus \$5.50 for each additional \$1,000 or fraction thereof, to and including \$1,000,000; and

(8) \$1,000,001 and up, \$6,636.65 for the first \$1,000,000 plus \$4.50 for each additional \$1,000 or fraction thereof.

(c) Other inspections and fees are:

(1) inspections outside of normal business hours (minimum charge two hours), \$63.25 per hour;

(2) reinspection fees, \$63.25 per hour;

(3) inspections for which no fee is specifically indicated (minimum charge one-half hour), \$63.25 per hour; and

(4) additional plan review required by changes, additions, or revisions to approved plans (minimum charge one-half hour), \$63.25 per hour.

(d) If the actual hourly cost to the jurisdiction under paragraph (c) is greater than \$63.25, then the greater rate shall be paid. Hourly cost includes supervision, overhead, equipment, hourly wages, and fringe benefits of the employees involved.

Subd. 2. **Plan review.** Fees for the review of building plans, specifications, and related documents submitted as required by section 326B.106 must be paid based on 65 percent of the building permit fee required in subpart 1.

Subd. 3. **Surcharge.** Surcharge fees are required for permits issued on all buildings including public buildings and state-licensed facilities as required by section 326B.148.

Subd. 4. **Distribution.** (a) This subdivision establishes the fee distribution between the state and municipalities contracting for plan review and inspection of public buildings and state-licensed facilities.

(b) If plan review and inspection services are provided by the state building official, all fees for those services must be remitted to the state.

(c) If plan review services are provided by the state building official and inspection services are provided by a contracting municipality:

(1) the state shall charge 75 percent of the plan review fee required by the state's fee schedule in this part; and

(2) the municipality shall charge 25 percent of the plan review fee required by the municipality's adopted fee schedule, for orientation to the plans, in addition to the permit and other customary fees charged by the municipality.

(d) If plan review and inspection services are provided by the contracting municipality, all fees for those services must be remitted to the municipality according to their adopted fee schedule.

Sec. 2. Minnesota Statutes 2008, 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) The fee for the issuance of each duplicate license is \$15.~~

~~(g)~~ (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.

Sec. 3. Minnesota Statutes 2008, section 326B.46, subdivision 4, is amended to read:

Subd. 4. **Fee.** (a) Each person giving bond to the state under subdivision 2 shall pay the department ~~an annual~~ 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.49, subdivision 1, or 326B.475.

Sec. 4. Minnesota Statutes 2008, 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 ~~annually~~ for as long as that licensee engages in the plumbing trade. Failure to renew a restricted master plumber and restricted journeyman plumber license within 12 months after the expiration date will result in permanent forfeiture of the restricted master plumber and restricted journeyman plumber license.

(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. 5. Minnesota Statutes 2008, section 326B.475, subdivision 7, is amended to read:

Subd. 7. **Fee.** The ~~annual~~ renewal fee for the restricted master plumber and restricted journeyman plumber licenses is the same fee as for a master or journeyman plumber license, respectively.

Sec. 6. Minnesota Statutes 2008, section 326B.49, subdivision 1, is amended to read:

Subdivision 1. **Application.** (a) Applications for plumber's license shall be made to the commissioner, with fee. 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 ~~and renewal~~ master plumber's license shall be ~~\$120~~ \$240. The license fee for each initial ~~and renewal~~ journeyman plumber's license shall be ~~\$55~~ \$110. ~~The commissioner may by rule prescribe for the expiration and renewal of licenses.~~

(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. 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.

Sec. 7. Minnesota Statutes 2008, section 326B.56, subdivision 4, is amended to read:

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. 8. Minnesota Statutes 2008, section 326B.58, is amended to read:

**326B.58 FEES.**

(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 license shall be effective for more than one calendar year and shall expire on December 31 of the year for which it was issued after the year in which the application is made. The license fee for each initial water conditioning contractor's license shall be ~~\$70~~ \$140, except that the license fee shall be ~~\$35~~ \$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 ~~\$35~~ \$70, except that the license fee shall be ~~\$17.50~~ \$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 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 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.

Sec. 9. Minnesota Statutes 2008, section 326B.815, subdivision 1, is amended to read:

Subdivision 1. **Licensing fee.** (a) The licensing fee for persons licensed pursuant to sections 326B.802 to 326B.885, except for manufactured home installers, is ~~\$100 per year~~ \$200 for a two-year period. The licensing fee for manufactured home installers under section 327B.041 is \$300 for a three-year period.

(b) All initial 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. 10. Minnesota Statutes 2008, section 326B.821, subdivision 2, is amended to read:

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

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

Sec. 11. Minnesota Statutes 2008, section 326B.86, subdivision 1, is amended to read:

Subdivision 1. **Bond.** (a) Licensed manufactured home installers and licensed residential roofers must post a 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 annual~~ 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. 12. Minnesota Statutes 2008, section 326B.885, subdivision 2, is amended to read:

Subd. 2. **Annual Renewal period.** ~~Any license issued or renewed after August 1, 1993, must be renewed annually except for~~ (a) Residential contractor, residential remodeler, and residential roofer licenses shall have a renewal period of 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 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.

(b) A manufactured home installer's license which shall have a renewal period of three years, effective for all renewals and new licenses issued after December 31, 2008.

Sec. 13. Minnesota Statutes 2008, section 326B.89, subdivision 3, is amended to read:

Subd. 3. **Fund fees.** In addition to any other fees, a person who applies for or renews a license under sections 326B.802 to 326B.885 shall pay a fee to the fund. The person shall pay, in addition to the appropriate application or renewal fee, the following additional fee that shall be deposited in the fund. The amount of the fee shall be based on the person's gross annual receipts for the person's most recent fiscal year preceding the application or renewal, on the following scale:

Fee	Gross Annual Receipts
<del>\$160</del> <u>\$320</u>	under \$1,000,000
<del>\$210</del> <u>\$420</u>	\$1,000,000 to \$5,000,000
<del>\$260</del> <u>\$520</u>	over \$5,000,000

Sec. 14. Minnesota Statutes 2008, section 326B.89, subdivision 16, is amended to read:

Subd. 16. **Additional assessment.** If the balance in the fund is at any time less than the commissioner determines is necessary to carry out the purposes of this section, every licensee, when renewing a license, shall pay, in addition to the annual renewal fee and the fee set forth in subdivision 3, an assessment not to exceed ~~\$100~~ \$200. The commissioner shall set the amount of assessment based on a reasonable determination of the amount that is necessary to restore a balance in the fund adequate to carry out the purposes of this section.

Sec. 15. Minnesota Statutes 2008, section 326B.94, subdivision 4, is amended to read:

Subd. 4. **Examinations, licensing.** 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. ~~The license shall be renewed annually.~~ 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.

Sec. 16. Minnesota Statutes 2008, section 326B.972, is amended to read:

**326B.972 LICENSE REQUIREMENT.**

(a) To operate a boiler, steam engine, or turbine an individual must have received a license for the grade covering that boiler, steam engine, or turbine. ~~The license must be renewed annually, except as provided~~ Except for licenses described in section 326B.956 and except for provisional licenses described in paragraphs (d) to (g):

(1) all initial licenses shall be for two years;

(2) the commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the renewal of licenses from one year to two years; and

(3) by June 30, 2011, all licenses shall be two-year licenses.

(b) For purposes of sections 326B.952 to 326B.998, "operation" does not include monitoring of an automatic boiler, either through on premises inspection of the boiler or by remote electronic surveillance, provided that no operations are performed upon the boiler other than emergency shut down in alarm situations.

(c) No individual under the influence of illegal drugs or alcohol may operate a boiler, steam engine, or turbine or monitor an automatic boiler.

(d) The commissioner may issue a provisional license to allow an employee of a high pressure boiler plant to operate boilers greater than 500 horsepower at only that boiler plant if:

- (1) the boiler plant has a designated chief engineer in accordance with Minnesota Rules, part 5225.0410;
  - (2) the boiler plant employee holds a valid license as a second-class engineer, Grade A or B;
  - (3) the chief engineer in charge of the boiler plant submits an application to the commissioner on a form prescribed by the commissioner to elicit information on whether the requirements of this paragraph have been met;
  - (4) the chief engineer in charge of the boiler plant and an authorized representative of the owner of the boiler plant both sign the application for the provisional license;
  - (5) the owner of the boiler plant has a documented training program with examination for boilers and equipment at the boiler plant to train and test the boiler plant employee; and
  - (6) if the application were to be granted, the total number of provisional licenses for employees of the boiler plant would not exceed the total number of properly licensed first-class engineers and chief engineers responsible for the safe operation of the boilers at the boiler plant.
- (e) A public utility, cooperative electric association, generation and transmission cooperative electric association, municipal power agency, or municipal electric utility that employs licensed boiler operators who are subject to an existing labor contract may use a provisional licensee as an operator only if using the provisional licensee does not violate the labor contract.
- (f) Each provisional license expires 36 months after the date of issuance unless revoked less than 36 months after the date of issuance. A provisional license may not be renewed.
- (g) The commissioner may issue no more than two provisional licenses to any individual within a four-year period.

Sec. 17. Minnesota Statutes 2008, section 326B.986, subdivision 2, is amended to read:

Subd. 2. **Fee amounts; master's.** The license and application fee for ~~a~~ an initial master's license is ~~\$50~~ \$70, or ~~\$20~~ \$40 if the applicant possesses a valid, unlimited, current United States Coast Guard master's license. The ~~annual~~ renewal of fee for a master's license is ~~\$20 for one year or \$40 for two years.~~ The annual renewal If the renewal fee is paid later than 30 days after expiration is \$35. The fee for replacement of a current, valid license is \$20, then a late fee of \$15 will be added to the renewal fee.

Sec. 18. Minnesota Statutes 2008, 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, ~~\$50~~ \$70;
- (2) first class engineer's license, ~~\$50~~ \$70;
- (3) second class engineer's license, ~~\$50~~ \$70;
- (4) special engineer's license, ~~\$20~~ \$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 an annual a renewal fee of \$20 for one year or \$40 for two years. The annual renewal, If the renewal fee is paid later than 30 days after expiration, is \$35. The fee for replacement of a current, valid license is \$20 then a late fee of \$15 will be added to the renewal fee.

Sec. 19. Minnesota Statutes 2008, section 326B.986, subdivision 8, is amended to read:

Subd. 8. **Certificate of competency.** The fee for issuance of the original state of Minnesota certificate of competency for inspectors is ~~\$50. This fee is waived~~ \$85 for inspectors who did not pay the examination fee or \$35 for inspectors who paid the examination fee. All initial certificates of competency 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 commissioner shall in a manner determined by the commissioner, without the need for any rulemaking under chapter 14, phase in the renewal of certificates of competency from one calendar year to two calendar years. By June 30, 2011, all renewed certificates of competency shall be valid for two calendar years. The fee for ~~an annual~~ renewal of the state of Minnesota certificate of competency is \$35 for one year or \$70 for two years, and is due ~~January 1 of each year. The fee for replacement of a current, valid license is \$35 the day after the certificate expires.~~

Sec. 20. Minnesota Statutes 2008, section 327B.04, subdivision 7, is amended to read:

Subd. 7. **Fees; Licenses; when granted.** Each application for a license or license renewal must be accompanied by a fee in an amount established by ~~the commissioner by rule pursuant to section 327B.10 subdivision 7a.~~ 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 ~~calendar year licensure period.~~ Upon application by the licensee, the commissioner shall renew the license for a two year period, if:

~~(a)~~ (1) the renewal application satisfies the requirements of subdivisions 3 and 4;

~~(b)~~ (2) the renewal applicant has made all listings, registrations, notices and reports required by the commissioner during the preceding ~~year~~ licensure period; and

~~(c)~~ (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. 21. Minnesota Statutes 2008, section 327B.04, is amended by adding a subdivision to read:

Subd. 7a. **Fees.** (a) Fees for licenses issued pursuant to this section are as follows:

(1) initial dealer license for principal location, \$400;

(2) initial dealer license for subagency location, \$80;

(3) dealer license biennial renewal, principal location, \$400; dealer subagency location biennial renewal, \$160, which 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. 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 nonrefundable.

Sec. 22. Minnesota Statutes 2008, 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 ~~annually~~ 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 ~~ten~~ 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 ~~a \$100 annual~~ 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 ~~a \$100~~ the renewal fee established by subdivision 7a. "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. 23. **REPEALER.**

Minnesota Rules, part 1350.8300, is repealed.

ARTICLE 7

MISCELLANEOUS

Section 1. Minnesota Statutes 2008, section 85.0146, subdivision 1, is amended to read:

Subdivision 1. **Advisory council created.** The Cuyuna Country State Recreation Area Citizens Advisory Council is established. Notwithstanding section 15.059, the council does not expire. Membership on the advisory council shall include:

- (1) a representative of the Cuyuna Range Mineland Recreation Area Joint Powers Board;
- (2) a representative of the Croft Mine Historical Park Joint Powers Board;
- (3) a designee of the Cuyuna Range Mineland Reclamation Committee who has worked as a miner in the local area;
- (4) a representative of the Crow Wing County Board;
- (5) an elected state official;
- (6) a representative of the Grand Rapids regional office of the Department of Natural Resources;
- (7) a designee of the Iron Range Resources and Rehabilitation Board;
- (8) a designee of the local business community selected by the area chambers of commerce;
- (9) a designee of the local environmental community selected by the Crow Wing County District 5 commissioner;

(10) a designee of a local education organization selected by the Crosby-Ironton School Board;

(11) a designee of one of the recreation area user groups selected by the Cuyuna Range Chamber of Commerce; and

(12) a member of the Cuyuna Country Heritage Preservation Society.

Sec. 2. Minnesota Statutes 2008, section 89A.08, subdivision 1, is amended to read:

Subdivision 1. **Establishment.** The council shall appoint a Forest Resources Research Advisory Committee. Notwithstanding section 15.059, the council does not expire. The committee must consist of representatives of:

- (1) the College of Natural Resources, University of Minnesota;
- (2) the Natural Resources Research Institute, University of Minnesota;
- (3) the department;
- (4) the North Central Forest Experiment Station, United States Forest Service; and
- (5) other organizations as deemed appropriate by the council.

Sec. 3. **[90.43] DUTY TO MAINTAIN WOOD PRODUCTS FACILITY.**

The owner or operator of a wood products facility shall maintain the facility in salable operating condition for at least two years after it permanently discontinues operation of the facility to ensure that public and utility investments in the facility are protected and that the facility's tax and other obligations to state and local governments and other residents of Minnesota created by contract or otherwise are satisfied. These obligations include, in addition to any other obligations, any obligation created by "the relief payment for timber sale permits" program created by Laws 2007, chapter 57, article 1, section 158. Specifically, and in addition to other obligations on an owner or operator, this section prohibits the permanent removal from the facility of equipment necessary for the facility's operation during the two-year period. The requirements of this section are enforceable on all owners and operators and successors of owners and operators and shall be enforced by the state in any action brought by the state or others, including actions in bankruptcy. The attorney general shall bring an action to prevent a violation or threatened violation of this section. For the purpose of this section, "wood products facility" means a lumber or other company facility that employed more than 100 employees at the facility at any time in the five-year period immediately prior to discontinuing operations, had permits to harvest timber used in that operation, and manufactured products derived from wood at the facility.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies retroactively to the discontinuance of operation occurring on or after January 1, 2008.

Sec. 4. Minnesota Statutes 2008, section 154.001, is amended to read:

**154.001 BOARD OF BARBER AND COSMETOLOGIST EXAMINERS CREATED; TERMS.**

Subdivision 1. **Definition.** For the purposes of this chapter, "board" means the Board of Barber Examiners.

Subd. 2. **Board of Barber Examiners.** (a) A Board of Barber and Cosmetologist Examiners is established to consist of three barber members, ~~three cosmetologist members,~~ and one public member, as defined in section 214.02, appointed by the governor.

(b) The barber members shall be persons who have practiced as registered barbers in this state for at least five years immediately prior to their appointment; shall be graduates from the 12th grade of a high school or have equivalent education, and shall have knowledge of the matters to be taught in registered barber schools, as set forth in section 154.07. One of the barber members shall be a member of, or recommended by, a union of journeymen barbers that has existed at least two years, and one barber member shall be a member of, or recommended by, a professional organization of barbers.

~~(c) All cosmetologist members must be currently licensed in the field of cosmetology in Minnesota, have practiced in the licensed occupation for at least five years immediately prior to their appointment, be graduates from the 12th grade of high school or have equivalent education, and have knowledge of sections 154.40 to 154.54 and Minnesota Rules, chapters 2642 and 2644. The cosmetologist members shall be members of, or recommended by, a professional organization of cosmetologists, manicurists, or estheticians.~~

~~(d)~~ **Subd. 3. Membership terms.** (a) Membership terms, compensation of members, removal of members, the filling of membership vacancies, and fiscal year and reporting requirements shall be as provided in sections 214.07 to 214.09. The provision of staff, administrative services and office space; the review and processing of complaints; the setting of board fees; and other provisions relating to board operations shall be as provided in chapter 214.

~~(e)~~ (b) Members appointed to fill vacancies caused by death, resignation, or removal shall serve during the unexpired term of their predecessors.

~~(f) The barber members of the board shall separately oversee administration, enforcement, and regulation of, and adoption of rules under, sections 154.001, 154.002, 154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26. The cosmetologist members of the board shall separately oversee administration, enforcement, and regulation of, and adoption of rules under, sections 154.40 to 154.54. Staff hired by the board, including inspectors, shall serve both professions.~~

Sec. 5. Minnesota Statutes 2008, section 154.19, is amended to read:

#### **154.19 VIOLATIONS.**

Each of the following constitutes a misdemeanor:

- (1) The violation of any of the provisions of section 154.01;
- (2) Permitting any person in one's employ, supervision, or control to practice as a registered barber or registered apprentice unless that person has a certificate of registration as a registered barber or registered apprentice;
- (3) Obtaining or attempting to obtain a certificate of registration for money other than the required fee, or any other thing of value, or by fraudulent misrepresentation;
- (4) Practicing or attempting to practice by fraudulent misrepresentation;
- (5) The willful failure to display a certificate of registration as required by section 154.14;
- (6) The use of any room or place for barbering which is also used for residential or business purposes, except the sale of hair tonics, lotions, creams, cutlery, toilet articles, cigars, tobacco, candies in original package, and such commodities as are used and sold in barber shops, and except that shoeshining and an agency for the reception and delivery of laundry, or either, may be conducted in a barber shop without the same being construed as a violation of this section, unless a substantial partition of ceiling height separates the portion used for residential or business purposes, and where a barber shop is situated in a residence, poolroom, confectionery, store, restaurant, garage,

clothing store, liquor store, hardware store, or soft drink parlor, there must be an outside entrance leading into the barber shop independent of any entrance leading into such business establishment, except that this provision as to an outside entrance shall not apply to barber shops in operation at the time of the passage of this section and except that a barber shop and beauty parlor may be operated in conjunction, without the same being separated by partition of ceiling height;

(7) The failure or refusal of any barber or other person in charge of any barber shop, or any person in barber schools or colleges doing barber service work, to use separate and clean towels for each customer or patron, or to discard and launder each towel after once being used;

(8) The failure or refusal by any barber or other person in charge of any barber shop or barber school or barber college to supply clean hot and cold water in such quantities as may be necessary to conduct such shop, or the barbering service of such school or college, in a sanitary manner, or the failure or refusal of any such person to have water and sewer connections from such shop, or barber school or college, with municipal water and sewer systems where the latter are available for use, or the failure or refusal of any such person to maintain a receptacle for hot water of a capacity of not less than five gallons;

(9) For the purposes of ~~sections 154.001, 154.002, 154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26~~ this section, barbers, students, apprentices, or the proprietor or manager of a barber shop, or barber school or barber college, shall be responsible for all violations of the sanitary provisions of ~~sections 154.001, 154.002, 154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26~~ this section, and if any barber shop, or barber school or barber college, upon inspection, shall be found to be in an unsanitary condition, the person making such inspection shall immediately issue an order to place the barber shop, or barber school, or barber college, in a sanitary condition, in a manner and within a time satisfactory to the Board of Barber and Cosmetologist Examiners, and for the failure to comply with such order the board shall immediately file a complaint for the arrest of the persons upon whom the order was issued, and any registered barber who shall fail to comply with the rules adopted by the Board of Barber and Cosmetologist Examiners, with the approval of the state commissioner of health, or the violation or commission of any of the offenses described in this section and section 154.16 154.161, subdivision 4, paragraph (a), clauses (1), (2), (3), and (4), (5), (6), (7), (8), (9) to (12), and of clauses (1), (2), (3), (4), (5), (6), (7), (8), and (9) of this section, shall be fined not less than \$10 or imprisoned for ten days and not more than \$100 or imprisoned for 90 days.

Sec. 6. Minnesota Statutes 2008, section 154.44, subdivision 1, is amended to read:

Subdivision 1. **Schedule.** The fee schedule for licensees is as follows:

(a) Three-year license fees:

- (1) cosmetologist, manicurist, esthetician, \$90 for each initial license, and \$60 for each renewal;
- (2) instructor, manager, \$120 for each initial license, and \$90 for each renewal;
- (3) salon, \$130 for each initial license, and \$100 for each renewal; and
- (4) school, \$1,500.

(b) Penalties:

- (1) reinspection fee, variable; ~~and~~
- (2) manager with lapsed practitioner, \$25;

(3) expired cosmetologist, manicurist, esthetician, manager, school manager, and instructor license, \$45; and

(4) expired salon or school license, \$50.

(c) Administrative fees:

(1) certificate of identification, \$20; ~~and~~

(2) school original application, \$150;

(3) name change, \$20;

(4) letter of license verification, \$30;

(5) duplicate license, \$20; and

(6) processing fee, \$10.

(d) All fees established in this subdivision must be paid to the executive secretary of the board. The executive secretary of the board shall deposit the fees in the general fund in the state treasury.

Sec. 7. Minnesota Statutes 2008, section 154.51, is amended to read:

#### **154.51 ENFORCEMENT.**

Subdivision 1. **Proceedings.** The provisions of section 154.161 apply to the administration of sections 154.40 to 154.54. If the board, or a complaint committee if authorized by the board, has a reasonable basis for believing that a person has engaged in or is about to engage in a violation of a statute, rule, or order that the board has adopted or issued or is empowered to enforce, the board or complaint committee may proceed as provided in subdivision 2 or 3. Except as otherwise provided in this section, all hearings must be conducted in accordance with the Administrative Procedure Act.

Subd. 2. **Legal actions.** (a) When necessary to prevent an imminent violation of a statute, rule, or order that the board has adopted or issued or is empowered to enforce, the board, or a complaint committee if authorized by the board, may bring an action in the name of the state in the District Court of Ramsey County in which jurisdiction is proper to enjoin the act or practice and to enforce compliance with the statute, rule, or order. On a showing that a person has engaged in or is about to engage in an act or practice that constitutes a violation of a statute, rule, or order that the board has adopted or issued or is empowered to enforce, the court shall grant a permanent or temporary injunction, restraining order, or other appropriate relief.

(b) For purposes of injunctive relief under this subdivision, irreparable harm exists when the board shows that a person has engaged in or is about to engage in an act or practice that constitutes violation of a statute, rule, or order that the board has adopted or issued or is empowered to enforce.

(c) Injunctive relief granted under paragraph (a) does not relieve an enjoined person from criminal prosecution by a competent authority, or from action by the board under subdivision 3, 4, 5, or 6 with respect to the person's license or registration, or application for examination, license, registration, or renewal.

Subd. 3. **Cease and desist orders.** (a) The board, or complaint committee if authorized by the board, may issue and have served upon an unlicensed or unregistered person, or a holder of a license or registration, an order requiring the person to cease and desist from an act or practice that constitutes a violation of a statute, rule, or order

that the board has adopted or issued or is empowered to enforce. The order must (1) give reasonable notice of the rights of the person named in the order to request a hearing, and (2) state the reasons for the entry of the order. No order may be issued under this subdivision until an investigation of the facts has been conducted under section 214.10.

(b) Service of the order under this subdivision is effective when the order is personally served on the person or counsel of record, or served by certified mail to the most recent address provided to the board for the person or counsel of record.

(c) The board must hold a hearing under this subdivision not later than 30 days after the board receives the request for the hearing, unless otherwise agreed between the board, or complaint committee if authorized by the board, and the person requesting the hearing.

(d) Notwithstanding any rule to the contrary, the administrative law judge must issue a report within 30 days of the close of the contested case hearing. Within 30 days after receiving the report and subsequent exceptions and argument, the board shall issue a further order vacating, modifying, or making permanent the cease and desist order. If no hearing is requested within 30 days of service of the order, the order becomes final and remains in effect until modified or vacated by the board.

**Subd. 4. Licensing and registration actions.** (a) With respect to a person who is a holder of or applicant for a license or registration under this chapter, the board may by order deny, refuse to renew, suspend, temporarily suspend, or revoke the application, license, or registration, censure or reprimand the person, refuse to permit the person to sit for examination, or refuse to release the person's examination grades, if the board finds that such an order is in the public interest and that, based on a preponderance of the evidence presented, the person has:

(1) violated a statute, rule, or order that the board has adopted or issued or is empowered to enforce;

(2) engaged in conduct or acts that are fraudulent, deceptive, or dishonest, whether or not the conduct or acts relate to the practice of a profession regulated by this chapter, if the fraudulent, deceptive, or dishonest conduct or acts reflect adversely on the person's ability or fitness to engage in the practice of the profession;

(3) engaged in conduct or acts that constitute malpractice, are negligent, demonstrate incompetence, or are otherwise in violation of the standards in the rules of the board, where the conduct or acts relate to the practice of a profession regulated by this chapter;

(4) employed fraud or deception in obtaining a license, registration, renewal, or reinstatement, or in passing all or a portion of the examination;

(5) had a license, registration, right to examine, or other similar authority revoked in another jurisdiction;

(6) failed to meet any requirement for issuance or renewal of the person's license or registration;

(7) practiced in a profession regulated by this chapter while having an infectious or contagious disease;

(8) advertised by means of false or deceptive statements;

(9) demonstrated intoxication or indulgence in the use of drugs, including but not limited to narcotics as defined in section 152.01 or in United States Code, title 26, section 4731, barbiturates, amphetamines, Benzedrine, Dexedrine, or other sedatives, depressants, stimulants, or tranquilizers;

(10) demonstrated unprofessional conduct or practice;



(11) permitted an employee or other person under the person's supervision or control to practice as a licensee, registrant, or instructor of a profession regulated by this chapter unless that person has (i) a current license or registration issued by the board, (ii) a temporary apprentice permit, or (iii) a temporary permit as an instructor of a profession regulated by the board;

(12) practices, offered to practice, or attempted to practice by misrepresentation;

(13) failed to display a license or registration as required by rules adopted by the board;

(14) used any room or place of practice of a profession regulated by the board that is also used for any other purpose, or used any room or place of practice of a profession regulated by the board that violates the board's rules governing sanitation;

(15) failed to use separate and clean towels for each customer or patron, or to discard and launder each towel after being used once;

(16) in the case of a licensee, registrant, or other person in charge of any school or place of practice of a profession regulated by the board, (i) failed to supply in a sanitary manner clean hot and cold water in quantities necessary to conduct the service or practice of the profession regulated by the board, (ii) failed to have water and sewer connections from the place of practice or school with municipal water and sewer systems where they are available for use, or (iii) failed or refused to maintain a receptacle for hot water of a capacity of at least five gallons;

(17) refused to permit the board to make an inspection permitted or required by this chapter, or failed to provide the board or the attorney general on behalf of the board with any documents or records they request;

(18) failed promptly to renew a license or registration when remaining in practice, pay the required fee, or issue a worthless check;

(19) failed to supervise an apprentice, or permitted the practice of a profession regulated by the board by a person not registered or licensed with the board or not holding a temporary permit;

(20) refused to serve a customer because of race, color, creed, religion, disability, national origin, or sex;

(21) failed to comply with a provision of chapter 141 or a provision of another chapter that relates to schools; or

(22) with respect to temporary suspension orders, has committed an act, engaged in conduct, or committed practices that the board, or complaint committee if authorized by the board, has determined may result or may have resulted in an immediate threat to the public.

(b) In lieu of or in addition to any remedy under paragraph (a), the board may, as a condition of continued licensure or registration, termination of suspension, reinstatement of licensure or registration, examination, or release of examination results, require that the person:

(1) submit to a quality review of the person's ability, skills, or quality of work, conducted in a manner and by a person or entity that the board determines; or

(2) completes to the board's satisfaction continuing education as the board requires.

(c) Service of an order under this subdivision is effective if the order is served in person, or is served by certified mail to the most recent address provided to the board by the licensee, registrant, applicant, or counsel of record. The order must state the reason for the entry of the order.

(d) Except as provided in subdivision 5, paragraph (c), all hearings under this subdivision must be conducted in accordance with the Administrative Procedure Act.

Subd. 5. **Temporary suspension.** (a) When the board, or complaint committee if authorized by the board, issues a temporary suspension order, the suspension provided for in the order is effective on service of a written copy of the order on the licensee, registrant, or counsel of record. The order must specify the statute, rule, or order violated by the licensee or registrant. The order remains in effect until the board issues a final order in the matter after a hearing, or on agreement between the board and the licensee or registrant.

(b) An order under this subdivision may (1) prohibit the licensee or registrant from engaging in the practice of a profession regulated by the board in whole or in part, as the facts require, and (2) condition the termination of the suspension on compliance with a statute, rule, or order that the board has adopted or issued or is empowered to enforce. The order must state the reasons for entering the order and must set forth the right to a hearing as provided in this subdivision.

(c) Within ten days after service of an order under this subdivision, the licensee or registrant may request a hearing in writing. The board must hold a hearing before its own members within five working days of the request for a hearing. The sole issue at the hearing must be whether there is a reasonable basis to continue, modify, or terminate the temporary suspension. The hearing is not subject to the Administrative Procedure Act. Evidence presented to the board or the licensee or registrant may be in affidavit form only. The licensee, registrant, or counsel of record may appear for oral argument.

(d) Within five working days after the hearing, the board shall issue its order and, if the order continues the suspension, shall schedule a contested case hearing within 30 days of the issuance of the order. Notwithstanding any rule to the contrary, the administrative law judge shall issue a report within 30 days after the closing of the contested case hearing record. The board shall issue a final order within 30 days of receiving the report.

Subd. 6. **Violations; penalties; costs.** (a) The board may impose a civil penalty of up to \$2,000 per violation on a person who violates a statute, rule, or order that the board has adopted or issued or is empowered to enforce.

(b) In addition to any penalty under paragraph (a), the board may impose a fee to reimburse the board for all or part of the cost of (1) the proceedings resulting in disciplinary action authorized under this section, (2) the imposition of a civil penalty under paragraph (a), or (3) the issuance of a cease and desist order. The board may impose a fee under this paragraph when the board shows that the position of the person who has violated a statute, rule, or order that the board has adopted or issued or is empowered to enforce is not substantially justified unless special circumstances make such a fee unjust, notwithstanding any rule to the contrary. Costs under this paragraph include, but are not limited to, the amount paid by the board for services from the Office of Administrative Hearings, attorney fees, court reporter costs, witness costs, reproduction of records, board members' compensation, board staff time, and expenses incurred by board members and staff.

(c) All hearings under this subdivision must be conducted in accordance with the Administrative Procedure Act.

Subd. 7. **Reinstatement.** Upon petition of the former or suspended licensee or registrant, the board may reinstate a suspended, revoked, or surrendered license or registration. The board may in its sole discretion place any conditions on reinstatement of a suspended, revoked, or surrendered license or registration that it finds appropriate and necessary to ensure that the purposes of this chapter are met. No license or registration may be reinstated until the former licensee or registrant has completed at least one-half of the suspension period.

**Sec. 8. [155A.20] BOARD OF COSMETOLOGIST EXAMINERS CREATED; TERMS.**

(a) A Board of Cosmetologist Examiners is established to consist of three cosmetologist members and one public member, as defined in section 214.02, appointed by the governor.

(b) All cosmetologist members must be currently licensed in the field of cosmetology in Minnesota, have practiced in the licensed occupation for at least five years immediately prior to their appointment, be graduates from grade 12 of high school or have equivalent education, and have knowledge of sections 154.40 to 154.54 and Minnesota Rules, chapters 2105 and 2110. The cosmetologist members shall be members of, or recommended by, a professional organization of cosmetologists, manicurists, or estheticians.

(c) Membership terms, compensation of members, removal of members, the filling of membership vacancies, and fiscal year and reporting requirements shall be as provided in sections 214.07 to 214.09. The provision of staff, administrative services, and office space; the review and processing of complaints; the setting of board fees; and other provisions relating to board operations shall be as provided in chapter 214.

(d) Members appointed to fill vacancies caused by death, resignation, or removal shall serve during the unexpired term of their predecessors.

Sec. 9. Minnesota Statutes 2008, section 178.02, subdivision 2, is amended to read:

Subd. 2. **Terms.** The board shall not expire, ~~and~~ The terms, compensation, and removal of appointed members shall be as provided in section 15.059.

Sec. 10. Minnesota Statutes 2008, section 182.656, subdivision 3, is amended to read:

Subd. 3. ~~**Meetings; expiration of council.**~~ A majority of the council members constitutes a quorum. The council shall meet at the call of its chair, or upon request of any six members. A tape recording of the meeting with the tape being retained for a one-year period will be available upon the request and payment of costs to any interested party. The council shall expire and the terms, compensation, and removal of members shall be as provided in section 15.059, except that the council shall not expire ~~before June 30, 2003.~~

Sec. 11. Minnesota Statutes 2008, section 214.01, subdivision 3, is amended to read:

Subd. 3. **Non-health-related licensing board.** "Non-health-related licensing board" means the Board of Teaching established pursuant to section 122A.07, the Board of Barber Examiners established pursuant to section 154.001, the Board of Cosmetologist Examiners established pursuant to section 155A.20, the Board of Assessors established pursuant to section 270.41, the Board of Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience, and Interior Design established pursuant to section 326.04, the Private Detective and Protective Agent Licensing Board established pursuant to section 326.33, the Board of Accountancy established pursuant to section 326A.02, and the Peace Officer Standards and Training Board established pursuant to section 626.841.

Sec. 12. Minnesota Statutes 2008, section 214.04, subdivision 3, is amended to read:

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

(1) Dentistry;

(2) Medical Practice;

- (3) Nursing;
- (4) Pharmacy;
- (5) Accountancy;
- (6) Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience, and Interior Design;
- (7) Barber Examiners;
- (8) ~~Cosmetology~~ Cosmetologist Examiners;
- (9) Teaching;
- (10) Peace Officer Standards and Training;
- (11) Social Work;
- (12) Marriage and Family Therapy;
- (13) Dietetics and Nutrition Practice;
- (14) Licensed Professional Counseling; and
- (15) Combative Sports Commission.

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

Sec. 13. Minnesota Statutes 2008, section 216B.1612, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) The terms used in this section have the meanings given them in this subdivision.

(b) "C-BED tariff" or "tariff" means a community-based energy development tariff.

(c) "Qualifying owner" means:

(1) a Minnesota resident;

(2) a limited liability company that is organized under chapter 322B and that is made up of members who are Minnesota residents;

(3) a Minnesota nonprofit organization organized under chapter 317A;

(4) a Minnesota cooperative association organized under chapter 308A or 308B, including a rural electric cooperative association or a generation and transmission cooperative on behalf of and at the request of a member distribution utility;

(5) a Minnesota political subdivision or local government including, but not limited to, a municipal electric utility, or a municipal power agency on behalf of and at the request of a member distribution utility, the office of the commissioner of Iron Range resources and rehabilitation, a county, statutory or home rule charter city, town, school district, or public or private higher education institution or any other local or regional governmental organization such as a board, commission, or association; or

(6) a tribal council.

(d) "Net present value rate" means a rate equal to the net present value of the nominal payments to a project divided by the total expected energy production of the project over the life of its power purchase agreement.

(e) "Standard reliability criteria" means:

(1) can be safely integrated into and operated within the utility's grid without causing any adverse or unsafe consequences; and

(2) is consistent with the utility's resource needs as identified in its most recent resource plan submitted under section 216B.2422.

(f) "Renewable" refers to a technology listed in section 216B.1691, subdivision 1, paragraph (a).

(g) "Community-based energy development project" or "C-BED project" means a new renewable energy project that either as a stand-alone project or part of a partnership under subdivision 8:

(1) has no single qualifying owner owning more than 15 percent of a C-BED wind energy project unless: (i) the C-BED wind energy project consists of only one or two turbines; or (ii) the qualifying owner is a public entity listed under paragraph (c), clause (5), that is not a municipal utility;

(2) demonstrates that at least 51 percent of the gross revenues from a power purchase agreement over the life of the project will flow to qualifying owners and other local entities; and

(3) has a resolution of support adopted by the county board of each county in which the project is to be located, or in the case of a project located within the boundaries of a reservation, the tribal council for that reservation.

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

Sec. 14. Minnesota Statutes 2008, section 298.2213, subdivision 5, is amended to read:

Subd. 5. **Advisory committees.** Before submission to the board of a proposal for a project for expenditure of money appropriated under this section, the commissioner of Iron Range resources and rehabilitation shall appoint a technical advisory committee consisting of at least seven persons who are knowledgeable in areas related to the objectives of the proposal. If the project involves investment in a scientific research proposal, at least four of the committee members must be knowledgeable in the specific scientific research area relating to the project. Members of the committees must be compensated as provided in section 15.059, subdivision 3. The board shall not act on a proposal until it has received the evaluation and recommendations of the technical advisory committee. Notwithstanding section 15.059, the committees do not expire.

Sec. 15. Minnesota Statutes 2008, section 298.2214, subdivision 1, is amended to read:

Subdivision 1. **Creation of committee; purpose.** A committee is created to advise the commissioner of Iron Range resources and rehabilitation on providing higher education programs in the taconite assistance area defined in section 273.1341. The committee is subject to section 15.059 but does not expire.

Sec. 16. Minnesota Statutes 2008, section 298.297, is amended to read:

**298.297 ADVISORY COMMITTEES.**

Before submission of a project to the board, the commissioner of Iron Range resources and rehabilitation shall appoint a technical advisory committee consisting of one or more persons who are knowledgeable in areas related to the objectives of the proposal. Members of the committees shall be compensated as provided in section 15.059, subdivision 3. The board shall not act on a proposal until it has received the evaluation and recommendations of the technical advisory committee or until 15 days have elapsed since the proposal was transmitted to the advisory committee, whichever occurs first. Notwithstanding section 15.059, the committees do not expire.

Sec. 17. Laws 2007, chapter 135, article 1, section 16, is amended to read:

Sec. 16. **TRANSFERS**

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

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

Sec. 18. **TRANSFER OF AUTHORITY AND STAFF.**

Subdivision 1. **Transfer of authority.** (a) The responsibilities of the Board of Barber and Cosmetologist Examiners covered in Minnesota Statutes 2008, sections 154.001 to 154.26, are transferred under Minnesota Statutes, section 15.039, to the Board of Barber Examiners.

(b) The responsibilities of the Board of Barber and Cosmetologist Examiners covered in Minnesota Statutes 2008, sections 154.40 to 154.54, are transferred under Minnesota Statutes, section 15.039, to the Board of Cosmetologist Examiners.

Subd. 2. **Rulemaking.** Rulemaking authority pursuant to Minnesota Statutes 2008, sections 154.001 to 154.26, of the Board of Barber and Cosmetologist Examiners is transferred to the Board of Barber Examiners. Rulemaking authority pursuant to Minnesota Statutes 2008, sections 154.40 to 154.54, of the Board of Barber and Cosmetologist Examiners is transferred to the Board of Cosmetologist Examiners. All rules adopted by the Board of Barber and Cosmetologist Examiners in Minnesota Rules, chapter 2100, remain in effect and shall be enforced until amended or repealed according to law by the Board of Barber Examiners. All rules adopted by the Board of Barber and Cosmetologist Examiners in Minnesota Rules, chapters 2105 and 2110, remain in effect and shall be enforced until amended or repealed according to law by the Board of Cosmetologist Examiners.

**Subd. 3. Transfer of board members.** The board members serving in unexpired terms appointed to the Board of Barber and Cosmetologist Examiners pursuant to Minnesota Statutes 2008, section 154.001, paragraph (b), shall be appointed to serve the remainder of their terms as members of the Board of Barber Examiners, notwithstanding the requirements of Minnesota Statutes, section 154.001, subdivision 2. The board members serving in unexpired terms appointed to the Board of Barber and Cosmetologist Examiners pursuant to Minnesota Statutes 2008, section 154.001, paragraph (c), shall be appointed to serve the remainder of their terms as members of the Board of Cosmetologist Examiners, notwithstanding the requirements of Minnesota Statutes, section 155A.20.

**Subd. 4. Transfer of staff.** (a) The staff of the Board of Barber and Cosmetologist Examiners is transferred to the Board of Barber Examiners and the Board of Cosmetologist Examiners under Minnesota Statutes, section 15.039, according to the requirements of paragraph (b). In addition to any other protection, no employee shall suffer job loss, have a salary reduced, or have employment benefits reduced as a result of the transfer of authority from the Board of Barber and Cosmetologist Examiners recommended or mandated by this section. No action taken after January 1, 2010, shall be considered a result of the transfer of authority for the purposes of this section.

(b) On or before June 1, 2009, the Board of Barber and Cosmetologist Examiners must designate to which board each employee will transfer to under paragraph (a), and the board must notify each affected employee of the designation in writing.

**Subd. 5. Exemption from hiring freeze.** Notwithstanding any law, policy, or executive order that restricts the hiring of new employees or institutes a hiring freeze, the Board of Barber Examiners and the Board of Cosmetologist Examiners may hire staff necessary to accomplish their statutory duties. This exemption expires on December 31, 2009.

**EFFECTIVE DATE.** This section is effective July 1, 2009, except that the requirements of subdivision 4, paragraph (b), are effective the day following final enactment.

**Sec. 19. COMMISSIONER OF FINANCE TO ALLOCATE FUNDS.**

The commissioner of finance shall allocate the 2010 and 2011 appropriations to the Board of Barber and Cosmetologist Examiners between the Board of Barber Examiners and the Board of Cosmetologist Examiners in a ratio that each organization received when it was separate.

**Sec. 20. REVISOR'S INSTRUCTION.**

(a) The revisor of statutes shall delete "Board of Barber and Cosmetologist Examiners" and substitute "board" or "Board of Barber Examiners," as appropriate, wherever it appears in Minnesota Statutes, sections 154.001 to 154.26, and Minnesota Rules, chapter 2100.

(b) The revisor of statutes shall delete "Board of Barber and Cosmetologist Examiners" and substitute "board" or "Board of Cosmetologist Examiners," as appropriate, wherever it appears in Minnesota Statutes, sections 154.40 to 154.54, and Minnesota Rules, chapters 2105 and 2110.

(c) The revisor of statutes shall renumber each section of Minnesota Statutes listed in column A with the number listed in column B. The revisor shall also make necessary cross-reference changes in Minnesota Statutes and Minnesota Rules consistent with the renumbering.

<u>Column A</u>	<u>Column B</u>
<u>154.40</u>	<u>155A.21</u>
<u>154.41</u>	<u>155A.22</u>

<u>154.42</u>	<u>155A.23</u>
<u>154.43</u>	<u>155A.24</u>
<u>154.44</u>	<u>155A.25</u>
<u>154.45</u>	<u>155A.26</u>
<u>154.46</u>	<u>155A.27</u>
<u>154.465</u>	<u>155A.28</u>
<u>154.47</u>	<u>155A.29</u>
<u>154.48</u>	<u>155A.30</u>
<u>154.49</u>	<u>155A.31</u>
<u>154.50</u>	<u>155A.32</u>
<u>154.51</u>	<u>155A.33</u>
<u>154.52</u>	<u>155A.34</u>
<u>154.53</u>	<u>155A.35</u>
<u>154.54</u>	<u>155A.36</u>

Sec. 21. **REPEALER.**

Minnesota Statutes 2008, section 176.135, subdivision 1b, is repealed.

ARTICLE 8

IRON RANGE RESOURCES

Section 1. Minnesota Statutes 2008, section 116J.424, is amended to read:

**116J.424 IRON RANGE RESOURCES AND REHABILITATION BOARD CONTRIBUTION.**

The commissioner of the Iron Range Resources and Rehabilitation Board with approval ~~of the board~~ by at least seven Iron Range Resources and Rehabilitation Board members, shall provide an equal match for any loan or equity investment made for a facility located in the tax relief area defined in section 273.134, paragraph (b), by the Minnesota minerals 21st century fund created by section 116J.423. The match may be in the form of a loan or equity investment, notwithstanding whether the fund makes a loan or equity investment. The state shall not acquire an equity interest because of an equity investment or loan by the board and the board at its sole discretion shall decide what interest it acquires in a project. The commissioner of employment and economic development may require a commitment from the board to make the match prior to disbursing money from the fund.

Sec. 2. **[298.217] IRON RANGE RESOURCES AND REHABILITATION; EARLY SEPARATION INCENTIVE PROGRAM AUTHORIZATION.**

(a) Notwithstanding any law to the contrary, the commissioner of Iron Range resources and rehabilitation, in consultation with the commissioner of employee relations, may offer a targeted early separation incentive program for employees of the commissioner who have attained the age of 60 years or who have received credit for at least 30 years of allowable service under the provisions of chapter 352.

(b) The early separation incentive program may include one or more of the following:

(1) employer-paid postseparation health, medical, and dental insurance until age 65; and

(2) cash incentives that may, but are not required to be, used to purchase additional years of service credit through the Minnesota State Retirement System, to the extent that the purchases are otherwise authorized by law.



(c) The commissioner of Iron Range resources and rehabilitation shall establish eligibility requirements for employees to receive an incentive.

(d) The commissioner of Iron Range resources and rehabilitation, consistent with the established program provisions under paragraph (b), and with the eligibility requirements under paragraph (c), may designate specific programs or employees as eligible to be offered the incentive program.

(e) Acceptance of the offered incentive must be voluntary on the part of the employee and must be in writing. The incentive may only be offered at the sole discretion of the commissioner of Iron Range resources and rehabilitation.

(f) The cost of the incentive is payable solely by funds made available to the commissioner of Iron Range resources and rehabilitation by law, but only on prior approval of the expenditures by a majority of the Iron Range Resources and Rehabilitation Board.

(g) This section and section 298.218 are repealed June 30, 2011.

Sec. 3. **[298.218] APPLICATION OF OTHER LAWS.**

Unilateral implementation of section 298.217 by the commissioner of Iron Range resources and rehabilitation is not an unfair labor practice under chapter 179A.

Sec. 4. Minnesota Statutes 2008, section 298.22, subdivision 2, is amended to read:

Subd. 2. **Iron Range Resources and Rehabilitation Board.** There is hereby created the Iron Range Resources and Rehabilitation Board, consisting of 13 members, five of whom are state senators appointed by the Subcommittee on Committees of the Rules Committee of the senate, and five of whom are representatives, appointed by the speaker of the house. The remaining members shall be appointed one each by the senate majority leader, the speaker of the house, and the governor and must be nonlegislators who reside in a taconite assistance area as defined in section 273.1341. The members shall be appointed in January of every odd-numbered year, except that the initial nonlegislator members shall be appointed by July 1, 1999, and shall serve until January of the next odd-numbered year. Vacancies on the board shall be filled in the same manner as the original members were chosen. At least a majority of the legislative members of the board shall be elected from state senatorial or legislative districts in which over 50 percent of the residents reside within a taconite assistance area as defined in section 273.1341. All expenditures and projects made by the commissioner of Iron Range resources and rehabilitation shall be consistent with the priorities established in subdivision 8 and shall first be submitted to the Iron Range Resources and Rehabilitation Board for approval of expenditures and projects for rehabilitation purposes as provided by this section, and the method, manner, and time of payment of all funds proposed to be disbursed, by a majority of the board of expenditures and projects for rehabilitation purposes as provided by this section, and the method, manner, and time of payment of all funds proposed to be disbursed shall be first approved or disapproved by the board at least seven Iron Range Resources and Rehabilitation Board members. The board shall biennially make its report to the governor and the legislature on or before November 15 of each even-numbered year. The expenses of the board shall be paid by the state from the funds raised pursuant to this section. Members of the board who are legislators may be reimbursed for expenses in the manner provided in sections 3.099, subdivision 1, and 3.101, and may receive per diem payments during the interims between legislative sessions in the manner provided in section 3.099, subdivision 1. Members of the board who are not legislators may receive per diem payments and be reimbursed for expenses at the lowest rate provided for legislative members.

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

Sec. 5. Minnesota Statutes 2008, section 298.22, subdivision 5a, is amended to read:

Subd. 5a. **Forest trust.** The commissioner, upon the affirmative vote ~~of a majority of the members of the board, of at least seven Iron Range Resources and Rehabilitation Board members,~~ may purchase forest lands in the taconite assistance area defined in under section 273.1341 with funds specifically authorized for the purchase. The acquired forest lands must be held in trust for the benefit of the citizens of the taconite assistance area as the Iron Range Miners' Memorial Forest. The forest trust lands shall be managed and developed for recreation and economic development purposes. The commissioner, upon the affirmative vote ~~of a majority of the members of the board, of at least seven Iron Range Resources and Rehabilitation Board members,~~ may sell forest lands purchased under this subdivision if the board finds that the sale advances the purposes of the trust. Proceeds derived from the management or sale of the lands and from the sale of timber or removal of gravel or other minerals from these forest lands shall be deposited into an Iron Range Miners' Memorial Forest account that is established within the state financial accounts. Funds may be expended from the account upon approval ~~of a majority of the members of the board by at least seven Iron Range Resources and Rehabilitation Board members,~~ to purchase, manage, administer, convey interests in, and improve the forest lands. ~~By majority an affirmative vote of the members of the board, of at least seven Iron Range Resources and Rehabilitation Board members,~~ money in the Iron Range Miners' Memorial Forest account may be transferred into the corpus of the Douglas J. Johnson economic protection trust fund established under sections 298.291 to 298.294. The property acquired under the authority granted by this subdivision and income derived from the property or the operation or management of the property are exempt from taxation by the state or its political subdivisions while held by the forest trust.

Sec. 6. Minnesota Statutes 2008, section 298.22, subdivision 6, is amended to read:

Subd. 6. **Private entity participation.** The board may acquire an equity interest in any project for which it provides funding. The commissioner may establish, participate in the management of, and dispose of the assets of charitable foundations, nonprofit limited liability companies, and nonprofit corporations associated with any project for which it provides funding, including specifically, but without limitation, a corporation within the meaning of section 317A.011, subdivision 6.

Sec. 7. Minnesota Statutes 2008, section 298.22, subdivision 7, is amended to read:

Subd. 7. **Project area development authority.** (a) In addition to the other powers granted in this section and other law and notwithstanding any limitations contained in subdivision 5, the commissioner, for purposes of fostering economic development and tourism within the Giants Ridge Recreation Area or the Ironworld Discovery Center area, may spend any money made available to the agency under section 298.28 to acquire real or personal property or interests therein by gift, purchase, or lease and may convey by lease, sale, or other means of conveyance or commitment any or all property interests owned or administered by the commissioner within such areas.

(b) In furtherance of development of the Giants Ridge Recreation Area or the Ironworld Discovery Center area, the commissioner may establish and participate in charitable foundations, nonprofit limited liability companies, and nonprofit corporations, including a corporation within the meaning of section 317A.011, subdivision 6.

(c) The term "Giants Ridge recreation area" refers to an economic development project area established by the commissioner in furtherance of the powers delegated in this section within St. Louis County in the ~~western~~ following portions of the town of White and ~~in the eastern portion of the westerly, adjacent, unorganized township.~~ city of Biwabik:

Township 59 North, Range 15 West, Sections 7, 8, 17-20 and 29-32;

Township 59 North, Range 16 West, Sections 12, 13, 24, 25, and 36;

Township 58 North, Range 16 West, Section 1; and

Township 58 North, Range 15 West, Sections 5 and 6.

(d) ~~The term~~ "Ironworld Discovery Center area" ~~refers to~~ means an economic development and tourism promotion project area established by the commissioner in furtherance of the powers delegated in this section within St. Louis County in the south portion of the town of Balkan.

Sec. 8. Minnesota Statutes 2008, section 298.22, subdivision 8, is amended to read:

Subd. 8. **Spending priority.** In making or approving any expenditures on programs or projects, the commissioner and the board shall give the highest priority to programs and projects that target relief to those areas of the taconite assistance area as defined in section 273.1341, that have the largest percentages of job losses and population losses directly attributable to the economic downturn in the taconite industry since the 1980s. The commissioner and the board shall compare the 1980 population and employment figures with the 2000 population and employment figures, and shall specifically consider the job losses in 2000 and 2001 resulting from the closure of LTV Steel Mining Company, in making or approving expenditures consistent with this subdivision, as well as the areas of residence of persons who suffered job loss for which relief is to be targeted under this subdivision. The commissioner may lease, for a term not exceeding 50 years and upon the terms determined by the commissioner and approved by ~~the board~~ at least seven Iron Range Resources and Rehabilitation Board members, surface and mineral interests owned or acquired by the state of Minnesota acting by and through the office of the commissioner of Iron Range resources and rehabilitation within those portions of the taconite assistance area affected by the closure of the LTV Steel Mining Company facility near Hoyt Lakes. The payments and royalties from these leases must be deposited into the fund established in section 298.292. This subdivision supersedes any other conflicting provisions of law and does not preclude the commissioner and the board from making expenditures for programs and projects in other areas.

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

Sec. 9. Minnesota Statutes 2008, section 298.22, subdivision 10, is amended to read:

Subd. 10. **Sale or privatization of functions.** The commissioner of Iron Range resources and rehabilitation may not sell or privatize the Ironworld Discovery Center or Giants Ridge Golf and Ski Resort without prior approval by ~~a majority vote of the board~~ at least seven Iron Range Resources and Rehabilitation Board members.

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

Sec. 10. Minnesota Statutes 2008, section 298.22, subdivision 11, is amended to read:

Subd. 11. **Budgeting.** The commissioner of Iron Range resources and rehabilitation shall annually prepare a budget for operational expenditures, programs, and projects, and submit it to the Iron Range Resources and Rehabilitation Board and the governor ~~for approval~~. After the budget is approved by ~~the board~~ at least seven Iron Range Resources and Rehabilitation Board members and the governor, the commissioner may spend money in accordance with the approved budget.

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

Sec. 11. Minnesota Statutes 2008, section 298.221, is amended to read:

**298.221 RECEIPTS FROM CONTRACTS; APPROPRIATION.**

(a) Except as provided in paragraph (c), all money paid to the state of Minnesota pursuant to the terms of any contract entered into by the state under authority of section 298.22 and any fees which may, in the discretion of the commissioner of Iron Range resources and rehabilitation, be charged in connection with any project pursuant to that

section as amended, shall be deposited in the state treasury to the credit of the Iron Range Resources and Rehabilitation Board account in the special revenue fund and are hereby appropriated for the purposes of section 298.22.

(b) Notwithstanding section 16A.013, merchandise may be accepted by the commissioner of the Iron Range Resources and Rehabilitation Board for payment of advertising contracts if the commissioner determines that the merchandise can be used for special event prizes or mementos at facilities operated by the board. Nothing in this paragraph authorizes the commissioner or a member of the board to receive merchandise for personal use.

(c) All fees charged by the commissioner in connection with public use of the state-owned ski and golf facilities at the Giants Ridge Recreation Area and all other revenues derived by the commissioner from the operation or lease of those facilities and from the lease, sale, or other disposition of undeveloped lands at the Giants Ridge Recreation Area must be deposited into an Iron Range Resources and Rehabilitation Board account that is created within the state enterprise fund. All funds deposited in the enterprise fund account are appropriated to the commissioner to be expended, subject to approval ~~of a majority of the board,~~ by at least seven Iron Range Resources and Rehabilitation Board members, as follows:

(1) to pay costs associated with the construction, equipping, operation, repair, or improvement of the Giants Ridge Recreation Area facilities or lands;

(2) to pay principal, interest and associated bond issuance, reserve, and servicing costs associated with the financing of the facilities; and

(3) to pay the costs of any other project authorized under section 298.22.

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

Sec. 12. Minnesota Statutes 2008, section 298.2211, subdivision 3, is amended to read:

Subd. 3. **Project approval.** All projects authorized by this section shall be submitted by the commissioner to the Iron Range Resources and Rehabilitation Board, ~~which shall recommend approval or disapproval or modification of the projects for approval by at least seven Iron Range Resources and Rehabilitation Board members.~~ Prior to the commencement of a project involving the exercise by the commissioner of any authority of sections 469.174 to 469.179, the governing body of each municipality in which any part of the project is located and the county board of any county containing portions of the project not located in an incorporated area shall by majority vote approve or disapprove the project. Any project, ~~as so~~ approved by ~~the board~~ at least seven Iron Range Resources and Rehabilitation Board members and the applicable governing bodies, if any, together with detailed information concerning the project, its costs, the sources of its funding, and the amount of any bonded indebtedness to be incurred in connection with the project, shall be transmitted to the governor, who shall approve, disapprove, or return the proposal for additional consideration within 30 days of receipt. No project authorized under this section shall be undertaken, and no obligations shall be issued and no tax increments shall be expended for a project authorized under this section until the project has been approved by the governor.

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

Sec. 13. Minnesota Statutes 2008, section 298.2213, subdivision 4, is amended to read:

Subd. 4. **Project approval.** The board and commissioner shall by August 1 each year prepare a list of projects to be funded from the money appropriated in this section with necessary supporting information including descriptions of the projects, plans, and cost estimates. A project must not be approved by the board unless it finds that:

(1) the project will materially assist, directly or indirectly, the creation of additional long-term employment opportunities;

(2) the prospective benefits of the expenditure exceed the anticipated costs; and

(3) in the case of assistance to private enterprise, the project will serve a sound business purpose.

Each project must be approved by ~~a majority of the~~ at least seven Iron Range Resources and Rehabilitation Board members and the commissioner of Iron Range resources and rehabilitation. The list of projects must be submitted to the governor, who shall, by November 15 of each year, approve, disapprove, or return for further consideration, each project. The money for a project may be spent only upon approval of the project by the governor. The board may submit supplemental projects for approval at any time.

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

Sec. 14. Minnesota Statutes 2008, section 298.2214, is amended by adding a subdivision to read:

Subd. 6. **Per diem.** Members of the committee may be reimbursed for expenses in the manner provided in section 298.22, subdivision 2.

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

Sec. 15. Minnesota Statutes 2008, section 298.223, is amended to read:

**298.223 TACONITE AREA ENVIRONMENTAL PROTECTION FUND.**

Subdivision 1. **Creation; purposes.** A fund called the taconite environmental protection fund is created for the purpose of reclaiming, restoring and enhancing those areas of northeast Minnesota located within the taconite assistance area defined in section 273.1341, that are adversely affected by the environmentally damaging operations involved in mining taconite and iron ore and producing iron ore concentrate and for the purpose of promoting the economic development of northeast Minnesota. The taconite environmental protection fund shall be used for the following purposes:

~~(a)~~ (1) to initiate investigations into matters the Iron Range Resources and Rehabilitation Board determines are in need of study and which will determine the environmental problems requiring remedial action;

~~(b)~~ (2) reclamation, restoration, or reforestation of mine lands not otherwise provided for by state law;

~~(c)~~ (3) local economic development projects but only if those projects are approved by ~~the board,~~ at least seven Iron Range Resources and Rehabilitation Board members, and public works, including construction of sewer and water systems located within the taconite assistance area defined in section 273.1341;

~~(d)~~ (4) monitoring of mineral industry related health problems among mining employees;

(5) local public works projects under section 298.227, paragraph (c); and

(6) local public works projects as provided under this clause. The following amounts shall be distributed in 2009:

(i) .4651 cents per ton to the city of Aurora for street repair and renovation;

(ii) .4264 cent per ton to the city of Biwabik for street and utility infrastructure improvements to the south side industrial site;

(iii) .6460 cent per ton to the city of Buhl for street repair;

(iv) 1.0336 cents per ton to the city of Hoyt Lakes for public utility improvements;

(v) 1.1628 cents per ton to the city of Eveleth for water and sewer infrastructure upgrades;

(vi) 1.0336 cents per ton to the city of Gilbert for water and sewer infrastructure upgrades;

(vii) .7752 cent per ton to the city of Mountain Iron for water and sewer infrastructure;

(viii) 1.2920 cents per ton to the city of Virginia for utility upgrades and accessibility modifications for the miners' memorial;

(ix) .6460 cent per ton to the town of White for Highway 135 road upgrades;

(x) 1.9380 cents per ton to the city of Hibbing for public infrastructure projects;

(xi) 1.1628 cents per ton to the city of Chisholm for water and sewer repair;

(xii) .6460 cent per ton to the town of Balkan for community center repairs;

(xiii) .9044 cent per ton to the city of Babbitt for city garage construction;

(xiv) .5168 cent per ton to the city of Cook for replacement of a water tower;

(xv) .5168 cent per ton to the city of Ely for reconstruction of 2nd Avenue West;

(xvi) .6460 cent per ton to the city of Tower for water infrastructure upgrades;

(xvii) .1292 cent per ton to the city of Orr for water infrastructure upgrades;

(xviii) .1292 cent per ton to the city of Silver Bay for emergency cleanup;

(xvix) .3230 cent per ton to Lake County for trail construction;

(xx) .1292 cent per ton to Cook County for construction of tennis courts in Grand Marais;

(xxi) .3101 cent per ton to the city of Two Harbors for water infrastructure improvements;

(xxii) .1938 cent per ton for land acquisition for phase one of Cook Airport project;

(xxiii) 1.0336 cents per ton to the city of Coleraine for water and sewer improvements along Gayley Avenue;

(xxiv) .3876 cent per ton to the city of Marble for construction of a city administration facility;

(xxv) .1292 cent per ton to the city of Calumet for repairs at city hall and the community center;

(xxvi) .6460 cent per ton to the city of Nashwauk for electrical infrastructure upgrades;

(xxvii) 1.0336 cents per ton to the city of Keewatin for water and sewer upgrades along Depot Street;

(xxviii) .2584 cent per ton to the city of Aitkin for water, sewer, street, and gutter improvements;

(xxix) 1.1628 cents per ton to the city of Grand Rapids for water and sewer infrastructure upgrades at Pokegama Golf Course and Park Place;

(xxx) .1809 cent per ton to the city of Grand Rapids for water and sewer upgrades for 1st Avenue from River Road to 3rd Street SE; and

(xxxi) .9044 cent per ton to the city of Cohasset for upgrades to the railroad crossing at Highway 2 and County Road 62.

Subd. 2. **Administration.** (a) The taconite area environmental protection fund shall be administered by the commissioner of the Iron Range Resources and Rehabilitation Board. The commissioner shall by September 1 of each year submit to the board a list of projects to be funded from the taconite area environmental protection fund, with such supporting information including description of the projects, plans, and cost estimates as may be necessary.

(b) Each year no less than one-half of the amounts deposited into the taconite environmental protection fund must be used for public works projects, including construction of sewer and water systems, as specified under subdivision 1, ~~paragraph (c) clause (3)~~. The Iron Range Resources and Rehabilitation Board with a majority vote of the members, approval by at least seven Iron Range Resources and Rehabilitation Board members, may waive the requirements of this paragraph.

(c) ~~Upon approval by a majority of the members of the Iron Range Resources and Rehabilitation Board,~~ at least seven Iron Range Resources and Rehabilitation Board members, the list of projects approved under this subdivision shall be submitted to the governor by November 1 of each year. By December 1 of each year, the governor shall approve or disapprove, or return for further consideration, each project. Funds for a project may be expended only upon approval of the project by ~~the board~~ at least seven Iron Range Resources and Rehabilitation Board members, and ~~the~~ the governor. The commissioner may submit supplemental projects to the board and governor for approval at any time.

Subd. 3. **Appropriation.** There is annually appropriated to the commissioner of Iron Range resources and rehabilitation taconite area environmental protection funds necessary to carry out approved projects and programs and the funds necessary for administration of this section. Annual administrative costs, not including detailed engineering expenses for the projects, shall not exceed five percent of the amount annually expended from the fund.

Funds for the purposes of this section are provided by section 298.28, subdivision 11, relating to the taconite area environmental protection fund.

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

Sec. 16. Minnesota Statutes 2008, section 298.227, is amended to read:

**298.227 TACONITE ECONOMIC DEVELOPMENT FUND.**

(a) An amount equal to that distributed pursuant to each taconite producer's taxable production and qualifying sales under section 298.28, subdivision 9a, shall be held by the Iron Range Resources and Rehabilitation Board in a separate taconite economic development fund for each taconite and direct reduced ore producer. Money from the fund for each producer shall be released by the commissioner after review by a joint committee consisting of an

equal number of representatives of the salaried employees and the nonsalaried production and maintenance employees of that producer. The District 11 director of the United States Steelworkers of America, on advice of each local employee president, shall select the employee members. In nonorganized operations, the employee committee shall be elected by the nonsalaried production and maintenance employees. The review must be completed no later than six months after the producer presents a proposal for expenditure of the funds to the committee. The funds held pursuant to this section may be released only for workforce development and associated public facility improvement, or for acquisition of plant and stationary mining equipment and facilities for the producer or for research and development in Minnesota on new mining, or taconite, iron, or steel production technology, but only if the producer provides a matching expenditure to be used for the same purpose of at least 50 percent of the distribution based on 14.7 cents per ton beginning with distributions in 2002. Effective for proposals for expenditures of money from the fund beginning May 26, 2007, the commissioner may not release the funds before the next scheduled meeting of the board. If the board rejects a proposed expenditure is not approved by at least seven Iron Range Resources and Rehabilitation Board members, the funds must be deposited in the Taconite Environmental Protection Fund under sections 298.222 to 298.225. If a producer uses money which has been released from the fund prior to May 26, 2007 to procure haulage trucks, mobile equipment, or mining shovels, and the producer removes the piece of equipment from the taconite tax relief area defined in section 273.134 within ten years from the date of receipt of the money from the fund, a portion of the money granted from the fund must be repaid to the taconite economic development fund. The portion of the money to be repaid is 100 percent of the grant if the equipment is removed from the taconite tax relief area within 12 months after receipt of the money from the fund, declining by ten percent for each of the subsequent nine years during which the equipment remains within the taconite tax relief area. If a taconite production facility is sold after operations at the facility had ceased, any money remaining in the fund for the former producer may be released to the purchaser of the facility on the terms otherwise applicable to the former producer under this section. If a producer fails to provide matching funds for a proposed expenditure within six months after the commissioner approves release of the funds, the funds are available for release to another producer in proportion to the distribution provided and under the conditions of this section. Any portion of the fund which is not released by the commissioner within one year of its deposit in the fund shall be divided between the taconite environmental protection fund created in section 298.223 and the Douglas J. Johnson economic protection trust fund created in section 298.292 for placement in their respective special accounts. Two-thirds of the unreleased funds shall be distributed to the taconite environmental protection fund and one-third to the Douglas J. Johnson economic protection trust fund.

(b)(i) Notwithstanding the requirements of paragraph (a), setting the amount of distributions and the review process, an amount equal to ten cents per taxable ton of production in 2007, for distribution in 2008 only, that would otherwise be distributed under paragraph (a), may be used for a loan for the cost of construction of a biomass energy facility. This amount must be deducted from the distribution under paragraph (a) for which a matching expenditure by the producer is not required. The granting of the loan is subject to approval by ~~the Iron Range Resources and Rehabilitation Board~~ at least seven Iron Range Resources and Rehabilitation Board members; interest must be payable on the loan at the rate prescribed in section 298.2213, subdivision 3. (ii) Repayments of the loan and interest must be deposited in the ~~northeast Minnesota economic development taconite environment protection fund established in section 298.2213 under sections 298.222 to 298.225.~~ taconite environment protection fund under sections 298.222 to 298.225. If a loan is not made under this paragraph by July 1, 2009, the amount that had been made available for the loan under this paragraph must be transferred to the ~~northeast Minnesota economic development taconite environment protection fund under sections 298.222 to 298.225.~~ (iii) Money distributed in 2008 to the fund established under this section that exceeds ten cents per ton is available to qualifying producers under paragraph (a) on a pro rata basis.

If 2008 H. F. No. 1812 is enacted and includes a provision that amends this section in a manner that is different from the amendment in this section, the amendment in this section supersedes the amendment in 2008 H. F. No. 1812, notwithstanding section 645.26.

(c) Repayment or transfer of money to the taconite environmental protection fund under paragraph (b), item (ii), must be allocated by the Iron Range Resources and Rehabilitation Board for public works projects in house legislative districts in the same proportion as taxable tonnage of production in 2007 in each house legislative district,



for distribution in 2008, bears to total taxable tonnage of production in 2007, for distribution in 2008. Notwithstanding any other law to the contrary, expenditures under this paragraph do not require approval by the governor. For purposes of this paragraph, "house legislative districts" means the legislative districts in existence on the effective date of this section.

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

Sec. 17. Minnesota Statutes 2008, section 298.28, subdivision 9d, is amended to read:

Subd. 9d. **Iron Range higher education account.** Five cents per taxable ton must be allocated to the Iron Range Resources and Rehabilitation Board to be deposited in an Iron Range higher education account that is hereby created, to be used for higher education programs conducted at educational institutions in the taconite assistance area defined in section 273.1341. The Iron Range Higher Education committee under section 298.2214, and the Iron Range Resources and Rehabilitation Board by an affirmative vote of at least seven Iron Range Resources and Rehabilitation Board members, must approve all expenditures from the account.

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

Sec. 18. Minnesota Statutes 2008, section 298.292, subdivision 2, is amended to read:

Subd. 2. **Use of money.** Money in the Douglas J. Johnson economic protection trust fund may be used for the following purposes:

(1) to provide loans, loan guarantees, interest buy-downs and other forms of participation with private sources of financing, but a loan to a private enterprise shall be for a principal amount not to exceed one-half of the cost of the project for which financing is sought, and the rate of interest on a loan to a private enterprise shall be no less than the lesser of eight percent or an interest rate three percentage points less than a full faith and credit obligation of the United States government of comparable maturity, at the time that the loan is approved;

(2) to fund reserve accounts established to secure the payment when due of the principal of and interest on bonds issued pursuant to section 298.2211;

(3) to pay in periodic payments or in a lump-sum payment any or all of the interest on bonds issued pursuant to chapter 474 for the purpose of constructing, converting, or retrofitting heating facilities in connection with district heating systems or systems utilizing alternative energy sources;

(4) to invest in a venture capital fund or enterprise that will provide capital to other entities that are engaging in, or that will engage in, projects or programs that have the purposes set forth in subdivision 1. No investments may be made in a venture capital fund or enterprise unless at least two other unrelated investors make investments of at least \$500,000 in the venture capital fund or enterprise, and the investment by the Douglas J. Johnson economic protection trust fund may not exceed the amount of the largest investment by an unrelated investor in the venture capital fund or enterprise. For purposes of this subdivision, an "unrelated investor" is a person or entity that is not related to the entity in which the investment is made or to any individual who owns more than 40 percent of the value of the entity, in any of the following relationships: spouse, parent, child, sibling, employee, or owner of an interest in the entity that exceeds ten percent of the value of all interests in it. For purposes of determining the limitations under this clause, the amount of investments made by an investor other than the Douglas J. Johnson economic protection trust fund is the sum of all investments made in the venture capital fund or enterprise during the period beginning one year before the date of the investment by the Douglas J. Johnson economic protection trust fund; and

(5) to purchase forest land in the taconite assistance area defined in section 273.1341 to be held and managed as a public trust for the benefit of the area for the purposes authorized in section 298.22, subdivision 5a. Property purchased under this section may be sold by the commissioner upon approval ~~by a majority vote of the board~~ by at least seven Iron Range Resources and Rehabilitation Board members. The net proceeds must be deposited in the trust fund for the purposes and uses of this section.

Money from the trust fund shall be expended only in or for the benefit of the taconite assistance area defined in section 273.1341.

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

Sec. 19. **[298.2931] TRANSFER OF FUNDS.**

The amount deposited in the fund in 2009 in repayment of a loan for the Mesaba Nugget project at the Erie Mining site in Hoyt Lakes shall be transferred to the taconite environmental protection fund and deposited in a special account to be used as provided under section 298.223, subdivision 1, clause (6).

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

Sec. 20. Minnesota Statutes 2008, section 298.294, is amended to read:

**298.294 INVESTMENT OF FUND.**

(a) The trust fund established by section 298.292 shall be invested pursuant to law by the State Board of Investment and the net interest, dividends, and other earnings arising from the investments shall be transferred, except as provided in paragraph (b), on the first day of each month to the trust and shall be included and become part of the trust fund. The amounts transferred, including the interest, dividends, and other earnings earned prior to July 13, 1982, together with the additional amount of \$10,000,000 for fiscal year 1983, which is appropriated April 21, 1983, are appropriated from the trust fund to the commissioner of Iron Range resources and rehabilitation for deposit in a separate account for expenditure for the purposes set forth in section 298.292. Amounts appropriated pursuant to this section shall not cancel but shall remain available unless expended.

(b) For fiscal years 2010 and 2011 only, \$1,000,000 of the net interest, dividends, and other earnings under paragraph (a) shall be transferred to a special account. Funds in the special account are available for loans or grants to businesses, with priority given to businesses with 25 or fewer employees. Funds may be used for wage subsidies of up to \$5 per hour or other activities that will create additional jobs in the taconite assistance area under section 273.1341. Expenditures from the special account must be approved by at least seven Iron Range Resources and Rehabilitation Board members.

(c) To qualify for a grant or loan, a business must be currently operating and have been operating for one year immediately prior to its application for a loan or grant, and its corporate headquarters must be located in the taconite assistance area.

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

Sec. 21. Minnesota Statutes 2008, section 298.296, subdivision 2, is amended to read:

Subd. 2. **Expenditure of funds.** (a) Before January 1, 2028, funds may be expended on projects and for administration of the trust fund only from the net interest, earnings, and dividends arising from the investment of the trust at any time, including net interest, earnings, and dividends that have arisen prior to July 13, 1982, plus \$10,000,000 made available for use in fiscal year 1983, except that any amount required to be paid out of the trust

fund to provide the property tax relief specified in Laws 1977, chapter 423, article X, section 4, and to make school bond payments and payments to recipients of taconite production tax proceeds pursuant to section 298.225, may be taken from the corpus of the trust.

(b) Additionally, upon recommendation by the board, up to \$13,000,000 from the corpus of the trust may be made available for use as provided in subdivision 4, and up to \$10,000,000 from the corpus of the trust may be made available for use as provided in section 298.2961.

(c) Additionally, an amount equal to 20 percent of the value of the corpus of the trust on May 18, 2002, not including the funds authorized in paragraph (b), plus the amounts made available under section 298.28, subdivision 4, and Laws 2002, chapter 377, article 8, section 17, may be expended on projects. Funds may be expended for projects under this paragraph only if the project:

(1) is for the purposes established under section 298.292, subdivision 1, clause (1) or (2); and

(2) is approved by the board upon an affirmative vote of at least ten of its members.

No money made available under this paragraph or paragraph (d) can be used for administrative or operating expenses of the Iron Range Resources and Rehabilitation Board or expenses relating to any facilities owned or operated by the board on May 18, 2002.

(d) Upon recommendation by a unanimous vote of all members of the board, amounts in addition to those authorized under paragraphs (a), (b), and (c) may be expended on projects described in section 298.292, subdivision 1.

(e) Annual administrative costs, not including detailed engineering expenses for the projects, shall not exceed five percent of the net interest, dividends, and earnings arising from the trust in the preceding fiscal year.

(f) Principal and interest received in repayment of loans made pursuant to this section, and earnings on other investments made under section 298.292, subdivision 2, clause (4), shall be deposited in the state treasury and credited to the trust. These receipts are appropriated to the board for the purposes of sections 298.291 to 298.298.

(g) Additionally, notwithstanding section 298.293, upon ~~the affirmative vote of a majority of the members of the board, of at least seven Iron Range Resources and Rehabilitation Board members,~~ money from the corpus of the trust may be expended to purchase forest lands within the taconite assistance area as provided in sections 298.22, subdivision 5a, and 298.292, subdivision 2, clause (5).

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

Sec. 22. Minnesota Statutes 2008, section 298.2961, is amended to read:

**298.2961 PRODUCER GRANTS.**

Subdivision 1. **Appropriation.** (a) \$10,000,000 is appropriated from the Douglas J. Johnson economic protection trust fund to a special account in the taconite area environmental protection fund for grants to producers on a project-by-project basis as provided in this section.

(b) The proceeds of the tax designated under section 298.28, subdivision 9b, are appropriated for grants to producers on a project-by-project basis as provided in this section.

Subd. 2. **Projects; approval.** (a) Projects funded must be for:

(1) environmentally unique reclamation projects; or

(2) pit or plant repairs, expansions, or modernizations other than for a value added iron products plant.

(b) To be proposed by the board, a project must be approved by at least eight Iron Range Resources and Rehabilitation Board members. The money for a project may be spent only upon approval of the project by the governor. The board may submit supplemental projects for approval at any time.

(c) The board may require that it receive an equity percentage in any project to which it contributes under this section.

Subd. 3. **Redistribution.** (a) If a taconite production facility is sold after operations at the facility had ceased, any money remaining in the taconite environmental fund for the former producer may be released to the purchaser of the facility on the terms otherwise applicable to the former producer under this section.

(b) Any portion of the taconite environmental fund that is not released by the commissioner within three years of its deposit in the taconite environmental fund shall be divided between the taconite environmental protection fund created in section 298.223 and the Douglas J. Johnson economic protection trust fund created in section 298.292 for placement in their respective special accounts. Two-thirds of the unreleased funds must be distributed to the taconite environmental protection fund and one-third to the Douglas J. Johnson economic protection trust fund.

Subd. 4. **Grant and loan fund.** (a) A fund is established to receive distributions under section 298.28, subdivision 9b, and to make grants or loans as provided in this subdivision. Any grant or loan made under this subdivision must be approved by ~~a majority of the members of the Iron Range Resources and Rehabilitation Board,~~ at least seven Iron Range Resources and Rehabilitation Board members, established under section 298.22.

(b) Distributions received in calendar year 2005 are allocated to the city of Virginia for improvements and repairs to the city's steam heating system.

(c) Distributions received in calendar year 2006 are allocated to a project of the public utilities commissions of the cities of Hibbing and Virginia to convert their electrical generating plants to the use of biomass products, such as wood.

(d) Distributions received in calendar year 2007 must be paid to the city of Tower to be used for the East Two Rivers project in or near the city of Tower.

(e) For distributions received in 2008, the first \$2,000,000 of the 2008 distribution must be paid to St. Louis County for deposit in its county road and bridge fund to be used for relocation of St. Louis County Road 715, commonly referred to as Pike River Road. The remainder of the 2008 distribution must be paid to St. Louis County for a grant to the city of Virginia for connecting sewer and water lines to the St. Louis County maintenance garage on Highway 135, further extending the lines to interconnect with the city of Gilbert's sewer and water lines. All distributions received in 2009 and subsequent years are allocated for projects under section 298.223, subdivision 1.

Subd. 5. **Public works and local economic development fund.** For distributions in 2007 only, a special fund is established to receive 38.4 cents per ton that otherwise would be allocated under section 298.28, subdivision 6. The following amounts are allocated to St. Louis County acting as the fiscal agent for the recipients for the specific purposes:

(1) 13.4 cents per ton for the Central Iron Range Sanitary Sewer District for construction of a combined wastewater facility and notwithstanding section 298.28, subdivision 11, paragraph (a), or any other law, interest accrued on this money while held by St. Louis County shall also be distributed to the recipient;

(2) six cents per ton to the city of Eveleth to redesign and design and construct improvements to renovate its water treatment facility;

(3) one cent per ton for the East Range Joint Powers Board to acquire land for and to design a central wastewater collection and treatment system;

(4) 0.5 cents per ton to the city of Hoyt Lakes to repair Leeds Road;

(5) 0.7 cents per ton to the city of Virginia to extend Eighth Street South;

(6) 0.7 cents per ton to the city of Mountain Iron to repair Hoover Road;

(7) 0.9 cents per ton to the city of Gilbert for alley repairs between Michigan and Indiana Avenues and for repayment of a loan to the Minnesota Department of Employment and Economic Development;

(8) 0.4 cents per ton to the city of Keewatin for a new city well;

(9) 0.3 cents per ton to the city of Grand Rapids for planning for a fire and hazardous materials center;

(10) 0.9 cents per ton to Aitkin County Growth for an economic development project for peat harvesting;

(11) 0.4 cents per ton to the city of Nashwauk to develop a comprehensive city plan;

(12) 0.4 cents per ton to the city of Taconite for development of a city comprehensive plan;

(13) 0.3 cents per ton to the city of Marble for water and sewer infrastructure;

(14) 0.8 cents per ton to Aitkin County for improvements to the Long Lake Environmental Learning Center;

(15) 0.3 cents per ton to the city of Coleraine for the Coleraine Technology Center;

(16) 0.5 cents per ton to the Economic Development Authority of the city of Grand Rapids for planning for the North Central Research and Technology Laboratory;

(17) 0.6 cents per ton to the city of Bovey for sewer and water extension;

(18) 0.3 cents per ton to the city of Calumet for infrastructure improvements; and

(19) ten cents per ton to the commissioner of Iron Range Resources and Rehabilitation for deposit in a Highway 1 Corridor Account established by the commissioner, to be distributed by the commissioner to any of the cities of Babbitt, Cook, Ely, or Tower, for economic development projects approved by ~~the Iron Range Resources and Rehabilitation Board~~ at least seven Iron Range Resources and Rehabilitation Board members; notwithstanding section 298.28, subdivision 11, paragraph (a), or any other law, interest accrued on this money while held by St. Louis County or the commissioner shall also be distributed to the recipient.

Subd. 6. **Renewable energy.** For distributions in 2009 only, a special account is established in the taconite environmental protection fund to receive 15.5 cents per ton that otherwise would be allocated under section 298.28, subdivision 6. The funds are available for cooperative projects between the Iron Range Resources and Rehabilitation Board and local governments for renewable energy initiatives.

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

## ARTICLE 9

## HOUSING FINANCE AGENCY

Section 1. Minnesota Statutes 2008, section 327C.03, is amended by adding a subdivision to read:

Subd. 6. **Payment to the Minnesota manufactured home relocation trust fund.** In the event a park owner has been assessed under section 327C.095, subdivision 12, paragraph (c), the park owner may collect the \$12 annual payment required by section 327C.095, subdivision 12, for participation in the relocation trust fund, as a lump sum or, along with monthly lot rent, a fee of no more than \$1 per month to cover the cost of participating in the relocation trust fund. The \$1 fee must be separately itemized and clearly labeled "Minnesota manufactured home relocation trust fund."

Sec. 2. Minnesota Statutes 2008, section 327C.095, subdivision 12, is amended to read:

**Subd. 12. Payment to the Minnesota manufactured home relocation trust fund.** (a) If a manufactured home owner is required to move due to the conversion of all or a portion of a manufactured home park to another use, the closure of a park, or cessation of use of the land as a manufactured home park, the manufactured park owner shall, upon the change in use, pay to the commissioner of finance for deposit in the Minnesota manufactured home relocation trust fund under section 462A.35, the lesser amount of the actual costs of moving or purchasing the manufactured home approved by the neutral third party and paid by the Minnesota Housing Finance Agency under subdivision 13, paragraph (a) or (e), or \$3,250 for each single section manufactured home, and \$6,000 for each multisection manufactured home, for which a manufactured home owner has made application for payment of relocation costs under subdivision 13, paragraph (c). The manufactured home park owner shall make payments required under this section to the Minnesota manufactured home relocation trust fund within 60 days of receipt of invoice from the neutral third party.

(b) A manufactured home park owner is not required to make the payment prescribed under paragraph (a), nor is a manufactured home owner entitled to compensation under subdivision 13, paragraph (a) or (e), if:

(1) the manufactured home park owner relocates the manufactured home owner to another space in the manufactured home park or to another manufactured home park at the park owner's expense;

(2) the manufactured home owner is vacating the premises and has informed the manufactured home park owner or manager of this prior to the mailing date of the closure statement under subdivision 1;

(3) a manufactured home owner has abandoned the manufactured home, or the manufactured home owner is not current on the monthly lot rental, personal property taxes, ~~or has failed to pay the annual \$12 payments to the Minnesota manufactured home relocation trust fund when due;~~

(4) the manufactured home owner has a pending eviction action for nonpayment of lot rental amount under section 327C.09, which was filed against the manufactured home owner prior to the mailing date of the closure statement under subdivision 1, and the writ of recovery has been ordered by the district court;

(5) the conversion of all or a portion of a manufactured home park to another use, the closure of a park, or cessation of use of the land as a manufactured home park is the result of a taking or exercise of the power of eminent domain by a governmental entity or public utility; or

(6) the owner of the manufactured home is not a resident of the manufactured home park, as defined in section 327C.01, subdivision 9, or the owner of the manufactured home is a resident, but came to reside in the manufactured home park after the mailing date of the closure statement under subdivision 1.

~~(c) Owners of manufactured homes who rent lots in a manufactured home park shall make annual payments to the park owner, to be deposited in the Minnesota manufactured home relocation trust fund under section 462A.35, in the amount of \$12 per year, per manufactured home, payable on August 15 of each year. On or before July 15 of each year, the commissioner of finance shall prepare and post on the department's Web site a generic invoice and cover letter explaining the purpose of the Minnesota manufactured home relocation trust fund, the obligation of each manufactured home owner to make an annual \$12 payment into the fund, the due date, and the need to pay to the park owner for collection, and a warning, in 14 point font, that if the annual payments are not made when due, the manufactured home owner will not be eligible for compensation from the fund if the manufactured home park closes. The park owner shall receive, record, and commingle the payments and forward the payments to the commissioner of finance by September 15 of each year, with a summary by the park owner, certifying the name, address, and payment amount of each remitter, and noting the names and address of manufactured home owners who did not pay the \$12 annual payment, sent to both the commissioner of finance and the commissioner of the Minnesota Housing Finance Agency. The commissioner of finance shall deposit the payments in the Minnesota manufactured home relocation trust fund. The commissioner of finance shall annually assess each manufactured home park owner by mail the total amount of \$12 for each licensed lot in their park, payable on or before September 15 of each year. The commissioner of finance shall deposit the payments in the Minnesota manufactured home relocation trust fund. On or before July 15 of each year, the commissioner of finance shall prepare and distribute to park owners a letter explaining the collection, an invoice for all licensed lots, and a sample form for the park owners to collect information on which park residents have been accounted for. The park owner may recoup the cost of the assessment with a monthly fee of no more than \$1 collected from park residents together with monthly lot rent as provided in section 327C.03, subdivision 1. Park owners may adjust payment for lots in their park that are vacant or otherwise not eligible for contribution to the trust fund under section 327C.095, subdivision 12, paragraph (b), and deduct from the assessment, accordingly.~~

(d) This subdivision and subdivision 13, paragraph (c), clause (5), are enforceable by the neutral third party, on behalf of the Minnesota Housing Finance Agency, or by action in a court of appropriate jurisdiction. The court may award a prevailing party reasonable attorney fees, court costs, and disbursements.

Sec. 3. Minnesota Statutes 2008, section 462A.05, subdivision 14, is amended to read:

Subd. 14. **Rehabilitation loans.** It may agree to purchase, make, or otherwise participate in the making, and may enter into commitments for the purchase, making, or participation in the making, of eligible loans for rehabilitation, with terms and conditions as the agency deems advisable, to persons and families of low and moderate income, and to owners of existing residential housing for occupancy by such persons and families, for the rehabilitation of existing residential housing owned by them. The loans may be insured or uninsured and may be made with security, or may be unsecured, as the agency deems advisable. The loans may be in addition to or in combination with long-term eligible mortgage loans under subdivision 3. They may be made in amounts sufficient to refinance existing indebtedness secured by the property, if refinancing is determined by the agency to be necessary to permit the owner to meet the owner's housing cost without expending an unreasonable portion of the owner's income thereon. No loan for rehabilitation shall be made unless the agency determines that the loan will be used primarily to make the housing more desirable to live in, to increase the market value of the housing, for compliance with state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing, or to accomplish energy conservation related improvements. In unincorporated areas and municipalities not having codes and standards, the agency may, solely for the purpose of administering the provisions of this chapter, establish codes and standards. Except for accessibility improvements under this subdivision and subdivisions 14a and 24, clause (1), no secured loan for rehabilitation of any owner-occupied property shall be made in an amount which, with all other existing indebtedness secured by the property, would exceed 110 percent of its market value, as determined by the agency. No loan under this subdivision for the rehabilitation of owner-occupied housing shall be denied solely because the loan will not be used for placing the owner-occupied residential housing in full compliance with all state, county, or municipal building, housing

maintenance, fire, health, or similar codes and standards applicable to housing. Rehabilitation loans shall be made only when the agency determines that financing is not otherwise available, in whole or in part, from private lenders upon equivalent terms and conditions. Accessibility rehabilitation loans authorized under this subdivision may be made to eligible persons and families without limitations relating to the maximum incomes of the borrowers if:

(1) the borrower or a member of the borrower's family requires a level of care provided in a hospital, skilled nursing facility, or intermediate care facility for persons with developmental disabilities;

(2) home care is appropriate; and

(3) the improvement will enable the borrower or a member of the borrower's family to reside in the housing.

The agency may waive any requirement that the housing units in a residential housing development be rented to persons of low and moderate income if the development consists of four or less dwelling units, one of which is occupied by the owner.

Sec. 4. Minnesota Statutes 2008, section 462A.05, subdivision 14a, is amended to read:

Subd. 14a. **Rehabilitation loans; existing owner occupied residential housing.** It may make loans to persons and families of low and moderate income to rehabilitate or to assist in rehabilitating existing residential housing owned and occupied by those persons or families. No loan shall be made unless the agency determines that the loan will be used primarily for rehabilitation work necessary for health or safety, essential accessibility improvements, or to improve the energy efficiency of the dwelling. No loan for rehabilitation of owner occupied residential housing shall be denied solely because the loan will not be used for placing the residential housing in full compliance with all state, county or municipal building, housing maintenance, fire, health or similar codes and standards applicable to housing. The amount of any loan shall not exceed the lesser of (a) a maximum loan amount determined under rules adopted by the agency not to exceed ~~\$20,000~~ \$27,000, or (b) the actual cost of the work performed, or (c) that portion of the cost of rehabilitation which the agency determines cannot otherwise be paid by the person or family without the expenditure of an unreasonable portion of the income of the person or family. Loans made in whole or in part with federal funds may exceed the maximum loan amount to the extent necessary to comply with federal lead abatement requirements prescribed by the funding source. In making loans, the agency shall determine the circumstances under which and the terms and conditions under which all or any portion of the loan will be repaid and shall determine the appropriate security for the repayment of the loan. Loans pursuant to this subdivision may be made with or without interest or periodic payments.

Sec. 5. Minnesota Statutes 2008, section 469.201, subdivision 2, is amended to read:

Subd. 2. **City.** "City" means ~~a city of the first class as defined in section 410.01 and a city of the second class that is designated as an economically depressed area by the United States Department of Commerce~~ any statutory or home rule charter city, town, or township. For each city, a port authority, housing and redevelopment authority, or other agency or instrumentality, the jurisdiction of which is the territory of the city, is included within the meaning of city.

Sec. 6. Minnesota Statutes 2008, section 469.201, subdivision 4, is amended to read:

Subd. 4. **City matching money.** (a) "City matching money" means the money of a city specified in a targeted revitalization program. The sources of city matching money may include:

(1) money from the general fund or a special fund of a city used to implement a targeted revitalization program;

(2) money paid or repaid to a city from the proceeds of a grant that a city has received from the federal government, a profit or nonprofit corporation, or another entity or individual, that is to be used to implement a targeted revitalization program;



(3) tax increments received by a city under sections 469.174 to 469.179 or other law, if eligible, to be spent in the targeted ~~neighborhood~~ community;

(4) the greater of the fair market value or the cost to the city of acquiring land, buildings, equipment, or other real or personal property that a city contributes, grants, leases, or loans to a profit or nonprofit corporation or other entity or individual, in connection with the implementation of a targeted revitalization program;

(5) city money to be used to acquire, install, reinstall, repair, or improve the infrastructure facilities of a targeted ~~neighborhood~~ community;

(6) money contributed by a city to pay issuance costs, fund bond reserves, or to otherwise provide financial support for revenue bonds or obligations issued by a city for a project or program related to the implementation of a targeted revitalization program;

(7) money derived from fees received by a city in connection with its community development activities that are to be used in implementing a targeted revitalization program;

(8) money derived from the apportionment to the city under section 162.14 or by special law, and expended in a targeted ~~neighborhood~~ community for an activity related to the targeted revitalization program;

(9) administrative expenses of the city that are incurred in connection with the planning, implementation, or reporting requirements of sections 469.201 to 469.207.

(b) City matching money does not include:

(1) city money used to provide a service or to exercise a function that is ordinarily provided throughout the city, unless an increased level of the service or function is to be provided in a targeted ~~neighborhood~~ community in accordance with a targeted revitalization program;

(2) the proceeds of bonds issued by the city under chapter 462C or 469 and payable solely from repayments made by one or more nongovernmental persons in consideration for the financing provided by the bonds; or

(3) money given by the state to fund any part of the targeted revitalization program.

Sec. 7. Minnesota Statutes 2008, section 469.201, subdivision 6, is amended to read:

Subd. 6. **Housing activities.** "Housing activities" include any work or undertaking to provide housing and related services and amenities primarily for persons and families of low or moderate income. This work or undertaking may include the planning of buildings and improvements; the acquisition of real property, which may be needed immediately to address vacancies, foreclosures, and preservation of housing now or in the future for housing purposes and the; ~~demolition of any existing improvements; activities to address lead abatement, energy efficiencies, or other activities related to the health of a building;~~ and the construction, reconstruction, alteration, and repair of new and existing buildings. Housing activities also include the provision of a housing rehabilitation and energy improvement loan and grant program with respect to any residential property located within the targeted ~~neighborhood~~ community, the cost of relocation relating to acquiring property for housing activities, and programs authorized by chapter 462C.

Sec. 8. Minnesota Statutes 2008, section 469.201, subdivision 7, is amended to read:

Subd. 7. **Lost unit.** "Lost unit" means a rental housing unit that has been vacant for more than six months or has been condemned for code violations, that is lost as a result of revitalization activities because it is demolished, converted to an owner-occupied unit that is not a cooperative, or converted to a nonresidential use, or because the gross rent to be charged exceeds 125 percent of the gross rent charged for the unit six months before the start of rehabilitation.

Sec. 9. Minnesota Statutes 2008, section 469.201, subdivision 10, is amended to read:

Subd. 10. **Targeted neighborhood community.** "Targeted ~~neighborhood community~~" means an area including one or more census tracts, as determined and measured by the Bureau of Census of the United States Department of Commerce, that a city council determines in a resolution adopted under section 469.202, subdivision 1, meets the criteria of section 469.202, subdivision 2, and any additional area designated under section 469.202, subdivision 3.

Sec. 10. Minnesota Statutes 2008, section 469.201, subdivision 11, is amended to read:

Subd. 11. **Targeted neighborhood community money.** "Targeted ~~neighborhood community~~ money" means the money designated in the targeted revitalization program to be used to implement the targeted revitalization program.

Sec. 11. Minnesota Statutes 2008, section 469.201, subdivision 12, is amended to read:

Subd. 12. **Targeted neighborhood community revitalization and financing program.** "Targeted ~~neighborhood community~~ revitalization and financing program," "revitalization program," or "program" means the targeted ~~neighborhood community~~ revitalization and financing program adopted in accordance with section 469.203.

Sec. 12. Minnesota Statutes 2008, section 469.202, is amended to read:

#### **469.202 DESIGNATION OF TARGETED NEIGHBORHOODS COMMUNITIES.**

Subdivision 1. **City authority.** A city may by resolution designate a targeted ~~neighborhoods community~~ within its borders after adopting detailed findings that the designated ~~neighborhoods communities~~ meet the eligibility requirements in subdivision 2 or 3.

Subd. 2. **Eligibility requirements for targeted neighborhoods communities.** An area within a city is eligible for designation as a targeted ~~neighborhood community~~ if the area meets ~~two~~ three of the following ~~three~~ four criteria:

(a) The area had an unemployment rate that was twice the unemployment rate for the Minneapolis and Saint Paul standard metropolitan statistical area as determined by the most recent federal decennial census.

(b) The median household income in the area was no more than ~~half~~ 80 percent of the median household income for the Minneapolis and Saint Paul standard metropolitan statistical area as determined by the most recent federal decennial census.

(c) The area is characterized by residential dwelling units in need of substantial rehabilitation. An area qualifies under this paragraph if 25 percent or more of the residential dwelling units are in substandard condition as determined by the city, or if 70 percent or more of the residential dwelling units in the area were built before ~~1940~~ 1960 as determined by the most recent federal decennial census.

(d) The area is characterized by having a disproportionate number of vacant residential buildings and mortgage foreclosures. An area qualifies under this paragraph if it has either:

(1) a foreclosure rate of at least 1.5 percent in 2008; or

(2) a foreclosure rate in 2008 in the city or in a zip code area of the city that is at least 50 percent higher than the average foreclosure rate in the metropolitan area, as defined in section 473.121, subdivision 2. For purposes of this paragraph, "foreclosure rate" means the number of foreclosures, as indicated by sheriff sales records, divided by the number of households in the city in 2007.

Subd. 3. **Additional area eligible for inclusion in targeted ~~neighborhood~~ community.** (a) A city may add to the area designated as a targeted ~~neighborhood~~ neighborhood community under subdivision 2 additional area extending up to four contiguous city blocks in all directions from the designated targeted ~~neighborhood~~ neighborhood community. For the purpose of this subdivision, "city block" has the meaning determined by the city; or

(b) The city may enlarge the targeted ~~neighborhood~~ neighborhood community to include portions of a census tract that is contiguous to a targeted ~~neighborhood~~ neighborhood community, provided that the city council first determines the additional area satisfies ~~two~~ three of the ~~three~~ four criteria in subdivision 2.

Sec. 13. Minnesota Statutes 2008, section 469.203, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** For each targeted ~~neighborhood~~ neighborhood community for which a city requests state financial assistance under section 469.204, the city must prepare a comprehensive revitalization and financing program that includes the following:

- (1) the revitalization objectives of the city for the targeted ~~neighborhood~~ neighborhood community;
- (2) the specific activities or means by which the city intends to pursue and implement the revitalization objectives;
- (3) the extent to which the activities identified in clause (2) will benefit low- and moderate-income families, will alleviate the blighted condition of the targeted ~~neighborhood~~ neighborhood community, or will otherwise assist in the revitalization of the targeted ~~neighborhood~~ neighborhood community;
- (4) a statement of the intended outcomes to be achieved by implementation of the targeted revitalization program, how the outcomes will be measured both qualitatively and quantitatively, and the estimated time over which they will occur; and
- (5) a financing program and budget that identifies the financial resources necessary to implement the targeted revitalization program, including:
  - (i) the estimated total cost to implement the targeted revitalization program;
  - (ii) the estimated cost to implement each activity in the revitalization program identified in clause (2);
  - (iii) the estimated amount of financial resources that will be available from all sources other than from the appropriation available under section 469.204 to implement the revitalization program, including the amount of private investment expected to result from the use of public money in the targeted ~~neighborhood~~ neighborhood community;
  - (iv) the estimated amount of the appropriation available under section 469.204 that will be necessary to implement the targeted revitalization program;
  - (v) a description of the activities identified in the targeted revitalization program for which the state appropriation will be committed or spent; and
  - (vi) a statement of how the city intends to meet the requirement for a financial contribution from city matching money in accordance with section 469.204, subdivision 3.

Sec. 14. Minnesota Statutes 2008, section 469.203, subdivision 2, is amended to read:

Subd. 2. **Targeted ~~neighborhood~~ neighborhood community participation in preparing revitalization program.** A city requesting state financial assistance under section 469.204 shall ~~adopt~~ follow a process to involve the residents of targeted ~~neighborhoods~~ neighborhood communities in the development, drafting, and implementation of the targeted revitalization program. The process shall include the use of a citizen participation process established by the city. A description of the process must be included in the program. The process to involve residents of the targeted ~~neighborhood~~

~~community must include at least one public hearing. The city of Minneapolis shall establish the community based process as outlined in subdivision 3. The city of St. Paul shall use the same community based process the city used in planning, developing, drafting, and implementing the revitalization program required under Laws 1987, chapter 386, article 6, section 6. The city of Duluth shall use the same citizen participation process the city used in planning, developing, and implementing the federal funded community development program meeting in the targeted community.~~

Sec. 15. Minnesota Statutes 2008, section 469.203, subdivision 4, is amended to read:

Subd. 4. **City approval of program.** (a) Before or after adoption of a revitalization program under paragraph (b), the city must submit a preliminary program to the commissioner and the Minnesota Housing Finance Agency for their comments. ~~The city may not adopt the revitalization program until comments have been received from the state agencies or 30 days have elapsed without response after the program was sent to them.~~ Comments received by the city from the state agencies within the 30 day period 30 days after submission of the preliminary program must be responded to in writing by the city before adoption of the program by the city.

(b) The city may adopt a targeted revitalization program ~~only after holding a public hearing after the program has been prepared. Notice of the hearing must be provided in a newspaper of general circulation in the city and in the most widely circulated community newspaper in the targeted neighborhoods not less than ten days nor more than 30 days before the date of the hearing subject to any local public notification requirements and consistent with citizen participation process established for identifying targeted communities.~~

(c) A certification by the city that a targeted revitalization program has been approved by the city council for the targeted neighborhood community must be provided to the commissioner together with a copy of the program. A copy of the program must also be provided to the Minnesota Housing Finance Agency ~~and the commissioner of employment and economic development.~~

(d) A targeted revitalization program for the city may be modified at any time by the city council after a public hearing, notice of which is published in a newspaper of general circulation in the city ~~and in the targeted neighborhood~~ at least ten days nor more than 30 days before the date of the hearing. If the city council determines that the proposed modification is a significant modification to the program originally certified under paragraph (c), the city council shall implement the targeted revitalization program approval and certification process of this subdivision for the proposed modification.

Sec. 16. Minnesota Statutes 2008, section 469.204, subdivision 1, is amended to read:

Subdivision 1. **Payment of state money.** Upon receipt from a city of a certification that a revitalization program has been adopted or modified, the commissioner shall, within 30 days, pay to the city the amount of state money identified as necessary to implement the revitalization program or program modification. State money may be paid to the city only to the extent that the appropriation limit for the city specified in subdivision 2 is not exceeded. Once the state money has been paid to the city, it becomes targeted neighborhood community money for use by the city in accordance with an adopted revitalization program and subject only to the restrictions on its use in sections 469.201 to 469.207.

Sec. 17. Minnesota Statutes 2008, section 469.204, is amended by adding a subdivision to read:

Subd. 4. **Revolving fund.** A targeted community revitalization revolving fund is established in the state treasury. The fund consists of all money appropriated to the commissioner for the purposes of sections 469.201 to 469.207 and all proceeds received by the commissioner as the result of housing activities related to a targeted community revitalization program.

Sec. 18. Minnesota Statutes 2008, section 469.205, is amended to read:

**469.205 CITY POWERS; USES OF TARGETED NEIGHBORHOOD COMMUNITY MONEY.**

Subdivision 1. **Consolidation of existing powers in targeted neighborhoods communities.** A city may exercise any of its corporate powers within a targeted neighborhood community. Those powers shall include, but not be limited to, all of the powers enumerated and granted to any city by chapters 462C, 469, and 474A. For the purposes of sections 469.048 to 469.068, a targeted neighborhood community is considered an industrial development district. A city may exercise the powers of sections 469.048 to 469.068 in conjunction with, and in addition to, exercising the powers granted by sections 469.001 to 469.047 and chapter 462C, in order to promote and assist housing construction and rehabilitation within a targeted neighborhood community. For the purposes of section 462C.02, subdivision 9, a targeted neighborhood community is considered a "targeted area."

Subd. 2. **Grants and loans.** In addition to the authority granted by other law, a city may make grants, loans, and other forms of public assistance to individuals, for-profit and nonprofit corporations, and other organizations to implement a targeted revitalization program. The public assistance must contain the terms the city considers proper to implement a targeted revitalization program.

Subd. 3. **Eligible uses of targeted neighborhood community money.** The city may spend targeted neighborhood community money for any purpose authorized by subdivision 1 or 2, except that an amount equal to at least 50 percent of the state payment under section 469.204 made to the city must be used for housing activities. Use of target neighborhood targeted community money must be authorized in a targeted revitalization program.

Sec. 19. Minnesota Statutes 2008, section 469.207, subdivision 2, is amended to read:

Subd. 2. **Annual report.** A city that begins to implement a revitalization program in a calendar year must, by March 1 of the succeeding calendar year, provide a detailed report on the revitalization program or programs being implemented in the city. The report must describe the status of the program implementation and analyze whether the intended outcomes identified in section 469.203, subdivision 1, clause (4), are being achieved. The report must include at least the following:

(1) the number of housing units, including lost units, removed, created, lost, replaced, relocated, and assisted as a result of the program. The level of rent of the units and the income of the households affected must be included in the report;

(2) the number and type of commercial establishments removed, created, and assisted as a result of a revitalization program. The report must include information regarding the number of new jobs created by category, whether the jobs are full time or part time, and the salary or wage levels of both new and expanded jobs in the affected commercial establishments;

(3) a description of a statement of the cost of the public improvement projects that are part of the program and the number of jobs created for each \$20,000 of money spent on commercial projects and applicable public improvement projects;

(4) the increase in the tax capacity for the city as a result of the assistance to commercial and housing assistance; and

(5) the amount of private investment that is a result of the use of public money in a targeted neighborhood community.

The report must be submitted to the commissioner, the Minnesota housing finance agency, and the legislative audit commission, and must be available to the public.

Sec. 20. Minnesota Statutes 2008, section 580.07, is amended to read:

**580.07 POSTPONEMENT.**

Subdivision 1. **Postponement by mortgagee.** The sale may be postponed, from time to time, by the party conducting the foreclosure, by inserting a notice of the postponement, as soon as practicable, in the newspaper in which the original advertisement was published, at the expense of the party requesting the postponement. The notice shall be published only once.

Subd. 2. **Postponement by mortgagor or owner.** (a) If all or a part of the property to be sold is classified as homestead under section 273.124 and contains one to four dwelling units, the mortgagor or owner may postpone the sale to the first date that is not a Saturday, Sunday, or legal holiday and is five months after the originally scheduled date of sale in the manner provided in this subdivision. To postpone a foreclosure sale pursuant to this subdivision, at any time after the first publication of the notice of mortgage foreclosure sale under section 580.03 but at least 15 days prior to the scheduled sale date specified in that notice, the mortgagor shall: (1) execute a sworn affidavit in the form set forth in subdivision 3, (2) record the affidavit in the office of each county recorder and registrar of titles where the mortgage was recorded, and (3) file with the sheriff conducting the sale and deliver to the attorney foreclosing the mortgage, a copy of the recorded affidavit, showing the date and office in which the affidavit was recorded. Recording of the affidavit and postponement of the foreclosure sale pursuant to this subdivision shall automatically reduce the mortgagor's redemption period under section 580.23 to five weeks. The postponement of a foreclosure sale pursuant to this subdivision does not require any change in the contents of the notice of sale, service of the notice of sale if the occupant was served with the notice of sale prior to postponement under this subdivision, or publication of the notice of sale if publication was commenced prior to postponement under this subdivision, notwithstanding the service and publication time periods specified in section 580.03, but the sheriff's certificate of sale shall indicate the actual date of the foreclosure sale and the actual length of the mortgagor's redemption period. No notice of postponement need be published. An affidavit complying with subdivision 3 shall be prima facie evidence of the facts stated therein, and shall be entitled to be recorded. The right to postpone a foreclosure sale pursuant to this subdivision may be exercised only once, regardless whether the mortgagor reinstates the mortgage prior to the postponed mortgage foreclosure sale.

(b) If the automatic stay under United States Code, title 11, section 362, applies to the mortgage foreclosure after a mortgagor or owner requests postponement of the sheriff's sale under this section, then when the automatic stay is no longer applicable, the mortgagor's or owner's election to shorten the redemption period to five weeks under this section remains applicable to the mortgage foreclosure.

Subd. 3. **Affidavit form.** The affidavit referred to in subdivision 2 shall be in substantially the following form and shall contain all of the following information.

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

\_\_\_\_\_ (whether one or more, "Owner"), being first duly sworn on oath, states as follows:

1. (He is) (She is) (They are) the owner(s) or mortgagor(s) of the real property (the "Property") situated in \_\_\_\_\_ (Name of) County, Minnesota, legally described in the attached published Notice of Mortgage Foreclosure Sale (the "Notice"), and make this affidavit for the purpose of postponing the foreclosure sale of the Property pursuant to Minnesota Statutes, section 580.07, subdivision 2, for five months from the date scheduled in the attached Notice.

2. The Property is classified as homestead under Minnesota Statutes, section 273.124, is occupied by Owner as a homestead, and is improved with not more than four dwelling units.

3. Owner has elected to shorten Owner's redemption period from any foreclosure sale of the Property to five weeks in exchange for the postponement of the foreclosure sale for five months.

\_\_\_\_\_  
(signature(s) of owner)

Signed and sworn to (or affirmed) before me on ..... (date) by ..... (name(s) of person(s) making statement).

\_\_\_\_\_  
(signature of notary public)

Notary Public

**EFFECTIVE DATE.** This section is effective one month after the date of final enactment, and applies to foreclosure sales scheduled to occur on or after said effective date.

Sec. 21. **REPEALER.**

Minnesota Statutes 2008, sections 469.203, subdivision 3; and 469.204, subdivisions 2 and 3, are repealed."

Delete the title and insert:

"A bill for an act relating to state government; establishing and modifying certain grants and programs; making technical changes; regulating certain activities and practices; providing penalties; establishing working groups; regulating unemployment insurance; regulating labor standards and wages; providing for licensing and fees; amending Iron Range resources provisions; regulating certain facilities; regulating certain boards and committees; modifying certain Housing Finance Authority provisions; appropriating money; amending Minnesota Statutes 2008, sections 15.75, subdivision 5; 16B.54, subdivision 2; 84.94, subdivision 3; 85.0146, subdivision 1; 89A.08, subdivision 1; 115C.08, subdivision 4; 116J.035, subdivisions 1, 6; 116J.401, subdivision 2; 116J.424; 116J.431, subdivisions 1, 2, 4, 6, by adding a subdivision; 116J.554, subdivision 1; 116J.555, subdivision 1; 116J.68, subdivision 2; 116J.8731, subdivisions 2, 3; 116L.03, subdivision 5; 116L.05, subdivision 5; 116L.20, subdivision 1; 116L.362, subdivision 1; 116L.364, subdivision 3; 116L.871, subdivision 1; 116L.96; 116O.115, subdivisions 2, 4; 123A.08, subdivision 1; 124D.49, subdivision 3; 154.001; 154.19; 154.44, subdivision 1; 154.51; 160.276, subdivision 8; 177.30; 177.31; 177.32; 177.42, subdivision 6, by adding a subdivision; 177.43, subdivisions 3, 6a; 178.02, subdivision 2; 182.656, subdivision 3; 214.01, subdivision 3; 214.04, subdivision 3; 216B.1612, subdivision 2; 241.27, subdivision 1; 248.061, subdivision 3; 248.07, subdivisions 7, 8; 256J.626, subdivision 4; 256J.66, subdivision 1; 268.031; 268.035, subdivisions 2, 17, by adding subdivisions; 268.042, subdivision 3; 268.043; 268.044, subdivision 2; 268.047, subdivisions 1, 2; 268.051, subdivisions 1, 4; 268.052, subdivision 2; 268.053, subdivision 1; 268.057, subdivisions 4, 5; 268.0625, subdivision 1; 268.066; 268.067; 268.069, subdivisions 1, 2; 268.07, subdivisions 1, 2, 3, 3b; 268.084; 268.085, subdivisions 1, 2, 3, 3a, 4, 5, 6, 15; 268.095, subdivisions 1, 2, 10, 11; 268.101, subdivisions 1, 2; 268.103, subdivision 1, by adding a subdivision; 268.105, subdivisions 1, 2, 3a, 4, 5; 268.115, subdivision 5; 268.125, subdivision 5; 268.135, subdivision 4; 268.145, subdivision 1; 268.18, subdivisions 1, 2, 4a; 268.186; 268.196, subdivisions 1, 2; 268.199; 268.211; 268A.06, subdivision 1; 298.22, subdivisions 2, 5a, 6, 7, 8, 10, 11; 298.221; 298.2211, subdivision 3; 298.2213, subdivisions 4, 5; 298.2214, subdivision 1, by adding a subdivision; 298.223; 298.227; 298.28, subdivision 9d; 298.292, subdivision 2; 298.294; 298.296, subdivision 2; 298.2961; 298.297; 326B.33, subdivision 19; 326B.46, subdivision 4; 326B.475, subdivisions 4, 7; 326B.49, subdivision 1; 326B.56, subdivision 4; 326B.58; 326B.815, subdivision 1; 326B.821, subdivision 2; 326B.86, subdivision 1; 326B.885, subdivision 2; 326B.89, subdivisions 3, 16; 326B.94, subdivision 4; 326B.972; 326B.986, subdivisions 2, 5, 8; 327B.04, subdivisions 7, 8, by adding a subdivision; 327C.03, by adding a subdivision; 327C.095, subdivision 12; 462A.05, subdivisions 14, 14a; 469.169, subdivision 3; 469.201,

subdivisions 2, 4, 6, 7, 10, 11, 12; 469.202; 469.203, subdivisions 1, 2, 4; 469.204, subdivision 1, by adding a subdivision; 469.205; 469.207, subdivision 2; 580.07; Laws 1998, chapter 404, section 23, subdivision 6, as amended; Laws 2007, chapter 135, article 1, section 16; proposing coding for new law in Minnesota Statutes, chapters 90; 116J; 155A; 181; 268; 298; 326B; repealing Minnesota Statutes 2008, sections 116J.402; 116J.413; 116J.431, subdivision 5; 116J.58, subdivision 1; 116J.59; 116J.61; 116J.656; 116L.16; 116L.88; 116U.65; 176.135, subdivision 1b; 268.085, subdivision 14; 268.086, subdivisions 1, 2, 3, 5, 6, 7, 8, 9; 469.203, subdivision 3; 469.204, subdivisions 2, 3; Minnesota Rules, part 1350.8300."

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. 1781, A bill for an act relating to government finance; modifying provisions for general legislative and administrative expenses of state government; regulating state and local government operations; establishing technology development lease-purchase financing; establishing state appropriation bonds; establishing a statewide electronic licensing system; requiring local units of government to utilize state cooperative purchasing; transferring the Environmental Quality Board to the Pollution Control Agency; requiring a report; appropriating money; amending Minnesota Statutes 2008, sections 13.7411, subdivision 8; 103A.204; 103B.151, subdivision 1; 103B.315, subdivision 5; 103F.751; 103G.222, subdivision 1; 103H.151, subdivision 4; 103H.175, subdivision 3; 115A.072, subdivision 1; 115A.32; 116C.02, by adding a subdivision; 116C.04, subdivisions 1, 7; 116C.71, by adding a subdivision; 116F.06, subdivision 2; 116G.03, by adding a subdivision; 116G.15; 116G.151; 129D.13, subdivisions 1, 3; 129D.14, subdivisions 4, 5, 6; 137.56; 471.345, subdivision 15; Laws 2007, chapter 148, article 1, sections 10; 12, subdivision 2; 16, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 16A; 16E; 270C; repealing Minnesota Statutes 2008, sections 13.7411, subdivision 9; 116C.02, subdivision 2; 116C.03, subdivisions 1, 2, 2a, 3a, 4, 5, 6; 116C.24, subdivision 2; 116C.71, subdivisions 1c, 2a; 116C.91, subdivision 2; 116F.06, subdivision 2; 116G.03, subdivision 2; 240A.08.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

## "ARTICLE 1

### STATE GOVERNMENT APPROPRIATIONS

#### Section 1. **STATE GOVERNMENT APPROPRIATIONS.**

The sums shown in the columns marked "appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2010" and "2011" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2010, or June 30, 2011, respectively. "The first year" is fiscal year 2010. "The second year" is fiscal year 2011. "The biennium" is fiscal years 2010 and 2011.



**APPROPRIATIONS**  
**Available for the Year**  
**Ending June 30**  
2010                      2011

Sec. 2. **LEGISLATURE**

Subdivision 1. **Total Appropriation**

**\$67,352,000**                      **\$67,326,000**

Appropriations by Fund

	<u>2010</u>	<u>2011</u>
<u>General</u>	<u>67,174,000</u>	<u>67,148,000</u>
<u>Health Care Access</u>	<u>178,000</u>	<u>178,000</u>

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

Subd. 2. **Senate**

21,810,000                      21,810,000

Subd. 3. **House of Representatives**

29,940,000                      29,940,000

During the biennium ending June 30, 2011, any revenues received by the house of representatives from sponsorship notices in broadcast or print media are appropriated to the house of representatives.

The house must develop a system under which members and employees have electronic access to their payroll and payroll deduction information.

Subd. 4. **Legislative Coordinating Commission**

15,602,000                      15,576,000

Appropriations by Fund

<u>General</u>	<u>15,424,000</u>	<u>15,398,000</u>
<u>Health Care Access</u>	<u>178,000</u>	<u>178,000</u>

(a) \$5,657,000 the first year and \$5,657,000 the second year are for the Office of the Revisor of Statutes.

(b) \$1,379,000 the first year and \$1,379,000 the second year are for the Legislative Reference Library.

(c) \$5,833,000 the first year and \$5,833,000 the second year are for the Office of the Legislative Auditor.

(d) \$10,000 the first year is for purposes of the legislators' forum, through which Minnesota legislators meet with counterparts from South Dakota, North Dakota, and Manitoba to discuss issues of mutual concern. This appropriation is available until June 30, 2011.

Sec. 3. **GOVERNOR AND LIEUTENANT GOVERNOR** **\$4,245,000** **\$4,245,000**

This appropriation is to fund the Office of the Governor and Lieutenant Governor.

\$19,000 the first year and \$19,000 the second year are for necessary expenses in the normal performance of the governor's and lieutenant governor's duties for which no other reimbursement is provided.

Sec. 4. **STATE AUDITOR** **\$9,858,000** **\$9,178,000**

\$680,000 the first year is for additional audit activities under the American Recovery and Reinvestment Act of 2009. This appropriation remains available through June 30, 2011.

Sec. 5. **ATTORNEY GENERAL** **\$25,631,000** **\$25,631,000**

Appropriations by Fund

	<u>2010</u>	<u>2011</u>
<u>General</u>	<u>23,409,000</u>	<u>23,409,000</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>1,827,000</u>	<u>1,827,000</u>
<u>Environmental</u>	<u>145,000</u>	<u>145,000</u>
<u>Remediation</u>	<u>250,000</u>	<u>250,000</u>

Sec. 6. **SECRETARY OF STATE** **\$5,910,000** **\$5,909,000**

Any funds available in the account established in Minnesota Statutes, section 5.30, pursuant to the Help America Vote Act, are appropriated for the purposes and uses authorized by federal law.

Sec. 7. **CAMPAIGN FINANCE AND PUBLIC DISCLOSURE BOARD** **\$698,000** **\$698,000**

Sec. 8. **INVESTMENT BOARD** **\$151,000** **\$151,000**

Sec. 9. **OFFICE OF ENTERPRISE TECHNOLOGY****\$5,758,000****\$5,758,000**

The requirements imposed on the commissioner of finance and the chief information officer under Laws 2007, chapter 148, article 1, section 10, paragraph (e), regarding the determination of the savings attributable to the electronic licensing system and information technology security improvements are inoperative.

Sec. 10. **ADMINISTRATIVE HEARINGS****\$7,525,000****\$7,525,000**Appropriations by Fund

	<u>2010</u>	<u>2011</u>
General	<u>275,000</u>	<u>275,000</u>
Workers' Compensation	<u>7,250,000</u>	<u>7,250,000</u>

Sec. 11. **ADMINISTRATION**Subdivision 1. **Total Appropriation****\$19,260,000****\$18,905,000**Appropriations by Fund

	<u>2010</u>	<u>2011</u>
General	<u>19,010,000</u>	<u>18,905,000</u>
Special Revenue Fund	<u>250,000</u>	<u>0</u>

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

Subd. 2. **Government and Citizen Services****17,384,000****17,054,000**Appropriations by Fund

General	<u>17,134,000</u>	<u>17,054,000</u>
Special Revenue Fund	<u>250,000</u>	<u>0</u>

(a) \$802,000 the first year and \$802,000 the second year are for the Minnesota Geospatial Information Office. Of the total appropriation, \$10,000 per year is intended for preparation of township acreage data in Laws 2008, chapter 366, article 17, section 7, subdivision 3.

(b) \$74,000 the first year and \$74,000 the second year are for the Council on Developmental Disabilities.

(c) \$134,000 the first year and \$134,000 the second year are for a grant to the Council on Developmental Disabilities for the purpose of establishing a statewide self-advocacy network for persons with intellectual and developmental disabilities (ID/DD). The self-

advocacy network shall: (1) ensure that persons with ID/DD are informed of their rights in employment, housing, transportation, voting, government policy, and other issues pertinent to the ID/DD community; (2) provide public education and awareness of the civil and human rights issues persons with ID/DD face; (3) provide funds, technical assistance, and other resources for self-advocacy groups across the state; and (4) organize systems of communications to facilitate an exchange of information between self-advocacy groups.

(d) \$250,000 the first year and \$170,000 the second year are to fund activities to prepare for and promote the 2010 census.

(e) \$206,000 the first year and \$206,000 the second year are for the Office of the State Archaeologist.

(f) The requirements imposed on the commissioner of finance and the commissioner of administration under Laws 2007, chapter 148, article 1, section 12, subdivision 2, paragraph (b), relating to the savings attributable to the real property portfolio management system are inoperative.

(g) \$250,000 is appropriated to the commissioner of administration from the information and telecommunications account in the special revenue fund to continue planning for data center consolidation, including completing a predesign study and lifecycle cost analysis, and exploring technologies to reduce energy consumption and operating costs.

(f) \$8,388,000 the first year and \$8,388,000 the second year are for office space costs of the legislature and veterans organizations, for ceremonial space, and for statutorily free space.

**Subd. 3. Administrative Management Support**

1,876,000

1,851,000

\$125,000 each year is for the Office of Grant Management. During the biennium ending June 30, 2011, the commissioner must recover this amount through deductions in state grants subject to the jurisdiction of the office. The amount deducted from appropriations for these grants must be deposited in the general fund.

\$25,000 the first year is for the Office of Grants Management to study and make recommendations on improving collaborative activities between the state, nonprofit entities, and the private sector, including: (1) recommendations for expanding successful initiatives involving not-for-profit organizations that have demonstrated measurable, positive results in addressing high-priority community issues; and (2) recommendations on grant requirements and design to encourage programs receiving grants to become self-sufficient. The office may appoint an advisory group to assist in the study and recommendations. The office must report its recommendations to the legislature by January 15, 2010.

Sec. 12. **CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD**

**\$354,000****\$354,000**

Sec. 13. **FINANCE**

**\$20,530,000****\$20,030,000**

\$500,000 the first year is for oversight and reporting of federal funds received under the American Recovery and Reinvestment Act of 2009. This appropriation is available until June 30, 2011.

Sec. 14. **REVENUE**

Subdivision 1. **Total Appropriation**

**\$127,802,000****\$130,275,000**

Appropriations by Fund

	<u>2010</u>	<u>2011</u>
<u>General</u>	<u>123,555,000</u>	<u>126,040,000</u>
<u>Health Care Access</u>	<u>1,761,000</u>	<u>1,749,000</u>
<u>Highway User Tax Distribution</u>	<u>2,183,000</u>	<u>2,183,000</u>
<u>Environmental</u>	<u>303,000</u>	<u>303,000</u>

The amounts that may be spent for each purpose are specified in subdivisions 2 and 3.

Subd. 2. **Tax System Management**

**103,528,000****105,379,000**

Appropriations by Fund

<u>General</u>	<u>99,281,000</u>	<u>101,144,000</u>
<u>Health Care Access</u>	<u>1,761,000</u>	<u>1,749,000</u>
<u>Highway User Tax Distribution</u>	<u>2,183,000</u>	<u>2,183,000</u>
<u>Environmental</u>	<u>303,000</u>	<u>303,000</u>

The requirements imposed on the commissioners of finance and revenue under Laws 2007, chapter 148, article 1, section 16, subdivision 2, paragraph (d), relating to the determination of savings attributable to implementing the integrated tax software package are inoperative.

(a) \$1,925,000 the first year and \$3,788,000 the second year are for additional activities to identify and collect tax liabilities from individuals and businesses that currently do not pay all taxes owed. This initiative is expected to result in new general fund revenues of \$12,825,000 for the biennium ending June 30, 2011.

(b) The department must report to the chairs of the house of representatives Ways and Means and senate Finance Committees by March 1, 2010, and January 15, 2011, on the following performance indicators:

(1) the number of corporations noncompliant with the corporate tax system each year and the percentage and dollar amounts of valid tax liabilities collected;

(2) the number of businesses noncompliant with the sales and use tax system and the percentage and dollar amount of the valid tax liabilities collected; and

(3) the number of individual noncompliant cases resolved and the percentage and dollar amounts of valid tax liabilities collected.

**Subd. 3. Debt Collection Management**

24,274,000

24,896,000

\$588,000 the first year and \$1,120,000 the second year are for additional activities to identify and collect tax liabilities from individuals and businesses that currently do not pay all taxes owed. This initiative is expected to result in new general fund revenues of \$17,250,000 for the biennium ending June 30, 2011.

**Sec. 15. GAMBLING CONTROL**

\$2,940,000

\$2,940,000

These appropriations are from the lawful gambling regulation account in the special revenue fund.

**Sec. 16. RACING COMMISSION**

\$899,000

\$899,000

These appropriations are from the racing and card playing regulation accounts in the special revenue fund.

**Sec. 17. STATE LOTTERY**

Notwithstanding Minnesota Statutes, section 349A.10, subdivision 3, the operating budget must not exceed \$28,111,000 in fiscal year 2010 and \$28,740,000 in fiscal year 2011.

**Sec. 18. TORT CLAIMS**

\$161,000

\$161,000

To be spent by the commissioner of finance according to Minnesota Statutes, section 3.736, subdivision 7. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 19. **MINNESOTA STATE RETIREMENT SYSTEM**

Subdivision 1. **Total Appropriation**

**\$2,346,000**

**\$2,405,000**

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

Subd. 2. **Legislators**

1,889,000

1,937,000

Under Minnesota Statutes, sections 3A.03, subdivision 2; 3A.04, subdivisions 3 and 4; and 3A.115.

Subd. 3. **Constitutional Officers**

457,000

468,000

Under Minnesota Statutes, section 352C.001.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

Sec. 20. **MINNEAPOLIS EMPLOYEES RETIREMENT FUND**

**\$9,000,000**

**\$9,000,000**

These amounts are estimated to be needed under Minnesota Statutes, section 422A.101, subdivision 3.

Sec. 21. **TEACHERS RETIREMENT ASSOCIATION**

**\$15,454,000**

**\$15,454,000**

The amounts estimated to be needed are as specified in paragraphs (a) and (b):

(a) \$12,954,000 the first year and \$12,954,000 the second year are for special direct state aid authorized under Minnesota Statutes, section 354A.12, subdivisions 3a and 3c.

(b) \$2,500,000 the first year and \$2,500,000 the second year are for special direct state matching aid authorized under Minnesota Statutes, section 354A.12, subdivision 3b.

Sec. 22. **ST. PAUL TEACHERS RETIREMENT FUND**

**\$2,827,000**

**\$2,827,000**

The amounts estimated to be needed for special direct state aid to first class city teachers retirement funds authorized under Minnesota Statutes, section 354A.12, subdivisions 3a and 3c.

Sec. 23. **DULUTH TEACHERS RETIREMENT FUND**

**\$346,000**

**\$346,000**

The amounts estimated to be needed for special direct state aid to first class city teachers retirement funds authorized under Minnesota Statutes, section 354A.12, subdivisions 3a and 3c.

Sec. 24. **GENERAL CONTINGENT ACCOUNTS** **\$2,775,000** **\$500,000**

Appropriations by Fund

	<u>2010</u>	<u>2011</u>
<u>General</u>	<u>2,275,000</u>	<u>0</u>
<u>State Government</u>		
<u>Special Revenue</u>	<u>400,000</u>	<u>400,000</u>
<u>Workers' Compensation</u>	<u>100,000</u>	<u>100,000</u>

(a) The appropriations in this section may only be spent with the approval of the governor after consultation with the Legislative Advisory Commission pursuant to Minnesota Statutes, section 3.30.

(b) Of the appropriation to the general fund contingent account, \$1,775,000 is a onetime appropriation for potential state matching requirements needed to maximize receipt of federal funds under the American Recovery and Reinvestment Act of 2009.

(c) If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it.

(d) If a contingent account appropriation is made in one fiscal year, it should be considered a biennial appropriation.

Sec. 25. **AMATEUR SPORTS COMMISSION** **\$270,000** **\$270,000**

The amount available for appropriation to the commission under Laws 2005, chapter 156, article 2, section 43, is reduced in the first year and the second year by the amounts appropriated in this section.

Sec. 26. **COUNCIL ON BLACK MINNESOTANS** **\$316,000** **\$316,000**

Sec. 27. **COUNCIL ON CHICANO/LATINO AFFAIRS** **\$298,000** **\$298,000**

Sec. 28. **COUNCIL ON ASIAN-PACIFIC MINNESOTANS** **\$275,000** **\$275,000**

Sec. 29. **INDIAN AFFAIRS COUNCIL** **\$500,000** **\$500,000**

\$32,000 each year is for activities of the council relating to Indian burial sites, including activities relating to unfunded federal mandates.

Sec. 30. **PROBLEM GAMBLING APPROPRIATION.**

\$225,000 in fiscal year 2010 and \$225,000 in fiscal year 2011 are appropriated from the lottery prize fund to the Gambling Control Board for a grant to the state affiliate recognized by the National Council on Problem Gambling. The affiliate must provide services to increase public awareness of problem gambling, education and training for individuals and organizations providing effective treatment services to problem gamblers and their families, and



research relating to problem gambling. These services must be complimentary to and not duplicative of the services provided through the problem gambling program administered by the commissioner of human services. Of this appropriation, \$50,000 in fiscal year 2010 and \$50,000 in fiscal year 2011 are contingent on the contribution of nonstate matching funds. Matching funds may be either cash or qualifying in-kind contributions. The commissioner of finance may disburse the state portion of the matching funds in increments of \$25,000 upon receipt of a commitment for an equal amount of matching nonstate funds. These are onetime appropriations.

Sec. 31. **MANAGERIAL POSITION REDUCTIONS.**

The governor must reduce the number of deputy commissioners, assistant commissioners, and positions designated as unclassified under authority of Minnesota Statutes, section 43A.08, subdivision 1a, by an amount that will generate savings to the general fund of \$16,488,000 in the biennium ending June 30, 2011, and \$16,488,000 in the biennium ending June 30, 2013. The commissioner of finance shall determine the costs of salaries and benefits attributable to the positions eliminated by this section, and reduce the appropriation to each affected agency accordingly.

ARTICLE 2

STATE GOVERNMENT OPERATIONS

Section 1. **[3.057] ENTERPRISE SERVICES AND GOVERNMENT EFFICIENCY.**

The finance committee divisions in the house of representatives and the senate with jurisdiction over state government finance issues must be known as the "Enterprise Services and Government Efficiency Finance Divisions," and must conduct periodic Kaizen events to ensure that the divisions operate in a LEAN manner.

Sec. 2. Minnesota Statutes 2008, section 3.97, is amended by adding a subdivision to read:

Subd. 2a. **Review of financial management and internal controls.** The commission shall monitor internal control systems in state government to the extent necessary to ensure that management has established and implemented effective systems and procedures. The commission shall also review legislative auditor audits and reports and make recommendations, as the commission determines necessary, for improvements in the state's system of financial management. In furtherance of these duties, the commission shall:

(1) receive reports and recommendations from the legislative auditor, the financial controls council, and from internal auditors in state agencies;

(2) review significant findings and recommendations from the legislative auditor's financial audits of state agencies and from agency internal auditors, together with state agency management's responses and action plans;

(3) review the scope of annual audit plans for the state's internal audit function;

(4) review the qualifications, performance, and objectivity of the state's internal audit function, including the activities of the commissioner in section 16A.056;

(5) review with the legislative auditor any audit problems or difficulties and management's responses, any difficulties the auditor encountered during the course of the audit work, including any restrictions on the scope of the auditor's activities or on access to requested information, and any significant disagreements between the auditor and management;

(6) make recommendations to the governor and the legislature for changes in laws or policies necessary to deal with agencies that have not satisfactorily addressed repeated problems with financial controls;

(7) make recommendations to the governor and the legislature for changes needed in state laws, policies, procedures, or personnel, to ensure an effective system of internal controls that safeguards public funds and assets and minimizes incidences of fraud, waste, and abuse;

(8) conduct hearings as necessary regarding the effectiveness of internal control or internal audit functions of any state agency; and

(9) contract with outside auditors as the commission determines is beneficial for the state's internal audit function and internal controls.

Sec. 3. Minnesota Statutes 2008, section 3.971, subdivision 6, is amended to read:

Subd. 6. **Financial audits.** The legislative auditor shall audit the financial statements of the state of Minnesota required by section 16A.50 and, as resources permit, shall audit Minnesota State Colleges and Universities, the University of Minnesota, state agencies, departments, boards, commissions, courts, and other state organizations subject to audit by the legislative auditor, including the State Agricultural Society, Agricultural Utilization Research Institute, Enterprise Minnesota, Inc., Minnesota Historical Society, Labor Interpretive Center, Minnesota Partnership for Action Against Tobacco, Metropolitan Sports Facilities Commission, Metropolitan Airports Commission, and Metropolitan Mosquito Control District. Financial audits must be conducted according to generally accepted government auditing standards. The legislative auditor shall see that all provisions of law respecting the appropriate and economic use of public funds are complied with and may, as part of a financial audit or separately, investigate allegations of noncompliance ~~by employees of departments and agencies of the state government and the other organizations listed in this subdivision.~~

Sec. 4. Minnesota Statutes 2008, section 3.975, is amended to read:

### **3.975 DUTIES CONCERNING MISUSE OF PUBLIC MONEY OR OTHER RESOURCES.**

If a legislative auditor's examination discloses that a state official or employee has used money for a purpose other than the purpose for which the money was appropriated or discloses any other misuse of public money or other public resources, the legislative auditor shall file a report with the Legislative Audit Commission, the attorney general, and the appropriate county attorney. The attorney general shall seek recovery of money and other resources as the evidence may warrant. The county attorney shall cause criminal proceedings to be instituted as the evidence may warrant.

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

Sec. 5. **[4.041] GOVERNOR'S OFFICE BUDGET.**

Any personnel costs attributable to the office of the governor and the lieutenant governor must be accounted for through an appropriation to the office of the governor. The office of the governor and the lieutenant governor may not enter into agreements with other executive branch agencies under which these personnel costs are supported by appropriations to other agencies.

Sec. 6. Minnesota Statutes 2008, section 4A.02, is amended to read:

### **4A.02 STATE DEMOGRAPHER.**

(a) The director shall appoint a state demographer. The demographer must be professionally competent in demography and must possess demonstrated ability based upon past performance.

(b) The demographer shall:

(1) continuously gather and develop demographic data relevant to the state;

(2) design and test methods of research and data collection;

(3) periodically prepare population projections for the state and designated regions and periodically prepare projections for each county or other political subdivision of the state as necessary to carry out the purposes of this section;

(4) review, comment on, and prepare analysis of population estimates and projections made by state agencies, political subdivisions, other states, federal agencies, or nongovernmental persons, institutions, or commissions;

(5) serve as the state liaison with the United States Bureau of the Census, coordinate state and federal demographic activities to the fullest extent possible, and aid the legislature in preparing a census data plan and form for each decennial census;

(6) compile an annual study of population estimates on the basis of county, regional, or other political or geographical subdivisions as necessary to carry out the purposes of this section and section 4A.03;

(7) by January 1 of each year, issue a report to the legislature containing an analysis of the demographic implications of the annual population study and population projections;

(8) prepare maps for all counties in the state, all municipalities with a population of 10,000 or more, and other municipalities as needed for census purposes, according to scale and detail recommended by the United States Bureau of the Census, with the maps of cities showing precinct boundaries;

(9) prepare an estimate of population and of the number of households for each governmental subdivision for which the Metropolitan Council does not prepare an annual estimate, and convey the estimates to the governing body of each political subdivision by June 1 of each year;

(10) direct, under section 414.01, subdivision 14, and certify population and household estimates of annexed or detached areas of municipalities or towns after being notified of the order or letter of approval by the chief administrative law judge of the State Office of Administrative Hearings;

(11) prepare, for any purpose for which a population estimate is required by law or needed to implement a law, a population estimate of a municipality or town whose population is affected by action under section 379.02 or 414.01, subdivision 14; and

(12) prepare an estimate of average household size for each statutory or home rule charter city with a population of 2,500 or more by June 1 of each year.

(c) A governing body may challenge an estimate made under paragraph (b) by filing their specific objections in writing with the state demographer by June 24. If the challenge does not result in an acceptable estimate, the governing body may have a special census conducted by the United States Bureau of the Census. The political subdivision must notify the state demographer by July 1 of its intent to have the special census conducted. The political subdivision must bear all costs of the special census. Results of the special census must be received by the state demographer by the next April 15 to be used in that year's June 1 estimate to the political subdivision under paragraph (b).

(d) The state demographer shall certify the estimates of population and household size to the commissioner of revenue by July 15 each year, including any estimates still under objection.

(e) The state demographer shall release a demographic forecast in conjunction with the commissioner of finance and the November state economic forecast.

Sec. 7. Minnesota Statutes 2008, section 5A.03, is amended to read:

**5A.03 ORGANIZATION APPLICATION FOR REGISTRATION.**

(a) An application for registration as an international student exchange visitor placement organization must be submitted in the form prescribed by the secretary of state. The application must include:

- (1) evidence that the organization meets the standards established by the secretary of state by rule;
- (2) the name, address, and telephone number of the organization, its chief executive officer, and the person within the organization who has primary responsibility for supervising placements within the state;
- (3) the organization's unified business identification number, if any;
- (4) the organization's United States Information Agency number, if any;
- (5) evidence of Council on Standards for International Educational Travel listing, if any;
- (6) whether the organization is exempt from federal income tax; and
- (7) a list of the organization's placements in Minnesota for the previous academic year including the number of students placed, their home countries, the school districts in which they were placed, and the length of their placements.

(b) The application must be signed by the chief executive officer of the organization and the person within the organization who has primary responsibility for supervising placements within Minnesota. If the secretary of state determines that the application is complete, the secretary of state shall file the application and the applicant is registered.

(c) Organizations that have registered shall inform the secretary of state of any changes in the information required under paragraph (a), clause (1), within 30 days of the change. There is no fee to amend a registration.

(d) Registration under this chapter is valid for one year. The registration may be renewed annually. The fee to renew a registration is \$50 per year.

(e) Organizations registering for the first time in Minnesota must pay an initial registration fee of \$150.

(f) Fees collected by the secretary of state under this section must be deposited in ~~the state treasury and credited to the general fund and are added to the appropriation from which registration costs are paid~~ as a nondedicated receipt.

Sec. 8. Minnesota Statutes 2008, section 10.43, is amended to read:

**10.43 TELEPHONE USE; APPROVAL.**

(a) Each representative, senator, constitutional officer, judge, and head of a state department or agency shall sign the person's monthly long-distance telephone bills paid by the state as evidence of the person's approval of each bill. This signature requirement does not apply to a month in which the person's long-distance phone bill paid by the state is less than \$5.

(b) Even if the monthly long-distance phone bill paid by the state for a person subject to this section is less than \$5, the person is responsible for paying that portion of the bill that does not relate to state business. As provided in section 10.46, long-distance telephone bills paid by the state are public data, regardless of the amount of the bills.

**EFFECTIVE DATE.** This section is effective for telephone bills for usage on or after July 1, 2009.

Sec. 9. **[10.49] NAMING.**

Laws must not be named for living people, and laws may not name councils, buildings, roads, or other facilities or entities after living people.

Sec. 10. Minnesota Statutes 2008, section 10.60, subdivision 2, is amended to read:

Subd. 2. **Purpose of Web site and publications.** The purpose of a Web site and a ~~publication~~ **publications** must be to provide information about the duties and jurisdiction of a state agency or political subdivision ~~or~~ **and** to facilitate access to public services and information related to the responsibilities or functions of the state agency or political subdivision.

Sec. 11. Minnesota Statutes 2008, section 10.60, is amended by adding a subdivision to read:

**Subd. 2a. Contact information.** The home page of a Web site maintained by a state agency must prominently display an e-mail address at which the agency may be contacted and a telephone number that will be answered by a human being to the greatest extent possible, located in Minnesota, during normal business hours. A state agency must comply with the requirements of this subdivision with existing resources.

Sec. 12. Minnesota Statutes 2008, section 10A.31, subdivision 4, is amended to read:

Subd. 4. **Appropriation.** (a) The amounts designated by individuals for the state elections campaign fund, less three percent, are appropriated from the general fund, must be transferred and credited to the appropriate account in the state elections campaign fund, and are annually appropriated for distribution as set forth in subdivisions 5, 5a, 6, and 7. The remaining three percent must be kept in the general fund for administrative costs.

(b) In addition to the amounts in paragraph (a), ~~\$1,250,000~~ \$1,020,000 for each general election is appropriated from the general fund for transfer to the general account of the state elections campaign fund.

In addition, \$50,000 each fiscal year is appropriated from the general fund to the Campaign Finance and Public Disclosure Board to supplement its operating budget. Amounts remaining unspent at the end of the biennium must be transferred and canceled to the general account of the state elections campaign fund.

~~Of this appropriation, \$65,000 each fiscal year must be set aside to pay assessments made by~~ In addition, \$130,000 for each two-year period beginning on July 1 of each odd-numbered year is appropriated from the general fund to the Office of Administrative Hearings to perform its duties under section 211B.37. Amounts remaining after all assessments have been paid must be canceled to the general account of the state elections campaign fund.

Sec. 13. Minnesota Statutes 2008, section 11A.07, subdivision 4, is amended to read:

Subd. 4. **Duties and powers.** The director, at the direction of the state board, shall:

(1) plan, direct, coordinate, and execute administrative and investment functions in conformity with the policies and directives of the state board and the requirements of this chapter and of chapter 356A;

(2) prepare and submit biennial and annual budgets to the board and with the approval of the board submit the budgets to the Department of Finance;

(3) employ professional and clerical staff as necessary. Employees whose primary responsibility is to invest or manage money or employees who hold positions designated as unclassified under section 43A.08, subdivision 1a, are in the unclassified service of the state. Other employees are in the classified service. Unclassified employees who are not covered by a collective bargaining agreement are employed under the terms and conditions of the compensation plan approved under section 43A.18, subdivision 3b;

(4) report to the state board on all operations under the director's control and supervision;

(5) maintain accurate and complete records of securities transactions and official activities;

(6) establish a policy relating to the purchase and sale of securities on the basis of competitive offerings or bids. The policy is subject to board approval;

(7) cause securities acquired to be kept in the custody of the commissioner of finance or other depositories consistent with chapter 356A, as the state board deems appropriate;

(8) prepare and file with the director of the Legislative Reference Library, by December 31 of each year, a report summarizing the activities of the state board, the council, and the director during the preceding fiscal year. The report must be prepared so as to provide the legislature and the people of the state with a clear, comprehensive summary of the portfolio composition, the transactions, the total annual rate of return, and the yield to the state treasury and to each of the funds whose assets are invested by the state board, and the recipients of business placed or commissions allocated among the various commercial banks, investment bankers, money managers, and brokerage organizations and the amount of these commissions or other fees. The report must contain financial statements for funds managed by the board prepared in accordance with generally accepted accounting principles. The report must include an executive summary;

(9) include on the state board's Web site its annual and quarterly reports, including executive summaries;

~~(9)~~ (10) require state officials from any department or agency to produce and provide access to any financial documents the state board deems necessary in the conduct of its investment activities;

~~(10)~~ (11) receive and expend legislative appropriations; and

~~(11)~~ (12) undertake any other activities necessary to implement the duties and powers set forth in this subdivision consistent with chapter 356A.

Sec. 14. Minnesota Statutes 2008, section 13.64, is amended to read:

**13.64 DEPARTMENT OF ~~ADMINISTRATION~~ FINANCE DATA.**

(a) Notes and preliminary drafts of reports created, collected, or maintained by the Management Analysis Division, Department of ~~Administration~~ finance, and prepared during management studies, audits, reviews, consultations, or investigations are classified as confidential or protected nonpublic data until the final report has been published or preparation of the report is no longer being actively pursued.

(b) Data that support the conclusions of the report and that the commissioner of ~~administration~~ finance reasonably believes will result in litigation are confidential or protected nonpublic until the litigation has been completed or until the litigation is no longer being actively pursued.

(c) Data on individuals that could reasonably be used to determine the identity of an individual supplying data for a report are private if:

(1) the data supplied by the individual were needed for a report; and

(2) the data would not have been provided to the Management Analysis Division without an assurance to the individual that the individual's identity would remain private, or the Management Analysis Division reasonably believes that the individual would not have provided the data.

Sec. 15. **[15B.055] PARKING SPACES.**

To provide the public with greater access to legislative proceedings, all parking spaces on Aurora Avenue in front of the Capitol building must be reserved for the public.

Sec. 16. **[15C.01] DEFINITIONS.**

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

Subd. 2. **Claim.** "Claim" includes any request or demand, whether under a contract or otherwise, for money or property which is made to a contractor, grantee, or other recipient if the state has provided or will provide any portion of the money or property which is requested or demanded, or if the state has reimbursed or will reimburse the contractor, grantee, or other recipient for any portion of the money or property which is requested or demanded.

Subd. 3. **Knowing and knowingly.** "Knowing" and "knowingly" mean that a person, with respect to information:

(1) has actual knowledge of the information;

(2) acts in deliberate ignorance of the truth or falsity of the information; or

(3) acts in reckless disregard of the truth or falsity of the information.

No proof of specific intent to defraud is required.

Subd. 4. **Original source.** "Original source" means a person who has direct and independent knowledge of information which is probative of any essential element of the allegations in an action brought pursuant to this section which was not obtained from a public source and who either voluntarily provided the information to the state before bringing an action based on the information or whose information provided the basis for or caused an investigation, hearing, audit, or report that led to the public disclosure of the allegations or transactions upon which an action brought pursuant to this section is based.

Subd. 5. **Person.** "Person" means any natural person, partnership, corporation, association or other legal entity, including the state and any department, agency, or political subdivision of the state.

Subd. 6. **State.** "State" means the state of Minnesota and includes any department, agency, or political subdivision of the state.

Sec. 17. **[15C.02] LIABILITY FOR CERTAIN ACTS.**

Subdivision 1. **Liability.** (a) Any person who commits any of the acts in clauses (1) to (8) is liable to the state for a civil penalty of not less than \$5,000 and not more than \$10,000 per false claim, plus three times the amount of damages which the state sustains because of the act of that person, except as otherwise provided in paragraph (b):

(1) knowingly presents, or causes to be presented, to an officer or employee of the state of Minnesota a false or fraudulent claim for payment or approval;

(2) knowingly makes or uses, or causes to be made or used, a false record or statement to get a false or fraudulent claim paid or approved by the state;

(3) knowingly conspires to either present a false or fraudulent claim to the state for payment or approval or make, use, or cause to be made or used a false record or statement to obtain payment or approval of a false or fraudulent claim;

(4) has possession, custody, or control of public property or money used, or to be used, by the state and knowingly delivers or causes to be delivered to the state less money or property than the amount for which the person receives a receipt;

(5) is authorized to prepare or deliver a receipt for money or property used, or to be used, by the state and knowingly prepares or delivers a receipt that falsely represents the money or property;

(6) knowingly buys, or receives as a pledge of an obligation or debt, public property from an officer or employee of the state who lawfully may not sell or pledge the property; or

(7) knowingly makes or uses, or causes to be made or used, a false record or statement to conceal, avoid, or decrease an obligation to pay or transmit money or property to the state.

(b) The court may assess not less than two times the amount of damages which the state sustains because of the act of the person if:

(1) the person committing a violation under paragraph (a) furnished officials of the state responsible for investigating the false claims violations with all information known to the person about the violation within 30 days after the date on which the defendant first obtained the information;

(2) the person fully cooperated with any state investigation of the violation; and

(3) at the time the person furnished the state with information about the violation, no criminal prosecution, civil action, or administrative action had commenced under this section with respect to the violation, and the person did not have actual knowledge of the existence of an investigation into the violation.

(c) A person violating this section is also liable to the state for the costs of a civil action brought to recover any penalty or damages.

Subd. 2. **Right to cure.** A person is not liable under this section for mere inadvertence or mistake with respect to activities involving a false or fraudulent claim.

Sec. 18. **[15C.03] EXCLUSION.**

This chapter does not apply to claims, records, or statements made under portions of Minnesota Statutes relating to taxation.

Sec. 19. **[15C.04] RESPONSIBILITIES OF ATTORNEY GENERAL.**

The attorney general may investigate violations of section 15C.02. If the attorney general finds that a person has violated or is violating section 15C.02, the attorney general may bring a civil action under this section against the person to enjoin any act in violation of section 15C.02 and to recover damages and penalties.



Sec. 20. **[15C.05] PRIVATE REMEDIES; COMPLAINT UNDER SEAL; COPY OF COMPLAINT AND WRITTEN DISCLOSURE OF EVIDENCE TO BE SENT TO ATTORNEY GENERAL.**

(a) Except as otherwise provided in this section, a person may maintain an action pursuant to this section on the person's own account and that of the state if money, property, or services provided by the state are involved; the person's own account and that of a political subdivision if money, property, or services provided by the political subdivision are involved; or on the person's own account and that of both the state and a political subdivision if both are involved. After such an action is commenced, it may be voluntarily dismissed only if the court and the attorney general give written consent to the dismissal and their reasons for consenting.

(b) If an action is brought pursuant to this section, no other person may bring another action pursuant to this section based on the same facts which are the subject of the pending action.

(c) An action may not be maintained by a person pursuant to this section:

(1) against the legislature, the judiciary, an executive department of the state, or a political subdivision, and their members or employees;

(2) if the action is based upon allegations or transactions that are the subject of a civil action or an administrative proceeding for a monetary penalty to which the state or a political subdivision of the state is already a party; or

(3) unless the action is brought by an original source of the information or the attorney general initiates or intervenes in the action, if the action is based upon the public disclosure of allegations or transactions: (i) in a criminal, civil, or administrative hearing; (ii) in an investigation, report, hearing, or audit conducted by or at the request of the house of representatives or the senate; (iii) by an auditor or the governing body of a political subdivision; or (iv) from the news media.

(d) A complaint in an action pursuant to this section must be commenced by filing the complaint with the court in camera, and the court must place it under seal for at least 60 days. No service may be made upon the defendant until the complaint is unsealed.

(e) If a complaint is filed under this section, the plaintiff shall serve a copy of the complaint on the attorney general in accordance with the Minnesota Rules of Civil Procedure and shall also serve at the same time a written disclosure of substantially all material evidence and information the plaintiff possesses.

Sec. 21. **[15C.06] ATTORNEY GENERAL INTERVENTION; MOTION TO EXTEND TIME; UNSEALING OF COMPLAINT.**

(a) Within 60 days after receiving a complaint and disclosure pursuant to section 15C.05, the attorney general shall intervene or decline intervention or, for good cause shown, move the court to extend the time for doing so. The motion may be supported by affidavits or other submissions in chambers.

(b) The complaint must be unsealed after the attorney general decides whether or not to intervene.

(c) Notwithstanding the attorney general's decision regarding intervention in an action brought by a plaintiff under section 15C.05, the attorney general may pursue the claim through any alternate remedy available to the state, including any administrative proceeding to determine a civil money penalty. If the attorney general pursues any such alternate remedy in another proceeding, the person initiating the action has the same rights in that proceeding as if the action had continued under section 15C.05. Any finding of fact or conclusion of law made in the other proceeding that has become final is conclusive on all parties to an action under section 15C.05. For purposes of this paragraph, a finding or conclusion is final if it has been finally determined on appeal to the appropriate state court, if the time for filing an appeal has expired, or if the finding or conclusion is not subject to judicial review.

Sec. 22. **[15C.07] SERVICE OF UNSEALED COMPLAINT AND RESPONSE BY DEFENDANT.**

When unsealed, the complaint shall be served on the defendant pursuant to Rule 3 of the Minnesota Rules of Civil Procedure.

The defendant must respond to the complaint within 20 days after it is served on the defendant.

Sec. 23. **[15C.08] ATTORNEY GENERAL AND PRIVATE PARTY ROLES.**

(a) Except as otherwise provided by this section, if the attorney general does not intervene at the outset in an action brought by a person pursuant to section 15C.05, the person has the same rights in conducting the action as the attorney general would have had. A copy of each pleading or other paper filed in the action, and a copy of the transcript of each deposition taken, must be mailed to the attorney general if the attorney general so requests and pays the cost of doing so.

(b) If the attorney general elects not to intervene at the outset in the action, the attorney general may intervene subsequently, upon timely application and good cause shown. If the attorney general so intervenes, the attorney general subsequently has primary responsibility for conducting the action.

(c) If the attorney general elects at the outset of the action to intervene, the attorney general has the primary responsibility for prosecuting the action. The person who initially brought the action remains a party, but the person's acts do not bind the attorney general.

(d) Whether or not the attorney general intervenes in the action, the attorney general may move to dismiss the action for good cause. The person who brought the action must be notified of the filing of the motion and may oppose it and present evidence at the hearing. The attorney general may also settle the action. If the attorney general intends to settle the action, the attorney general shall notify the person who brought the action. The state may settle the action with the defendant notwithstanding the objections of the person initiating the action if the court determines, after a hearing, that the proposed settlement is fair, adequate, and reasonable under all the circumstances. Upon a showing of good cause, such a hearing may be held in camera.

Sec. 24. **[15C.09] STAY OF DISCOVERY; EXTENSION.**

(a) The court may stay discovery by a person who brought an action under section 15C.05 for not more than 60 days if the attorney general shows that the proposed discovery would interfere with the investigation or prosecution of a civil or criminal matter arising out of the same facts, whether or not the attorney general participates in the action.

(b) The court may extend the stay upon a further showing that the attorney general has pursued the civil or criminal investigation or proceeding with reasonable diligence and that the proposed discovery would interfere with its continuation.

(c) Discovery may not be stayed for a total of more than six months over the objection of the person who brought the action, except for good cause shown by the attorney general.

(d) A showing made pursuant to this section must be made in chambers.

Sec. 25. **[15C.10] COURT-IMPOSED LIMITATION UPON PARTICIPATION OF PRIVATE PLAINTIFF IN ACTION.**

Upon a showing by the attorney general in an action in which the attorney general has intervened that unrestricted participation by a person under this chapter would interfere with or unduly delay the conduct of the action, or would be repetitious, irrelevant, or solely for harassment, the court may limit the person's participation by, among other measures, limiting the number of witnesses, the length of the testimony of the witnesses, or the cross-examination of witnesses by the person.

Sec. 26. **[15C.11] LIMITATION OF ACTIONS; REMEDIES.**

(a) An action pursuant to this chapter may not be commenced more than three years after the date of discovery of the fraudulent activity by the attorney general or more than six years after the fraudulent activity occurred, whichever occurs last, but in no event more than ten years after the date on which the violation is committed.

(b) A finding of guilt in a criminal proceeding charging false statement or fraud, whether upon a verdict of guilty or a plea of guilty or nolo contendere, stops the person found guilty from denying an essential element of that offense in an action pursuant to this chapter based upon the same transaction as the criminal proceeding.

(c) In any action under this chapter, the state and any qui tam plaintiff must prove all essential elements of the cause of action, including damages, by a preponderance of the evidence.

Sec. 27. **[15C.12] AWARD OF EXPENSES AND ATTORNEY FEES.**

If the attorney general or a person who brought an action under section 15C.05 prevails in or settles an action pursuant to this chapter, the court may authorize the person to recover reasonable costs, reasonable attorney fees, and the reasonable fees of expert consultants and expert witnesses. Those expenses must be awarded against the defendant, and may not be allowed against the state or a political subdivision. If the attorney general does not intervene in the action and the person bringing the action conducts the action, and if the defendant prevails in the action, the court shall award to the defendant reasonable expenses and attorney fees against the party or parties who participated in the action if it finds that the action was clearly frivolous or vexatious or brought in substantial part for harassment.

Sec. 28. **[15C.13] DISTRIBUTION TO PRIVATE PLAINTIFF IN CERTAIN ACTIONS.**

If the attorney general intervenes at the outset in an action brought by a person under section 15C.05, the person shall receive not less than 15 percent or more than 25 percent of any recovery in proportion to the person's contribution to the conduct of the action. If the attorney general does not intervene in the action at the outset, the person is entitled to receive not less than 25 percent or more than 30 percent of any recovery of the civil penalty and damages, or settlement, as the court determines to be reasonable. For recoveries whose distribution is governed by federal code or rule, the basis for calculating the portion of the recovery the person is entitled to receive shall not include such amounts reserved for distribution to the federal government or designated in their use by such federal code or rule.

Sec. 29. **[15C.14] EMPLOYER RESTRICTIONS; LIABILITY.**

(a) An employer shall not adopt or enforce any rule or policy forbidding an employee to disclose information to the state, a political subdivision, or a law enforcement agency, or to act in furtherance of an action pursuant to this chapter, including investigation for bringing or testifying in such an action.

(b) An employer shall not discharge, demote, suspend, threaten, harass, deny promotion to, or otherwise discriminate against an employee in the terms or conditions of employment because of lawful acts done by the employee on the employee's behalf or on behalf of others in disclosing information to the state, a political subdivision, or a law enforcement agency in furtherance of an action pursuant to this chapter, including investigation for bringing or testifying in such an action.

(c) An employer who violates this section is liable to the affected employee in a civil action for damages and other relief, including reinstatement, twice the amount of lost compensation, interest on the lost compensation, any special damage sustained as a result of the discrimination, and punitive damages if appropriate. The employer is also liable for expenses recoverable pursuant to section 15C.12, including costs and attorney fees.

Sec. 30. **[16A.0115] NAME.**

The commissioner of finance and the Department of Finance may not be identified by a title or name other than the title and name assigned by law. The Commissioner must ensure that the department's documents, publications, and Web site comply with this section.

Sec. 31. Minnesota Statutes 2008, section 16A.055, subdivision 1, is amended to read:

Subdivision 1. **List.** (a) The commissioner shall:

(1) receive and record all money paid into the state treasury and safely keep it until lawfully paid out;

(2) manage the state's financial affairs;

(3) keep the state's general account books according to generally accepted government accounting principles;

(4) keep expenditure and revenue accounts according to generally accepted government accounting principles;

(5) develop, provide instructions for, prescribe, and manage a state uniform accounting system; and

(6) provide to the state the expertise to ensure that all state funds are accounted for under generally accepted government accounting principles; ~~and~~

~~(7) coordinate the development of, and maintain standards for, internal auditing in state agencies and, in cooperation with the commissioner of administration, report to the legislature and the governor by January 31 of odd numbered years, on progress made.~~

(b) In addition to the duties in paragraph (a), the commissioner has the powers and duties given to the commissioner in chapter 43A.

Sec. 32. Minnesota Statutes 2008, section 16A.055, is amended by adding a subdivision to read:

Subd. 1a. **Additional duties.** The commissioner may assist state agencies by providing analytical, statistical, and organizational development services to state agencies in order to assist the agency to achieve the agency's mission and to operate efficiently and effectively.

Sec. 33. **[16A.056] WEB SITE WITH SEARCHABLE DATABASE ON STATE EXPENDITURES.**

Subdivision 1. **Web database requirement.** The commissioner, in consultation with the commissioners of administration and revenue, must maintain a Web site with a searchable database providing the public with information on state contracts, state appropriations, state expenditures, and state tax expenditures. For each data field identified in subdivisions 2 to 5, the searchable database must allow a user of the Web site to:

(1) perform a search using that field;

(2) sort by that field;

(3) obtain information grouped or aggregated by that field, where groups or subtotals are feasible; and

(4) view information in that field by each fiscal year or an aggregation of fiscal years.

Subd. 2. **Contracts.** (a) The searchable database on the Web site must include at least the following data fields:

(1) the name of the entity receiving the contract;

(2) the name of the agency entering into the contract;

(3) an indication if the contract is for (i) goods; (ii) professional or technical services; (iii) services other than professional and technical services; or (iv) a grant; and

(4) the fund or funds from which the entity receiving the contract will be paid.

(b) For each contract, the database must also include:

(1) an address for each entity receiving a contract; and

(2) a brief statement of the purpose of the contract or grant.

(c) Information on a new contract or grant must be entered into the database within 30 days of the time the contract or grant is entered into.

(d) For purposes of this section, a "grant" is a contract between a state agency and a recipient, the primary purpose of which is to transfer cash or a thing of value to the recipient to support a public purpose. Grant does not include payments to units of local governments, payments to state employees, or payments made under laws providing for assistance to individuals.

Subd. 3. **Appropriations.** The searchable database on the Web site must include at least the following data fields on state appropriations:

(1) the agency receiving the appropriation, or the name of the nonstate entity receiving the appropriation;

(2) the agency program, to the extent applicable;

(3) the agency activity, to the extent applicable;

(4) an item within an activity if applicable;

(5) the fund from which the appropriation is made; and

(6) the object of expenditure.

Subd. 4. **State expenditures.** The searchable database on the Web site must include at least the following data fields on state expenditures:

(1) the agency making the expenditure, or the name of the nonstate entity making the appropriation;

(2) the agency program, to the extent applicable;

(3) the agency activity, to the extent applicable;

(4) an item within an activity if applicable;

(5) the fund from which the expenditure is made; and

(6) the object of expenditure.

Subd. 5. **Tax expenditures.** The Web site must include a searchable database of state tax expenditures. For each fiscal year, the database must include data fields showing the estimated impact on state revenues of each tax expenditure item listed in the report prepared under section 270C.11.

Subd. 6. **Retention of data.** The database required under this section must include information beginning with fiscal year 2010 funds and must retain data for at least ten years.

Subd. 7. **Consultation.** The commissioner of finance must consult with the chairs of the house of representatives Ways and Means and senate Finance Committees before encumbering any funds appropriated on or after July 1, 2009, for the planning, development, and implementation of state accounting or procurement systems. No funds appropriated for these purposes may be spent unless the commissioner certifies that the systems will allow compliance with requirements of this section.

Sec. 34. **[16A.057] INTERNAL CONTROLS AND INTERNAL AUDITING.**

Subdivision 1. **Establishment of system.** The commissioner is responsible for the system of internal controls across the executive branch. The commissioner must coordinate the design, implementation, and maintenance of an effective system of internal controls and internal auditing for all executive agencies. The system must:

(1) safeguard public funds and assets and minimize incidences of fraud, waste, and abuse;

(2) ensure that programs are administered in compliance with federal and state laws and rules;

(3) require documentation of internal control procedures over financial management activities, provide for analysis of risks, and provide for periodic evaluation of control procedures to satisfy the commissioner that these procedures are adequately designed, properly implemented, and functioning effectively; and

(4) provide for periodic internal audit of major systems and controls, including accounting systems and controls; administrative systems and controls; and, in conjunction with the Office of Enterprise Technology, information and telecommunications technology systems and controls.

Subd. 2. **Standards.** The commissioner must adopt internal control standards and policies that agencies must follow to meet the requirements of subdivision 1. These standards and policies may include separation of duties, safeguarding receipts, time entry, approval of travel, and other topics the commissioner determines are necessary to comply with subdivision 1.

Subd. 3. **Training and assistance.** The commissioner shall coordinate training for accounting personnel and financial managers in state agencies on internal controls as necessary to ensure financial integrity in the state's financial transactions. The commissioner shall provide internal control support to agencies that the commissioner determines need this assistance.

Subd. 4. **Sharing internal audit resources.** The commissioner must administer a program for sharing internal auditors among executive agencies that do not have their own internal auditors and for assembling interagency teams of internal auditors as necessary.

Subd. 5. **Monitoring Office of the Legislative Auditor audits.** The commissioner must review audit reports from the Office of the Legislative Auditor and take appropriate steps to address internal control problems found in executive agencies.

Subd. 6. **Budget for internal controls.** The commissioner of finance may require that each executive agency spend a specified percentage of its operating budget on internal control systems. The commissioner of finance may require that an agency transfer a portion of its operating budget to the commissioner to pay for internal control functions performed by the commissioner.

Subd. 7. **Annual report.** The commissioner must report to the legislature and the governor by January 31 of each odd-numbered year on the system of internal controls and internal auditing in executive agencies.

Subd. 8. **Agency head responsibilities.** The head of each executive agency is responsible for designing, implementing, and maintaining an effective internal control system within the agency that complies with the requirements of subdivision 1, clauses (1) to (4). The head of each executive agency must annually certify that the agency head has reviewed the agency's internal control systems, and that these systems are in compliance with standards and policies established by the commissioner. The agency head must submit the signed certification form to the commissioner of finance, in a form specified by the commissioner.

Subd. 9. **State colleges and universities.** This section does not apply to the Minnesota state colleges and universities system.

Sec. 35. **[16A.058] FINANCIAL CONTROLS COUNCIL.**

Subdivision 1. **Membership.** The executive council shall appoint a five-member financial controls council. Members must have public or private sector experience in internal control issues. The council shall annually elect a chair and vice-chair from among its members.

Subd. 2. **Duties.** (a) The council shall advise the commissioner of finance, the governor, the Legislative Audit Commission, and the legislature on the system of internal controls for executive agencies. In performing this duty, the council shall:

(1) review audits and other reports of the Office of the Legislative Auditor and from internal auditors in executive agencies;

(2) review the state's system of internal controls and make recommendations for changes in practices of specific executive agencies or on general changes needed in state laws, procedures, or policies;

(3) recommend guidelines and best practices to produce an effective system of internal controls;

(4) recommend the number of internal audit employees required for executive agencies, individually and in total; and

(5) review and comment on the performance of the commissioner of finance in carrying out duties under section 16A.057.

(b) The council may:

(1) require reports from any executive agency relative to an internal control or an internal audit matter;

(2) receive and review reports from internal auditors in executive agencies;

(3) conduct hearings relative to attempts to interfere with, compromise, or intimidate an internal auditor; and

(4) conduct hearings on the effectiveness of internal control or internal audit functions within an executive agency.

Subd. 3. **Terms; compensation; removal; vacancies; expiration.** The membership terms, compensation, removal of members, and filling of vacancies shall be as provided in section 15.059, except that council members shall not receive a per diem. The council is not subject to the expiration date provisions of section 15.059.

Subd. 4. **Administrative support.** The commissioner of finance shall provide administrative support to the council upon request of its chair.

Subd. 5. **MnSCU.** The Minnesota State Colleges and Universities system is not an executive agency for purposes of this section.

Sec. 36. Minnesota Statutes 2008, section 16A.11, is amended by adding a subdivision to read:

Subd. 3d. **Information technology budget proposals.** A proposal in the detailed budget documents for a new investment in information technology systems or equipment costing \$100,000 or more must request that money for the system or equipment be appropriated to the Office of Enterprise Technology.

Sec. 37. Minnesota Statutes 2008, section 16A.126, subdivision 1, is amended to read:

Subdivision 1. **Set rates.** The commissioner shall approve the rates an agency must pay to a revolving fund for services. Funds subject to this subdivision include, but are not limited to, the revolving funds established in sections 4A.05; 14.46; 14.53; 16B.48; 16B.54; 16B.58; 16B.85; 16C.03, subdivision 11; 16E.14; 43A.55; and 176.591; and the fund established in section 43A.30.

Sec. 38. Minnesota Statutes 2008, section 16A.133, subdivision 1, is amended to read:

Subdivision 1. **Payroll direct deposit and deductions.** An agency head in the executive, judicial, and legislative branch shall, upon written request signed by an employee, directly deposit all or part of an employee's pay to those credit unions or financial institutions, as defined in section 47.015, designated by the employee.

An agency head ~~may~~ must, upon written request of an employee, deduct from the pay of the employee a requested amount to be paid to the Minnesota Benefit Association, or to any ~~organization~~ organizations contemplated by section 179A.06, of which the employee is a member. ~~If an employee has more than one account with the Minnesota Benefit Association or more than one organization under section 179A.06, only the Minnesota Benefit Association and one organization, as defined under section 179A.06, may be paid money by payroll deduction from the employee's pay.~~

Sec. 39. Minnesota Statutes 2008, section 16A.139, is amended to read:

#### **16A.139 MISAPPROPRIATION OF MONEY.**

~~It is illegal for any (a) No official or head of any state department in the executive, legislative, or judicial branches, or any employee thereof of a state department in those branches, to may intentionally use moneys money appropriated by law, or fees collected knowing that the use is for any other a purpose other than the purpose for which the moneys have been money was appropriated, and any such act by any. Unless a greater penalty is specified elsewhere in law, a person who violates this paragraph is guilty of a gross misdemeanor.~~

(b) A violation of paragraph (a) by a head of a department, or any state official, is cause for immediate removal of the official or head of a state department from the position held with the government of this state. A criminal conviction under paragraph (a) is not a prerequisite for removal. This paragraph does not apply to a judge, a constitutional officer, or a legislator, except as potential grounds for expulsion, impeachment, or recall in the manner specified in article IV, section 7, and article VIII of the Minnesota Constitution.

**EFFECTIVE DATE.** This section is effective August 1, 2009, and applies to crimes committed on or after that date.



Sec. 40. **[16A.1391] BEST PRACTICES FOR INVESTIGATIONS.**

The commissioner of finance must develop and make available to appointing authorities in the executive, legislative, and judicial branches a best practices policy for conducting investigations in which the appointing authority compels its employees to answer questions about allegedly inappropriate activity. The best practices policy must be designed to facilitate effective investigations, without compromising the ability to prosecute criminal cases when appropriate. Each appointing authority must follow the best practices policy or, in consultation with the attorney general, must develop its own policy for conducting these investigations.

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

Sec. 41. Minnesota Statutes 2008, section 16A.152, is amended by adding a subdivision to read:

Subd. 8. **Report on budget reserve percentage.** (a) The commissioner of finance must periodically review the formula developed as part of the Budget Trends Study Commission authorized by Laws 2007, chapter 148, article 2, section 81, to estimate the percentage of the preceding biennium's general fund expenditures and transfers recommended as a budget reserve.

(b) The commissioner must annually review the variables and coefficients in the formula used to model the base of the general fund taxes and the mix of taxes that provide revenues to the general fund. If the commissioner determines that the variables and coefficients have changed enough to result in a change in the percentage of the preceding biennium's general fund expenditures and transfers recommended as a budget reserve, the commissioner must update the variables and coefficients in the formula to reflect the current base and mix of general fund taxes.

(c) Every ten years, the commissioner must review the methodology underlying the formula, taking into consideration relevant economic literature from the past ten years, and determine if the formula remains adequate as a tool for estimating the percentage of the preceding biennium's general fund expenditures and transfers recommended as a budget reserve. If the commissioner determines that the methodology underlying the formula is outdated, the commissioner must revise the formula.

(d) By January 15 of each year, the commissioner must report to the chairs of the house of representatives Committee on Ways and Means and the senate Committee on Finance, in compliance with sections 3.195 and 3.197, on the percentage of the preceding biennium's general fund expenditures and transfers recommended as a budget reserve. The report must specify:

(1) if the commissioner updated the variables and coefficients in the formula to reflect significant changes to either the base of one or more general fund taxes or to the mix of taxes that provide revenues to the general fund as provided in paragraph (b);

(2) if the commissioner revised the formula after determining the methodology was outdated as provided in paragraph (c); and

(3) if the percentage of the preceding biennium's general fund expenditures and transfers recommended as a budget reserve has changed as a result of an update of or a revision to the formula.

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

Sec. 42. **[16A.81] TECHNOLOGY DEVELOPMENT LEASE-PURCHASE FINANCING.**

Subdivision 1. **Definitions.** The following definitions apply to this section.

(a) "Technology system project" means the development, acquisition, installation, and implementation of a technology system that is essential to state operations and is expected to have a long useful life.

(b) "Lease-purchase agreement" means an agreement for the lease and installment purchase of a technology system project, or a portion of the project, between the commissioner, on behalf of the state, and a vendor or a third-party financing source.

(c) "Technology development lease-purchase guidelines" means policies, procedures, and requirements established by the commissioner for technology system projects that are financed pursuant to a lease-purchase agreement.

Subd. 2. **Lease-purchase financing.** The commissioner may enter into a lease-purchase agreement in an amount sufficient to fund a technology system project and authorize the public or private sale and issuance of certificates of participation, provided that:

(1) the technology system project has been authorized by law to be funded pursuant to a lease-purchase agreement;

(2) the term of the lease-purchase agreement and the related certificates of participation shall not exceed the lesser of the expected useful life of the technology system project financed by the lease-purchase agreement and the certificates or ten years from the date of issuance of the lease-purchase agreement and the certificates;

(3) the principal amount of the lease-purchase agreement and the certificates is sufficient to provide for the costs of issuance, capitalized interest, credit enhancement, or reserves, if any, as required under the lease-purchase agreement;

(4) funds sufficient for payment of lease obligations have been committed in the authorizing legislation for the technology system project for the fiscal year during which the lease-purchase agreement is entered into; provided that no lease-purchase agreement shall obligate the state to appropriate funds sufficient to make lease payments due under such agreement in any future fiscal year; and

(5) planned expenditures for the technology system project are permitted within the technology development lease-purchase guidelines.

Subd. 3. **Covenants.** The commissioner may covenant in a lease-purchase agreement that the state will abide by the terms and provisions that are customary in lease-purchase financing transactions, including but not limited to, covenants providing that the state:

(1) will maintain insurance as required under the terms of the lease-purchase agreement;

(2) is responsible to the lessor for any public liability or property damage claims or costs related to the selection, use, or maintenance of the technology system project, to the extent of insurance or self-insurance maintained by the state, and for costs and expenses incurred by the lessor as a result of any default by the state; or

(3) authorizes the lessor to exercise the rights of a secured party with respect to the technology system project or any portion of the project in the event of default or nonappropriation of funds by the state, and for the present recovery of lease payments due during the current term of the lease-purchase agreement as liquidated damages in the event of default.

Subd. 4. **Credit and appropriation of proceeds.** Proceeds of the lease-purchase agreement and certificates of participation must be credited to a technology lease project fund in the state treasury. Net income from investment of the proceeds, as estimated by the commissioner, must be credited to the appropriate accounts in the technology lease project fund. Funds in the technology lease project fund are appropriated for the purposes described in the authorizing law for each technology development project and this section.

Subd. 5. **Transfer of funds.** Before the lease-purchase proceeds are received in the technology lease project fund, the commissioner may transfer to that fund from the general fund amounts not exceeding the expected proceeds from the lease-purchase agreement and certificates of participation. The commissioner shall return these amounts to the general fund by transferring proceeds when received. The amounts of these transfers are appropriated from the general fund and from the technology lease project fund.

Subd. 6. **Administrative expenses.** Actual and necessary travel and subsistence expenses of employees and all other nonsalary expenses incidental to the sale, printing, execution, and delivery of the lease-purchase agreement and certificates of participation may be paid from the lease-purchase proceeds. The lease-purchase proceeds are appropriated for this purpose.

Subd. 7. **Treatment of technology lease project fund.** Lease-purchase proceeds remaining in the technology lease project fund after the purposes for which the lease-purchase agreement was undertaken are accomplished or abandoned, as determined by the commissioner, must be transferred to the general fund.

Subd. 8. **Lease-purchase not public debt.** A lease-purchase agreement does not constitute or create a general or moral obligation or indebtedness of the state in excess of the money from time to time appropriated or otherwise available for payments or obligations under such agreement. Payments due under a lease-purchase agreement during a current lease term for which money has been appropriated is a current expense of the state.

Subd. 9. **Refunding certificates.** The commissioner from time to time may enter into a new lease-purchase agreement and issue and sell certificates of participation for the purpose of refunding any lease-purchase agreement and related certificates of participation then outstanding, including the payment of any redemption premiums, any interest accrued or that is to accrue to the redemption date, and costs related to the issuance and sale of such refunding certificates. The proceeds of any refunding certificates may, in the discretion of the commissioner, be applied to the purchase or payment at maturity of the certificates to be refunded, to the redemption of outstanding lease-purchase agreements and certificates on any redemption date, or to pay interest on the refunding lease-purchase agreements and certificates and may, pending such application, be placed in escrow to be applied to such purchase, payment, retirement, or redemption. Any escrowed proceeds, pending such use, may be invested and reinvested in obligations that are authorized investments under section 11A.24. The income earned or realized on any authorized investment may also be applied to the payment of the lease-purchase agreements and certificates to be refunded, interest or premiums on the refunded certificates, or to pay interest on the refunding lease-purchase agreements and certificates. After the terms of the escrow have been fully satisfied, any balance of proceeds and any investment income may be returned to the general fund, or if applicable, the technology lease project fund, for use in a lawful manner. All refunding lease-purchase agreements and certificates issued under the provisions of this subdivision must be prepared, executed, delivered, and secured by appropriations in the same manner as the lease-purchase agreements and certificates to be refunded.

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

Sec. 43. **[16A.82] TECHNOLOGY LEASE-PURCHASE APPROPRIATION.**

\$8,975,000 is appropriated annually from the general fund to the commissioner to make payments under a lease-purchase agreement as defined in section 16A.81 for replacement of the state's accounting and procurement systems, provided that the state is not obligated to continue such appropriation of funds or to make lease payments in any future fiscal year. Any unexpended portions of this appropriation cancel to the general fund at the close of each biennium. This section expires June 30, 2020.

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

Sec. 44. **[16B.1225] LETTER-SIZED PAPER FOR DOCUMENTS.**

State entities in the executive, legislative, and judicial branches must use standard letter-sized paper to print documents to the extent practical, and may not print documents on legal-sized paper unless this is the only possible size paper for a particular document.

Sec. 45. Minnesota Statutes 2008, section 16B.24, is amended by adding a subdivision to read:

Subd. 5b. **Employee fitness and wellness facilities.** An entity in the executive, legislative, or judicial branch may use space under its control to offer fitness, wellness, or similar classes or activities to its employees, and may allow persons conducting these classes or activities to charge employees a fee to participate. Revenue received by a public entity under this section is appropriated to the entity. This authorization applies to all state space, including property in the Capitol area, and other designated property as defined in rules adopted by the commissioner of public safety. Persons conducting these classes or activities, and participating employees, waive any and all claims of liability against the state for any damage or injury arising from the use of state space for employee fitness and wellness classes or similar classes or activities. Persons conducting these classes or activities agree to indemnify, save, and hold the state, its agents, and employees harmless from any claims or causes of action, including attorney fees incurred by the state that arise from these classes or activities.

Sec. 46. Minnesota Statutes 2008, section 16B.24, is amended by adding a subdivision to read:

Subd. 5c. **Rulemaking.** The commissioner of public safety must amend Minnesota Rules, part 7525.0400, and any other rules as necessary to conform with subdivision 5b. The commissioner may use the good cause exemption, under authority of Minnesota Statutes, section 14.388, subdivision 1, clause (3), to amend rules to conform with subdivision 5b.

Sec. 47. **[16B.242] ENTERPRISE REAL PROPERTY ACCOUNT.**

The enterprise real property technology system and services account is created in the special revenue fund. Receipts credited to the account are appropriated to the commissioner of administration for the purpose of funding the personnel and technology to maintain the enterprise real property system and services.

Sec. 48. **[16B.2421] BIRD-SAFE BUILDINGS.**

Between March 15 and May 31 and between August 15 and October 31 each year, occupants of state-owned or state-leased buildings must attempt to reduce dangers posed to migrating birds by turning off building lights between midnight and dawn, to the extent turning off lights is consistent with the normal use of the buildings. The commissioner of administration may adopt policies to implement this requirement.

Sec. 49. **[16B.243] NAMING RIGHTS.**

The commissioner of administration may enter into a contract to sell the naming rights to a state-owned building, or to meeting rooms within a state-owned building. This section does not apply to the State Capitol building, to the Minnesota Judicial Center, or the State Office Building.

Sec. 50. **[16B.351] ADVERTISING.**

The commissioner of administration may enter into a contract to sell advertising on temporary fences or other temporary barriers adjacent to construction or repair projects on state-owned buildings or grounds.

Sec. 51. Minnesota Statutes 2008, section 16B.54, subdivision 2, is amended to read:

Subd. 2. **Vehicles.** (a) The commissioner may direct an agency to make a transfer of a passenger motor vehicle or truck currently assigned to it. The transfer must be made to the commissioner for use in the central motor pool. The commissioner shall reimburse an agency whose motor vehicles have been paid for with funds dedicated by the Constitution for a special purpose and which are assigned to the central motor pool. The amount of reimbursement for a motor vehicle is its average wholesale price as determined from the midwest edition of the National Automobile Dealers Association official used car guide.

(b) To the extent that funds are available for the purpose, the commissioner may purchase or otherwise acquire additional passenger motor vehicles and trucks necessary for the central motor pool. The title to all motor vehicles assigned to or purchased or acquired for the central motor pool is in the name of the Department of Administration.

(c) On the request of an agency, the commissioner may transfer to the central motor pool any passenger motor vehicle or truck for the purpose of disposing of it. The department or agency transferring the vehicle or truck must be paid for it from the motor pool revolving account established by this section in an amount equal to two-thirds of the average wholesale price of the vehicle or truck as determined from the midwest edition of the National Automobile Dealers Association official used car guide.

(d) The commissioner shall provide for the uniform marking of all motor vehicles. Motor vehicle colors must be selected from the regular color chart provided by the manufacturer each year. The commissioner may further provide for the use of motor vehicles without marking by:

(1) the governor;

~~(2) the lieutenant governor;~~

~~(3) (2) the Division of Criminal Apprehension, the Division of Alcohol and Gambling Enforcement, and arson investigators of the Division of Fire Marshal in the Department of Public Safety;~~

~~(4) (3) the Financial Institutions Division of the Department of Commerce;~~

~~(5) (4) the Division of Disease Prevention and Control of the Department of Health;~~

~~(6) (5) the State Lottery;~~

~~(7) (6) criminal investigators of the Department of Revenue;~~

~~(8) (7) state-owned community service facilities in the Department of Human Services;~~

~~(9) (8) the investigative staff of the Department of Employment and Economic Development;~~

~~(10) (9) the Office of the Attorney General; and~~

~~(11) (10) the investigative staff of the Gambling Control Board.~~

(e) The state may not provide a car for use of the lieutenant governor.

Sec. 52. **[16B.90] MILESTONES REPORT REQUIRED.**

The commissioner of administration must establish a statewide system of economic (including tax implications), social, and environmental performance measures. The milestones must provide the economic (including tax implications), social, and environmental information necessary for public and elected officials to understand and evaluate the sustainability of the state's long-term trends. The commissioner must report on the trends and their implications each year. The commissioner may contract for the development of information and measures.

Sec. 53. **[16B.99] GEOSPATIAL INFORMATION OFFICE.**

Subdivision 1. **Creation.** The Minnesota Geospatial Information Office is created under the supervision of the commissioner of administration.

Subd. 2. **Responsibilities; authority.** The office has authority to provide coordination, guidance, and leadership, and to plan the implementation of Minnesota's geospatial information technology. The office shall identify, coordinate, and guide strategic investments in geospatial information technology systems, data, and services to ensure effective implementation and use of Geospatial Information Systems (GIS) by state agencies to maximize benefits for state government as an enterprise.

Subd. 3. **Duties.** (a) The office must:

(1) coordinate and guide the efficient and effective use of available federal, state, local, and public-private resources to develop statewide geospatial information technology, data, and services;

(2) provide leadership and outreach, and ensure cooperation and coordination for all GIS functions in state and local government, including coordination between state agencies, intergovernment coordination between state and local units of government, and extragovernment coordination, which includes coordination with academic and other private and nonprofit sector GIS stakeholders;

(3) review state agency and intergovernment geospatial technology, data, and services development efforts involving state or intergovernment funding, including federal funding;

(4) provide information to the legislature regarding projects reviewed, and recommend projects for inclusion in the governor's budget under section 16A.11;

(5) coordinate management of geospatial technology, data, and services between state and local governments;

(6) provide coordination, leadership, and consultation to integrate government technology services with GIS infrastructure and GIS programs;

(7) work to avoid or eliminate unnecessary duplication of existing GIS technology services and systems, including services provided by other public and private organizations while building on existing governmental infrastructures;

(8) promote and coordinate consolidated geospatial technology, data, and services and shared geospatial Web services for state and local governments; and

(9) promote and coordinate geospatial technology training, technical guidance, and project support for state and local governments.

Subd. 4. **Duties of chief geospatial information officer.** (a) In consultation with the state geospatial advisory council, the commissioner of administration, the commissioner of finance, and the Minnesota chief information officer, the chief geospatial information officer must identify when it is cost-effective for agencies to develop and use shared information and geospatial technology systems, data, and services. The chief geospatial information officer may require agencies to use shared information and geospatial technology systems, data, and services.

(b) The chief geospatial information officer, in consultation with the state geospatial advisory council, must establish reimbursement rates in cooperation with the commissioner of finance to bill agencies and other governmental entities sufficient to cover the actual development, operation, maintenance, and administrative costs of the shared systems. The methodology for billing may include the use of interagency agreements, or other means as allowed by law.

Subd. 5. **Fees.** (a) The chief geospatial information officer must set fees under section 16A.1285 that reflect the actual cost of providing information products and services to clients. The fees must be approved by the commissioner of finance. Fees are not subject to rulemaking under chapter 14 and section 14.386 does not apply. Fees collected must be deposited in the state treasury and credited to the Minnesota Geospatial Information Office revolving account. Money in the account is appropriated to the chief geospatial information officer for providing GIS consulting services, software, data, Web services, and map products on a cost-recovery basis, including the cost of services, supplies, material, labor, and equipment as well as the portion of the general support costs and statewide indirect costs of the office that is attributable to the delivery of these products and services. Money in the account shall not be used for the general operation of the Minnesota Geospatial Information Office.

(b) The chief geospatial information officer may require a state agency to make an advance payment to the revolving fund sufficient to cover the agency's estimated obligation for a period of 60 days or more. If the revolving fund is abolished or liquidated, the total net profit from the operation of the fund must be distributed to the various funds from which purchases were made. For a given period of time, the amount of total net profit to be distributed to each fund shall reflect the same ratio of total purchases attributable to each fund divided by the total purchases from all funds.

Subd. 6. **Accountability.** The chief geospatial information officer is appointed by the commissioner of administration and shall work closely with the Minnesota chief information officer who shall play an advisory role on technology projects, standards, and services.

Subd. 7. **Discretionary powers.** The office may:

(1) enter into contracts for goods or services with public or private organizations and charge fees for services it provides;

(2) apply for, receive, and expend money from public agencies;

(3) apply for, accept, and disburse grants and other aids from the federal government and other public or private sources;

(4) enter into contracts with agencies of the federal government, local government units, the University of Minnesota and other educational institutions, and private persons and other nongovernment organizations as necessary to perform its statutory duties;

(5) appoint committees and task forces to assist the office in carrying out its duties;

(6) sponsor and conduct conferences and studies, collect and disseminate information, and issue reports relating to geospatial information and technology issues;

(7) participate in the activities and conferences related to geospatial information and communications technology issues;

(8) review the GIS technology infrastructure of regions of the state and cooperate with and make recommendations to the governor, legislature, state agencies, local governments, local technology development agencies, the federal government, private businesses, and individuals for the realization of GIS information and technology infrastructure development potential;

(9) sponsor, support, and facilitate innovative and collaborative geospatial systems technology, data, and services projects; and

(10) review and recommend alternative sourcing strategies for state geospatial information systems technology, data, and services.

Subd. 8. **Geospatial advisory councils created.** The chief geospatial information officer must establish a governance structure that includes advisory councils to obtain expert advice from stakeholders on issues focusing on improving the operations and management of geospatial technology within state government and also on issues of importance to users of geospatial technology throughout the state.

(a) A statewide geospatial advisory council must advise the Minnesota Geospatial Information Office about issues concerning the improvement of services statewide through the coordinated, affordable, reliable, and effective use of geospatial technology. Membership of the statewide council must include voting members selected to represent a cross section of organizations that include counties, cities, universities, business, nonprofit organizations, federal agencies, and state agencies. State agency membership must be limited to no more than 20 percent of the total voting membership. In addition, the chief geospatial information officer must be a nonvoting member.

(b) A state government geospatial advisory council must advise the Minnesota Geospatial Information Office on issues concerning improving state government services through the coordinated, affordable, reliable, and effective use of geospatial technology. Membership of the state government council must include voting members representing up to 15 state government agencies and constitutional offices, including the Office of Enterprise Technology and the Minnesota Geospatial Information Office and shall be chaired by the chief geographic information officer. A representative of the statewide geospatial advisory council must serve as a nonvoting member.

(c) Members of both the statewide geospatial advisory council and the state government advisory council must be recommended by a process that ensures that each member is designated to represent a clearly identified agency or stakeholder category and that complies with the state's open appointment process. Appointments must be made by the commissioner of administration for a period of two years. Members serve at the pleasure of the commissioner. Members must be reimbursed for expenses in the manner specified in section 15.059, but do not receive per diem under that section. The advisory councils expire June 30, 2013.

(d) The Minnesota Geospatial Information Office must provide administrative support for both geospatial advisory councils.

Subd. 9. **Report to legislature.** By January 15, 2010, the chief geospatial information officer must provide a report to the appropriate chairs of the state government committees of the legislature that addresses all statutes that refer to the land management information center or land management information system and makes a recommendation about whether they should be continued, amended, or repealed.

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

Sec. 54. Minnesota Statutes 2008, section 16C.16, is amended by adding a subdivision to read:

Subd. 6a. **Service-disabled veteran-owned small businesses.** (a) The commissioner shall award up to a six percent preference in the amount bid on state procurement to certified small businesses that are majority-owned and operated by veterans having service-connected disabilities, as determined by the United States Department of Veterans Affairs.

(b) The purpose of this designation is to facilitate the transition of service-disabled veterans from military to civilian life, and to help compensate them for their sacrifices, including but not limited to their sacrifice of health and time, for the state and nation during their military service, as well as to enhance economic development within Minnesota.

(c) For purposes of this section and section 16C.19, the following terms have the meanings given them:

(1) "veteran" has the meaning given in section 197.447; and



(2) "service-connected disability" has the meaning given in United States Code, title 38, section 101(16), as determined by the United States Department of Veterans Affairs.

**EFFECTIVE DATE.** This section is effective July 1, 2009, and applies to procurement contract bid solicitations issued on and after that date.

Sec. 55. Minnesota Statutes 2008, section 16C.19, is amended to read:

**16C.19 ELIGIBILITY; RULES.**

(a) A small business wishing to participate in the programs under section 16C.16, subdivisions 4 to 7, must be certified by the commissioner. The commissioner shall adopt by rule standards and procedures for certifying that small businesses, small targeted group businesses, and small businesses located in economically disadvantaged areas are eligible to participate under the requirements of sections 16C.16 to 16C.21. The commissioner shall adopt by rule standards and procedures for hearing appeals and grievances and other rules necessary to carry out the duties set forth in sections 16C.16 to 16C.21.

(b) The commissioner may make rules which exclude or limit the participation of nonmanufacturing business, including third-party lessors, brokers, franchises, jobbers, manufacturers' representatives, and others from eligibility under sections 16C.16 to 16C.21.

(c) The commissioner may make rules that set time limits and other eligibility limits on business participation in programs under sections 16C.16 to 16C.21.

(d) Notwithstanding paragraph (c), for purposes of sections 16C.16 to 16C.21, a service-disabled veteran-owned small business, the principal place of business of which is in Minnesota, is certified if it has been verified by the United States Department of Veterans Affairs as being a service-disabled veteran-owned small business in accordance with Public Law 109-461 and Code of Federal Regulations, title 38, part 74.

**EFFECTIVE DATE.** This section is effective July 1, 2009, and applies to procurement contract bid solicitations issued on and after that date.

Sec. 56. Minnesota Statutes 2008, section 16C.20, is amended to read:

**16C.20 CERTIFICATION.**

A business that is certified by the commissioner of administration as a small business, small targeted group business ~~or~~, a small business located in an economically disadvantaged area, or a service-disabled veteran-owned small business is eligible to participate under the requirements of sections 137.31 and 161.321 and, if certified as a small business ~~or~~, small targeted group business, or service-disabled veteran-owned small business, under section 473.142 without further certification by the contracting agency.

**EFFECTIVE DATE.** This section is effective July 1, 2009, and applies to procurement contract bid solicitations issued on and after that date.

Sec. 57. **[16E.22] STATEWIDE ELECTRONIC LICENSING SYSTEM.**

Subdivision 1. **Account established; appropriation.** The statewide electronic licensing account is created in the special revenue fund. Receipts credited to the account are appropriated to the state chief information officer for completion of the Minnesota electronic licensing system, for transferring licensing agencies to the system, and for operation and maintenance of the system during the completion and transfer period.

Subd. 2. **Temporary licensing surcharge.** Executive branch state agencies shall collect a temporary surcharge of ten percent of the licensing fee, but no less than \$5 and no more than \$150 on each business, commercial, professional, or occupational license that:

(1) requires a fee; and

(2) will be transferred to the Minnesota electronic licensing system, as determined by the state chief information officer.

The surcharge applies to initial license applications and license renewals. Each agency that issues a license subject to this subdivision shall collect the surcharge for the license for up to six years between July 1, 2009, and June 30, 2015, as directed by the state chief information officer. Receipts from the surcharge shall be deposited in the statewide licensing account established in subdivision 1. Department of Commerce licensees who are paying for an existing electronic licensing database system under section 45.24 must not be required to pay the surcharge under this section. The funds acquired under section 45.24 must be used in part, as determined by the commissioner of commerce, to fund the statewide electronic licensing system under this section and the fee imposed on licensees who pay for the system under section 45.24 may not exceed the maximum fee allowed under that section.

Subd. 3. **Priority.** In completing the statewide electronic licensing system, the chief information officer must give priority to the extent practical to licenses that are not currently issued electronically.

Subd. 4. **Contract authority.** The state chief information officer may enter into a risk-share or phased agreement with a vendor to complete the Minnesota electronic licensing system and to transfer licensing agencies to the system, provided that the payment for the vendor's services under the agreement is limited to the revenue from the surcharge enacted under subdivision 2, after payment of state operating and maintenance costs. The agreement must clearly indicate that the state chief information officer may only expend amounts actually collected from the surcharge, after state operations and maintenance costs have been paid, in payment for the vendor's services and that the vendor assumes this risk when performing work under the contract. This section does not require the state chief information officer to pay the vendor the entire amount of the surcharge revenue that remains after payment of state operations and maintenance costs. Before entering into a contract under this subdivision, the state chief information officer must consult with the commissioner of finance regarding the implementation of the surcharge and the terms of the contract.

Subd. 5. **Unused funds.** Money remaining in the statewide electronic licensing account after payment of all costs of completing the Minnesota electronic licensing system, transferring licensing agencies to the system, and operating and maintaining the system during the completion and transfer period is appropriated for the costs of operating and maintaining the Minnesota electronic licensing system after the system has been completed.

Subd. 6. **Expiration.** This section expires on June 30, 2017.

Sec. 58. Minnesota Statutes 2008, section 43A.02, is amended by adding a subdivision to read:

Subd. 18a. **Domestic partner.** "Domestic partner" means a person who has entered into a committed interdependent relationship with one other adult, where the partners:

(1) are responsible for each other's basic common welfare;

(2) share a common residence and intend to do so indefinitely;

(3) are not related by blood or adoption to an extent that would prohibit marriage in this state; and

(4) are legally competent and qualified to enter into a contract.

For purposes of this subdivision, domestic partners may be considered to share a common residence, even if they do not each have a legal right to possess the residence or one or both domestic partners possess additional real property.

If one domestic partner temporarily leaves the common residence with the intention to return, the domestic partners continue to share a common residence for the purposes of this subdivision.

Sec. 59. Minnesota Statutes 2008, section 43A.1815, is amended to read:

**43A.1815 VACATION DONATION TO SICK LEAVE ACCOUNT.**

(a) In addition to donations under section 43A.181, a state employee may donate a total of up to ~~12~~ 40 hours of accrued vacation or sick leave each fiscal year to the sick leave account of one or more state employees. A state employee may not be paid for more than 80 hours in a payroll period during which the employee uses sick leave credited to the employee's account as a result of a transfer from another state employee's vacation or sick leave account.

(b) The recipient employee must receive donations, as available, for an illness or condition of the employee or a member of the employee's family that prevents the employee from working. The donations must be available without a waiting period as soon as the employee's sick and vacation leave is exhausted. Donations may be used for up to a total of 1,044 hours during the duration of eligible employment. Recipients must continue to accrue vacation and sick leave while they are on donation leave.

(c) An applicant for benefits under this section who receives an unfavorable determination may select a designee to consult with the commissioner or commissioner's designee on the reasons for the determination.

(d) The commissioner shall establish procedures under section 43A.04, subdivision 4, for eligibility, duration of need based on individual cases, monitoring and evaluation of individual eligibility status, and other topics related to administration of this program.

Sec. 60. Minnesota Statutes 2008, section 43A.24, subdivision 1, is amended to read:

Subdivision 1. **General.** Employees, including persons on layoff from a civil service position, and employees who are employed less than full time, shall be eligible for state paid life insurance and hospital, medical and dental benefits as provided in collective bargaining agreements or plans established pursuant to section 43A.18. If a collective bargaining agreement or plan provides state paid health insurance for spouses of employees, the insurance must be made available to a domestic partner of a state employee on the same terms and conditions.

**EFFECTIVE DATE.** This section is effective January 1, 2012.

Sec. 61. Minnesota Statutes 2008, section 43A.49, is amended to read:

**43A.49 VOLUNTARY UNPAID LEAVE OF ABSENCE.**

(a) Appointing authorities in state government may allow each employee to take unpaid leaves of absence for up to 1,040 hours between June 1, 2007, and June 30, 2009. The 1,040 hour limit replaces, and is not in addition to, limits set in prior laws in each two-year period beginning July 1 of each odd-numbered year. Each appointing authority approving such a leave shall allow the employee to continue accruing vacation and sick leave, be eligible for paid holidays and insurance benefits, accrue seniority, and accrue service credit and credited salary in the state

retirement plans as if the employee had actually been employed during the time of leave. An employee covered by the unclassified plan may voluntarily make the employee contributions to the unclassified plan during the leave of absence. If the employee makes these contributions, the appointing authority must make the employer contribution. If the leave of absence is for one full pay period or longer, any holiday pay shall be included in the first payroll warrant after return from the leave of absence. The appointing authority shall attempt to grant requests for the unpaid leaves of absence consistent with the need to continue efficient operation of the agency. However, each appointing authority shall retain discretion to grant or refuse to grant requests for leaves of absence and to schedule and cancel leaves, subject to the applicable provisions of collective bargaining agreements and compensation plans.

(b) To receive eligible service credit and credited salary in a defined benefit plan, the member shall pay an amount equal to the applicable employee contribution rates. If an employee pays the employee contribution for the period of the leave under this section, the appointing authority must pay the employer contribution. The appointing authority may, at its discretion, pay the employee contributions. Contributions must be made in a time and manner prescribed by the executive director of the Minnesota State Retirement ~~Association~~ System.

Sec. 62. **[43A.55] MANAGEMENT ANALYSIS REVOLVING FUND.**

**Subdivision 1. Creation.** The management analysis revolving fund is created in the state treasury.

**Subd. 2. Appropriation and use of funds.** Money in the management analysis revolving fund is appropriated annually to the commissioner to provide analytical, statistical, and organizational development services to state agencies, local units of government, metropolitan and regional agencies, school districts, and other public entities in the state.

**Subd. 3. Reimbursements.** Except as specifically provided otherwise, each agency shall reimburse the management analysis revolving fund for the cost of all services, supplies, materials, labor, and depreciation of equipment, including reasonable overhead costs, that the commissioner is authorized and directed to furnish an agency. The commissioner shall report the rates to be charged for the revolving fund no later than July 1 of each year to the chair of the committee or division of the senate or the house of representatives with primary jurisdiction over the budget of the Department of Finance.

**Subd. 4. Cash flow.** The commissioner may make appropriate transfers to the revolving fund according to section 16A.126. The commissioner may make allotment and encumbrances in anticipation of these transfers. In addition, the commissioner may require an agency to make advance payments to the revolving fund sufficient to cover the office's estimated obligation for a period of at least 60 days. All reimbursements and other money received by the commissioner under this section must be deposited in the management analysis revolving fund.

**Subd. 5. Liquidation.** If the management analysis revolving fund is abolished or liquidated, the total net profit from the operation of the fund must be distributed to the various funds from which purchases were made. For a given period of time, the amount of total net profit to be distributed to each fund shall reflect the same ratio of total purchases attributable to each fund divided by the total purchases from all funds.

Sec. 63. Minnesota Statutes 2008, section 116G.15, is amended to read:

**116G.15 MISSISSIPPI RIVER CRITICAL AREA.**

(\*) The federal Mississippi National River and Recreation Area established pursuant to United States Code, title 16, section 460zz-2(k), is designated an area of critical concern in accordance with this chapter. The governor shall review the existing Mississippi River critical area plan and specify any additional standards and guidelines to affected communities in accordance with section 116G.06, subdivision 2, paragraph (b), clauses (3) and (4), needed to insure preservation of the area pending the completion of the federal plan.

~~The results of an environmental impact statement prepared under chapter 116D begun before and completed after July 1, 1994, for a proposed project that is located in the Mississippi River critical area north of the United States Army Corps of Engineers Lock and Dam Number One must be submitted in a report to the chairs of the environment and natural resources policy and finance committees of the house of representatives and the senate prior to the issuance of any state or local permits and the authorization for an issuance of any bonds for the project. A report made under this paragraph shall be submitted by the responsible governmental unit that prepared the environmental impact statement, and must list alternatives to the project that are determined by the environmental impact statement to be economically less expensive and environmentally superior to the proposed project and identify any legislative actions that may assist in the implementation of environmentally superior alternatives. This paragraph does not apply to a proposed project to be carried out by the Metropolitan Council or a metropolitan agency as defined in section 473.121.~~

~~(b) If the results of an environmental impact statement required to be submitted by paragraph (a) indicate that there is an economically less expensive and environmentally superior alternative, then no member agency of the Environmental Quality Board shall issue a permit for the facility that is the subject of the environmental impact statement, other than an economically less expensive and environmentally superior alternative, nor shall any government bonds be issued for the facility, other than an economically less expensive and environmentally superior alternative, until after the legislature has adjourned its regular session sine die in 1996.~~

Sec. 64. [116G.152] CRITICAL AREA.

The Metropolitan Council, in consultation with the Environmental Quality Board, shall consider for inclusion in the regional recreational open space system created in chapter 473 property adjacent to Main Street and southeast of 6th Avenue Southeast in the city of Minneapolis. The Council and the Environmental Quality Board shall report to the legislature by January 15, 2011, on the extent to which inclusion of the property in the open space system would support official plans for the area, including local comprehensive plans, regional park plans, and Mississippi River Critical Area standards. No rezoning, conditional use permit, or variance may be granted with respect to any property in the area described in this section until the legislature determines that the property is not suitable for inclusion in the regional recreational open space system.

Sec. 65. Minnesota Statutes 2008, section 129D.13, is amended to read:

**129D.13 GRANTS.**

Subdivision 1. **Distribution.** The commissioner shall distribute the money provided by sections 129D.11 to 129D.13. ~~Twice~~ Annually the commissioner shall make block grants which shall be distributed in equal amounts to public stations for operational costs. The commissioner shall allocate money appropriated for the purposes of sections 129D.11 to 129D.13 in such a manner that each eligible public station receives a block grant. In addition, the commissioner shall make matching grants to public stations. Matching grants shall be used for operational costs and shall be allocated using the procedure developed for distribution of state money under this section for grants made in fiscal year 1979. No station's matching grant in any fiscal year shall exceed the amount of Minnesota-based contributions received by that station in the previous fiscal year. Grants made pursuant to this subdivision may only be given to those federally licensed stations that are certified as eligible for community service grants through the Corporation for Public Broadcasting. Grant funds not expended by a station during the first year of the biennium do not cancel and may be carried over into the second fiscal year.

Subd. 2. **Exclusions from contribution amount.** In calculating the amount of contributions received by a public station pursuant to subdivision 1, there shall be excluded: contributions, whether monetary or in kind, from the Corporation for Public Broadcasting; tax generated funds, including payments by public or private elementary and secondary schools; that portion of any foundation or corporation donation in excess of \$500 ~~\$2,500~~ from any one contributor in ~~a calendar~~ the previous station fiscal year; contributions from any source if made for the purpose of capital expenditures; and contributions from all sources based outside the state.

Subd. 3. **Report.** Each educational station receiving a grant shall ~~annually report by July 1~~ annually by August 1 to the commissioner the purposes for which the money was used in the past ~~fiscal~~ year and the anticipated use of the money in the next ~~fiscal~~ year. ~~The report shall be certified by an independent auditor or a certified public accountant. This report shall be submitted along with a new grant request submission.~~ If the report is not submitted by ~~September 1~~, the commissioner ~~may withhold from the educational station 45 percent of the amount to which it was entitled based upon the contribution of the previous fiscal year, and may redistribute that money to other educational stations.~~

Subd. 4. ~~Program categories and funding programs.~~ The Board of the Arts may develop program categories and funding programs in television, film and other public media.

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

Sec. 66. Minnesota Statutes 2008, section 129D.14, subdivision 4, is amended to read:

Subd. 4. **Application.** To be eligible for a grant under this section, a licensee shall submit an application to the commissioner ~~within the deadline prescribed by the commissioner according to state grant policies.~~ Each noncommercial radio station receiving a grant shall report annually ~~within the deadline prescribed by August 1~~ to the commissioner the purposes for which the money was used in the past ~~fiscal~~ year and the anticipated use of the money for the next ~~fiscal~~ year. This report shall be submitted along with a new grant request submission. If the application and report are not submitted within the deadline prescribed by the commissioner, the grant may be redistributed to the other noncommercial radio stations eligible for a grant under this section.

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

Sec. 67. Minnesota Statutes 2008, section 129D.14, subdivision 5, is amended to read:

Subd. 5. **State community service block grants.** (a) The commissioner shall determine eligibility for block grants and the allocation of block grant money on the basis of audited financial records of the station to receive the block grant funds for the station's fiscal year preceding the year in which the grant is made, as well as on the basis of the other requirements set forth in this section. The commissioner shall annually distribute block grants equally to all stations that comply with the eligibility requirements and for which a licensee applies for a block grant. Grant funds not expended by a station during the first year of the biennium do not cancel and may be carried over into the second fiscal year. The commissioner may promulgate rules to implement this section.

(b) A station may use grant money under this section for any radio station expenses.

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

Sec. 68. Minnesota Statutes 2008, section 129D.14, subdivision 6, is amended to read:

Subd. 6. **Audit.** A station that receives a grant under this section shall have an audit of its financial records made by an independent auditor or Corporation for Public Broadcasting accepted audit ~~at the end of~~ for the ~~fiscal~~ year ~~for which it received the grant. The audit shall include a review of station promotion, operation, and management and an analysis of the station's use of the grant money.~~ A copy of the most recent audit shall be filed with the commissioner. ~~If neither is available,~~ The commissioner may accept a letter of negative assurance from an independent auditor or a certified public accountant.

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

Sec. 69. Minnesota Statutes 2008, section 129D.155, is amended to read:

**129D.155 REPAYMENT OF FUNDS.**

State funds distributed to public television or noncommercial radio stations and used to purchase equipment assets must be repaid to the state, without interest, if the assets purchased with these funds are sold within five years or otherwise converted to a person other than a nonprofit or municipal corporation. The amount due to the state shall be the net amount realized from the sale of the assets, but shall not exceed the amount of state funds advanced for the purchase of the asset. ~~Public television and noncommercial radio stations receiving state funds must report biennially to the legislature on the location and usage of assets purchased with state funds.~~

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

Sec. 70. Minnesota Statutes 2008, section 135A.17, subdivision 2, is amended to read:

Subd. 2. **Residential housing list.** ~~All postsecondary institutions that enroll students accepting state or federal financial aid may~~ (a) Institutions within the Minnesota State Colleges and Universities system must prepare a current list of students enrolled in the institution and residing in the institution's housing or within ten miles of the institution's campus Minnesota. The list shall must include each student's name and current address as permitted by applicable privacy laws. The list shall must be certified and sent to the appropriate county auditor or auditors secretary of state no earlier than 30 and no later than 25 days prior to the November general election, in an electronic format specified by the secretary of state, for use in election day registration as provided under section 201.061, subdivision 3. The certification must be dated and signed by the chief officer or designee of the postsecondary educational institution, or for institutions within the Minnesota State Colleges and Universities system, by the chancellor, and must state that the list is current and accurate and includes only the names of currently enrolled students residing in Minnesota as of the date of certification. The secretary of state must combine the data received from each postsecondary educational institution under this subdivision and must process the data to locate the precinct in which the address provided for each student is located. If the data submitted by the postsecondary educational institution is insufficient for the secretary of state to locate the proper precinct, the associated student name must not appear in any list forwarded to a county auditor under this subdivision.

At least 14 days prior to the November general election, the secretary of state must forward to the appropriate county auditor lists of students containing the students' names and addresses for which precinct determinations have been made along with their postsecondary educational institutions. The list must be sorted by precinct and student last name and must be forwarded in an electronic format specified by the secretary of state or other mutually agreed upon medium, if a written agreement specifying the medium is signed by the secretary of state and the county auditor at least 90 days before the November general election. A written agreement is effective for all elections until rescinded by either the secretary of state or the county auditor.

(b) Other postsecondary institutions may provide lists as provided by this subdivision or as provided by the rules of the secretary of state. The University of Minnesota is requested to comply with this subdivision.

(c) A residential housing list provided under this subdivision may not be used or disseminated by a county auditor or the secretary of state for any other purpose.

Sec. 71. Minnesota Statutes 2008, section 161.321, is amended to read:

**161.321 SMALL BUSINESS CONTRACTS.**

Subdivision 1. **Definitions.** For purposes of this section the following terms have the meanings given them, except where the context clearly indicates a different meaning is intended.

(a) "Award" means the granting of a contract in accordance with all applicable laws and rules governing competitive bidding except as otherwise provided in this section.

(b) "Contract" means an agreement entered into between a business entity and the state of Minnesota for the construction of transportation improvements.

(c) "Subcontractor" means a business entity which enters into a legally binding agreement with another business entity which is a party to a contract as defined in paragraph (b).

(d) "Targeted group business" means a business designated under section 16C.16, subdivision 5.

(e) "Service-disabled veteran-owned small business" means a business designated under section 16C.16, subdivision 6a.

Subd. 2. **Small business set-asides.** (a) The commissioner may award up to a six percent preference in the amount bid for specified construction work to small targeted group businesses and service-disabled veteran-owned small businesses.

(b) The commissioner may designate a contract for construction work for award only to small targeted group businesses if the commissioner determines that at least three small targeted group businesses are likely to bid. The commissioner may designate a contract for construction work for award only to service-disabled veteran-owned small businesses if the commissioner determines that at least three service-disabled veteran-owned small businesses are likely to bid.

(c) The commissioner, as a condition of awarding a construction contract, may set goals that require the prime contractor to subcontract a portion of the contract to small targeted group businesses and service-disabled veteran-owned small businesses. The commissioner must establish a procedure for granting waivers from the subcontracting requirement when qualified small targeted group businesses and service-disabled veteran-owned small businesses are not reasonably available. The commissioner may establish financial incentives for prime contractors who exceed the goals for use of subcontractors and financial penalties for prime contractors who fail to meet goals under this paragraph. The subcontracting requirements of this paragraph do not apply to prime contractors who are small targeted group businesses or service-disabled veteran-owned small businesses.

(d) The commissioner may award up to a four percent preference in the amount bid on procurement to small businesses located in an economically disadvantaged area as defined in section 16C.16, subdivision 7.

Subd. 3. **Awards to small businesses.** At least 75 percent of subcontracts awarded to small targeted group businesses must be performed by the business to which the subcontract is awarded or another small targeted group business. At least 75 percent of subcontracts awarded to service-disabled veteran-owned small businesses must be performed by the business to which the subcontract is awarded or another service-disabled veteran-owned small business.

Subd. 4. **Awards, limitations.** Contracts awarded pursuant to this section are subject to all limitations contained in rules adopted by the commissioner of administration.

Subd. 5. **Recourse to other businesses.** If the commissioner is unable to award a contract pursuant to the provisions of subdivisions 2 and 3, the award may be placed pursuant to the normal solicitation and award provisions set forth in this chapter and chapter 16C.

Subd. 6. **Rules.** The rules adopted by the commissioner of administration to define small businesses and to set time and other eligibility requirements for participation in programs under sections 16C.16 to 16C.19 apply to this section. The commissioner may promulgate other rules necessary to carry out this section.



Subd. 7. **Noncompetitive bids.** The commissioner is encouraged to purchase from small targeted group businesses and service-disabled veteran-owned small businesses designated under section 16C.16 when making purchases that are not subject to competitive bidding procedures.

Subd. 8. **Report by commissioner.** The commissioner of transportation shall report to the commissioner of administration on compliance with this section. The information must be reported at the time and in the manner requested by the commissioner.

**EFFECTIVE DATE.** This section is effective July 1, 2009, and applies to procurement contract bid solicitations issued on and after that date.

Sec. 72. Minnesota Statutes 2008, section 179A.03, subdivision 14, is amended to read:

Subd. 14. **Public employee or employee.** "Public employee" or "employee" means any person appointed or employed by a public employer except:

- (a) elected public officials;
- (b) election officers;
- (c) commissioned or enlisted personnel of the Minnesota National Guard;
- (d) emergency employees who are employed for emergency work caused by natural disaster;
- (e) part-time employees whose service does not exceed the lesser of 14 hours per week or 35 percent of the normal work week in the employee's appropriate unit;
- (f) employees whose positions are basically temporary or seasonal in character and: (1) are not for more than 67 working days in any calendar year; or (2) are not for more than 100 working days in any calendar year and the employees are under the age of 22, are full-time students enrolled in a nonprofit or public educational institution prior to being hired by the employer, and have indicated, either in an application for employment or by being enrolled at an educational institution for the next academic year or term, an intention to continue as students during or after their temporary employment;
- (g) employees providing services for not more than two consecutive quarters to the Board of Trustees of the Minnesota State Colleges and Universities under the terms of a professional or technical services contract as defined in section 16C.08, subdivision 1;
- (h) employees of charitable hospitals as defined by section 179.35, subdivision 3;
- (i) full-time undergraduate students employed by the school which they attend under a work-study program or in connection with the receipt of financial aid, irrespective of number of hours of service per week;
- (j) an individual who is employed for less than 300 hours in a fiscal year as an instructor in an adult vocational education program;
- (k) an individual hired by the Board of Trustees of the Minnesota State Colleges and Universities to teach one course for three or fewer credits for one semester in a year;
- (l) with respect to court employees:

(1) personal secretaries to judges;

(2) law clerks;

(3) managerial employees;

(4) confidential employees; and

(5) supervisory employees;

(m) with respect to employees of Hennepin Healthcare System, Inc., managerial, supervisory, and confidential employees.

The following individuals are public employees regardless of the exclusions of clauses (e) and (f):

(i) An employee hired by a school district or the Board of Trustees of the Minnesota State Colleges and Universities except at the university established in ~~section 136F.13~~ the Twin Cities metropolitan area under section 136F.10 or for community services or community education instruction offered on a noncredit basis: (A) to replace an absent teacher or faculty member who is a public employee, where the replacement employee is employed more than 30 working days as a replacement for that teacher or faculty member; or (B) to take a teaching position created due to increased enrollment, curriculum expansion, courses which are a part of the curriculum whether offered annually or not, or other appropriate reasons;

(ii) An employee hired for a position under clause (f)(1) if that same position has already been filled under clause (f)(1) in the same calendar year and the cumulative number of days worked in that same position by all employees exceeds 67 calendar days in that year. For the purpose of this paragraph, "same position" includes a substantially equivalent position if it is not the same position solely due to a change in the classification or title of the position; and

(iii) an early childhood family education teacher employed by a school district.

Sec. 73. Minnesota Statutes 2008, section 201.061, subdivision 1, is amended to read:

Subdivision 1. **Prior to election day.** At any time except during the 20 days immediately preceding any regularly scheduled election, an eligible voter or any individual who will be an eligible voter at the time of the next election may register to vote in the precinct in which the voter maintains residence by completing a voter registration application as described in section 201.071, subdivision 1, and submitting it in person or by mail to the county auditor of that county or to the Secretary of State's Office. If the Web site maintained by the secretary of state provides a process for it, an individual who has a Minnesota driver's license, identification card, or learner's permit may register online. A registration that is received no later than 5:00 p.m. on the 21st day preceding any election shall be accepted. An improperly addressed or delivered registration application shall be forwarded within two working days after receipt to the county auditor of the county where the voter maintains residence. A state or local agency or an individual that accepts completed voter registration applications from a voter must submit the completed applications to the secretary of state or the appropriate county auditor within ten days after the applications are dated by the voter.

For purposes of this section, mail registration is defined as a voter registration application delivered to the secretary of state, county auditor, or municipal clerk by the United States Postal Service or a commercial carrier.

Sec. 74. Minnesota Statutes 2008, section 201.061, subdivision 3, is amended to read:

Subd. 3. **Election day registration.** (a) An individual who is eligible to vote may register on election day by appearing in person at the polling place for the precinct in which the individual maintains residence, by completing a registration application, making an oath in the form prescribed by the secretary of state and providing proof of residence. An individual may prove residence for purposes of registering by:

(1) presenting a driver's license or Minnesota identification card issued pursuant to section 171.07;

(2) presenting any document approved by the secretary of state as proper identification;

(3) presenting one of the following:

(i) a current valid student identification card from a postsecondary educational institution in Minnesota, if a list of students from that institution has been prepared under section 135A.17 ~~and certified to the county auditor or~~ in the manner provided in rules of the secretary of state; or

(ii) a current student fee statement that contains the student's valid address in the precinct together with a picture identification card; or

(4) having a voter who is registered to vote in the precinct, or who is an employee employed by and working in a residential facility in the precinct and vouching for a resident in the facility, sign an oath in the presence of the election judge vouching that the voter or employee personally knows that the individual is a resident of the precinct. A voter who has been vouched for on election day may not sign a proof of residence oath vouching for any other individual on that election day. A voter who is registered to vote in the precinct may sign up to 15 proof-of-residence oaths on any election day. This limitation does not apply to an employee of a residential facility described in this clause. The secretary of state shall provide a form for election judges to use in recording the number of individuals for whom a voter signs proof-of-residence oaths on election day. The form must include space for the maximum number of individuals for whom a voter may sign proof-of-residence oaths. For each proof-of-residence oath, the form must include a statement that the voter is registered to vote in the precinct, personally knows that the individual is a resident of the precinct, and is making the statement on oath. The form must include a space for the voter's printed name, signature, telephone number, and address.

The oath required by this subdivision and Minnesota Rules, part 8200.9939, must be attached to the voter registration application.

(b) The operator of a residential facility shall prepare a list of the names of its employees currently working in the residential facility and the address of the residential facility. The operator shall certify the list and provide it to the appropriate county auditor no less than 20 days before each election for use in election day registration.

(c) "Residential facility" means transitional housing as defined in section 256E.33, subdivision 1; a supervised living facility licensed by the commissioner of health under section 144.50, subdivision 6; a nursing home as defined in section 144A.01, subdivision 5; a residence registered with the commissioner of health as a housing with services establishment as defined in section 144D.01, subdivision 4; a veterans home operated by the board of directors of the Minnesota Veterans Homes under chapter 198; a residence licensed by the commissioner of human services to provide a residential program as defined in section 245A.02, subdivision 14; a residential facility for persons with a developmental disability licensed by the commissioner of human services under section 252.28; group residential housing as defined in section 256I.03, subdivision 3; a shelter for battered women as defined in section 611A.37, subdivision 4; or a supervised publicly or privately operated shelter or dwelling designed to provide temporary living accommodations for the homeless.

(d) For tribal band members, an individual may prove residence for purposes of registering by:

(1) presenting an identification card issued by the tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the name, address, signature, and picture of the individual; or

(2) presenting an identification card issued by the tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the name, signature, and picture of the individual and also presenting one of the documents listed in Minnesota Rules, part 8200.5100, subpart 2, item B.

(e) A county, school district, or municipality may require that an election judge responsible for election day registration initial each completed registration application.

Sec. 75. Minnesota Statutes 2008, section 201.071, subdivision 1, is amended to read:

Subdivision 1. **Form.** A voter registration application must ~~be of suitable size and weight for mailing and~~ contain spaces for the following required information: voter's first name, middle name, and last name; voter's previous name, if any; voter's current address; voter's previous address, if any; voter's date of birth; voter's municipality and county of residence; voter's telephone number, if provided by the voter; date of registration; current and valid Minnesota driver's license number or Minnesota state identification number, or if the voter has no current and valid Minnesota driver's license or Minnesota state identification, and the last four digits of the voter's Social Security number; ~~and voter's signature~~. The registration application may include the voter's e-mail address, if provided by the voter, and the voter's interest in serving as an election judge, if indicated by the voter. The application must also contain the following certification of voter eligibility:

"I certify that I:

(1) will be at least 18 years old on election day;

(2) am a citizen of the United States;

(3) will have resided in Minnesota for 20 days immediately preceding election day;

(4) maintain residence at the address given on the registration form;

(5) am not under court-ordered guardianship in which the court order revokes my right to vote;

(6) have not been found by a court to be legally incompetent to vote;

(7) have the right to vote because, if I have been convicted of a felony, my felony sentence has expired (been completed) or I have been discharged from my sentence; and

(8) have read and understand the following statement: that giving false information is a felony punishable by not more than five years imprisonment or a fine of not more than \$10,000, or both."

The certification must include boxes for the voter to respond to the following questions:

"(1) Are you a citizen of the United States?" and

"(2) Will you be 18 years old on or before election day?"

And the instruction:

"If you checked 'no' to either of these questions, do not complete this form."

The form of the voter registration application and the certification of voter eligibility must be as provided in this subdivision and approved by the secretary of state. Voter registration forms authorized by the National Voter Registration Act must also be accepted as valid. The federal postcard application form must also be accepted as valid if it is not deficient and the voter is eligible to register in Minnesota.

An individual may use a voter registration application to apply to register to vote in Minnesota or to change information on an existing registration.

A paper voter registration application must include space for the voter's signature. Paper voter registration applications, other than those used for election day registration, must be of suitable size and weight for mailing.

Sec. 76. Minnesota Statutes 2008, section 201.091, is amended by adding a subdivision to read:

Subd. 5a. **Registration confirmation to registered voter.** The secretary of state must ensure that the secretary of state's Web site is capable of providing voter registration confirmation to a registered voter. An individual requesting registration confirmation must provide the individual's name, address, and date of birth. If the information provided by the individual completely matches an active voter record in the statewide voter registration system, the Web site must inform the individual that the individual is a registered voter and must provide the individual with the individual's polling place location. If the information provided by the individual does not completely match an active voter record in the statewide voter registration system, the Web site must inform the individual that a voter record with that name and date of birth at the address provided cannot be confirmed and the Web site must advise the individual to contact the county auditor for further information.

**EFFECTIVE DATE.** This section is not effective until the secretary of state has certified that the Web site has been tested, has been shown to properly retrieve information from the correct voter's record, and can handle the expected volume of use.

Sec. 77. Minnesota Statutes 2008, section 211B.37, is amended to read:

**211B.37 COSTS ASSESSED.**

Except as otherwise provided in section 211B.36, subdivision 3, ~~the chief administrative law judge shall assess the cost of considering complaints filed under section 211B.32 as provided in this section. Costs of complaints relating to a statewide ballot question or an election for a statewide or legislative office must be assessed against the appropriation from the general fund to the general account of the state elections campaign fund. Office of Administrative Hearings in section 10A.31, subdivision 4. Costs of complaints relating to any other ballot question or elective office must be assessed against the county or counties in which the election is held. Where the election is held in more than one county, the chief administrative law judge shall apportion the assessment among the counties in proportion to their respective populations within the election district to which the complaint relates according to the most recent decennial federal census.~~

Sec. 78. **[270C.145] TECHNOLOGY LEASE-PURCHASE APPROPRIATION.**

\$2,117,000 is appropriated annually from the general fund to the commissioner to make payments under a lease-purchase agreement as defined in section 16A.81 for completing the purchase and development of an integrated tax software package; provided that the state is not obligated to continue the appropriation of funds or to make lease payments in any future fiscal year. Any unexpended portions of this appropriation cancel to the general fund at the close of each biennium. This section expires June 30, 2019.

Sec. 79. Minnesota Statutes 2008, section 471.345, subdivision 15, is amended to read:

Subd. 15. **Cooperative purchasing.** (a) Municipalities may contract for the purchase of supplies, materials, or equipment by utilizing contracts that are available through the state's cooperative purchasing venture authorized by section 16C.11 whenever practicable and cost-effective.

(b) Unless required to utilize the state's cooperative purchasing venture under paragraph (a), a municipality may contract for the purchase of supplies, materials, or equipment without regard to the competitive bidding requirements of this section if the purchase is through a national municipal association's purchasing alliance or cooperative created by a joint powers agreement that purchases items from more than one source on the basis of competitive bids or competitive quotations.

Sec. 80. Minnesota Statutes 2008, section 473.142, is amended to read:

#### **473.142 SMALL BUSINESSES.**

(a) The Metropolitan Council and agencies specified in section 473.143, subdivision 1, may award up to a six percent preference in the amount bid for specified goods or services to small targeted group businesses and service-disabled veteran-owned small businesses designated under section 16C.16.

(b) The council and each agency specified in section 473.143, subdivision 1, may designate a purchase of goods or services for award only to small targeted group businesses designated under section 16C.16 if the council or agency determines that at least three small targeted group businesses are likely to bid. The council and each agency specified in section 473.143, subdivision 1, may designate a purchase of goods or services for award only to service-disabled veteran-owned small businesses designated under section 16C.16 if the council or agency determines that at least three service-disabled veteran-owned small businesses are likely to bid.

(c) The council and each agency specified in section 473.143, subdivision 1, as a condition of awarding a construction contract or approving a contract for consultant, professional, or technical services, may set goals that require the prime contractor to subcontract a portion of the contract to small targeted group businesses and service-disabled veteran-owned small businesses designated under section 16C.16. The council or agency must establish a procedure for granting waivers from the subcontracting requirement when qualified small targeted group businesses and service-disabled veteran-owned small businesses are not reasonably available. The council or agency may establish financial incentives for prime contractors who exceed the goals for use of subcontractors and financial penalties for prime contractors who fail to meet goals under this paragraph. The subcontracting requirements of this paragraph do not apply to prime contractors who are small targeted group businesses and service-disabled veteran-owned small businesses. At least 75 percent of the value of the subcontracts awarded to small targeted group businesses under this paragraph must be performed by the business to which the subcontract is awarded or by another small targeted group business. At least 75 percent of the value of the subcontracts awarded to service-disabled veteran-owned small businesses under this paragraph must be performed by the business to which the subcontract is awarded or another service-disabled veteran-owned small business.

(d) The council and each agency listed in section 473.143, subdivision 1, are encouraged to purchase from small targeted group businesses and service-disabled veteran-owned small businesses designated under section 16C.16 when making purchases that are not subject to competitive bidding procedures.

(e) The council and each agency may adopt rules to implement this section.

(f) Each council or agency contract must require the prime contractor to pay any subcontractor within ten days of the prime contractor's receipt of payment from the council or agency for undisputed services provided by the subcontractor. The contract must require the prime contractor to pay interest of 1-1/2 percent per month or any part

of a month to the subcontractor on any undisputed amount not paid on time to the subcontractor. The minimum monthly interest penalty payment for an unpaid balance of \$100 or more is \$10. For an unpaid balance of less than \$100, the prime contractor shall pay the actual penalty due to the subcontractor. A subcontractor who prevails in a civil action to collect interest penalties from a prime contractor must be awarded its costs and disbursements, including attorney fees, incurred in bringing the action.

(g) This section does not apply to procurement financed in whole or in part with federal funds if the procurement is subject to federal disadvantaged, minority, or women business enterprise regulations. The council and each agency shall report to the commissioner of administration on compliance with this section. The information must be reported at the time and in the manner requested by the commissioner.

**EFFECTIVE DATE.** This section is effective July 1, 2009, and applies to procurement contract bid solicitations issued on and after that date.

Sec. 81. Laws 2005, chapter 156, article 2, section 45, as amended by Laws 2007, chapter 148, article 2, section 73, is amended to read:

**Sec. 45. SALE OF STATE LAND.**

Subdivision 1. **State land sales.** The commissioner of administration shall coordinate with the head of each department or agency having control of state-owned land to identify and sell at least \$6,440,000 of state-owned land. Sales should be completed according to law and as provided in this section as soon as practicable but no later than June 30, ~~2009~~ 2011. Notwithstanding Minnesota Statutes, sections 16B.281 and 16B.282, 94.09 and 94.10, or any other law to the contrary, the commissioner may offer land for public sale by only providing notice of lands or an offer of sale of lands to state departments or agencies, the University of Minnesota, cities, counties, towns, school districts, or other public entities.

Subd. 2. **Anticipated savings.** Notwithstanding Minnesota Statutes, section 94.16, subdivision 3, or other law to the contrary, the amount of the proceeds from the sale of land under this section that exceeds the actual expenses of selling the land must be deposited in the general fund, except as otherwise provided by the commissioner of finance. Notwithstanding Minnesota Statutes, section 94.11 or 16B.283, the commissioner of finance may establish the timing of payments for land purchased under this section. If the total of all money deposited into the general fund from the proceeds of the sale of land under this section is anticipated to be less than \$6,440,000, the governor must allocate the amount of the difference as reductions to general fund operating expenditures for other executive agencies for the biennium ending June 30, ~~2009~~ 2011.

Subd. 3. **Sale of state lands revolving loan fund.** \$290,000 is appropriated from the general fund in fiscal year 2006 to the commissioner of administration for purposes of paying the actual expenses of selling state-owned lands to achieve the anticipated savings required in this section. From the gross proceeds of land sales under this section, the commissioner of administration must cancel the amount of the appropriation in this subdivision to the general fund by June 30, ~~2009~~ 2011.

Sec. 82. Laws 2005, chapter 162, section 34, subdivision 2, is amended to read:

Subd. 2. **Optical scan equipment.** \$6,000,000 is appropriated from the Help America Vote Act account to the secretary of state for grants to counties to purchase optical scan voting equipment. Counties are eligible for grants to the extent that they decide to purchase ballot marking machines and as a result do not have sufficient Help America Vote Act grant money remaining to also purchase a compatible precinct-based optical scan machine or central-count machine. These grants must be allocated to counties at a rate of \$3,000 per eligible precinct until the appropriation is exhausted, with priority in the payment of grants to be given to counties currently using hand- and central-count voting systems and counties using precinct-count optical scan voting systems incompatible with assistive voting systems or ballot marking machines. This appropriation is available until June 30, ~~2009~~ 2012.

**EFFECTIVE DATE.** This section is effective June 30, 2009.

Sec. 83. Laws 2007, chapter 131, article 2, section 22, is amended to read:

Sec. 22. **PRIVATE SALE OF SURPLUS STATE LAND; HENNEPIN COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 94.09 and 94.10, the commissioner of natural resources may sell by private sale to a governmental subdivision the surplus land that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy. The commissioner ~~may~~ must sell the land to a governmental subdivision of the state for ~~less than the value of the land as determined by the commissioner~~ no consideration under the conditions and provisions described in paragraph (e), but the conveyance must provide that the land described in paragraph (c) be used for the public and reverts to the state if the governmental subdivision fails to provide for public use or abandons the public use of the land. The commissioner may include conservation restrictions in the conveyance deed to ensure the property is maintained as open space.

(c) The land that may be sold is located in Hennepin County and is described as follows:

(1) the Northwest Quarter of Southwest Quarter, Section 36, Township 120 North, Range 22 West, less road right-of-way, containing 39 acres, more or less;

(2) the east six and two-thirds acres of the West Half of the Southeast Quarter of the Southwest Quarter, Section 36, Township 120 North, Range 22 West, less road right-of-way, containing 6.67 acres, more or less; and

(3) the West Quarter of the East Half of the Southeast Quarter of the Southwest Quarter, Section 36, Township 120 North, Range 22 West, less road right-of-way, containing 4.87 acres, more or less.

(d) The land was conveyed to the state for wild game reservation purposes. Due to adjacent residential use and local zoning restrictions, the land is no longer available for hunting purposes. The Department of Natural Resources has determined that the state's land management interests would best be served if the lands were conveyed to a local unit of government.

(e) The payment in lieu to Hennepin County as provided under Minnesota Statutes, sections 477A.11 to 477A.145, will be reduced by \$18,750 for the amounts payable in each of calendar years 2009 and 2010.

Sec. 84. Laws 2007, chapter 148, article 2, section 79, is amended to read:

Sec. 79. **TRAINING SERVICES.**

During the biennium ending June 30, ~~2009~~ 2011, state executive branch agencies must consider using services provided by government training services before contracting with other outside vendors for similar services.

Sec. 85. **CASH FLOW STUDY.**

By January 15, 2010, the commissioner of finance must submit to the chair of the Finance Committee in the senate and the chair of the Ways and Means Committee in the house of representatives, a report on the cash flow condition of the general fund for the fiscal year 2010-2011 biennium and the following biennium, including an assessment of the options for improving the long-term cash flow of the state through changes in the timing of general fund payment dates, revenue collections, or other changes. In addition, the report should identify all major provisions of law that result in state expenditures or revenues being recognized in budget documents in a fiscal year earlier or later than the fiscal year in which the obligation to pay state expenses was incurred or the liability to pay state taxes was incurred.



Sec. 86. **STATE EMPLOYEES' PERSONAL HEALTH RECORDS; CRITERIA.**

(a) The system that the commissioner of finance selects to provide electronic personal health records under Laws 2007, chapter 148, article 2, section 78, must meet the following criteria:

(1) be interoperable and compliant with the ASTM International's Continuum of Care Record standards and the Continuity of Care Document standards;

(2) provide consumer-owned records that are portable among plans, employers, and providers;

(3) not be tethered to or affiliated with a specific health plan or provider;

(4) support management, storing, and sharing of complete health history information, including but not limited to, medical conditions, medication history, surgeries, medical procedures, immunizations, lab results, radiology reports, health directives, and other medical records;

(5) provide employees the ability to share their health data electronically with health providers and others and give them flexibility and control over which specific health data is shared;

(6) enable each employee to manage multiple personal health record accounts for family members under the employee's account;

(7) provide a range of consumer engagement and decision support tools, such as online provider directories and health care cost management tools;

(8) support integration of third-party applications, such as health risk assessments and wellness and incentive programs; and

(9) provide that participation in the system is voluntary for each employee.

(b) The commissioner of finance must contract with a vendor that demonstrates the following:

(1) a plan and ability to provide Minnesota consumers access to data on prescription history, immunizations, lab and radiology results, and other medical records;

(2) an ability to provide online consumer-owned health records to all Minnesotans;

(3) a plan to serve rural and underserved communities; and

(4) a commitment to providing Minnesota-based staff for onsite assistance in planning and participation in securing and integrating health data from multiple sources for consumers.

(c) The selected system must not permit ad-serving cookies, tracking of clicked links, and server log commercial data mining without the express consent of the consumer. The selected system must require the same privacy terms for all linked services and must not share aggregate, de-identified information without express consent from the consumer.

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

Sec. 87. **COLOCATION REPORT.**

The Management Analysis Division of the Department of Finance must study and report to the legislature by January 15, 2010, on possible colocation of the offices of the Council on Black Minnesotans, the Council on Affairs of Chicano/Latino People, the Council on Asian-Pacific Minnesotans, and the metropolitan area office of the Indian Affairs Council. The report must include analysis of potential cost savings, when those savings could be realized, and the effect of potential colocation on operations of the councils.

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

Sec. 88. **NO TRANSFER OF EQB DUTIES OR STAFF.**

During the biennium ending June 30, 2011, the executive branch may not use authority under Minnesota Statutes, section 16B.37 or any other authority to transfer powers, duties, or personnel associated with the Environmental Quality Board.

Sec. 89. **ACCOUNTING AND PROCUREMENT SYSTEMS.**

The commissioner of finance must consult with the chairs of the house of representatives Ways and Means Committee and senate Finance Committee before encumbering any funds appropriated for use on or after July 1, 2009, for the planning, development, and implementation of state accounting or procurement systems. No funds appropriated for these purposes may be spent unless the commissioner certifies that the systems will include an application programming interface that allows public access to the system's underlying data on state contracts, appropriations, and expenditures using an open format. In developing the public access system, the commissioner must consult with the commissioner of administration and the director of the Office of Enterprise Technology to ensure that the design and operation of the system are done in compliance with Minnesota Statutes, chapter 13, Minnesota Statutes, section 138.17, and other laws governing data practices, including but not limited to, ensuring that government data in the system are easily accessible for convenient use by the public, ensuring that only public data are placed on the Web site, and preparing and following retention schedules for data in the system.

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

Sec. 90. **RACING LICENSE FEE RATIFICATION.**

The license fees in Minnesota Rules, part 7877.0120, are ratified by this act.

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

Sec. 91. **TECHNOLOGY LEASE-PURCHASE AUTHORIZATION.**

Subdivision 1. **Lease-purchase agreements.** The commissioner of finance shall enter into one or more lease-purchase agreements as defined in Minnesota Statutes, section 16A.81, to finance the two projects in subdivisions 2 and 3.

Subd. 2. **Replacement of state's accounting and procurement systems.** Proceeds of lease-purchase agreements and the issuance and sale of related certificates of participation are appropriated to the commissioner of finance for development and implementation of a new statewide accounting and procurement system.

Subd. 3. **Completion of integrated tax system.** Proceeds of lease-purchase agreements and the issuance and sale of related certificates of participation are appropriated to the commissioner of revenue for completing the purchase and implementation of an integrated tax software package.

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

**Sec. 92. LRT MITIGATION IMPACTS IN CAPITOL AREA.**

The Metropolitan Council must include mitigation of impacts in the Capitol Area not addressed in the project baseline in preliminary engineering and the final design for the Central Corridor Light Rail Transit Line. The Metropolitan Council must include the construction of mitigation elements not addressed in the project baseline in the Central Corridor Light Rail Transit bid packages as add-alternates. Proceeding with construction of these add-alternates will be subject to availability of an appropriation in the 2010 legislative session for this purpose. The Capitol Area Architectural and Planning Board and the Department of Administration, in consultation with the Metropolitan Council, shall determine impacts not addressed in the project baseline that require mitigation. By January 15, 2010, the Metropolitan Council must report to the chairs of the house of representatives Capital Investment Finance Division, the senate Capital Investment committee, and the house of representatives and senate Finance and Transportation Committees the estimated cost to mitigate the impacts not addressed in the project baseline.

**Sec. 93. ENTERPRISE REAL PROPERTY CONTRIBUTIONS.**

On or before June 1, 2009, the commissioner of administration shall determine the amount to be contributed by each executive agency to maintain the enterprise real property technology system for the fiscal year 2010 and fiscal year 2011 biennium. On or before June 15, 2009, each executive agency shall enter into an agreement with the commissioner of administration setting forth the manner in which the executive agency shall make its contribution to the enterprise real property system, either from uncommitted fiscal year 2009 funds or by contributing from fiscal year 2010 and fiscal year 2011 funds to the real property enterprise system and services account to fund the total amount of \$1,688,000 for the biennium. Funds contributed under this section must be credited to the enterprise real property technology system and services account.

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

**Sec. 94. RENTAL COST SAVINGS.**

The commissioner of administration must report to the legislature by January 15, 2010, on savings in state agency costs for rental space in state-owned and state-leased buildings that can be achieved by expected decreases in agency complement and that could be achieved by encouraging or requiring increased telecommuting by state employees. The report must estimate savings by agency and by fund, and must estimate when these savings can be realized.

**Sec. 95. TRANSFER OF ASSETS, EMPLOYEES, EQUIPMENT, AND SUPPLIES.**

The existing funds, assets, employees, equipment, and supplies of the Land Management Information Center are transferred to the Minnesota Geospatial Information Office according to Minnesota Statutes, section 15.039.

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

**Sec. 96. INFORMATION TECHNOLOGY STUDY.**

The chief information officer of the Office of Enterprise Technology, in consultation with heads of other executive agencies, must report to the legislature by January 15, 2010, on a plan to transfer from other state agencies to the Office of Enterprise Technology state employees whose work primarily relates to development, upgrading, replacement, problem resolution, or maintenance of state data centers, system software, data networks, and office systems. The report must include an estimate of the number of employees who would be transferred, an estimate of enterprise costs savings, an analysis of potential improvements in operations, and a proposed transition plan and schedule. This section does not apply to the Minnesota State Colleges and Universities or to employees of constitutional offices.

Sec. 97. **REVISOR'S INSTRUCTION.**

In the next edition of Minnesota Statutes and Minnesota Rules, the revisor of statutes shall substitute the term "Land Management Information Center" with the term "Minnesota Geospatial Information Office," wherever they appear in Minnesota Statutes and Minnesota Rules.

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

Sec. 98. **REVISOR'S INSTRUCTION.**

In the next and subsequent edition of Minnesota Statutes, the revisor of statutes must delete the word "Tennessee" from the headnote of Minnesota Statutes, section 13.04, subdivision 2; must delete the word "Lessard" from Minnesota Statutes, section 97A.056, and other places in Minnesota Statutes where this word appears; and must delete the words "Douglas J. Johnson" from Minnesota Statutes, sections 298.291 to 298.298.

Sec. 99. **REPEALER.**

(a) Minnesota Statutes 2008, sections 16C.046; and 645.44, subdivision 19, are repealed.

(b) Minnesota Statutes 2008, section 4A.05, is repealed.

(c) Minnesota Statutes 2008, section 116G.151, is repealed.

(d) Minnesota Statutes 2008, section 240A.08, is repealed.

ARTICLE 3

SECRETARY OF STATE

Section 1. **[5.001] DEFINITIONS.**

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

Subd. 2. **Business entity.** "Business entity" means an organization that is formed under chapters 300, 301, 302A, 303, 308, 308A, 308B, 315, 317, 317A, 318, 319, 319A, 321, 322A, 322B, 323, or 323A and that has filed documents with the secretary of state.

Subd. 3. **Business entity filings.** "Business entity filings" means any filing from a business entity and also includes filings made under chapter 333.

Subd. 4. **Bulk data.** "Bulk data" means data that has commercial value and is a substantial or discrete portion of or an entire formula, pattern, compilation, program, device, method, technique, process, database, or system.

Sec. 2. **[5.002] E-MAIL ADDRESSES.**

The secretary of state is authorized to provide a field on each of the forms and on each online entry screen, used to file business entity filings, Uniform Commercial Code records, and central notification system filings, for the collection of an e-mail address to which the secretary of state can forward official notices required by law and other notices to the business entity, assumed name, or the person filing the uniform commercial code or central notification system record. The e-mail address may be updated by or on behalf of the business entity by sending a

notification of the change to the secretary of state. No fee shall be charged for an e-mail address update. If requested by the business entity, the e-mail address provided to the secretary of state pursuant to this section must not be provided as bulk data.

**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. 3. Minnesota Statutes 2008, section 5.12, subdivision 1, is amended to read:

Subdivision 1. **Fees.** The secretary of state shall charge a fee of \$5 for each certificate or certification of a copy or electronically transmitted image of any document filed in the Office of the Secretary of State. The secretary of state shall charge a fee of \$3 for a copy or electronically transmitted image of an original  ~~filing of a corporation, limited partnership, assumed name, or trade or service mark business entity filing.~~ The secretary of state shall charge a fee of \$3 for a copy of ~~any or all each~~ subsequent ~~filings of a corporation, limited partnership, assumed name, or trade or service mark business entity filing.~~ The secretary of state shall charge a fee of \$1 ~~per page for copies~~ \$3 for a copy of any other nonuniform commercial code documents document filed with the secretary of state. At the time of filing, the secretary of state may provide at the public counter, without charge, a copy of a filing, ten or fewer pages in length, to the person making the filing.

**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. 4. Minnesota Statutes 2008, section 5.29, is amended to read:

#### **5.29 BULK AGENT NAME AND ADDRESS CHANGES GLOBAL FILINGS.**

The filing fee charged for filing an amendment is charged for each document filed (a) When a registered agent for multiple business entities files an instrument that changes its name or office address pursuant to sections 302A.123, subdivision 3; 303.10; 308A.025, subdivision 5; 317A.123, subdivision 3; 318.02; and 322B.135, subdivision 3; and chapters 321; 323; and 323A, but the cumulative fee shall not exceed \$10,000 for entities governed by the provisions of chapters 302A, 303, 308A, 317A, 318, 322A, 322B, 323, and 323A, the change for each business entity must be filed online as a separate transaction, and a separate filing fee charged.

(b) When a secured party wishes to file an amendment to a financing statement making a change in secured party or debtor name and address information, each amendment must be filed online as a separate transaction and a separate filing fee charged.

**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. 5. Minnesota Statutes 2008, section 5.32, is amended to read:

#### **5.32 TEMPORARY TECHNOLOGY SURCHARGE.**

Subdivision 1. **Surcharge.** For fiscal years 2008 ~~and~~ 2009, 2010, and 2011, the following technology surcharges are imposed on the filing fees required under the following statutes:

- (1) \$25 for articles of incorporation filed under section 302A.151;
- (2) \$25 for articles of organization filed under section 322B.17;

- (3) \$25 for applications for certificates of authority to transact business in Minnesota filed under section 303.06;
- (4) \$20 for annual reports filed by non-Minnesota corporations under section 303.14; and
- (5) \$50 for reinstatements to authority to transact business in Minnesota filed under section 303.19.

Subd. 2. **Deposit.** The surcharges listed in subdivision 1 shall be deposited into the uniform commercial code account.

Subd. 3. **Expiration.** This section expires June 30, ~~2009~~ 2011.

**EFFECTIVE DATE.** The amendments to this section are effective the day following final enactment.

Sec. 6. **[5.34] ANNUAL RENEWAL FILINGS.**

Any business registered with the secretary of state required to file an annual renewal in order to maintain its active status, good standing, or existence under Minnesota Statutes shall file that renewal, whether online or otherwise, in a format that states:

- (1) the name in Minnesota of the organization for which the renewal is filed;
- (2) the name of the organization in the jurisdiction in which it is organized, if different;
- (3) the address of the registered office or designated office and the name of the registered agent of the organization for service of process, if any;
- (4) the jurisdiction in which the organization is organized, if that jurisdiction is not Minnesota;
- (5) the name and business address of the officer or other person exercising the principal functions of the president of a nonprofit corporation, manager of a limited liability company, or chief executive officer of a corporation or cooperative;
- (6) the address of the principal executive office of a domestic business corporation or of a limited liability company or the principal place of business of a cooperative, if different from the registered office address;
- (7) the address of the designated office and the name, street, and mailing address of the agent for service of process in Minnesota of a limited partnership or foreign limited partnership;
- (8) the street and mailing address of the principal office of a limited partnership;
- (9) the street and mailing address of the chief executive office of a partnership and, if different, the street address of an office of a partnership in Minnesota, if any;
- (10) the name, street, mailing address, and telephone number of an individual who may be contacted for purposes other than services of process on behalf of a limited partnership or a limited liability partnership, if the agent for the limited liability partnership, limited partnership, or foreign limited partnership is not an individual; and
- (11) the e-mail address of the organization to which notices from the secretary of state will be directed, if the organization has an e-mail address.

Sec. 7. Minnesota Statutes 2008, section 5A.06, is amended to read:

**5A.06 COMPLAINTS.**

The secretary of state may, upon receipt of a complaint regarding an international student exchange organization, report the matter to the organization involved, ~~the United States Information Agency, the Office of Exchange Coordination and Designation, United States Department of State,~~ or the Council on Standards for International Educational Travel, as the secretary of state considers appropriate. The secretary may also investigate complaints received to determine if the issue raised is limited to one high school or if there are more systemic problems with placements made by a particular organization. An organization's registration automatically terminates if the organization fails to remain in compliance with local, state, and federal statutes and regulations.

Sec. 8. Minnesota Statutes 2008, section 270C.63, subdivision 13, is amended to read:

Subd. 13. **Lien search fees.** Upon request of any person, the filing officer shall issue a certificate showing whether there is recorded in that filing office, on the date and hour stated in the certificate, any notice of lien or certificate or notice affecting any lien filed on or after ten years before the date of the search certificate, naming a particular person, and giving the date and hour of filing of each notice or certificate naming the person. The fee for a certificate shall be as provided by section 336.9-525 or 357.18, subdivision 1, clause (3). Upon request, the filing officer shall furnish a copy of any notice of state lien, or notice or certificate affecting a state lien, for a fee of ~~50 cents~~ \$1 per page, except that after the effective date of section 5.12, subdivision 1, that section shall govern the fee charged by the secretary of state for a copy or electronically transmitted image.

Sec. 9. Minnesota Statutes 2008, section 302A.821, is amended to read:

**302A.821 MINNESOTA CORPORATE REGISTRATION RENEWAL.**

Subdivision 1. **Annual registration renewal.** (a) The secretary of state ~~must~~ may send annually to each corporation ~~at the registered office of the corporation a postcard, using the information provided by the corporation pursuant to section 5.002 or 5.34 or the articles of incorporation, a notice announcing the need to file the annual registration renewal and informing the corporation that the annual registration renewal may be filed online and that paper filings may also be made, and informing the corporation that failing to file the annual registration renewal will result in an administrative dissolution of the corporation.~~

(b) Each calendar year beginning in the calendar year following the calendar year in which a corporation incorporates, the corporation must file with the secretary of state by December 31 of each calendar year a registration renewal containing the information listed in subdivision 2.

Subd. 2. **Information required; manner of filing.** ~~The registration must include:~~ filing must be made pursuant to section 5.34.

~~(1) the name of the corporation;~~

~~(2) the address of its principal executive office, if different from the registered office address;~~

~~(3) the address of its registered office and the name of the registered agent, if any;~~

~~(4) the state of incorporation; and~~

~~(5) the name and business address of the officer or other person exercising the principal functions of the chief executive officer of the corporation.~~

~~Subd. 3. **Information public.** The information required by subdivision 2 is public data. Chapter 13 does not apply to this information.~~

Subd. 4. **Penalty; reinstatement.** (a) A corporation that has failed to file a ~~registration pursuant to the requirements of subdivision 2~~ renewal complying with section 5.34 must be dissolved by the secretary of state as described in paragraph (b).

(b) If the corporation has not filed the ~~registration renewal~~ during any calendar year, the secretary of state must issue a certificate of administrative dissolution and the certificate must be filed in the Office of the Secretary of State. The secretary of state must make available in an electronic format the names of the dissolved corporations. A corporation dissolved in this manner is not entitled to the benefits of section 302A.781. The liability, if any, of the shareholders of a corporation dissolved in this manner shall be determined and limited in accordance with section 302A.557, except that the shareholders shall have no liability to any director of the corporation under section 302A.559, subdivision 2.

(c) After administrative dissolution, filing a ~~registration renewal complying with section 5.34~~ and the \$25 fee with the secretary of state:

(1) returns the corporation to good standing as of the date of the dissolution;

(2) validates contracts or other acts within the authority of the articles, and the corporation is liable for those contracts or acts; and

(3) restores to the corporation all assets and rights of the corporation to the extent they were held by the corporation before the dissolution occurred, except to the extent that assets or rights were affected by acts occurring after the dissolution or sold or otherwise distributed after that time.

Sec. 10. Minnesota Statutes 2008, section 303.14, is amended to read:

**303.14 ANNUAL REPORT RENEWAL.**

Subdivision 1. ~~Filed with secretary of state; contents~~ **Notice; filing.** Each calendar year beginning in the calendar year following the calendar year in which a corporation receives a certificate of authority to do business in Minnesota, the secretary of state ~~must mail by first class mail an annual registration form to the registered office of each corporation as shown on the records of the secretary of state. The form must include the following~~ may send to the corporation, using the information provided by the corporation pursuant to section 5.002 or 5.34 or the application for certificate of authority, a notice: announcing the need to file the annual renewal and informing the corporation that the annual renewal may be filed online and that paper filings may also be made, and informing the corporation that failing to file the annual renewal will result in an administrative dissolution or revocation of certificate of authority to do business in Minnesota.

~~"NOTICE: Failure to file this form by December 31 of this year will result in the revocation of the authority of this corporation to transact business in Minnesota without further notice from the secretary of state, pursuant to Minnesota Statutes, section 303.17."~~

The corporation will submit a \$115 fee with the annual ~~registration renewal~~ and will set forth on the form: the items required by section 5.34.

~~(1) the name of the corporation, and, if the corporation has designated an alternate name pursuant to section 303.05, subdivision 1, that alternate name;~~



~~(2) the name of the registered agent of the corporation in Minnesota;~~

~~(3) the address of its registered office;~~

~~(4) the state of incorporation; and~~

~~(5) the name and business address of the officer or other person exercising the principal functions of the chief executive officer of the corporation.~~

Sec. 11. Minnesota Statutes 2008, section 303.16, subdivision 4, is amended to read:

Subd. 4. **Approval; filing.** The application for withdrawal shall be delivered to the secretary of state. Upon receiving and examining the same, and upon finding that it conforms to the provisions of this chapter, the secretary of state shall, when all license fees, filing fees, and other charges other than the fee required by section 303.14 have been paid as required by law, file the same and shall issue and record a certificate of withdrawal. Upon the issuance of the certificate, the authority of the corporation to transact business in this state shall cease.

Sec. 12. Minnesota Statutes 2008, section 308A.995, is amended to read:

**308A.995 PERIODIC REGISTRATION ANNUAL RENEWAL.**

Subdivision 1. ~~Periodic registration in certain years~~ **Annual renewal.** Each cooperative governed by this chapter must file a ~~periodic registration~~ an annual renewal with the secretary of state in each ~~odd-numbered~~ calendar year following the calendar year in which the cooperative was incorporated. ~~In these years,~~ The secretary of state must mail by first class mail a registration form to the registered office of each cooperative as shown on the records of the secretary of state, or if no such address is in the records, to the location of the principal place of business shown on the records of the secretary of state. ~~The form must include the following notice: may send annually to the cooperative, using the information provided by the cooperative pursuant to section 5.002 or 5.34 or the articles of incorporation, a notice announcing the need to file the annual renewal and informing the cooperative that the annual renewal may be filed online and that paper filings may also be made, and informing the cooperative that failing to file the annual renewal will result in an administrative dissolution of the cooperative.~~

~~"NOTICE: Failure to file this form by December 31 of this year will result in the dissolution of this cooperative without further notice from the secretary of state, pursuant to Minnesota Statutes, section 308A.995, subdivision 4, paragraph (b)."~~

Subd. 2. **Minnesota cooperative registration renewal form.** In each calendar year in which a ~~registration~~ renewal is to be filed, a cooperative must file with the secretary of state a ~~registration~~ an annual renewal by December 31 of that calendar year containing: the items required by section 5.34.

~~(1) the name of the cooperative;~~

~~(2) the address of its registered office;~~

~~(3) the address of its principal place of business, if different from the registered office address; and~~

~~(4) the name and business address of the officer or other person exercising the principal functions of the chief executive officer of the cooperative.~~

Subd. 3. **Information public.** The information required by subdivision 1 is public data.

Subd. 4. **Penalty; dissolution.** (a) A cooperative that has failed to file a registration renewal pursuant to the requirements of this section by December 31 of the calendar year for which the registration renewal was required must be dissolved by the secretary of state as described in paragraph (b).

(b) If the cooperative has not filed the registration renewal by December 31 of that calendar year, the secretary of state must issue a certificate of involuntary dissolution, and the certificate must be filed in the Office of the Secretary of State. The secretary of state must make available in an electronic format the names of the dissolved cooperatives. A cooperative dissolved in this manner is not entitled to the benefits of section 308A.981.

Subd. 5. **Reinstatement.** A cooperative may retroactively reinstate its existence by filing a single annual registration renewal and paying a \$25 fee. Filing the annual registration renewal with the secretary of state:

- (1) returns the cooperative to active status as of the date of the dissolution;
- (2) validates contracts or other acts within the authority of the articles, and the cooperative is liable for those contracts or acts; and
- (3) restores to the cooperative all assets and rights of the cooperative and its shareholders or members to the extent they were held by the cooperative and its shareholders or members before the dissolution occurred, except to the extent that assets or rights were affected by acts occurring after the dissolution or sold or otherwise distributed after that time.

**EFFECTIVE DATE.** This section is effective 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. 13. Minnesota Statutes 2008, section 308B.121, subdivision 1, is amended to read:

Subdivision 1. ~~Periodic registration in certain years~~ **Annual renewal.** Each cooperative governed by this chapter ~~and each foreign cooperative registered under section 308B.151 must file a periodic registration~~ an annual renewal with the secretary of state ~~with the initial articles and any amendment of the articles in each odd-numbered calendar year after the calendar year in which the cooperative incorporated. In these years,~~ The secretary of state ~~must mail by first class mail a registration form to the registered office of each cooperative and registered foreign cooperative as shown in the records of the secretary of state, or if no such address is in the records, to the location of the principal place of business shown in the records of the secretary of state. For a cooperative, the form must include the following notice:~~ may send annually to each cooperative, using the information provided by the cooperative pursuant to section 5.002 or 5.34 or the articles of organization, a notice announcing the need to file the annual renewal and informing the cooperative that the annual renewal may be filed online and that paper filings may also be made, and informing the cooperative that failing to file the annual renewal will result in an administrative dissolution.

~~"NOTICE: Failure to file this form by December 31 of this year will result in the dissolution of this cooperative without further notice from the secretary of state, under Minnesota Statutes, section 308B.121, subdivision 4, paragraph (b)."~~

For a foreign cooperative, the form must contain the following notice:

~~"NOTICE: Failure to file this form by December 31 of this year will result in the loss of good standing and the authority to do business in Minnesota."~~

**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. 14. Minnesota Statutes 2008, section 308B.121, subdivision 2, is amended to read:

Subd. 2. **Registration Renewal form.** In each calendar year in which a registration renewal is to be filed, a cooperative must file with the secretary of state ~~a registration~~ by December 31 of that calendar year a renewal containing: the items required by section 5.34.

~~(1) the name of the cooperative;~~

~~(2) the address of its registered office;~~

~~(3) the address of its principal place of business, if different from the registered office address; and~~

~~(4) the name and business address of the officer or other person exercising the principal functions of the chief executive officer of the cooperative.~~

**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. 15. Minnesota Statutes 2008, section 317A.823, is amended to read:

#### **317A.823 ANNUAL CORPORATE REGISTRATION RENEWAL.**

Subdivision 1. **Annual registration renewal.** (a) The secretary of state ~~must~~ may send annually to each corporation ~~at the registered office of the corporation, using the information provided by the corporation pursuant to section 5.002 or 5.34 or the articles of incorporation, a postcard~~ notice announcing the need to file the annual registration renewal and informing the corporation that the annual registration renewal may be filed online and that paper filings may also be made, and informing the corporation that failing to file the annual registration renewal will result in an administrative dissolution of the corporation.

(b) Each calendar year beginning in the calendar year following the calendar year in which a corporation incorporates, a corporation must file with the secretary of state by December 31 of each calendar year a registration containing the information ~~listed in paragraph (c)~~ required by section 5.34.

~~(c) The registration must include:~~

~~(1) the name of the corporation;~~

~~(2) the address of its registered office;~~

~~(3) the name of its registered agent, if any; and~~

~~(4) the name and business address of the officer or other person exercising the principal functions of president of the corporation.~~

Subd. 2. **Penalty.** (a) A corporation that has failed to file a registration renewal pursuant to ~~the requirements of~~ subdivision 1 must be dissolved by the secretary of state as described in paragraph (b).

(b) If the corporation has not filed the delinquent registration renewal, the secretary of state must issue a certificate of involuntary dissolution, and the certificate must be filed in the Office of the Secretary of State. The secretary of state must also make available in an electronic format the names of the dissolved corporations. A corporation dissolved in this manner is not entitled to the benefits of section 317A.781.

Sec. 16. Minnesota Statutes 2008, section 321.0206, is amended to read:

**321.0206 DELIVERY TO AND FILING OF RECORDS BY SECRETARY OF STATE; EFFECTIVE TIME AND DATE.**

(a) A record authorized or required to be delivered to the secretary of state for filing under this chapter must be captioned to describe the record's purpose, be in a medium permitted by the secretary of state, and be delivered to the secretary of state. Unless the secretary of state determines that a record does not comply with the filing requirements of this chapter, and if the appropriate filing fees have been paid, the secretary of state shall file the record and:

(1) for a statement of dissociation, send:

(A) a copy of the filed statement to the person which the statement indicates has dissociated as a general partner; and

(B) a copy of the filed statement to the limited partnership;

(2) for a statement of withdrawal, send:

(A) a copy of the filed statement to the person on whose behalf the record was filed; and

(B) if the statement refers to an existing limited partnership, a copy of the filed statement to the limited partnership; and

(3) for all other records, send a copy of the filed record to the person on whose behalf the record was filed.

(b) Upon request and payment of a fee, the secretary of state shall send to the requester a certified copy of the requested record.

(c) Except as otherwise provided in sections 321.0116 and 321.0207, a record delivered to the secretary of state for filing under this chapter may specify an effective time and a delayed effective date. Except as otherwise provided in this chapter, a record filed by the secretary of state is effective:

(1) if the record does not specify an effective time and does not specify a delayed effective date, on the date and at the time the record is filed as evidenced by the secretary of state's endorsement of the date and time on the record;

(2) if the record specifies an effective time but not a delayed effective date, on the date the record is filed at the time specified in the record;

(3) if the record specifies a delayed effective date but not an effective time, at 12:01 a.m. on the earlier of:

(A) the specified date; or

(B) the 30th day after the record is filed; or

(4) if the record specifies an effective time and a delayed effective date, at the specified time on the earlier of:

(A) the specified date; or

(B) the 30th day after the record is filed.

(d) The appropriate fees for filings under this chapter are:

(1) for filing a certificate of limited partnership, \$100;

(2) for filing an amended certificate of limited partnership, \$50;

(3) for filing a name reservation for a limited partnership name, \$35;

~~(3)~~ (4) for filing any other record, other than the annual ~~report~~ renewal required by section 321.0210, for which no fee must be charged, required or permitted to be delivered for filing, ~~\$35~~ 50;

~~(4)~~ (5) for filing a certificate requesting authority to transact business in Minnesota as a foreign limited partnership, ~~\$85~~ 100;

~~(5)~~ (6) for filing an application of reinstatement, \$25;

~~(6)~~ (7) for filing a name reservation for a foreign limited partnership name, \$35; and

~~(7)~~ (8) for filing any other record, other than the annual ~~report~~ renewal required by section 321.0210, for which no fee must be charged, required or permitted to be delivered for filing on a foreign limited partnership authorized to transact business in Minnesota, \$50.

Sec. 17. Minnesota Statutes 2008, section 321.0210, is amended to read:

**321.0210 ANNUAL ~~REPORT~~ RENEWAL FOR SECRETARY OF STATE.**

(a) Subject to subsection (b):

(1) in each calendar year following the calendar year in which a limited partnership becomes subject to this chapter, the limited partnership must deliver to the secretary of state for filing an annual ~~registration~~ renewal containing the information required by subsection (c); and

(2) in each calendar year following the calendar year in which there is first on file with the secretary of state a certificate of authority under section 321.0904 pertaining to a foreign limited partnership, the foreign limited partnership must deliver to the secretary of state for filing an annual ~~registration~~ renewal containing the information required by subsection (c).

(b) A limited partnership's obligation under subsection (a) ends if the limited partnership delivers to the secretary of state for filing a statement of termination under section 321.0203 and the statement becomes effective under section 321.0206. A foreign limited partnership's obligation under subsection (a) ends if the secretary of state issues and files a certificate of revocation under section 321.0906 or if the foreign limited partnership delivers to the secretary of state for filing a notice of cancellation under section 321.0907(a) and that notice takes effect under section 321.0206. If a foreign limited partnership's obligations under subsection (a) end and later the secretary of state files, pursuant to section 321.0904, a new certificate of authority pertaining to that foreign limited partnership, subsection (a)(2), again applies to the foreign limited partnership and, for the purposes of subsection (a)(2), the calendar year of the new filing is treated as the calendar year in which a certificate of authority is first on file with the secretary of state.

(c) The annual ~~registration~~ renewal must contain: the items required by section 5.34.

~~(1) the name of the limited partnership or foreign limited partnership;~~

~~(2) the address of its designated office and the name and street and mailing address of its agent for service of process in Minnesota and, if the agent is not an individual, the name, street and mailing address, and telephone number of an individual who may be contacted for purposes other than service of process with respect to the limited partnership;~~

~~(3) in the case of a limited partnership, the street and mailing address of its principal office; and~~

~~(4) in the case of a foreign limited partnership, the name of the state or other jurisdiction under whose law the foreign limited partnership is formed and any alternate name adopted under section 321.0905(a).~~

(d) The secretary of state shall:

(1) administratively dissolve under section 321.0809 a limited partnership that has failed to file a ~~registration~~ renewal pursuant to subsection (a); and

(2) revoke under section 321.0906 the certificate of authority of a foreign limited partnership that has failed to file a ~~registration~~ renewal pursuant to subsection (a).

Sec. 18. Minnesota Statutes 2008, section 321.0810, is amended to read:

**321.0810 REINSTATEMENT FOLLOWING ADMINISTRATIVE DISSOLUTION.**

(a) A limited partnership that has been administratively dissolved ~~or a foreign limited partnership that has had its certificate of authority revoked may apply to the secretary of state for reinstatement~~ reinstates after the effective date of dissolution. ~~The application~~ To reinstate, the annual renewal required by section 5.34 must be delivered to the secretary of state for filing and state: with the reinstatement fee of \$25.

~~(1) the name of the limited partnership and the effective date of its administrative dissolution;~~

~~(2) that the grounds for dissolution either did not exist or have been eliminated; and~~

~~(3) that the limited partnership's name satisfies the requirements of section 321.0108.~~

~~The application must also include any documents that were required to be delivered for filing to the secretary of state but which were not so delivered.~~

(b) If the secretary of state determines that ~~an application~~ an annual renewal contains the information required by subsection (a) and that the information is correct and ~~the application includes~~ is accompanied by the appropriate fee, the secretary of state shall file the ~~reinstatement application and serve the limited partnership with a copy~~ renewal and reinstate the limited partnership or foreign limited partnership.

(c) When reinstatement becomes effective, it relates back to and takes effect as of the effective date of the administrative dissolution or revocation and the limited partnership may resume its activities as if the administrative dissolution or revocation had never occurred, except that for the purposes of section 321.0103(c) and (d) the reinstatement is effective only as of the date the reinstatement is filed.

Sec. 19. Minnesota Statutes 2008, section 322B.960, is amended to read:

**322B.960 ANNUAL REGISTRATION RENEWAL.**

Subdivision 1. **Annual ~~registration~~ renewal form.** (a) The secretary of state ~~must~~ may send annually to each limited liability company ~~at the registered office of the corporation a postcard, using the information provided by the limited liability company pursuant to section 5.002 or 5.34 or the articles of organization, a notice announcing the need to file the annual~~ registration renewal and informing the limited liability company that the annual ~~registration~~

renewal may be filed online and that paper filings may also be made, and informing the limited liability company that failing to file the annual ~~registration~~ renewal will result in an administrative termination of the limited liability company or the revocation of the authority of the limited liability company to do business in Minnesota.

(b) Each calendar year beginning in the calendar year following the calendar year in which a limited liability company files articles of organization, a limited liability company must file with the secretary of state by December 31 of each calendar year a ~~registration~~ renewal containing the ~~information listed in subdivision 2~~ items required by section 5.34.

~~Subd. 2. Information required; fees. The registration must include:~~

~~(1) the name of the limited liability company or the name under which a foreign limited liability company has registered in this state;~~

~~(2) the address of its principal executive office, if different from the registered address;~~

~~(3) the address of its registered office;~~

~~(4) the name of its registered agent, if any;~~

~~(5) the state or jurisdiction of organization; and~~

~~(6) the name and business address of the manager or other person exercising the principal functions of the chief manager of the limited liability company.~~

Subd. 4. **Penalty.** (a) A domestic limited liability company that has not filed a ~~registration~~ renewal pursuant to ~~the requirements of subdivision 2, this section~~ is administratively terminated. The secretary of state shall issue a certificate of administrative termination which must be filed in the office of the secretary of state. The secretary of state must also make available in an electronic format the names of the terminated limited liability companies.

(b) A non-Minnesota limited liability company that has not filed a ~~registration~~ renewal pursuant to ~~the requirements of subdivision 2, this section~~ shall have its authority to do business in Minnesota revoked. The secretary of state must issue a certificate of revocation which must be filed in the Office of the Secretary of State. The secretary of state must also make available in an electronic format the names of the revoked non-Minnesota limited liability companies.

Subd. 5. **Reinstatement.** If a limited liability company is administratively terminated or has its authority to do business in Minnesota revoked, it may retroactively reinstate its existence or authority to do business by filing a single annual ~~registration~~ renewal and paying a \$25 fee.

(a) For a domestic limited liability company, filing the annual ~~registration~~ renewal with the secretary of state:

(1) returns the limited liability company to active status as of the date of the administrative termination;

(2) validates contracts or other acts within the authority of the articles, and the limited liability company is liable for those contracts or acts; and

(3) restores to the limited liability company all assets and rights of the limited liability company and its members to the extent they were held by the limited liability company and its members before the administrative termination occurred, except to the extent that assets or rights were affected by acts occurring after the termination, sold, or otherwise distributed after that time.

(b) For a non-Minnesota limited liability company, filing the annual ~~registration~~ renewal restores the limited liability company's ability to do business in Minnesota and the rights and privileges which accompany that authority.

Sec. 20. Minnesota Statutes 2008, section 323A.1003, is amended to read:

**323A.1003 ANNUAL REGISTRATION RENEWAL.**

(a) Each calendar year beginning in the calendar year following the calendar year in which a partnership files a statement of qualification or in which a foreign partnership becomes authorized to transact business in this state, the secretary of state ~~must mail by first class mail an annual registration form to the street address of the partnership's chief executive office, if located in Minnesota, the office in this state, if the chief executive office is not located in Minnesota, or address of the registered agent of the partnership as shown on the records of the secretary of state when the chief executive office is not located in Minnesota and no other Minnesota office exists~~ may send annually to the partnership or foreign partnership, using the information provided by the limited liability partnership pursuant to section 5.002 or 5.34 or the limited liability partnership statement of qualification, a notice. The form must include the following notice: will announce the need to file the annual renewal and will inform the partnership or foreign partnership that the annual renewal may be filed online and that paper filings may also be made and that "NOTICE: ~~failure to file this form the notice by December 31 of this year will result in the revocation of the statement of qualification of this limited liability partnership, without further notice from the secretary of state pursuant to Minnesota Statutes, section 323A.1003, subsection (d).~~"

(b) A limited liability partnership, and a foreign limited liability partnership authorized to transact business in this state, shall file an annual ~~registration~~ renewal in the office of the secretary of state which contains: the information required by section 5.34.

~~(1) the name of the limited liability partnership and the state or other jurisdiction under whose laws the foreign limited liability partnership is formed;~~

~~(2) the street address, including the zip code, of the partnership's chief executive office and, if different, the street address, including the zip code, of an office of the partnership in this state, if any;~~

~~(3) if the partnership does not have an office in this state, the name and street address, including the zip code, of the partnership's current agent for service of process; and~~

~~(4) if the agent for service of process under clause (3) is not an individual, the name, street address, and telephone number of an individual who may be contacted for purposes other than service of process with respect to the limited liability partnership.~~

(c) An annual ~~registration~~ renewal must be filed once each calendar year beginning in the year following the calendar year in which a partnership files a statement of qualification or a foreign partnership becomes authorized to transact business in this state.

(d) The secretary of state must revoke the statement of qualification of a partnership that fails to file an annual ~~registration~~ renewal when due or pay the required filing fee. The secretary of state must issue a certificate of revocation which must be filed in the office of the secretary of state. The secretary of state must also make available in an electronic format the names of the revoked limited liability companies.

(e) A revocation under subsection (d) only affects a partnership's status as a limited liability partnership and is not an event of dissolution of the partnership.



(f) A partnership whose statement of qualification has been revoked may apply to the secretary of state for reinstatement ~~within one year after the effective date of the revocation.~~ A partnership must file an annual ~~registration renewal~~ to apply for reinstatement and pay a reinstatement fee of ~~\$135~~ \$160.

(g) A reinstatement under subsection (f) relates back to and takes effect as of the effective date of the revocation, and the partnership's status as a limited liability partnership continues as if the revocation had never occurred.

Sec. 21. Minnesota Statutes 2008, section 333.055, is amended to read:

### **333.055 TERM OF CERTIFICATE.**

Subdivision 1. **Application and renewal.** Filing of a certificate hereunder shall be effective ~~for a term of ten years from the date of filing and upon application filed within the six month period prior to the expiration of such term or a renewal thereof, on a form prescribed by the secretary of state, upon filing and shall remain in effect as long as an annual renewal for the certificate may be renewed for additional ten year terms. A renewal fee as specified herein, payable to the secretary of state, shall accompany the application for renewal; is filed in each calendar year following the calendar year in which the original filing was filed. The certificate expires in the calendar year following a calendar year in which the annual renewal was not filed. Notice of the annual renewal requirement must be provided to the person or entity submitting the certificate at the time of the original filing.~~

~~The secretary of state shall notify each business holding a certificate hereunder of the necessity of renewal thereof by writing to the last known address of the business at least six months prior to the certificate's expiration date.~~

Assumed name certificates on file with the secretary of state upon the effective date of this section are exempt from the renewal requirements of this section until the expiration of the original ten-year term.

Subd. 2. **Existing certificates Reinstatement.** Any assumed name certificate ~~of record in the district courts and in force on July 1, 1978 shall continue in force without the necessity of another filing under section 333.01 until July 31, 1979, at which time all such certificates shall expire unless renewed as hereinafter provided. Any certificate may be renewed by filing an application with the secretary of state on a form prescribed by the secretary and paying the renewal fee prescribed by subdivision 3 within the six month period prior to the expiration of the certificate that expires as a result of failing to file the annual renewal may be reinstated by filing the annual renewal with the \$25 reinstatement fee.~~

Subd. 2a. **Annual renewal; contents.** The annual renewal filed under subdivision 1 must include the assumed name and the address of the principal place of business.

Subd. 3. **Fees.** The secretary of state shall charge and collect: a fee of \$30 for each filing submitted with respect to an assumed name except for the annual renewal, for which no fee will be charged.

~~(a) for the filing of each certificate or amended certificate of an assumed name —\$25;~~

~~(b) certificate renewal fee —\$25.~~

Subd. 4. **Secretary of state duties.** The secretary of state shall accept for filing all certificates and renewals thereof which comply with the provisions of sections 333.001 to 333.06 and which are accompanied by the prescribed fees, notwithstanding the fact that the assumed name disclosed therein may not be distinguishable from one or more other assumed names already filed with the secretary of state. The secretary of state shall not accept for filing a certificate that discloses an assumed name that is not distinguishable from a corporate, limited liability company, limited liability partnership, cooperative, or limited partnership name in use or reserved in this state by

another or a trade or service mark registered with the secretary of state, unless there is filed with the certificate a written consent, court decree of prior right, or affidavit of nonuser of the kind required by section 302A.115, subdivision 1, clause (d). The secretary of state shall determine whether a name is distinguishable from another name for purposes of this subdivision.

**EFFECTIVE DATE; APPLICATION.** The amendments to this section are 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, and the amendments to this section apply to all existing and new assumed name certificates on and after that date.

Sec. 22. Minnesota Statutes 2008, section 336A.04, subdivision 3, is amended to read:

Subd. 3. **Fees.** The fee for filing and indexing a standard form or format for a lien notice, effective financing statement, or continuation statement, and stamping the date and place of filing on a copy of the filed document furnished by the filing party is ~~\$15 until June 30, 2005. Effective July 1, 2005, the fee for each filing will be as follows:~~

(1) ~~\$20 for each effective financing statement and \$15 for each lien notice or other filing made through the Web interface of the Office of the Secretary of State; and~~

(2) ~~\$25 for each effective financing statement and \$20 for each lien notice or other filing submitted in any other manner; and~~

(3) ~~no fee will be charged for filing a termination statement.~~

Filing fees collected by a satellite office must be deposited in the general fund of the county in which the satellite office is located.

Sec. 23. Minnesota Statutes 2008, section 336A.09, subdivision 2, is amended to read:

Subd. 2. **Searches; fees.** (a) If a person makes a request, the filing officer shall conduct a search of the computerized filing system for effective financing statements or lien notices and statements of continuation of a particular debtor. The filing officer shall produce a report including the date, time, and results of the search by issuing:

(1) a listing of the file number, date, and hour of each effective financing statement found in the search and the names and addresses of each secured party on the effective financing statements or of each lien notice found in the search and the names and address of each lienholder on the lien notice; or

(2) upon request, both the report and photocopies of the effective financing statements or lien notices.

(b) The uniform fee for conducting a search and for preparing a report is \$20 per debtor name. ~~If an oral or facsimile response is requested, there is an additional fee of \$5 per debtor name requested. A fee of \$1 per page as set by section 5.12 will be charged for photocopies of effective financing statements, lien notices, continuation statements, or termination statements.~~

(c) Search fees collected by a satellite office must be deposited in the general fund of the county where the satellite office is located.

Sec. 24. Minnesota Statutes 2008, section 359.01, subdivision 3, is amended to read:

Subd. 3. **Fees.** (a) When making application for a commission the applicant must submit, along with the information required by the secretary of state, a nonrefundable fee of \$40.

(b) All fees shall be retained by the secretary of state and are nonreturnable, except ~~that~~ for an overpayment of a fee ~~is the subject of a refund upon proper application.~~"

Delete the title and insert:

"A bill for an act relating to state government finance; modifying provisions for general legislative and administrative expenses of state government; regulating state and local government operations; enhancing state financial management and internal controls; implementing procedures for dealing with false claims made involving state funds or property; requiring Web site with searchable database on state expenditures; establishing technology development lease-purchase financing; creating the Minnesota Geospatial Information Office; establishing a preference for service-disabled veteran-owned small businesses on state procurement contract bid solicitations; establishing a statewide electronic licensing system; creating the management analysis revolving fund; modifying provisions on use of property in certain areas; requiring state institutions in the colleges and university system to prepare a residential housing list for use in election day registration; modifying provisions for small business contracts; modifying voter registration provisions; allowing municipalities to participate in the state's cooperative purchasing; setting standards on use of state employees' electronic personal health records; prohibiting transfer of Environmental Quality Board duties or staff; requiring LRT mitigation impacts in the capitol area; transferring duties and staff from Land Management Information Center to Minnesota Geospatial Information Office; modifying provisions for secretary of state duties; requiring reports; establishing penalties; appropriating money; amending Minnesota Statutes 2008, sections 3.97, by adding a subdivision; 3.971, subdivision 6; 3.975; 4A.02; 5.12, subdivision 1; 5.29; 5.32; 5A.03; 5A.06; 10.43; 10.60, subdivision 2, by adding a subdivision; 10A.31, subdivision 4; 11A.07, subdivision 4; 13.64; 16A.055, subdivision 1, by adding a subdivision; 16A.11, by adding a subdivision; 16A.126, subdivision 1; 16A.133, subdivision 1; 16A.139; 16A.152, by adding a subdivision; 16B.24, by adding subdivisions; 16B.54, subdivision 2; 16C.16, by adding a subdivision; 16C.19; 16C.20; 43A.02, by adding a subdivision; 43A.1815; 43A.24, subdivision 1; 43A.49; 116G.15; 129D.13; 129D.14, subdivisions 4, 5, 6; 129D.155; 135A.17, subdivision 2; 161.321; 179A.03, subdivision 14; 201.061, subdivisions 1, 3; 201.071, subdivision 1; 201.091, by adding a subdivision; 211B.37; 270C.63, subdivision 13; 302A.821; 303.14; 303.16, subdivision 4; 308A.995; 308B.121, subdivisions 1, 2; 317A.823; 321.0206; 321.0210; 321.0810; 322B.960; 323A.1003; 333.055; 336A.04, subdivision 3; 336A.09, subdivision 2; 359.01, subdivision 3; 471.345, subdivision 15; 473.142; Laws 2005, chapter 156, article 2, section 45, as amended; Laws 2005, chapter 162, section 34, subdivision 2; Laws 2007, chapter 131, article 2, section 22; Laws 2007, chapter 148, article 2, section 79; proposing coding for new law in Minnesota Statutes, chapters 3; 4; 5; 10; 15B; 16A; 16B; 16E; 43A; 116G; 270C; proposing coding for new law as Minnesota Statutes, chapter 15C; repealing Minnesota Statutes 2008, sections 4A.05; 16C.046; 116G.151; 240A.08; 645.44, subdivision 19."

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.

Lenczewski from the Committee on Taxes to which was referred:

H. F. No. 2073, A bill for an act relating to education finance; removing an obsolete reference; amending Minnesota Statutes 2008, section 126C.10, subdivision 1.

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

The report was adopted.

Lenczewski from the Committee on Taxes to which was referred:

H. F. No. 2088, A bill for an act relating to early childhood education and child care; making changes to early childhood education; youth prevention; self-sufficiency and lifelong learning; child care assistance; appropriating money; amending Minnesota Statutes 2008, sections 119A.52; 119B.09, subdivision 7; 119B.13, subdivisions 1, 3a, 6; 119B.21, subdivisions 5, 10; 119B.231, subdivisions 2, 3, 4; 124D.13, subdivision 13; 124D.135, subdivision 3; 124D.15, subdivisions 1, 3; 124D.19, subdivisions 10, 14; 124D.522; proposing coding for new law in Minnesota Statutes, chapters 4; 124D.

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

The report was adopted.

### **SECOND READING OF HOUSE BILLS**

H. F. No. 2073 was read for the second time.

### **SECOND READING OF SENATE BILLS**

S. F. Nos. 245, 298, 567, 971, 1220 and 1467 were read for the second time.

### **INTRODUCTION AND FIRST READING OF HOUSE BILLS**

The following House Files were introduced:

Demmer, Buesgens, Hackbarth, Smith, Beard, Garofalo and Brod introduced:

H. F. No. 2339, A bill for an act relating to gambling; authorizing the director of the State Lottery to establish lottery gaming machines and enter into a contract for the management and placement of the machines; providing powers and duties to the director; providing for gaming machine revenue; amending Minnesota Statutes 2008, sections 240.13, by adding a subdivision; 240.35, subdivision 1; 297A.94; 299L.02, subdivision 1; 299L.07, subdivisions 2, 2a; 340A.410, subdivision 5; 349A.01, subdivision 10, by adding subdivisions; 349A.04; 349A.10, subdivisions 3, 6; 349A.13; 541.20; 541.21; 609.651, subdivision 1; 609.75, subdivisions 3, 4; 609.761, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 297A; 349A.

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

Eken introduced:

H. F. No. 2340, A bill for an act relating to long-term care; imposing a long-term care tax to fund services; amending Minnesota Statutes 2008, section 290.06, by adding a subdivision.

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

Davnie, Gunther, Mariani, Clark, Zellers and Lanning introduced:

H. F. No. 2341, A bill for an act relating to taxation; providing a tax credit advance loan program; proposing coding for new law in Minnesota Statutes, chapter 462A.

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

Winkler introduced:

H. F. No. 2342, A bill for an act relating to pesticide; allowing local governments to adopt pesticide application ordinances; amending Minnesota Statutes 2008, sections 18B.02; 18B.09, subdivisions 1, 2.

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

### **MESSAGES FROM THE SENATE**

The following message was received from the Senate:

Madam Speaker:

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

S. F. Nos. 615 and 2083.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

### **FIRST READING OF SENATE BILLS**

S. F. No. 615, A bill for an act relating to health; providing an exception to the hospital construction moratorium; amending Minnesota Statutes 2008, section 144.551, subdivision 1.

The bill was read for the first time.

Swails moved that S. F. No. 615 and H. F. No. 665, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2083, A bill for an act relating to higher education; classifying data; amending postsecondary education provisions; setting deadlines; allowing certain advertising; establishing the Minnesota P-20 education partnership; regulating course equivalency guides; requiring notice to prospective students; requiring lists of enrolled students; amending Minnesota Office of Higher Education responsibilities; establishing programs; defining terms; regulating grants, scholarships, and work-study; requiring an annual certificate; regulating certain board membership provisions; requiring job placement impact reviews; regulating oral health care practitioner provisions; establishing fees; providing criminal penalties; requiring reports; appropriating money; amending Minnesota Statutes 2008,

sections 13.3215; 124D.09, subdivision 9; 135A.08, subdivision 1; 135A.17, subdivision 2; 135A.25, subdivision 4; 136A.08, subdivision 1, by adding a subdivision; 136A.101, subdivision 5a; 136A.121, by adding subdivisions; 136A.127, subdivisions 2, 4, 9, 10, 12, 14, by adding a subdivision; 136A.1701, subdivision 10; 136A.87; 136F.02, subdivision 1; 136F.03, subdivision 4; 136F.04, subdivision 4; 136F.045; 136F.19, subdivision 1; 136F.31; 137.0245, subdivision 2; 137.0246, subdivision 2; 137.025, subdivision 1; 150A.01, by adding subdivisions; 150A.05, subdivision 2, by adding subdivisions; 150A.06, subdivisions 2d, 5, 6, by adding subdivisions; 150A.08, subdivisions 1, 3a, 5; 150A.09, subdivisions 1, 3; 150A.091, subdivisions 2, 3, 5, 8, 10; 150A.10, subdivisions 1, 2, 3, 4; 150A.11, subdivision 4; 150A.12; 150A.21, subdivisions 1, 4; 151.01, subdivision 23; 151.37, subdivision 2; 201.061, subdivision 3; 299A.45, subdivision 1; Laws 2007, chapter 144, article 1, section 4, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 127A; 135A; 136A; 136F; 150A; repealing Minnesota Statutes 2008, sections 136A.127, subdivisions 8, 13; 150A.061.

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

### CALENDAR FOR THE DAY

S. F. No. 978 was reported to the House.

Sternier moved to amend S. F. No. 978, the first engrossment, as follows:

Page 2, line 24, delete "through five years of" and insert "under school"

Page 3, line 22, after "ongoing" insert "annual"

The motion prevailed and the amendment was adopted.

S. F. No. 978, A bill for an act relating to human services; changing the requirements for shaken baby syndrome training in licensed child care and child foster care programs; amending Minnesota Statutes 2008, sections 245A.144; 245A.1444; 245A.40, subdivision 5; 245A.50, subdivision 5.

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

The question was taken on the passage of the bill and the roll was called. There were 122 yeas and 12 nays as follows:

Those who voted in the affirmative were:

Abeler	Brown	Dill	Gardner	Hilstrom	Juhnke
Anderson, P.	Brynaert	Dittrich	Garofalo	Hilty	Kahn
Anderson, S.	Bunn	Doepke	Greiling	Hoppe	Kalin
Anzelc	Carlson	Doty	Gunther	Hornstein	Kath
Atkins	Champion	Downey	Hackbarth	Hortman	Kelly
Beard	Clark	Eastlund	Hamilton	Hosch	Kiffmeyer
Benson	Cornish	Eken	Hansen	Howes	Knuth
Bigham	Davids	Falk	Hausman	Huntley	Koenen
Bly	Davnie	Faust	Haws	Jackson	Kohls
Brod	Dean	Fritz	Hayden	Johnson	Laine

Lanning	Marquart	Newton	Reinert	Slawik	Wagenius
Lenczewski	Masin	Nornes	Rosenthal	Slocum	Ward
Lesch	McFarlane	Norton	Rukavina	Smith	Welti
Lieder	McNamara	Obermueller	Ruud	Solberg	Westrom
Lillie	Morgan	Olin	Sailer	Sterner	Winkler
Loeffler	Morrow	Otremba	Sanders	Swails	Zellers
Loon	Mullery	Paymar	Scalze	Thao	Spk. Kelliher
Mack	Murdock	Pelowski	Scott	Thissen	
Magnus	Murphy, E.	Persell	Seifert	Tillberry	
Mahoney	Murphy, M.	Peterson	Sertich	Torkelson	
Mariani	Nelson	Poppe	Simon	Urdahl	

Those who voted in the negative were:

Anderson, B.	Demmer	Drazkowski	Gottwalt	Liebling	Severson
Buesgens	Dettmer	Emmer	Holberg	Peppin	Shimanski

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

H. F. No. 1301 was reported to the House.

Hilstrom moved to amend H. F. No. 1301, the first engrossment, as follows:

Page 22, delete section 5

The motion prevailed and the amendment was adopted.

Juhnke moved to amend H. F. No. 1301, the first engrossment, as amended, as follows:

Page 29, after line 10, insert:

"Sec. 5. Minnesota Statutes 2008, section 169.71, subdivision 1, is amended to read:

Subdivision 1. **Prohibitions generally; exceptions.** (a) A person shall not drive or operate any motor vehicle with:

(1) a windshield cracked or discolored to an extent to limit or obstruct proper vision;

(2) any objects suspended between the driver and the windshield, other than:

(i) sun visors and;

(ii) rearview mirrors;

(iii) global positioning systems or navigation systems when mounted or located near the bottommost portion of the windshield; and

(iv) electronic toll collection devices; or

(3) any sign, poster, or other nontransparent material upon the front windshield, sidewings, or side or rear windows of the vehicle, other than a certificate or other paper required to be so displayed by law or authorized by the state director of the Division of Emergency Management or the commissioner of public safety.

(b) Paragraph (a), clauses (2) and (3), do not apply to law enforcement vehicles.

(c) Paragraph (a), clause (2), does not apply to authorized emergency vehicles."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Kalin and Abeler moved to amend H. F. No. 1301, the first engrossment, as amended, as follows:

Page 9, after line 8, insert:

"Sec. 6. Minnesota Statutes 2008, section 244.052, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** As used in this section:

(1) "confinement" means confinement in a state correctional facility or a state treatment facility;

(2) "immediate household" means any and all individuals who live in the same household as the offender;

(3) "law enforcement agency" means the law enforcement agency having primary jurisdiction over the location where the offender expects to reside upon release;

(4) "residential facility" means a regional treatment center operated by the commissioner of human services or a facility that is licensed as a residential program, as defined in section 245A.02, subdivision 14, by the commissioner of human services under chapter 245A, or the commissioner of corrections under section 241.021, whose staff are trained in the supervision of sex offenders; and

(5) "predatory offender" and "offender" mean a person who is required to register as a predatory offender under section 243.166. However, the terms do not include persons required to register based solely on a delinquency adjudication.

Sec. 7. **[244.0521] TRAINING MATERIALS ON THE DANGERS OF PREDATORY OFFENDERS.**

By October 1, 2010, the commissioner of corrections, in consultation with the commissioner of public safety, shall develop training materials on the dangers of predatory offenders for programs and officials who care for and educate children and vulnerable adults. The training materials must include information on the predatory offender community notice requirements under section 244.052, the predatory offender registration requirements under section 243.166, and the dangers that predatory offenders pose to children and vulnerable adults. The training materials shall be developed in a format that permits self-study or facilitator-assisted training that can be completed in approximately one hour. Upon development of these training materials, the commissioner of corrections shall



provide notice of completion and electronic access to the training to the commissioner of human services and the commissioner of health. Training materials required by this section must be developed by the Department of Corrections.

**EFFECTIVE DATE.** This section is effective August 1, 2009."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Lanning moved to amend H. F. No. 1301, the first engrossment, as amended, as follows:

Page 29, after line 10, insert:

"Sec. 5. Minnesota Statutes 2008, section 152.027, is amended by adding a subdivision to read:

Subd. 5. **Sale and possession of salvia divinorum.** (a) A person who unlawfully sells any amount of salvia divinorum is guilty of a gross misdemeanor.

(b) A person who unlawfully possesses any amount of salvia divinorum is guilty of a misdemeanor.

**EFFECTIVE DATE.** This section is effective August 1, 2009, and applies to crimes committed on or after that date."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

The Speaker called Hortman to the chair.

Anderson, S., moved to amend H. F. No. 1301, the first engrossment, as amended, as follows:

Page 33, after line 34, insert:

"Sec. 6. Minnesota Statutes 2008, section 299C.17, is amended to read:

**299C.17 REPORT BY COURT ADMINISTRATOR.**

(a) The superintendent shall ~~have power to~~ require the district court administrator of any each county to file with the department, at such time as the superintendent may designate, a report, upon such form as the superintendent may prescribe, furnishing such information as the superintendent may require with regard to the prosecution and disposition of criminal cases. A copy of the report shall be kept on file in the office of the court administrator.

(b) If a district court administrator neglects or refuses to comply with paragraph (a), the bureau, in writing, must notify the state court administrator. Upon the receipt of the notice, the state court administrator must withhold the salary or other compensation accruing to the district court administrator for the period of 30 days thereafter until notified by the bureau that such suspension has been released by the performance of the required duty.

(c) A district court administrator who knowingly fails to comply with paragraph (a) shall be liable in a civil suit for any actual damages suffered by a person or persons resulting from the malfeasance and for any punitive damages set by the court or jury, plus costs and reasonable attorney fees.

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

Sec. 7. Minnesota Statutes 2008, section 299C.21, is amended to read:

**299C.21 PENALTY ON LOCAL OFFICER REFUSING INFORMATION.**

(a) If any public official charged with the duty of furnishing to the bureau fingerprint records, biological specimens, reports, or other information required by sections 299C.06, 299C.10, 299C.105, 299C.11, or 299C.17, shall neglect or refuse to comply with such requirement, the bureau, in writing, shall notify the state, county, or city officer charged with the issuance of a warrant for the payment of the salary of such official. Upon the receipt of the notice the state, county, or city official shall must withhold the issuance of a warrant for the payment of the salary or other compensation accruing to such officer for the period of 30 days thereafter until notified by the bureau that such suspension has been released by the performance of the required duty.

(b) A person with the duty of furnishing to the bureau fingerprint records, biological specimens, reports, or other information required by sections 299C.06, 299C.10, 299C.105, 299C.11, or 299C.17, who knowingly fails to provide the required information is guilty of a misdemeanor and shall be liable in a civil suit for any actual damages suffered by a person or persons resulting from the malfeasance and for any punitive damages set by the court or jury, plus costs and reasonable attorney fees.

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

A roll call was requested and properly seconded.

POINT OF ORDER

Hilstrom raised a point of order pursuant to rule 3.21 that the Anderson, S., amendment was not in order. Speaker pro tempore Hortman ruled the point of order not well taken and the Anderson, S., amendment in order.

The question recurred on the Anderson, S., amendment and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Beard	Brynaert	Cornish	Dill	Eastlund
Anderson, B.	Benson	Buesgens	Davids	Dittrich	Eken
Anderson, P.	Bigham	Bunn	Davnie	Doepke	Emmer
Anderson, S.	Bly	Carlson	Dean	Doty	Falk
Anzelc	Brod	Champion	Demmer	Downey	Faust
Atkins	Brown	Clark	Dettmer	Drazkowski	Fritz

Gardner	Howes	Lesch	Murdock	Rosenthal	Swails
Garofalo	Huntley	Liebling	Murphy, E.	Rukavina	Thao
Gottwalt	Jackson	Lieder	Murphy, M.	Ruud	Tillberry
Greiling	Johnson	Lillie	Nelson	Sailer	Torkelson
Gunther	Juhnke	Loeffler	Newton	Sanders	Urdahl
Hackbarth	Kahn	Loon	Nornes	Scalze	Wagenius
Hamilton	Kalin	Mack	Norton	Scott	Ward
Hansen	Kath	Magnus	Obermueller	Seifert	Welti
Haws	Kelly	Mahoney	Olin	Severson	Westrom
Hayden	Kiffmeyer	Marquart	Otremba	Shimanski	Winkler
Hilstrom	Knuth	Masin	Pelowski	Simon	Zellers
Holberg	Koenen	McFarlane	Peppin	Slawik	Spk. Kelliher
Hoppe	Kohls	McNamara	Persell	Slocum	
Hornstein	Laine	Morgan	Peterson	Smith	
Hortman	Lanning	Morrow	Poppe	Solberg	
Hosch	Lenczewski	Mullery	Reinert	Sterner	

The motion prevailed and the amendment was adopted.

The Speaker resumed the chair.

Emmer moved to amend H. F. No. 1301, the first engrossment, as amended, as follows:

Page 61, after line 12, insert:

"ARTICLE 7

CHEMICAL TESTING DEVICE; REPLACEMENT

Section 1. **CHEMICAL TESTING DEVICE; REPLACEMENT.**

By September 15, 2009, the commissioner of public safety shall issue a request for proposals for the replacement of the state inventory of breath testing devices used for making evidentiary level alcohol concentration breath tests in accordance with Minnesota Statutes, section 169A.51, and by January 15, 2010, the commissioner shall report to the legislative chairs and ranking minority members of the house of representatives and senate committees with responsibility for public safety and transportation regarding the results of that request for proposals, including recommendations for legislative action on the matter.

The request for proposal must indicate that any proposal must, among any other features determined by the commissioner, describe the ways in which the proposed replacement device is superior to the testing device currently in use within the state, and must require that the vendor be willing to conveniently share the computer source code employed by the proposed device with litigants in impaired driving cases involving evidence obtained by utilizing the device.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Emmer moved to amend H. F. No. 1301, the first engrossment, as amended, as follows:

Page 29, after line 10, insert:

"Sec. 5. **[169A.701] DRIVING RECORD PRIVATE AFTER TEN YEARS.**

(a) Notwithstanding any provision of chapter 171 to the contrary, upon the date ten years following a person's most recent driver's license revocation or cancellation for violation of this chapter or section 609.21, the driver's license record or records pertaining to prior impaired driving related violations by the person are classified as private data on individuals according to section 13.02, subdivision 12.

(b) Notwithstanding paragraph (a), upon revocation or cancellation of a person's driver's license record under section 169A.54 or section 609.21, any driving record or records classified as private data on individuals in accordance with paragraph (a) and section 13.02, subdivision 12, must be reclassified as public data on individuals in accordance with section 13.02, subdivision 15.

**EFFECTIVE DATE.** This section is effective July 1, 2009, for violations on drivers license records on or after that date."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Simon moved to amend H. F. No. 1301, the first engrossment, as amended, as follows:

Page 9, after line 28, insert:

"Section 1. Minnesota Statutes 2008, section 518B.01, subdivision 2, is amended to read:

Subd. 2. **Definitions.** As used in this section, the following terms shall have the meanings given them:

(a) "Domestic abuse" means the following, if committed against a family or household member by a family or household member:

(1) physical harm, bodily injury, or assault;

(2) the infliction of fear of imminent physical harm, bodily injury, or assault; or

(3) terroristic threats, within the meaning of section 609.713, subdivision 1; criminal sexual conduct, within the meaning of section 609.342, 609.343, 609.344, 609.345, or 609.3451; or interference with an emergency call within the meaning of section 609.78, subdivision 2.

(b) "Family or household members" means:

(1) spouses and former spouses;

(2) parents and children;

(3) persons related by blood;

(4) persons who are presently residing together or who have resided together in the past;

(5) persons who have a child in common regardless of whether they have been married or have lived together at any time;

(6) a man and woman if the woman is pregnant and the man is alleged to be the father, regardless of whether they have been married or have lived together at any time; and

(7) persons who are involved in a significant romantic or sexual relationship or who have been involved in a significant romantic or sexual relationship in the past.

Issuance of an order for protection on the ground in clause (6) does not affect a determination of paternity under sections 257.51 to 257.74. In determining whether persons are or have been involved in a significant romantic or sexual relationship under clause (7), the court shall consider the length of time of the relationship; type of relationship; frequency of interaction between the parties; and, if the relationship has terminated, length of time since the termination.

(c) "Qualified domestic violence-related offense" has the meaning given in section 609.02, subdivision 16.

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

Sec. 2. Minnesota Statutes 2008, section 518B.01, subdivision 20, is amended to read:

Subd. 20. **Statewide application.** An order for protection or domestic abuse no contact order granted under this section applies throughout this state.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Seifert, Kelly, Emmer, Zellers, Drazkowski and Scott offered an amendment to H. F. No. 1301, the first engrossment, as amended.

#### POINT OF ORDER

Hilstrom raised a point of order pursuant to rule 3.21 that the Seifert et al amendment was not in order. The Speaker ruled the point of order well taken and the Seifert et al amendment out of order.

Seifert appealed the decision of the Speaker.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called. There were 82 yeas and 52 nays as follows:

Those who voted in the affirmative were:

Anzelc	Falk	Huntley	Loeffler	Olin	Slocum
Atkins	Faust	Jackson	Mahoney	Paymar	Solberg
Benson	Fritz	Johnson	Mariani	Pelowski	Sterner
Bigham	Gardner	Juhnke	Marquart	Persell	Swails
Bly	Greiling	Kahn	Masin	Peterson	Thao
Brynaert	Hansen	Kalin	Morgan	Reinert	Thissen
Carlson	Hausman	Knuth	Morrow	Rosenthal	Tillberry
Champion	Haws	Koenen	Mullery	Rukavina	Wagenius
Clark	Hayden	Laine	Murphy, E.	Ruud	Ward
Davnie	Hilstrom	Lenczewski	Murphy, M.	Sailer	Welti
Dill	Hilty	Lesch	Nelson	Scalze	Winkler
Dittrich	Hornstein	Liebling	Newton	Sertich	Spk. Kelliher
Doty	Hortman	Lieder	Norton	Simon	
Eken	Hosch	Lillie	Obermueller	Slawik	

Those who voted in the negative were:

Abeler	Cornish	Emmer	Kath	McNamara	Severson
Anderson, B.	Dauids	Garofalo	Kelly	Murdock	Shimanski
Anderson, P.	Dean	Gottwalt	Kiffmeyer	Nornes	Smith
Anderson, S.	Demmer	Gunther	Kohls	Otremba	Torkelson
Beard	Dettmer	Hackbarth	Lanning	Peppin	Urdahl
Brod	Doepke	Hamilton	Loon	Poppe	Westrom
Brown	Downey	Holberg	Mack	Sanders	Zellers
Buesgens	Drazkowski	Hoppe	Magnus	Scott	
Bunn	Eastlund	Howes	McFarlane	Seifert	

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

Beard moved to amend H. F. No. 1301, the first engrossment, as amended, as follows:

Page 12, delete section 1

ReNUMBER the sections in sequence and correct the internal references

Amend the title accordingly

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

Emmer moved to amend H. F. No. 1301, the first engrossment, as amended, as follows:

Page 2, after line 2, insert:

"Section 1. **[168.1299] PREDATORY OFFENDER PLATE.**

The commissioner shall issue a special plate to any person who is a registered owner of a passenger automobile or motorcycle and who is required to register as a predatory offender under section 243.166. The color of the plate shall be lime green and must be issued entirely at the predatory offender's expense. A predatory offender may not be issued any other special plate under this chapter.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to any plate issued before or after that day."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Emmer moved to amend H. F. No. 1301, the first engrossment, as amended, as follows:

Page 27, lines 6 to 8, delete the new language

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

Zellers moved to amend H. F. No. 1301, the first engrossment, as amended, as follows:

Page 26, line 26, before the period, insert ", calculated as the base"

Page 27, line 12, after "drugs" insert ", calculated as the base."

The motion prevailed and the amendment was adopted.

H. F. No. 1301, A bill for an act relating to public safety; providing for public safety, courts, and corrections including requirements for predatory offenders regarding registration, computer access, electronic solicitation, and special license plates; crime victims of criminal sexual conduct and domestic abuse; domestic fatality review teams; public defenders eligibility for representation, appointment, and reimbursement; courts regarding judges' evidence from recording equipment in a law enforcement vehicle; driver's license reinstatement diversion pilot program; driver's license records; corrections regarding probation, pretrial release, and correctional officers, sentencing, and evidence-based practices for community supervision; sentencing guidelines; emergency response team; controlled substances; financial crimes; unsafe recalled toys; animal fighting; public employer consideration of criminal records in hiring; peace officer and public safety dispatcher employment; assault on public utility workers; trespass in police cordoned-off areas; peace officer education; communications regarding criminal history, background checks, warrant information, CIBRS data, criminal justice data, and Statewide Radio Board; authorizing requests for proposals to replace alcohol concentration breath testing devices; providing for boards, task forces, and programs; providing for reports; providing for penalties; amending Minnesota Statutes 2008, sections 12.03, by adding a subdivision; 13.87, subdivision 1; 122A.18, subdivision 8; 123B.03, subdivision 1; 152.02, subdivisions 6, 12; 152.027, by adding a subdivision; 169.71, subdivision 1; 243.166, subdivisions 1a, 4, 4b, 6; 244.05, subdivision 6; 244.052, subdivision 1; 246.13, subdivision 2; 253B.141, subdivision 1; 299A.681; 299C.115; 299C.17; 299C.21; 299C.40, subdivisions 1, 2; 299C.46, subdivision 1; 299C.52, subdivisions 1, 3, 4; 299C.53, subdivision 1; 299C.62,

subdivision 1; 299C.65, subdivisions 1, 5; 299C.68, subdivision 2; 343.31, subdivision 1; 357.021, subdivision 6; 388.24, subdivision 4; 401.025, subdivision 1; 401.065, subdivision 3a; 403.36, subdivision 2, by adding a subdivision; 471.59, by adding subdivisions; 480.23; 484.91, subdivision 1; 491A.03, subdivision 1; 518.165, subdivision 5; 518B.01, subdivisions 2, 20; 524.5-118, subdivision 2; 609.131, subdivision 1; 609.2231, by adding a subdivision; 609.352, subdivision 2a; 609.605, subdivision 1; 611.17; 611.18; 611.20, subdivision 3; 611.21; 611.272; 611A.0315, subdivision 1; 626.843, subdivisions 1, 3; 626.845, subdivision 1; 626.863; 628.69, subdivision 6; 629.34, subdivision 1; 629.341, subdivision 1; Laws 1999, chapter 216, article 2, section 27, subdivisions 1, as amended, 3c, as added, 4; proposing coding for new law in Minnesota Statutes, chapters 12; 168; 169A; 244; 260B; 325F; 364; 634; repealing Minnesota Statutes 2008, sections 260B.199, subdivision 2; 260B.201, subdivision 3; 299C.61, subdivision 8; 299C.67, subdivision 3; 383B.65, subdivision 2; 403.36, subdivision 1f; Laws 2002, chapter 266, section 1, as amended.

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 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

H. F. No. 908, A bill for an act relating to unemployment insurance; providing for a shared work plan; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 2008, section 268.135.

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 115 yeas and 18 nays as follows:

Those who voted in the affirmative were:

Abeler	Dittrich	Hortman	Loon	Olin	Smith
Anderson, P.	Doepke	Hosch	Mack	Otremba	Solberg
Anzenc	Doty	Howes	Magnus	Paymar	Sterner
Atkins	Downey	Huntley	Mahoney	Pelowski	Swails
Beard	Eken	Jackson	Mariani	Persell	Thao
Benson	Falk	Johnson	Marquart	Peterson	Thissen
Bigham	Faust	Juhnke	Masin	Poppe	Tillberry
Bly	Fritz	Kahn	McFarlane	Reinert	Torkelson
Brown	Gardner	Kalin	McNamara	Rosenthal	Urdahl
Brynaert	Gottwalt	Kath	Morgan	Rukavina	Wagenius
Bunn	Greiling	Kelly	Morrow	Ruud	Ward
Carlson	Gunther	Knuth	Mullery	Sailer	Welti
Champion	Hamilton	Koenen	Murdock	Sanders	Westrom
Clark	Hansen	Laine	Murphy, E.	Scalze	Winkler
Cornish	Hausman	Lanning	Murphy, M.	Seifert	Spk. Kelliher
Davids	Haws	Lesch	Nelson	Sertich	
Davnie	Hayden	Liebling	Newton	Shimanski	
Demmer	Hilstrom	Lieder	Nornes	Simon	
Dettmer	Hilty	Lillie	Norton	Slawik	
Dill	Hornstein	Loeffler	Obermueller	Slocum	

Those who voted in the negative were:

Anderson, B.	Buesgens	Eastlund	Hackbarth	Kiffmeyer	Scott
Anderson, S.	Dean	Emmer	Holberg	Kohls	Severson
Brod	Drazkowski	Garofalo	Hoppe	Peppin	Zellers

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.

## FISCAL CALENDAR

Pursuant to rule 1.22, Solberg requested immediate consideration of S. F. No. 643.

S. F. No. 643, A bill for an act relating to unemployment compensation; providing eligibility for benefits under certain training programs.

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 128 yeas and 6 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, B.	Buesgens	Emmer	Holberg	Peppin	Zellers
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The bill was passed and its title agreed to.

Pursuant to rule 1.22, Carlson requested immediate consideration of H. F. No. 1242.

H. F. No. 1242, A bill for an act relating to public safety; establishing Brandon's Law; implementing procedures for investigating missing person cases; amending Minnesota Statutes 2008, sections 299C.51; 299C.52; 299C.53; 299C.54, subdivisions 1, 2, 3, 3a; 299C.55; 299C.56; 299C.565; 390.25, subdivision 2; 626.8454, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 299C.

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

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

Those who voted in the affirmative were:

Abeler	Anderson, S.	Beard	Bly	Brynaert	Carlson
Anderson, B.	Anzelc	Benson	Brod	Buesgens	Champion
Anderson, P.	Atkins	Bigham	Brown	Bunn	Clark

Cornish	Gottwalt	Juhnke	Mahoney	Pelowski	Smith
Davids	Greiling	Kahn	Mariani	Peppin	Solberg
Davnie	Gunther	Kalin	Marquart	Persell	Sterner
Dean	Hackbarth	Kath	Masin	Peterson	Swails
Demmer	Hamilton	Kelly	McFarlane	Poppe	Thao
Dettmer	Hansen	Kiffmeyer	McNamara	Reinert	Thissen
Dill	Hausman	Knuth	Morgan	Rosenthal	Tillberry
Dittrich	Haws	Koenen	Morrow	Rukavina	Torkelson
Doepke	Hayden	Kohls	Mullery	Ruud	Urdahl
Doty	Hilstrom	Laine	Murdock	Sailer	Wagenius
Downey	Hilty	Lanning	Murphy, E.	Sanders	Ward
Drazkowski	Holberg	Lenczewski	Murphy, M.	Scalze	Welti
Eastlund	Hoppe	Lesch	Nelson	Scott	Westrom
Eken	Hornstein	Liebling	Newton	Seifert	Winkler
Emmer	Hortman	Lieder	Nornes	Sertich	Zellers
Falk	Hosch	Lillie	Norton	Severson	Spk. Kelliher
Faust	Howes	Loeffler	Obermueller	Shimanski	
Fritz	Huntley	Loon	Olin	Simon	
Gardner	Jackson	Mack	Otremba	Slawik	
Garofalo	Johnson	Magnus	Paymar	Slocum	

The bill was passed and its title agreed to.

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

### MESSAGES FROM THE SENATE

The following message was received from the Senate:

Madam Speaker:

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

S. F. No. 2082.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

### FIRST READING OF SENATE BILLS

S. F. No. 2082, A bill for an act relating to government operations; modifying provisions for general legislative and administrative expenses of state government; regulating state and local government operations; establishing a statewide electronic licensing system; requiring reports; appropriating money; amending Minnesota Statutes 2008, sections 5.12, subdivision 1; 5.29; 5.32; 5A.03; 10A.31, subdivision 4; 16A.133, subdivision 1; 16B.24, subdivision 5; 43A.49; 45.24; 270C.63, subdivision 13; 302A.821; 303.14; 303.16, subdivision 4; 308A.995; 308B.121, subdivisions 1, 2; 317A.823; 321.0206; 321.0210; 321.0810; 322B.960; 323A.1003; 333.055; 336A.04, subdivision 3; 336A.09, subdivision 2; 359.01, subdivision 3; 469.175, subdivisions 1, 6; proposing coding for new law in Minnesota Statutes, chapters 5; 16E; repealing Minnesota Statutes 2008, section 240A.08.

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

**MOTIONS AND RESOLUTIONS**

Brod moved that her name be stricken as an author on H. F. No. 936. The motion prevailed.

Seifert moved that the names of Doepke; Urdahl; Sanders; Anderson, P.; Loon; Scott; Shimanski; Howes and Abeler be added as authors on H. F. No. 1242. The motion prevailed.

Paymar moved that the name of Hornstein be added as an author on H. F. No. 1505. The motion prevailed.

Gardner moved that the names of Dettmer and Swails be added as authors on H. F. No. 1548. The motion prevailed.

Urdahl moved that the name of Liebling be added as an author on H. F. No. 1825. The motion prevailed.

**ADJOURNMENT**

Sertich moved that when the House adjourns today it adjourn until 4:00 p.m., Tuesday, April 21, 2009. The motion prevailed.

Sertich moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 4:00 p.m., Tuesday, April 21, 2009.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives