

STATE OF MINNESOTA

EIGHTY-SIXTH SESSION — 2009

 THIRTY-NINTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, APRIL 23, 2009

The House of Representatives convened at 9:30 a.m. and was called to order by Tina Liebling, Speaker pro tempore.

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

A quorum was present.

Atkins was excused.

Mullery was excused until 5:05 p.m.

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

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Rukavina from the Higher Education and Workforce Development Finance and Policy Division to which was referred:

H. F. No. 737, A bill for an act relating to economic development; providing certification for rehabilitation counselors for the blind; amending Minnesota Statutes 2008, section 248.07, by adding a subdivision.

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

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 5, H. F. No. 737 was re-referred to the Committee on Rules and Legislative Administration.

Rukavina from the Higher Education and Workforce Development Finance and Policy Division to which was referred:

H. F. No. 860, A bill for an act relating to higher education; eliminating requirement that meetings to nominate candidates for regent of the University of Minnesota be one week apart; amending Minnesota Statutes 2008, section 137.0246.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. 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. 2. **REPEALER.**

Minnesota Statutes 2008, section 137.0245, is repealed."

Delete the title and insert:

"A bill for an act relating to higher education; eliminating the regent candidate advisory council; eliminating certain meeting requirements; amending Minnesota Statutes 2008, section 137.0246, subdivision 2; repealing Minnesota Statutes 2008, section 137.0245."

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

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with Senate Concurrent Resolution No. 5, H. F. No. 860 was re-referred to the Committee on Rules and Legislative Administration.

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

H. F. No. 2251, A bill for an act relating to state government finance; providing federal stimulus oversight funding for certain state agencies; establishing a fiscal stabilization account; appropriating money.

Reported the same back with the following amendments:

Page 3, line 12, after "December 31, 2010," insert "and notwithstanding the requirements of Minnesota Statutes 2008, section 256B.19, subdivision 1c, paragraph (c),"

Page 3, line 14, delete "256B.19, subdivision" and insert "256B.69,"

Page 3, line 15, delete "1c, paragraph (c)"

Page 3, after line 15, insert:

"Sec. 7. **COUNTY CD SHARE OF MA COSTS FOR ARRA COMPLIANCE.**

Notwithstanding the provisions of Minnesota Statutes 2008, chapter 254B, for chemical dependency services provided during the period October 1, 2008, to June 30, 2009, and reimbursed by medical assistance at the enhanced federal matching rate provided under the American Recovery and Reinvestment Act of 2009, the county share is 30 percent of the nonfederal share."

Renumber the sections in sequence

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2323, A bill for an act relating to the financing and operation of state and local government; making policy, technical, administrative, enforcement, collection, refund, clarifying, and other changes to income, franchise, property, sales and use, estate, gift, cigarette, tobacco, liquor, motor vehicle, gross receipts, minerals, tax increment financing and other taxes and tax-related provisions; requiring certain additions; conforming to federal section 179 expensing allowances; adding Minnesota development subsidies to corporate taxable income; disallowing certain subtractions; allowing certain nonrefundable credits; allowing a refundable Minnesota child credit; repealing various credits; conforming to certain federal tax provisions; expanding definition of domestic corporation to include tax havens; modifying income tax rates; expanding and increasing credit for research activities; accelerating single sales apportionment; modifying minimum fees; allowing county local sales tax; eliminating certain existing local sales taxes; adjusting county program aid; modifying levy limits; making changes to residential homestead market value credit; providing flexibility and mandate reduction provisions; making changes to various property tax and local government aid-related provisions; providing temporary suspension of new or increased maintenance of effort and matching fund requirements; modifying county support of libraries; establishing the Council on Local Results and Innovation; providing property tax system benchmarks, critical indicators, and principles; establishing a property tax work group; creating the Legislative Commission on Mandate Reform; making changes to certain administrative procedures; modifying mortgage registry tax payments; modifying truth in taxation provisions; providing clarification for eligibility for property tax exemption for institutions of purely public charity; making changes to property tax refund and senior citizen property tax deferral programs; providing property tax exemptions; providing a property valuation reduction for certain land constituting a riparian buffer; providing a partial valuation exclusion for disaster damaged homes; extending deadline for special service district and housing improvement districts; requiring a fiscal disparity study; extending emergency medical service special taxing district; providing emergency debt certificates; providing and modifying local taxes; expanding county authorization to abate certain improvements; providing municipal street improvement districts; establishing a seasonal recreational property tax deferral program; expanding sales and use tax base; defining solicitor for purposes of nexus; providing a bovine tuberculosis testing grant; modifying tax preparation services law; modifying local lodging tax; eliminating authority of municipalities to issue bonds for certain other postemployment benefits; allowing use of increment to offset state aid reductions; allowing additional authority to spend increments for housing replacement district plans; modifying and authorizing certain tax increment financing districts; providing equitable funding health and human services reform; modifying JOBZ provisions; repealing international economic development and biotechnology and health science industry zones; modifying basic sliding fee program funding; providing appointments; requiring reports; appropriating money; amending Minnesota Statutes 2008, sections 3.842, subdivision 4a; 3.843; 16C.28, subdivision 1a; 40A.09; 84.82, subdivision 10; 84.922, subdivision 11; 86B.401, subdivision 12; 123B.10, subdivision 1; 134.34, subdivisions 1, 4; 270C.12, by adding a subdivision; 270C.445; 270C.56, subdivision 3; 272.02, subdivision 7, by adding subdivisions; 272.029, subdivision 6; 273.111, by adding a subdivision; 273.1231, subdivision 1; 273.1232, subdivision 1; 273.124, subdivision 1; 273.13, subdivisions 25, 34; 273.1384, subdivisions 1, 4, by adding a subdivision; 273.1393; 275.025, subdivisions 1, 2; 275.065, subdivisions 1, 1a, 1c, 3, 6; 275.07, subdivisions 1, 4, by adding a subdivision; 275.70, subdivisions 3, 5; 275.71, subdivisions 2, 4, 5; 276.04, subdivision 2; 279.10; 282.08; 287.08; 289A.02, subdivision 7, as amended; 289A.11, subdivision 1; 289A.20, subdivision 4; 289A.31, subdivision 5; 290.01, subdivisions 5, 19, as amended, 19a, as amended, 19b, 19c, as amended, 19d, as amended, 29, 31, as amended, by adding subdivisions; 290.014, subdivision 2; 290.06, subdivisions 2c, 2d, by adding subdivisions; 290.0671, subdivision 1; 290.068, subdivisions 1, 3, 4; 290.091, subdivision 2; 290.0921, subdivision 3; 290.0922, subdivisions 1, 3, by adding a subdivision; 290.17, subdivisions 2, 4; 290.191, subdivisions 2, 3; 290A.03, subdivisions 3, as amended, 15, as amended; 290A.04, subdivision 2; 290B.03, subdivision 1; 290B.04, subdivisions 3, 4; 290B.05, subdivision 1; 291.005, subdivision 1, as amended; 291.03, subdivision 1; 295.75, subdivision 2; 297A.61, subdivisions 3, 4, 5, 6, 10, 14a, 17a, 21, 38, by adding subdivisions; 297A.62, by adding a subdivision; 297A.63; 297A.64, subdivision 2; 297A.66, subdivision 1, by adding a subdivision; 297A.67, subdivisions 15, 23; 297A.815, subdivision 3; 297A.83, subdivision 3; 297A.94; 297A.99, subdivisions 1, 6; 297B.02, subdivision 1; 297F.01, by adding a subdivision; 297F.05, subdivisions 1, 3, 4, by adding a subdivision; 297G.03, subdivision 1; 297G.04; 298.001, by adding a subdivision; 298.018, subdivisions

1, 2, by adding a subdivision; 298.227; 298.24, subdivision 1; 298.28, subdivisions 2, 4, 11, by adding a subdivision; 306.243, by adding a subdivision; 344.18; 365.28; 375.194, subdivision 5; 383A.75, subdivision 3; 428A.101; 428A.21; 429.011, subdivision 2a; 429.021, subdivision 1; 429.041, subdivisions 1, 2; 446A.086, subdivision 8; 465.719, subdivision 9; 469.015; 469.174, subdivision 22; 469.175, subdivisions 1, 6; 469.176, subdivisions 3, 6, by adding a subdivision; 469.1763, subdivisions 2, 3; 469.178, subdivision 7; 469.315; 469.3192; 473.13, subdivision 1; 473H.04, by adding a subdivision; 473H.05, subdivision 1; 475.51, subdivision 4; 475.52, subdivision 6; 475.58, subdivision 1; 477A.011, subdivision 36; 477A.0124, by adding a subdivision; 477A.013, subdivision 9, by adding a subdivision; 477A.03, subdivisions 2a, 2b; 641.12, subdivision 1; Laws 1986, chapter 396, section 4, subdivision 3; by adding a subdivision; Laws 1986, chapter 400, section 44, as amended; Laws 1991, chapter 291, article 8, section 27, subdivision 3, as amended; Laws 1993, chapter 375, article 9, section 46, subdivision 2, as amended, by adding a subdivision; Laws 1995, chapter 264, article 5, sections 44, subdivision 4, as amended; 45, subdivision 1, as amended; Laws 1996, chapter 471, article 2, section 30; Laws 1998, chapter 389, article 8, section 37, subdivision 1; Laws 2001, First Special Session chapter 5, article 3, section 8, as amended; Laws 2002, chapter 377, article 3, section 25; Laws 2006, chapter 259, article 3, section 12, subdivision 3; Laws 2008, chapter 366, article 5, section 34; article 6, sections 9; 10; article 7, section 16, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 3; 6; 14; 17; 256E; 270C; 272; 273; 275; 290; 292; 297A; 435; 471; 475; 477A; proposing coding for new law as Minnesota Statutes, chapter 290D; repealing Minnesota Statutes 2008, sections 245.4835; 245.4932, subdivision 1; 246.54, subdivisions 1, 2; 252.275, subdivision 3; 253B.045, subdivision 2; 254B.04, subdivision 1; 256.82, subdivision 2; 256.976; 256B.05, subdivision 1; 256B.0625, subdivisions 20, 20a; 256B.0945, subdivisions 1, 2, 3, 4; 256B.19, subdivision 1; 256D.03; 256D.053, subdivision 3; 256E.12, subdivision 3; 256F.10, subdivision 7; 256F.13, subdivision 1; 256I.04; 256I.08; 256J.09, subdivisions 1, 2, 3; 256L.15, subdivision 4; 272.02, subdivision 83; 273.113; 275.065, subdivisions 5a, 6b, 6c, 8, 9, 10; 289A.50, subdivision 10; 290.01, subdivision 6b; 290.06, subdivisions 24, 28, 30, 31, 32, 33, 34; 290.067, subdivisions 1, 2, 2a, 2b, 3, 4; 290.0672; 290.0674; 290.0679; 290.0802; 290.0921, subdivision 7; 290.191, subdivision 4; 290.491; 297A.61, subdivision 45; 297A.68, subdivisions 38, 41; 469.316; 469.317; 469.321; 469.3215; 469.322; 469.323; 469.324; 469.325; 469.326; 469.327; 469.328; 469.329; 469.330; 469.331; 469.332; 469.333; 469.334; 469.335; 469.336; 469.337; 469.338; 469.339; 469.340; 469.341; 477A.0124, subdivisions 3, 4, 5; 477A.03, subdivision 5; Laws 2009, chapter 3, section 1; Laws 2009, chapter 12, article 1, section 8.

Reported the same back with the following amendments:

Page 4, line 3, after the period, insert "This paragraph does not apply to an employer subject to paragraph (g), or to a contractor required to withhold under section 290.92, subdivision 31."

Page 10, line 7, delete "and"

Page 10, line 9, after the semicolon, insert "and"

Page 10, line 11, delete "; and" and insert a period

Page 10, delete lines 12 and 13

Page 21, delete lines 23 and 24 and insert "commissioner of finance elects to issue the obligations exempt from taxation under sections 290.06, subdivision 2c, and 290.091. The commissioner shall make the election only if, in the commissioner's opinion, doing so is in the best interest of the state because it will reduce the state's net borrowing costs. Prior to making the election, the commissioner shall estimate whether (i) the present value of the reduction in state"

Page 21, line 27, after the period, insert "In making the estimate, the commissioner may rely on data from past issuances of obligations by the state and other states without income taxes or that impose their state income taxes on their bonds, judgments about current market conditions, and any other relevant information, and the commissioner shall use a reasonable methodology for preparing the estimate after seeking advice and comments from the state economist or another qualified professional economist."

Page 21, after line 34, insert:

"(c) The authority to issue tax-exempt obligations under paragraph (a), clause (2), expires July 1, 2011. If the commissioner of finance elects to issue tax-exempt bonds under this section during calendar year 2009 or 2010, the commissioner shall prepare a report for the 2011 legislature evaluating whether the issuance resulted in a net reduction in state borrowing costs, taking into account the effects of the tax exemption, and shall file the report by January 31, 2011, under the provisions of Minnesota Statutes, section 3.195."

Page 24, line 15, delete "(16), and (17)" and insert "and (16),"

Page 24, line 22, delete "(16), and"

Page 24, line 23, delete "(17)" and insert "and (16),"

Page 30, line 27, delete "(16), and (17)" and insert "and (16)"

Page 42, delete section 33

Page 47, line 14, after the period, insert "\"Situs of taxable gifts\" means, with respect to real property, the state or country in which it is located; with respect to tangible personal property, the state or country in which it was normally kept or located at the time of making the gift; and with respect to intangible personal property, the state or country in which the individual was domiciled at the time of making the gift. For a nonresident individual making a gift of an ownership interest in a pass-through entity with assets that include real or tangible personal property, situs of the real or tangible personal property is determined as if the pass-through entity does not exist and the real or tangible personal property is personally owned by the individual making the gift. If the pass-through entity is owned by a person or persons in addition to the individual making the gift, ownership of the property is attributed to the individual in proportion to the individual's capital ownership share of the pass-through entity."

Page 50, line 29, delete "47" and insert "46"

Page 51, line 3, delete "47" and insert "46"

Page 58, line 10, reinstate the stricken "(a)" and reinstate the stricken "2009" and delete "2010"

Page 58, line 32, reinstate the stricken "(b) For aids payable in 2009"

Page 59, line 7, after the stricken period, insert ", the total aid is the amount certified to be paid in 2009 under this subdivision, subject to the reduction in section 477A.0133, subdivision 2."

Page 59, line 9, delete "2010" and insert "2009"

Page 66, after line 11, insert:

"Sec. 5. Minnesota Statutes 2008, section 245.4932, subdivision 1, is amended to read:

Subdivision 1. **Collaborative responsibilities.** The children's mental health collaborative shall have the following authority and responsibilities regarding federal revenue enhancement:

(1) the collaborative must establish an integrated fund;

(2) the collaborative shall designate a lead county or other qualified entity as the fiscal agency for reporting, claiming, and receiving payments;

(3) the collaborative or lead county may enter into subcontracts with other counties, school districts, special education cooperatives, municipalities, and other public and nonprofit entities for purposes of identifying and claiming eligible expenditures to enhance federal reimbursement;

(4) the collaborative shall use any enhanced revenue attributable to the activities of the collaborative, including administrative and service revenue, solely to provide mental health services or to expand the operational target population. The lead county or other qualified entity may not use enhanced federal revenue for any other purpose;

~~(5) the members of the collaborative must continue the base level of expenditures, as defined in section 245.492, subdivision 2, for services for children with emotional or behavioral disturbances and their families from any state, county, federal, or other public or private funding source which, in the absence of the new federal reimbursement earned under sections 245.491 to 245.495, would have been available for those services. The base year for purposes of this subdivision shall be the accounting period closest to state fiscal year 1993;~~

~~(5)~~ (5) the collaborative or lead county must develop and maintain an accounting and financial management system adequate to support all claims for federal reimbursement, including a clear audit trail and any provisions specified in the contract with the commissioner of human services;

~~(6)~~ (6) the collaborative or its members may elect to pay the nonfederal share of the medical assistance costs for services designated by the collaborative; and

~~(8)~~ (7) the lead county or other qualified entity may not use federal funds or local funds designated as matching for other federal funds to provide the nonfederal share of medical assistance.

EFFECTIVE DATE. This section is effective beginning January 1, 2012.

Sec. 6. Minnesota Statutes 2008, section 253B.045, subdivision 2, is amended to read:

Subd. 2. **Facilities.** Each county or a group of counties shall maintain or provide by contract a facility for confinement of persons held temporarily for observation, evaluation, diagnosis, treatment, and care. ~~When the temporary confinement is provided at a regional treatment center, the commissioner shall charge the county of financial responsibility for the costs of confinement of persons hospitalized under section 253B.05, subdivisions 1 and 2, and section 253B.07, subdivision 2b, except that the commissioner shall bill the responsible health plan first. If the person has health plan coverage, but the hospitalization does not meet the criteria in subdivision 6 or section 62M.07, 62Q.53, or 62Q.535, the county is responsible.~~ When a person is temporarily confined in a Department of Corrections facility solely under subdivision 1a, and not based on any separate correctional authority:

(1) the commissioner of corrections may charge the county of financial responsibility for the costs of confinement; and

(2) the Department of Human Services shall use existing appropriations to fund all remaining nonconfinement costs. The funds received by the commissioner for the confinement and nonconfinement costs are appropriated to the department for these purposes.

"County of financial responsibility" means the county in which the person resides at the time of confinement or, if the person has no residence in this state, the county which initiated the confinement. The charge for confinement in a facility operated by the commissioner of human services shall be based on the commissioner's determination of the cost of care pursuant to section 246.50, subdivision 5. When there is a dispute as to which county is the county of

financial responsibility, the county charged for the costs of confinement shall pay for them pending final determination of the dispute over financial responsibility. Disputes about the county of financial responsibility shall be submitted to the commissioner to be settled in the manner prescribed in section 256G.09.

EFFECTIVE DATE. This section is effective beginning January 1, 2012.

Sec. 7. Minnesota Statutes 2008, section 254B.04, subdivision 1, is amended to read:

Subdivision 1. **Eligibility.** (a) Persons eligible for benefits under Code of Federal Regulations, title 25, part 20, persons eligible for medical assistance benefits under sections 256B.055, 256B.056, and 256B.057, subdivisions 1, 2, 5, and 6, or who meet the income standards of section 256B.056, subdivision 4, and persons eligible for general assistance medical care under section 256D.03, subdivision 3, are entitled to chemical dependency fund services. State money appropriated for this paragraph must be placed in a separate account established for this purpose.

Persons with dependent children who are determined to be in need of chemical dependency treatment pursuant to an assessment under section 626.556, subdivision 10, or a case plan under section 260C.201, subdivision 6, or 260C.212, shall be assisted by the local agency to access needed treatment services. Treatment services must be appropriate for the individual or family, which may include long-term care treatment or treatment in a facility that allows the dependent children to stay in the treatment facility. ~~The county shall pay for out-of-home placement costs, if applicable.~~

(b) A person not entitled to services under paragraph (a), but with family income that is less than 215 percent of the federal poverty guidelines for the applicable family size, shall be eligible to receive chemical dependency fund services within the limit of funds appropriated for this group for the fiscal year. If notified by the state agency of limited funds, a county must give preferential treatment to persons with dependent children who are in need of chemical dependency treatment pursuant to an assessment under section 626.556, subdivision 10, or a case plan under section 260C.201, subdivision 6, or 260C.212. A county may spend money from its own sources to serve persons under this paragraph. State money appropriated for this paragraph must be placed in a separate account established for this purpose.

(c) Persons whose income is between 215 percent and 412 percent of the federal poverty guidelines for the applicable family size shall be eligible for chemical dependency services on a sliding fee basis, within the limit of funds appropriated for this group for the fiscal year. Persons eligible under this paragraph must contribute to the cost of services according to the sliding fee scale established under subdivision 3. A county may spend money from its own sources to provide services to persons under this paragraph. State money appropriated for this paragraph must be placed in a separate account established for this purpose.

EFFECTIVE DATE. This section is effective beginning January 1, 2012."

Page 72, delete section 9 and insert:

"Sec. 12. **REPEALER.**

Minnesota Statutes 2008, sections 245.4835; 245.714; 246.54; 254B.02, subdivision 3; 256B.19, subdivision 1; 256F.10, subdivision 7; and 256I.08, are repealed.

EFFECTIVE DATE. This section is effective January 1, 2012."

Page 152, delete lines 16 to 20 and insert:

"(2) for moist snuff, 91 cents per ounce and a proportionate tax at that rate on all fractional parts of an ounce. The tax must be computed based on the net weight as listed by manufacturer and rounded up to the nearest one-tenth of an ounce, provided that any product listed by the manufacturer as having a net weight of less than 1.2 ounces must be taxed as if the product has a net weight of 1.2 ounces."

Page 153, delete lines 6 to 10 and insert:

"(2) for moist snuff, 91 cents per ounce and a proportionate tax at that rate on all fractional parts of an ounce. The tax must be computed based on the net weight as listed by manufacturer and rounded up to the nearest one-tenth of an ounce, provided that any product listed by the manufacturer as having a net weight of less than 1.2 ounces must be taxed as if the product has a net weight of 1.2 ounces."

Page 167, line 26, delete "not" and delete "simply because" and insert "if"

Page 167, line 27, before the period, insert "online"

Page 213, delete section 8

Page 216, line 9, after "to" insert "(i)"

Page 216, line 10, after "less" insert "(ii)"

Page 216, line 12, delete ". The amount of difference" and insert a comma

Renumber the sections in sequence

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

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

S. F. No. 2081, A bill for an act relating to economic development and housing; establishing and modifying certain programs; providing for regulation of certain activities and practices; amending certain unemployment insurance provisions; providing for accounts, assessments, and fees; changing codes and licensing provisions; amending Iron Range resources provisions; regulating debt management and debt settlement services; increasing certain occupation license fees; making technical changes; providing penalties; appropriating money; amending Minnesota Statutes 2008, sections 15.75, subdivision 5; 16B.54, subdivision 2; 45.011, subdivision 1; 45.027, subdivision 1; 46.04, subdivision 1; 46.05; 46.131, subdivision 2; 84.94, subdivision 3; 115C.08, subdivision 4; 116J.035, subdivisions 1, 6; 116J.401, subdivision 2; 116J.424; 116J.435, subdivisions 2, 3; 116J.68, subdivision 2; 116J.8731, subdivisions 2, 3; 116L.03, subdivision 5; 116L.05, subdivision 5; 116L.871, subdivision 1; 116L.96; 123A.08, subdivision 1; 124D.49, subdivision 3; 129D.13, subdivisions 1, 2, 3; 129D.14, subdivisions 4, 5, 6; 129D.155; 154.44, subdivision 1; 160.16, by adding a subdivision; 160.276, subdivision 8; 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, subdivision 1; 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, 4, 10, 11; 268.101, subdivisions 1, 2; 268.103, subdivision 1, by adding a subdivision; 268.105, subdivisions 1, 2, 3a, 4; 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; 270.97; 298.22, subdivisions 2, 5a, 6, 7, 8, 10, 11; 298.221; 298.2211, subdivision 3; 298.2213, subdivision 4; 298.2214, by adding a subdivision; 298.223; 298.227; 298.28, subdivision 9d; 298.292, subdivision 2; 298.294; 298.296, subdivision 2; 298.2961; 325E.115, subdivision 1; 325E.1151, subdivisions 1, 3, 4; 325E.311, subdivision 6; 326B.33, subdivisions 13, 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; 332A.02, subdivisions 5, 8, 9, 10, 13, by adding subdivisions; 332A.04, subdivision 6; 332A.08; 332A.10; 332A.11, subdivision 2; 332A.14; 469.169, subdivision 3; Laws 1998, chapter 404, section 23, subdivision 6, as amended; proposing coding for new law in Minnesota Statutes, chapters 1; 116J; 137; 161; 268; 298; 326B; proposing coding for new law as Minnesota Statutes, chapter 332B; repealing Minnesota Statutes 2008, sections 116J.402; 116J.413; 116J.58, subdivision 1; 116J.59; 116J.61; 116J.656; 116L.16; 116L.88; 116U.65; 129D.13, subdivision 4; 176.135, subdivision 1b; 268.085, subdivision 14; 268.086; Minnesota Rules, part 1350.8300.

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>	<u>\$134,168,000</u>	<u>\$133,992,000</u>	<u>\$268,160,000</u>
<u>Workforce Development</u>	<u>26,208,000</u>	<u>25,358,000</u>	<u>51,566,000</u>
<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>	<u>1,400,000</u>
<u>Workers' Compensation</u>	<u>22,574,000</u>	<u>22,574,000</u>	<u>45,148,000</u>
<u>Total</u>	<u>\$183,650,000</u>	<u>\$182,624,000</u>	<u>\$366,274,000</u>

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>	<u>39,185,000</u>	<u>39,185,000</u>
<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>
<u>Workforce Development</u>	<u>25,179,000</u>	<u>24,329,000</u>

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. This appropriation must be used for the sole purpose of providing free or reduced fee business consulting services to minority entrepreneurs and contractors.

(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) \$600,000 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.

(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.

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>
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<u>Workforce Development</u>	<u>24,790,000</u>	<u>23,940,000</u>
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(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 programming for up to 80 American Indian youth ages 14 to 19. 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, \$250,000 is for a grant to Minnesota Diversified Industries to provide 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 eligible for funding under the American Recovery and Reinvestment Act. This appropriation 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.

The commissioner shall not use any unallocated discretionary funds available to the department under the American Recovery and Reinvestment Act, Public Law 111-5, to hire full-time or part-time staff or enter into professional or technical contracts for any purpose other than administration of the unemployment insurance program or to provide direct services to job seekers, including assistance in filing for unemployment benefits.

Subd. 4. <u>State-Funded Administration</u>	<u>2,446,000</u>	<u>2,446,000</u>
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Sec. 4. <u>PUBLIC FACILITIES AUTHORITY</u>	<u>\$100,000</u>	<u>\$100,000</u>
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\$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. <u>EXPLORE MINNESOTA TOURISM</u>	<u>\$10,311,000</u>	<u>\$10,311,000</u>
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(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 Ill**

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 Fund385,000385,000

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 Fund8,996,0008,996,000

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 Rehabilitation4,287,0004,287,000

For the housing rehabilitation program under Minnesota Statutes, section 462A.05, subdivision 14, for rental housing developments.

Subd. 9. Homeownership Education, Counseling, and Training865,000865,000

For the homeownership education, counseling, and training program under Minnesota Statutes, section 462A.209.

Subd. 10. Capacity Building Grants250,000250,000

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</u>		
<u>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. General Support

5,981,000

5,981,000

This appropriation is from the workers' compensation fund.

Sec. 9. BUREAU OF MEDIATION SERVICES

Subdivision 1. Total Appropriation

\$1,683,000

\$1,683,000

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

Subd. 2. Mediation Services

1,583,000

1,583,000

Subd. 3. Labor Management Cooperation Grants

100,000

100,000

\$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. **WORKERS' COMPENSATION COURT OF APPEALS** **\$1,703,000** **\$1,703,000**

This appropriation is from the workers' compensation fund.

Sec. 11. **MINNESOTA HISTORICAL SOCIETY**

Subdivision 1. **Total Appropriation** **\$22,719,000** **\$22,613,000**

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

Subd. 2. **Education and Outreach** **12,870,000** **12,870,000**

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.

Subd. 3. **Preservation and Access** **9,585,000** **9,585,000**

Subd. 4. **Fiscal Agent**

(a) Minnesota International Center **40,000** **40,000**

(b) Minnesota Air National Guard Museum **14,000** **0**

(c) Minnesota Military Museum **92,000** **0**

(d) Farmamerica **118,000** **118,000**

(e) Balances Forward

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. **BOARD OF ACCOUNTANCY** **\$505,000** **\$505,000**

Sec. 13. <u>BOARD OF ARCHITECTURE, ENGINEERING, LAND SURVEYING, LANDSCAPE ARCHITECTURE, GEOSCIENCE, AND INTERIOR DESIGN</u>	<u>\$815,000</u>	<u>\$815,000</u>
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Sec. 14. <u>BOARD OF BARBER AND COSMETOLOGIST EXAMINERS</u>	<u>\$839,000</u>	<u>\$839,000</u>
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Sec. 15. <u>COMBATIVE SPORTS COMMISSION</u>	<u>\$125,000</u>	<u>\$125,000</u>
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The appropriation is to transition the commission to being a self-funded entity.

Sec. 16. <u>LEGISLATIVE COORDINATING COMMISSION</u>	<u>\$70,000</u>	<u>\$0</u>
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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 41.

Sec. 17. **BOARD OF THE ARTS**

Subdivision 1. <u>Total Appropriation</u>	<u>\$9,530,000</u>	<u>\$9,530,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. <u>Operations and Services</u>	<u>600,000</u>	<u>600,000</u>
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Subd. 3. <u>Grants Program</u>	<u>6,202,000</u>	<u>6,202,000</u>
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Subd. 4. <u>Regional Arts Councils</u>	<u>2,728,000</u>	<u>2,728,000</u>
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Sec. 18. <u>MINNESOTA HUMANITIES CENTER</u>	<u>\$238,000</u>	<u>\$238,000</u>
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Sec. 19. <u>PUBLIC BROADCASTING</u>	<u>\$1,955,000</u>	<u>\$1,955,000</u>
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(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. Minnesota Statutes 2008, section 116J.435, subdivision 3, is amended to read:

Subd. 3. **Grant program established.** (a) The commissioner shall make competitive grants to local governmental units to acquire and prepare land on which public infrastructure required to support an eligible project will be located, including demolition of structures and remediation of any hazardous conditions on the land, or to predesign, design, acquire, construct, furnish, and equip public infrastructure required to support an eligible project. The local governmental unit receiving a grant must provide for the remainder of the public infrastructure costs. The commissioner may waive the requirements related to an eligible project under subdivision 2 if a project would be eligible under this section but for the fact that its location requires infrastructure improvements to residential development.

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

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

Sec. 14. **[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 multiagency project must include the commissioners of employment and economic development, natural resources, agriculture, transportation, and commerce, and the director of the Pollution Control Agency. 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) The commissioner of employment and economic development shall seek out and may appoint persons from the business community to assist the commissioner in project activities.

(c) 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. 15. 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. 16. 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. 17. 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. 18. 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. 19. 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. 20. **[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. 21. 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. 22. 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. 23. 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. 24. 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 and other green jobs purposes; (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. 25. 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. 26. 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. 27. 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. 28. 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. 29. 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. 30. 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. 31. 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. 32. 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. 33. 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. 34. 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. 35. 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. 36. 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. 37. 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. 38. 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. 39. 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. 40. 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. 41. **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. 42. **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. 43. **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. 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~~ 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~~ 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.~~

~~(c)~~ (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 taxpaying employer acquires all of the organization, trade or business, or workforce of another taxpaying 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 taxpaying employer acquires a portion, but less than all, of the organization, trade or business, or workforce of another taxpaying 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 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~~ 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.~~

~~(c)~~ (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.

~~(e)~~ (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. 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

~~(5)~~ (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.

Sec. 9. **[181.986] REQUIRED EQUIPMENT AND APPAREL.**

Notwithstanding any other law or rule to the contrary, a public employer is prohibited from purchasing or acquiring, furnishing, or requiring an employee to purchase or acquire for wear or use while on duty, any of the following items if the item is not manufactured in the United States of America:

(1) any uniform or other item of wearing apparel over which an employee has no discretion in selecting except for selecting the proper size; or

(2) safety equipment or protective accessories.

Preference must be given to purchases from manufacturers who pay an average annual income, including wages and benefits, equal to at least 150 percent of the federal poverty guideline adjusted for a family size of four. For purposes of this section, "public employer" means a county, home rule charter or statutory city, town, school district, metropolitan or regional agency, public corporation, political subdivision, special district as defined in section 6.465, subdivision 3, municipal fire department, independent nonprofit firefighting corporation, the University of Minnesota, the Minnesota State Colleges and Universities, and the state of Minnesota and its agencies.

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

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
\$160 <u>\$320</u>	under \$1,000,000
\$210 <u>\$420</u>	\$1,000,000 to \$5,000,000
\$260 <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 fee for a master's license is \$20 for one year or \$40 for two years. The annual 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 County 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 management and budget, 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 based upon the taxable tonnage of production in 2008:

(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 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. 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 Douglas J. Johnson Economic Protection Trust Fund in 2009 in repayment of a loan for the Mesabi Nugget, LLC project at Silver Bay 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 expanded 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 community under subdivision 2 additional area extending up to four contiguous city blocks in all directions from the designated targeted 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 community to include portions of a census tract that is contiguous to a targeted 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 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 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~~ community, or will otherwise assist in the revitalization of the targeted ~~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~~ 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~~ 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~~ 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.~~ meeting in the targeted community. ~~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~~

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.

ARTICLE 10

MINNESOTA HERITAGE

Section 1. 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. This report shall be submitted along with a new grant request submission. ~~The report shall be certified by an independent auditor or a certified public accountant. 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.~~

Sec. 2. 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.

Sec. 3. 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.

Sec. 4. 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.

Sec. 5. 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.~~

Sec. 6. 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.

Sec. 7. 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."

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; modifying Heritage Finance 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.435, subdivision 3; 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; 129D.13; 129D.14, subdivisions 4, 5, 6; 129D.155; 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.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 2251 and 2323 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 2081 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Lanning; Marquart; Kelliher; Eken; Seifert; Dettmer; Lieder; Olin; Sailer; Persell; Shimanski; Davids; Poppe; Brown; Pelowski; Nornes; Murdock; Gottwalt; Kiffmeyer; Anderson, B.; Gunther; Morrow; Demmer; Downey and Kelly introduced:

H. F. No. 2347, A bill for an act relating to disaster relief; responding to flood and storms of March 2009; providing money to match federal disaster assistance made available through FEMA Public Assistance Program and Individual Assistance Program; providing aid for costs that are not eligible for assistance through those programs or from other federal government agencies or insurance; providing for flood disaster enrollment impact aid to school districts; providing for temporary waivers of certain program requirements; providing aid for Hugo tornado; authorizing sale of state bonds; appropriating money; amending Minnesota Statutes 2008, sections 12.221, subdivision 4; 12A.10.

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

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. 694, 1288, 1539, 1711 and 1849.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 694, A bill for an act relating to human services; modifying prenatal alcohol or drug use prevention appropriation; amending Laws 2007, chapter 147, article 19, section 3, subdivision 4, as amended.

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

S. F. No. 1288, A bill for an act relating to commerce; regulating various filings, forms, records, submissions, motions, and orders relating to duties and responsibilities of the secretary of state; amending Minnesota Statutes 2008, sections 5.15; 5.23, subdivisions 1, 4; 5.26, subdivision 1; 270C.63, subdivision 4; 272.488, subdivision 2; 302A.115, subdivision 1; 302A.151; 303.06; 303.11; 308A.121, subdivision 1; 308B.211, subdivision 1; 308B.215; 317A.115, subdivision 2; 321.0108; 321.0809; 321.0902; 321.0906; 321.0909; 322B.12, subdivision 1; 322B.91,

subdivision 1; 322B.92; 336.9-519; 336.9-521; 336.9-525; 336A.03, subdivision 3; 336A.09, subdivision 1; 545.05, subdivisions 1, 2, 4, 7, 10, 11, 13; proposing coding for new law in Minnesota Statutes, chapter 5; repealing Minnesota Statutes 2008, sections 5.03; 308B.121, subdivision 3; Minnesota Rules, part 8280.0470.

The bill was read for the first time.

Kalin moved that S. F. No. 1288 and H. F. No. 1532, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1539, A bill for an act relating to insurance; regulating viatical settlements; enacting and modifying the Viatical Settlements Model Act of the National Association of Insurance Commissions; providing criminal penalties; amending Minnesota Statutes 2008, sections 13.716, subdivision 7; 60A.964, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 60A; repealing Minnesota Statutes 2008, sections 60A.961; 60A.962; 60A.963; 60A.965; 60A.966; 60A.967; 60A.968; 60A.969; 60A.970; 60A.971; 60A.972; 60A.973; 60A.974.

The bill was read for the first time.

Atkins moved that S. F. No. 1539 and H. F. No. 1719, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1711, A bill for an act relating to commerce; regulating motor vehicle sales and distribution; amending Minnesota Statutes 2008, sections 80E.03, by adding a subdivision; 80E.09, subdivisions 1, 3; 80E.12; 80E.135; 80E.14, by adding a subdivision.

The bill was read for the first time.

Atkins moved that S. F. No. 1711 and H. F. No. 1717, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1849, A bill for an act relating to commerce; regulating consumer small loan lenders and residential mortgage originators and servicers; providing for the calculation of reserves and nonforfeiture values of preneed funeral insurance contracts; revising annual audit requirements for insurers; regulating life and health guaranty association notices; regulating the powers of, and surplus requests for, township mutuals; imposing penalties; amending Minnesota Statutes 2008, sections 47.58, subdivision 1; 47.60, subdivisions 1, 3, 6; 58.05, subdivision 3; 58.06, subdivision 2; 58.126; 58.13, subdivision 1; 60A.124; 60B.03, subdivision 15; 60L.02, subdivision 3; 61B.28, subdivisions 7, 8; 67A.01; 67A.06; 67A.07; 67A.14, subdivisions 1, 7; 67A.18, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 60A; 61A; 67A; repealing Minnesota Statutes 2008, sections 60A.129; 67A.14, subdivision 5; 67A.17; 67A.19; Minnesota Rules, parts 2675.2180; 2675.7100; 2675.7110; 2675.7120; 2675.7130; 2675.7140.

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

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

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

FISCAL CALENDAR

Pursuant to rule 1.22, Solberg requested immediate consideration of H. F. No. 2088.

H. F. No. 2088 was reported to the House.

Downey moved to amend H. F. No. 2088, the second engrossment, as follows:

Page 1, delete section 1

Page 8, delete section 10

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Downey amendment and the roll was called. There were 46 yeas and 86 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dean	Gottwalt	Kiffmeyer	Murdock	Smith
Anderson, P.	Dettmer	Gunther	Kohls	Nornes	Torkelson
Anderson, S.	Doepke	Hackbarth	Lanning	Peppin	Urdahl
Beard	Downey	Hamilton	Loon	Sanders	Westrom
Brod	Draskowski	Holberg	Mack	Scott	Winkler
Buesgens	Eastlund	Hoppe	Magnus	Seifert	Zellers
Cornish	Emmer	Howes	McFarlane	Severson	
Davids	Garofalo	Kelly	McNamara	Shimanski	

Those who voted in the negative were:

Abeler	Doty	Hosch	Lillie	Otremba	Slocum
Anzelc	Eken	Huntley	Loeffler	Paymar	Solberg
Benson	Falk	Jackson	Mahoney	Pelowski	Sterner
Bigham	Faust	Johnson	Mariani	Persell	Swails
Bly	Fritz	Juhnke	Marquart	Peterson	Thao
Brown	Gardner	Kahn	Masin	Poppe	Thissen
Brynaert	Greiling	Kalin	Morgan	Reinert	Tillberry
Bunn	Hansen	Kath	Morrow	Rosenthal	Wagenius
Carlson	Hausman	Knuth	Murphy, E.	Rukavina	Ward
Champion	Haws	Koenen	Murphy, M.	Ruud	Welti
Clark	Hayden	Laine	Nelson	Sailer	Spk. Kelliher
Davnie	Hilstrom	Lenczewski	Newton	Scalze	
Demmer	Hilty	Lesch	Norton	Sertich	
Dill	Hornstein	Liebling	Obermueller	Simon	
Dittrich	Hortman	Lieder	Olin	Slawik	

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

Downey moved to amend H. F. No. 2088, the second engrossment, as follows:

Page 4, delete section 5

Page 17, delete lines 1 to 17 and insert:

"Quality Rating System Implementation. The commissioner of human services shall transfer \$250,000 in fiscal year 2010 and \$375,000 in fiscal year 2011 in federal American Recovery and Reinvestment Act of 2009, Public Law 111-5, funds to the Minnesota Early Learning Foundation consistent with federal regulations for the purpose of completing a detailed plan of how to implement and finance a statewide quality rating system. The plan must include:

(1) a projection of implementation costs covered by public funds by market segment, including nonaccredited child care centers, accredited child care centers, licensed family child care, Head Start programs, and school-based programs;

(2) a projection of costs paid by families;

(3) an estimate of the costs that should be paid by providers;

(4) a description of the type of training and accompanying costs needed to prepare for statewide implementation of a quality rating system based on gaps in teacher knowledge and skills identified through the pilot program;

(5) a description of how a statewide quality rating system would impact current funding for child care assistance, Head Start, and school-based early childhood programs;

(6) an analysis of the experiences of various cultural groups in the pilot quality rating system and recommendations for how to improve the system;

(7) details on how each market segment, including accredited and nonaccredited child care centers, licensed family child care providers, Head Start, and school-based early childhood programs are impacted by participation in the pilot quality rating system;

(8) details on how families use the quality rating system to make early care and education decisions;

(9) analysis of how the quality indicators impact different groups of children, including low-income children, English language learners, recent immigrants, and children from families with low levels of parent educational attainment;

(10) a description of how the statewide quality rating system would align with the K-12 accountability system; and

(11) an implementation project plan outlining the scope of recommended public and private activities to implement the quality rating system, including major activities, timelines, milestones, staffing, estimated cost, risks, and risk mitigation strategies."

Renumber the sections in sequence and correct the internal references

Adjust amounts accordingly

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Downey amendment and the roll was called. There were 45 yeas and 86 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dean	Gottwalt	Kiffmeyer	Murdock	Smith
Anderson, P.	Dettmer	Gunther	Kohls	Nornes	Torkelson
Anderson, S.	Doepke	Hackbarth	Lanning	Peppin	Urdahl
Beard	Downey	Hamilton	Loon	Sanders	Westrom
Brod	Drazkowski	Holberg	Mack	Scott	Zellers
Buesgens	Eastlund	Hoppe	Magnus	Seifert	
Cornish	Emmer	Howes	McFarlane	Severson	
Davids	Garofalo	Kelly	McNamara	Shimanski	

Those who voted in the negative were:

Abeler	Eken	Huntley	Loeffler	Paymar	Solberg
Anzelc	Falk	Jackson	Mahoney	Pelowski	Sterner
Benson	Faust	Johnson	Mariani	Persell	Swails
Bigham	Fritz	Juhnke	Marquart	Peterson	Thao
Bly	Gardner	Kahn	Masin	Poppe	Thissen
Brown	Greiling	Kalin	Morgan	Reinert	Tillberry
Brynaert	Hansen	Kath	Morrow	Rosenthal	Wagenius
Bunn	Hausman	Knuth	Murphy, E.	Rukavina	Ward
Carlson	Haws	Koenen	Murphy, M.	Ruud	Welti
Champion	Hayden	Laine	Nelson	Sailer	Winkler
Clark	Hilstrom	Lenczewski	Newton	Scalze	Spk. Kelliher
Davnie	Hilty	Lesch	Norton	Sertich	
Dill	Hornstein	Liebling	Obermueller	Simon	
Dittrich	Hortman	Lieder	Olin	Slawik	
Doty	Hosch	Lillie	Otremba	Slocum	

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

Downey moved to amend H. F. No. 2088, the second engrossment, as follows:

Page 4, after line 2, insert:

"Sec. 3. Minnesota Statutes 2008, section 124D.13, subdivision 1, is amended to read:

Subdivision 1. **Establishment; purpose.** A district that provides a community education program under sections 124D.18 and 124D.19 may establish an early childhood family education program. Two or more districts, each of which provides a community education program, may cooperate to jointly provide an early childhood family education program. The purpose of the early childhood family education program is to provide parenting education to support children's learning and development, with state funding focused on the most at-risk children in low-income families with priority given to teaching and developing children within their own family setting."

Page 6, delete section 7 and insert:

"Sec. 7. Minnesota Statutes 2008, section 124D.15, subdivision 1, is amended to read:

Subdivision 1. **Establishment; purpose.** A district or a group of districts may establish a school readiness program for children age three to kindergarten entrance. The purpose of a school readiness program is to prepare children with the cognitive and participation skills necessary to enter kindergarten, with state funding focused on the most at-risk children in low-income families with priority given to preparing children within their own family setting."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Downey amendment and the roll was called. There were 48 yeas and 84 nays as follows:

Those who voted in the affirmative were:

Abeler	Davids	Emmer	Howes	McFarlane	Seifert
Anderson, B.	Dean	Garofalo	Kelly	McNamara	Severson
Anderson, P.	Demmer	Gottwalt	Kiffmeyer	Murdock	Shimanski
Anderson, S.	Dettmer	Gunther	Kohls	Nornes	Smith
Beard	Doepke	Hackbarth	Lanning	Obermueller	Torkelson
Brod	Downey	Hamilton	Loon	Peppin	Urdahl
Buesgens	Drazkowski	Holberg	Mack	Sanders	Westrom
Cornish	Eastlund	Hoppe	Magnus	Scott	Zellers

Those who voted in the negative were:

Anzelc	Bunn	Dittrich	Gardner	Hilstrom	Jackson
Benson	Carlson	Doty	Greiling	Hilty	Johnson
Bigham	Champion	Eken	Hansen	Hornstein	Juhnke
Bly	Clark	Falk	Hausman	Hortman	Kahn
Brown	Davnie	Faust	Haws	Hosch	Kalin
Brynaert	Dill	Fritz	Hayden	Huntley	Kath

Knuth	Loeffler	Murphy, M.	Persell	Scalze	Thao
Koenen	Mahoney	Nelson	Peterson	Sertich	Thissen
Laine	Mariani	Newton	Poppe	Simon	Tillberry
Lenczewski	Marquart	Norton	Reinert	Slawik	Wagenius
Lesch	Masin	Olin	Rosenthal	Slocum	Ward
Liebling	Morgan	Otremba	Rukavina	Solberg	Welti
Lieder	Morrow	Paymar	Ruud	Sterner	Winkler
Lillie	Murphy, E.	Pelowski	Sailer	Swails	Spk. Kelliher

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

Downey moved to amend H. F. No. 2088, the second engrossment, as follows:

Page 8, after line 6, insert:

"Sec. 10. **DIRECTION TO COMMISSIONER.**

The commissioner of education shall develop a methodology to base all or a portion of funding for early childhood family education programs under Minnesota Statutes, sections 124D.13 and 124D.135, and school readiness programs under Minnesota Statutes, sections 124D.15 and 124D.16 on performance measures. The commissioner shall report to the legislative committees with jurisdiction over early childhood education policy and finance with recommendations to develop and implement the pay-for-performance system by January 31, 2011."

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.

Mack, Downey and Seifert moved to amend H. F. No. 2088, the second engrossment, as follows:

Page 13, line 4, after "(b)" insert "(1)"

Page 13, line 14, after the period, insert "(2)"

Page 13, line 15, delete "\$500,000" and insert "\$750,000"

Page 13, line 16, delete "\$500,000" and insert "\$750,000"

Page 13, line 21, after the period, insert:

"(3) The commissioner shall transfer to the commissioner of education \$500,000 in fiscal year 2010 and \$500,000 in fiscal year 2011 for the Minnesota reading corps program. The reading corps program must comply with the provisions governing literacy program goals and data use under Minnesota Statutes, section 119A.50, subdivision 3, paragraph (b). Any unexpended balance in the first year is available in the second year. (4) The commissioner shall transfer to the commissioner of education

\$250,000 in fiscal year 2010 and \$250,000 in fiscal year 2011 for a grant to the Brainerd Literacy Collaborative. Any unexpended balance in the first year is available in the second year."

Adjust amounts accordingly

The motion prevailed and the amendment was adopted.

Buesgens moved to amend H. F. No. 2088, the second engrossment, as amended, as follows:

Page 4, delete section 5

Page 17, delete lines 1 to 36

Page 18, delete lines 1 and 2

Renumber the sections in sequence and correct the internal references

Adjust amounts accordingly

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Buesgens amendment and the roll was called. There were 41 yeas and 90 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Davids	Garofalo	Howes	McFarlane	Severson
Anderson, P.	Dean	Gottwalt	Kelly	McNamara	Shimanski
Anderson, S.	Dettmer	Gunther	Kiffmeyer	Murdock	Torkelson
Beard	Doepke	Hackbarth	Kohls	Nornes	Urdahl
Brod	Drazkowski	Hamilton	Lanning	Peppin	Westrom
Buesgens	Eastlund	Holberg	Mack	Sanders	Zellers
Cornish	Emmer	Hoppe	Magnus	Scott	

Those who voted in the negative were:

Abeler	Davnie	Hansen	Johnson	Lieder	Murphy, M.
Anzelc	Dill	Hausman	Juhnke	Lillie	Nelson
Benson	Dittrich	Haws	Kahn	Loeffler	Newton
Bigham	Doty	Hayden	Kalin	Loon	Norton
Bly	Downey	Hilstrom	Kath	Mahoney	Obermueller
Brown	Eken	Hilty	Knuth	Mariani	Olin
Brynaert	Falk	Hornstein	Koenen	Marquart	Otremba
Bunn	Faust	Hortman	Laine	Masin	Paymar
Carlson	Fritz	Hosch	Lenczewski	Morgan	Pelowski
Champion	Gardner	Huntley	Lesch	Morrow	Persell
Clark	Greiling	Jackson	Liebling	Murphy, E.	Peterson

Poppe	Ruud	Sertich	Smith	Thao	Ward
Reinert	Sailer	Simon	Solberg	Thissen	Welti
Rosenthal	Scalze	Slawik	Sterner	Tillberry	Winkler
Rukavina	Seifert	Slocum	Swails	Wagenius	Spk. Kelliher

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

Buesgens moved to amend H. F. No. 2088, the second engrossment, as amended, as follows:

Page 6, line 22, delete ". social, emotional."

A roll call was requested and properly seconded.

The question was taken on the Buesgens amendment and the roll was called. There were 47 yeas and 85 nays as follows:

Those who voted in the affirmative 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	

Those who voted in the negative were:

Anzelc	Falk	Jackson	Mahoney	Pelowski	Sterner
Benson	Faust	Johnson	Mariani	Persell	Swails
Bigham	Fritz	Juhnke	Marquart	Peterson	Thao
Bly	Gardner	Kahn	Masin	Poppe	Thissen
Brown	Greiling	Kalin	Morgan	Reinert	Tillberry
Brynaert	Hansen	Kath	Morrow	Rosenthal	Wagenius
Bunn	Hausman	Knuth	Murphy, E.	Rukavina	Ward
Carlson	Haws	Koenen	Murphy, M.	Ruud	Welti
Champion	Hayden	Laine	Nelson	Sailer	Winkler
Clark	Hilstrom	Lenczewski	Newton	Scalze	Spk. Kelliher
Davnie	Hilty	Lesch	Norton	Sertich	
Dill	Hornstein	Liebling	Obermueller	Simon	
Dittrich	Hortman	Lieder	Olin	Slawik	
Doty	Hosch	Lillie	Otremba	Slocum	
Eken	Huntley	Loeffler	Paymar	Solberg	

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

Downey moved to amend H. F. No. 2088, the second engrossment, as amended, as follows:

Page 20, delete section 5

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Downey amendment and the roll was called. There were 46 yeas and 86 nays as follows:

Those who voted in the affirmative were:

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	
Davids	Emmer	Howes	McFarlane	Severson	

Those who voted in the negative were:

Abeler	Eken	Huntley	Loeffler	Paymar	Solberg
Anzelc	Falk	Jackson	Mahoney	Pelowski	Sterner
Benson	Faust	Johnson	Mariani	Persell	Swails
Bigham	Fritz	Juhnke	Marquart	Peterson	Thao
Bly	Gardner	Kahn	Masin	Poppe	Thissen
Brown	Greiling	Kalin	Morgan	Reinert	Tillberry
Brynaert	Hansen	Kath	Morrow	Rosenthal	Wagenius
Bunn	Hausman	Knuth	Murphy, E.	Rukavina	Ward
Carlson	Haws	Koenen	Murphy, M.	Ruud	Welti
Champion	Hayden	Laine	Nelson	Sailer	Winkler
Clark	Hilstrom	Lenczewski	Newton	Scalze	Spk. Kelliher
Davnie	Hilty	Lesch	Norton	Sertich	
Dill	Hornstein	Liebling	Obermueller	Simon	
Dittrich	Hortman	Lieder	Olin	Slawik	
Doty	Hosch	Lillie	Otremba	Slocum	

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

Downey moved to amend H. F. No. 2088, the second engrossment, as amended, as follows:

Page 17, line 3, delete "\$633,000" and insert "\$533,000" and delete "\$633,000" and insert "\$533,000"

Page 17, after line 17, insert:

"Prekindergarten Exploratory Projects. The commissioner of human services must transfer \$100,000 in fiscal year 2010 and \$100,000 in fiscal year 2011 from the federal American Recovery

and Reinvestment Act of 2009, Public Law 111-5, funds to the Minnesota Early Learning Foundation consistent with federal regulations for the purpose of prekindergarten exploratory projects under Laws 2007, chapter 147, article 2, section 62. This appropriation is one-time. Any unexpended balance in the first year is available in the second year."

Page 25, after line 7, insert:

"Sec. 12. Laws 2007, chapter 147, article 2, section 62, subdivision 5, is amended to read:

Subd. 5. **Expenditures.** This program shall operate during fiscal years 2008 ~~and 2009~~ to 2011."

Renumber the sections in sequence and correct the internal references

Adjust amounts accordingly

Amend the title accordingly

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

Thissen was excused between the hours of 12:25 and 3:00 p.m.

Nornes moved to amend H. F. No. 2088, the second engrossment, as amended, as follows:

Page 8, after line 6, insert:

"Sec. 10. **APPROPRIATION.**

\$5,740,000 is appropriated from the general fund to the Department of Education for fiscal years 2010 and 2011 for the purposes of reducing the aid shift so that the current year aid payment percentage equals 80 percent for health and developmental screening aid under Minnesota Statutes, sections 121A.17 and 121A.19; early childhood family education under Minnesota Statutes, sections 124D.13 and 124D.135; school readiness under Minnesota Statutes, sections 124D.15 and 124D.16; community education under Minnesota Statutes, section 124D.20; adult basic education aid under Minnesota Statutes, section 124D.531; and adults with disabilities program aid under Minnesota Statutes, section 124D.56. The commissioner of education shall pay 80 percent of these entitlements in fiscal years 2010 and 2011 notwithstanding Minnesota Statutes, section 127A.45, subdivision 2, paragraph (d)."

Page 16, line 4, delete "\$7,045,000" and insert "\$4,175,000"

Page 16, line 5, delete "\$6,974,000" and insert "\$4,104,000"

Page 16, after line 15, insert:

"Basic sliding fee child care reduction. The basic sliding fee child care program is reduced by \$2,870,000 in fiscal year 2010 and \$2,870,000 in fiscal year 2011. The commissioner of human services shall transfer to the commissioner of education \$2,870,000 in fiscal year 2010 and \$2,870,000 in fiscal year 2011 from the federal child care development funds received from the American Recovery and Reinvestment Act of 2009, Public Law 111-5, consistent with federal regulations for the purposes of health and developmental screening aid under Minnesota Statutes, sections 121A.17 and 121A.19; early childhood family education under Minnesota Statutes, sections 124D.13 and 124D.135; school readiness under Minnesota Statutes, sections 124D.15 and 124D.16; community education under Minnesota Statutes, section 124D.20; adult basic education aid under Minnesota Statutes, section 124D.531; and adults with disabilities program aid under Minnesota Statutes, section 124D.56."

Renumber the sections in sequence and correct the internal references

Adjust amounts accordingly

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Nornes amendment and the roll was called. There were 45 yeas and 85 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dean	Gottwalt	Kiffmeyer	Murdock	Smith
Anderson, P.	Dettmer	Gunther	Kohls	Nornes	Torkelson
Anderson, S.	Doepke	Hackbarth	Lanning	Peppin	Urdahl
Beard	Downey	Hamilton	Loon	Sanders	Westrom
Brod	Drazkowski	Holberg	Mack	Scott	Zellers
Buesgens	Eastlund	Hoppe	Magnus	Seifert	
Cornish	Emmer	Howes	McFarlane	Severson	
Davids	Garofalo	Kelly	McNamara	Shimanski	

Those who voted in the negative were:

Anzelc	Clark	Fritz	Hornstein	Kath	Loeffler
Benson	Davnie	Gardner	Hortman	Knuth	Mahoney
Bigham	Demmer	Greiling	Hosch	Koenen	Mariani
Bly	Dill	Hansen	Huntley	Laine	Marquart
Brown	Dittrich	Hausman	Jackson	Lenczewski	Masin
Brynaert	Doty	Haws	Johnson	Lesch	Morgan
Bunn	Eken	Hayden	Juhnke	Liebling	Morrow
Carlson	Falk	Hilstrom	Kahn	Lieder	Murphy, E.
Champion	Faust	Hilty	Kalin	Lillie	Murphy, M.

Nelson	Paymar	Rosenthal	Simon	Thao	Spk. Kelliher
Newton	Pelowski	Rukavina	Slawik	Tillberry	
Norton	Persell	Ruud	Slocum	Wagenius	
Obermueller	Peterson	Sailer	Solberg	Ward	
Olin	Poppe	Scalze	Sterner	Walti	
Otremba	Reinert	Sertich	Swails	Winkler	

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

Buesgens moved to amend H. F. No. 2088, the second engrossment, as amended, as follows:

Page 7, line 13, delete "19,189,000" and insert "3,020,000"

Page 7, line 14, delete "22,473,000" and insert "0"

Page 7, line 15, delete "\$16,169,000" and insert "\$0"

Page 7, line 16, delete "\$5,980,000" and insert "\$0" and delete "\$16,493,000" and insert "\$0"

Page 7, line 19, delete "3,066,000" and insert "367,000"

Page 7, line 20, delete "3,780,000" and insert "0"

Page 7, line 21, delete "\$2,699,000" and insert "\$0"

Page 7, line 22, delete "\$997,000" and insert "\$0" and delete "\$2,783,000" and insert "\$0"

Page 7, line 25, delete "20,100,000" and insert "0"

Page 7, line 26, delete "20,100,000" and insert "0"

Page 7, line 30, delete "50,000" and insert "0"

Page 7, line 31, delete "50,000" and insert "0"

Page 8, line 4, delete "287,000" and insert "0"

Page 8, line 5, delete "287,000" and insert "0"

Page 16, delete lines 20 to 35

Adjust amounts accordingly

A roll call was requested and properly seconded.

The question was taken on the Buesgens amendment and the roll was called. There were 7 yeas and 124 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Drazkowski	Holberg	Zellers
Buesgens	Emmer	Severson	

Those who voted in the negative were:

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

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

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.

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 84 yeas and 47 nays as follows:

Those who voted in the affirmative were:

Anzelc	Eken	Hosch	Lieder	Obermueller	Sertich
Benson	Falk	Huntley	Lillie	Olin	Simon
Bigham	Faust	Jackson	Loeffler	Otremba	Slawik
Bly	Fritz	Johnson	Mahoney	Paymar	Slocum
Brown	Gardner	Juhnke	Mariani	Pelowski	Solberg
Brynaert	Greiling	Kahn	Marquart	Persell	Sterner
Bunn	Hansen	Kalin	Masin	Peterson	Swails
Carlson	Hausman	Kath	Morgan	Poppe	Thao
Champion	Haws	Knuth	Morrow	Reinert	Tillberry
Clark	Hayden	Koenen	Murphy, E.	Rosenthal	Wagenius
Davnie	Hilstrom	Laine	Murphy, M.	Rukavina	Ward
Dill	Hilty	Lenczewski	Nelson	Ruud	Welti
Dittrich	Hornstein	Lesch	Newton	Sailer	Winkler
Doty	Hortman	Liebling	Norton	Scalze	Spk. Kelliher

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

Pursuant to rule 1.22, Solberg requested immediate consideration of H. F. No. 2.

H. F. No. 2 was reported to the House.

The Speaker called Hortman to the chair.

Carlson moved to amend H. F. No. 2, the third engrossment, as follows:

Page 20, after line 30, insert:

"Sec. 2. Minnesota Statutes 2008, section 13.32, is amended by adding a subdivision to read:

Subd. 10a. **Access to student records; school conferences.** (a) A parent or guardian of a student may designate an individual, defined under paragraph (c), to participate in a school conference involving the child of the parent or guardian. The parent or guardian must provide the school with prior written consent allowing the significant individual to participate in the conference and to receive any data on the child of the consenting parent or guardian that are necessary and relevant to the conference discussions. The consenting parent or guardian may withdraw consent, in writing, at any time.

(b) A school may accept the following form, or another consent to release student data form, as sufficient to meet the requirements of this subdivision:

"CONSENT TO PARTICIPATE IN CONFERENCES AND RECEIVE STUDENT DATA

I, (Name of parent or guardian), as parent or guardian of
(Name of child), consent to allow (Name of an individual) to participate in school
conferences and receive student data relating to the above-named child, consistent with Minnesota Statutes, section
13.32, subdivision 10a. I understand that I may withdraw my consent, upon written request, at any time.

(Signature of parent or guardian)

(Date)"

(c) For purposes of this section, "an individual" means one additional adult designated by a child's parent or guardian to attend school-related activities and conferences.

EFFECTIVE DATE. This section is effective for the 2009-2010 school year and later."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Buesgens moved to amend H. F. No. 2, the third engrossment, as amended, as follows:

Page 57, after line 9, insert:

"Sec. 30. **[123A.47] ELECTION TO DETACH LAND FOR A NEW SCHOOL DISTRICT.**

Subdivision 1. **Detachment ballot question; school board general election.** The school board of an independent school district may, on its own motion or upon a petition signed by at least 50 electors of the district or ten percent of the votes cast in the most recent school board general election, whichever number is larger, place on the ballot at the next school district general election the question whether, as of the date when a new board can be elected and qualified under subdivision 2, to detach from the school district a clearly and accurately described land area located within the boundaries of the district and, consequently, to classify that detached area as a new independent school district for which the education commissioner must assign an identification number. If the voters approve detaching the described land area and, consequently, classifying that detached area as a new independent school district for which the education commissioner must assign an identification number, then the detachment must be accomplished according to this section.

Subd. 2. **School board elections.** (a) The county auditor of the county that contains the greatest land area for the newly constituted school district and the county auditor of the county that contains the greatest land area for the newly reconstituted school district must determine a date, not less than 30 nor more than 60 days after the voters approve the detachment ballot question under subdivision 1, to hold a special election in the district for the purpose of electing a board of six members for terms of four years and until successors are elected and qualified under chapter 205A. The provisions of section 123A.48, subdivision 20, paragraphs (a) to (e), governing school board elections in consolidating districts shall apply to the newly constituted and newly reconstituted districts under this section.

(b) Notwithstanding any law to the contrary, the terms of the board members of the school district from which land is being detached continue until the first school board members are elected and qualified under this subdivision.

(c) Notwithstanding any law to the contrary, an individual may serve on the school board of the school district from which land is being detached and subsequently, if a resident of the district, on a school board elected and qualified under this subdivision.

Subd. 3. **Tax liability for existing bonded debt.** All taxable property in the area detached under subdivision 1 remains obligated for any bonded debt of the school district from which the property was detached and to which that detached property was subject before the date of the detachment. In addition, all taxable property in a newly classified district is taxable for payment of school district obligations authorized on or after the date of the detachment by the school board or the voters of that school district.

Subd. 4. **Current assets and liabilities; distribution of assets; real property.** (a) If the voters approve detachment under subdivision 1, the commissioner shall issue an order for dividing and distributing the current assets and liabilities, real and personal, and the legally valid and enforceable claims and contractual obligations of the school district from which the property was detached, so that the two newly classified districts can independently operate.

(b) The commissioner's order under paragraph (a) must transfer the real property interests from the school district subject to the detachment to the two newly classified districts. The commissioner must determine the distribution of and the amount, if any, paid for the real property. The commissioner's order may impose in favor of one of the two newly classified districts a specified dollar amount as a claim against the other newly classified district receiving real property interests under the order. The claim must be paid and enforced according to the law governing payment of judgments against a school district.

Subd. 5. **Licensed and nonlicensed employees.** (a) The obligations of both newly classified districts to licensed employees are governed by section 123A.75.

(b) The nonlicensed employees of the school district from which the property was detached under subdivision 1 may apply to remain in the newly reconstituted district or may apply to move to the newly constituted district. The commissioner shall assign the nonlicensed employees to unfilled positions in both districts in order of seniority. All rights of and obligations to nonlicensed employees continue in the same manner as before the effective date of the detachment under subdivision 1.

EFFECTIVE DATE. (a) This section, subdivision 1, is effective the day following final enactment. If the voters approve the ballot question, the education commissioner shall classify the detached area as a new independent school district and also classify the area that remains after the detachment as a new independent school district, assign identification numbers to both new districts, and modify the records and any plats, petitions, and proceedings involving the affected school districts to conform with the detachment under this section.

(b) This section, subdivisions 2, 3, and 5, are effective the day after the voters approve the ballot question under subdivision 1.

(c) This section, subdivision 4, is effective the day after the voters approve the ballot question under subdivision 1 and applies to both newly classified districts."

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.

Mahoney, Gunther and Greiling moved to amend H. F. No. 2, the third engrossment, as amended, as follows:

Page 17, after line 29, insert:

"Sec. 19. **SUNSET; REVISOR'S INSTRUCTION.**

(a) The inclusion of boiler operator training as a staff development activity under Minnesota Statutes, section 122A.60, subdivision 1a, sunsets two years following the day of final enactment.

(b) The revisor of statutes shall remove the phrase "boiler operator training" from Minnesota Statutes, section 122A.60, subdivision 1a, paragraph (a), clause (7), following the sunset in paragraph (a)."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Demmer moved to amend H. F. No. 2, the third engrossment, as amended, as follows:

Page 106, after line 3, insert:

"Sec. 62. **[179A.145] ACADEMIC CLIMATE CONTROL ACT.**

Subdivision 1. **Prohibition.** A school board and the exclusive representative of teachers in a district may not meet and negotiate and may not enter into a contract during the period beginning with the district's first student contact day in the fall and ending with the last student contact day the next spring.

Subd. 2. **Exceptions.** Subdivision 1 does not apply:

(1) if the school board and the exclusive representative of teachers certify in writing to the commissioner of mediation services that they have entered into a tentative agreement before the first student contact day in the fall, to the extent the parties enter into a final contract based on the tentative agreement certified to the commissioner;

(2) during the period in which the school board postpones the first student contact day from the regularly scheduled starting date;

(3) if the school board and the exclusive representative agree, before the first student contact day in the fall, to binding interest arbitration of items in dispute, to the extent the parties enter into a contract to confirm the results of the arbitrator's decision; or

(4) if the teachers in the district are on strike on the district's first student contact day in the fall.

Subd. 3. **Relation to other law.** This section supersedes any conflicting provisions of other law.

EFFECTIVE DATE. This section is effective July 1, 2009."

Page 115, line 15, after "122A.75;" insert "123B.05;"

Page 115, line 16, after the period, insert "The repeal of Minnesota Statutes 2008, section 123B.05, is effective July 1, 2009, and applies to all contracts entered into or modified after that date."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Demmer amendment and the roll was called. There were 43 yeas and 88 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Demmer	Gottwalt	Kohls	Nornes	Torkelson
Anderson, S.	Dettmer	Gunther	Lanning	Peppin	Westrom
Beard	Doepke	Hackbarth	Loon	Sanders	Zellers
Brod	Downey	Hamilton	Mack	Scott	
Buesgens	Drazkowski	Holberg	Magnus	Seifert	
Cornish	Eastlund	Hoppe	McFarlane	Severson	
Davids	Emmer	Kelly	McNamara	Shimanski	
Dean	Garofalo	Kiffmeyer	Murdock	Smith	

Those who voted in the negative were:

Abeler	Doty	Hosch	Lieder	Olin	Slawik
Anderson, P.	Eken	Howes	Lillie	Otremba	Slocum
Anzalc	Falk	Huntley	Loeffler	Paymar	Solberg
Benson	Faust	Jackson	Mahoney	Pelowski	Sterner
Bigham	Fritz	Johnson	Mariani	Persell	Swails
Bly	Gardner	Juhnke	Marquart	Peterson	Thao
Brown	Greiling	Kahn	Masin	Poppe	Tillberry
Brynaert	Hansen	Kalin	Morgan	Reinert	Urdahl
Bunn	Hausman	Kath	Morrow	Rosenthal	Wagenius
Carlson	Haws	Knuth	Murphy, E.	Rukavina	Ward
Champion	Hayden	Koenen	Murphy, M.	Ruud	Welti
Clark	Hilstrom	Laine	Nelson	Sailer	Winkler
Davnie	Hilty	Lenczewski	Newton	Scalze	Spk. Kelliher
Dill	Hornstein	Lesch	Norton	Sertich	
Dittrich	Hortman	Liebling	Obermueller	Simon	

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

Sertich, Dill, Hilty, Rukavina and Greiling moved to amend H. F. No. 2, the third engrossment, as amended, as follows:

Page 7, after line 28, insert:

"Sec. 9. Minnesota Statutes 2008, section 126C.10, is amended by adding a subdivision to read:

Subd. 8a. Sparsity revenue for school districts that close facilities. A school district that closes a school facility is eligible for elementary and secondary sparsity revenue equal to the greater of the amounts calculated under subdivisions 6, 7, and 8 or the total amount of sparsity revenue for the previous fiscal year if the school board of the district has adopted a written resolution stating that the district intends to close the school facility, but cannot proceed with the closure without the adjustment to sparsity revenue authorized by this subdivision. The written resolution must be filed with the commissioner of education at least 60 days prior to the start of the fiscal year for which aid under this subdivision is first requested.

EFFECTIVE DATE. This section is effective the day following final enactment for revenue for fiscal years 2010 and later."

Page 17, after line 16, insert:

"Sec. 18. **ST. LOUIS COUNTY SCHOOL CLOSING.**

Independent School District No. 2142, St. Louis County, is eligible for sparsity revenue calculated under Minnesota Statutes, section 126C.10, subdivision 8a, for fiscal years 2010 and later if the board has adopted the required written resolution at any time prior to the start of the 2009-2010 school year.

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

The motion prevailed and the amendment was adopted.

Garofalo moved to amend H. F. No. 2, the third engrossment, as amended, as follows:

Page 7, after line 28, insert:

"Sec. 9. Minnesota Statutes 2008, section 126C.05, subdivision 3, is amended to read:

Subd. 3. **Compensation revenue pupil units.** Compensation revenue pupil units for ~~fiscal year 1998 and thereafter must be computed according to this subdivision.~~

~~(a) The compensation revenue concentration percentage for each building in a district equals the product of 100 times the ratio of:~~

~~(1) the sum of each building equals the number of pupils enrolled in the building eligible to receive free lunch plus one half of the pupils eligible to receive or reduced priced lunch on October 1 of the previous fiscal year; to~~

~~(2) the number of pupils enrolled in the building on October 1 of the previous fiscal year.~~

~~(b) The compensation revenue pupil weighting factor for a building equals the lesser of one or the quotient obtained by dividing the building's compensation revenue concentration percentage by 80.0.~~

~~(c) The compensation revenue pupil units for a building equals the product of:~~

~~(1) the sum of the number of pupils enrolled in the building eligible to receive free lunch and one half of the pupils eligible to receive reduced priced lunch on October 1 of the previous fiscal year; times~~

~~(2) the compensation revenue pupil weighting factor for the building; times~~

~~(3) .60.~~

~~(d) (b)~~ Notwithstanding ~~paragraphs paragraph~~ paragraph (a) to (c), for charter schools and contracted alternative programs in the first year of operation, compensation revenue pupil units shall be computed using data for the current fiscal year. If the charter school or contracted alternative program begins operation after October 1, compensatory revenue pupil units shall be computed based on pupils enrolled on an alternate date determined by the commissioner, and the compensation revenue pupil units shall be prorated based on the ratio of the number of days of student instruction to 170 days.

(e) The percentages in this subdivision must be based on the count of individual pupils and not on a building average or minimum.

Sec. 10. Minnesota Statutes 2008, section 126C.10, subdivision 3, is amended to read:

Subd. 3. **Compensatory education revenue.** (a) The compensatory education revenue for each building in the district equals ~~the formula allowance minus \$415~~ \$1,500 times the compensation revenue pupil units computed according to section 126C.05, subdivision 3. Revenue shall be paid to the district and must be allocated according to section 126C.15, subdivision 2.

(b) When the district contracting with an alternative program under section 124D.69 changes prior to the start of a school year, the compensatory revenue generated by pupils attending the program shall be paid to the district contracting with the alternative program for the current school year, and shall not be paid to the district contracting with the alternative program for the prior school year.

(c) When the fiscal agent district for an area learning center changes prior to the start of a school year, the compensatory revenue shall be paid to the fiscal agent district for the current school year, and shall not be paid to the fiscal agent district for the prior school year."

ReNUMBER the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Garofalo amendment and the roll was called. There were 55 yeas and 76 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dean	Gunther	Kohls	Peppin	Torkelson
Anderson, P.	Demmer	Hackbarth	Loon	Poppe	Urdahl
Anderson, S.	Dettmer	Hamilton	Mack	Rosenthal	Welti
Beard	Dittrich	Holberg	Magnus	Sanders	Westrom
Brod	Downey	Hoppe	Masin	Scott	Zellers
Brown	Drazkowski	Hortman	McNamara	Seifert	
Buesgens	Eastlund	Kalin	Murdock	Severson	
Bunn	Emmer	Kath	Nornes	Shimanski	
Cornish	Garofalo	Kelly	Obermueller	Smith	
Davids	Gottwalt	Kiffmeyer	Pelowski	Sterner	

Those who voted in the negative were:

Abeler	Eken	Hosch	Liebling	Newton	Simon
Anzelc	Falk	Howes	Lieder	Norton	Slawik
Benson	Faust	Huntley	Lillie	Olin	Slocum
Bigham	Fritz	Jackson	Loeffler	Otremba	Solberg
Bly	Gardner	Johnson	Mahoney	Paymar	Swails
Brynaert	Greiling	Juhnke	Mariani	Persell	Thao
Carlson	Hansen	Kahn	Marquart	Peterson	Tillberry
Champion	Hausman	Knuth	McFarlane	Reinert	Wagenius
Clark	Haws	Koenen	Morgan	Rukavina	Ward
Davnie	Hayden	Laine	Morrow	Ruud	Winkler
Dill	Hilstrom	Lanning	Murphy, E.	Sailer	Spk. Kelliher
Doepke	Hilty	Lenczewski	Murphy, M.	Scalze	
Doty	Hornstein	Lesch	Nelson	Sertich	

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

Demmer moved to amend H. F. No. 2, the third engrossment, as amended, as follows:

Page 102, delete section 58

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.

Kiffmeyer moved to amend H. F. No. 2, the third engrossment, as amended, as follows:

Page 4, line 1, before "A" insert "(a)"

Page 4, after line 28, insert:

"(b) For fiscal years 2010 and 2011 only, a school district is not required to reserve any revenue under this section."

A roll call was requested and properly seconded.

The question was taken on the Kiffmeyer amendment and the roll was called. There were 53 yeas and 78 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Garofalo	Kiffmeyer	Nornes	Severson
Anderson, B.	Demmer	Gottwalt	Kohls	Olin	Shimanski
Anderson, P.	Dettmer	Gunther	Lanning	Peppin	Smith
Anderson, S.	Dittrich	Hackbarth	Loon	Poppe	Sterner
Beard	Doepke	Hamilton	Mack	Rosenthal	Torkelson
Brod	Downey	Holberg	Magnus	Ruud	Urdahl
Buesgens	Drazkowski	Hoppe	McFarlane	Sanders	Westrom
Cornish	Eastlund	Howes	McNamara	Scott	Zellers
Davids	Emmer	Kelly	Murdock	Seifert	

Those who voted in the negative were:

Anzelc	Davnie	Hausman	Johnson	Liebling	Murphy, E.
Benson	Dill	Haws	Juhnke	Lieder	Murphy, M.
Bigham	Doty	Hayden	Kahn	Lillie	Nelson
Bly	Eken	Hilstrom	Kalin	Loeffler	Newton
Brown	Falk	Hilty	Kath	Mahoney	Norton
Brynaert	Faust	Hornstein	Knuth	Mariani	Obermueller
Bunn	Fritz	Hortman	Koenen	Marquart	Otremba
Carlson	Gardner	Hosch	Laine	Masin	Paymar
Champion	Greiling	Huntley	Lenczewski	Morgan	Pelowski
Clark	Hansen	Jackson	Lesch	Morrow	Persell

Peterson	Sailer	Simon	Solberg	Tillberry	Welti
Reinert	Scalze	Slawik	Swails	Wagenius	Winkler
Rukavina	Sertich	Slocum	Thao	Ward	Spk. Kelliher

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

Drazkowski and Greiling moved to amend H. F. No. 2, the third engrossment, as amended, as follows:

Page 17, after line 16, insert:

"Sec. 18. **DECLINING PUPIL AID; ST. CHARLES SCHOOL DISTRICT.**

For fiscal years 2010 and 2011 only, Independent School District No. 858, St. Charles, is eligible for declining pupil unit aid equal to the greater of zero or the product of the general education revenue basic formula allowance for that year and the difference between the district's February 2009 estimated adjusted marginal cost pupil units for that year and the district's actual adjusted marginal cost pupil units for that year. Notwithstanding Minnesota Statutes, section 126C.13, the amounts required under this section are included in the general education aid payments for the district."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Abeler, Newton, Dittrich and Greiling moved to amend H. F. No. 2, the third engrossment, as amended, as follows:

Page 17, after line 29, insert:

"Sec. 19. **REFERENDUM RENEWAL; COMMISSIONER STUDY.**

The commissioner of education must study whether there would be any net property tax impact if school boards were authorized to renew an expiring referendum by school board action. The commissioner must report the results of the study to the legislature by May 15, 2009.

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.

The Speaker resumed the chair.

Demmer moved to amend H. F. No. 2, the third engrossment, as amended, as follows:

Page 115, line 15, after "122A.75:" insert "123B.05:"

A roll call was requested and properly seconded.

The question was taken on the Demmer amendment and the roll was called. There were 45 yeas and 86 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Davids	Emmer	Kiffmeyer	Murdock	Smith
Anderson, P.	Dean	Gottwalt	Kohls	Nornes	Torkelson
Anderson, S.	Demmer	Gunther	Lanning	Peppin	Westrom
Beard	Dettmer	Hackbarth	Loon	Sanders	Winkler
Brod	Doepke	Hamilton	Mack	Scott	Zellers
Brynaert	Downey	Holberg	Magnus	Seifert	
Buesgens	Drazkowski	Hoppe	McFarlane	Severson	
Cornish	Eastlund	Kelly	McNamara	Shimanski	

Those who voted in the negative were:

Abeler	Falk	Howes	Lillie	Otremba	Slocum
Anzelc	Faust	Huntley	Loeffler	Paymar	Solberg
Benson	Fritz	Jackson	Mahoney	Pelowski	Sterner
Bigham	Gardner	Johnson	Mariani	Persell	Swails
Bly	Garofalo	Juhnke	Marquart	Peterson	Thao
Brown	Greiling	Kahn	Masin	Poppe	Tillberry
Bunn	Hansen	Kalin	Morgan	Reinert	Urdahl
Carlson	Hausman	Kath	Morrow	Rosenthal	Wagenius
Champion	Haws	Knuth	Murphy, E.	Rukavina	Ward
Clark	Hayden	Koenen	Murphy, M.	Ruud	Welti
Davnie	Hilstrom	Laine	Nelson	Sailer	Spk. Kelliher
Dill	Hilty	Lenczewski	Newton	Scalze	
Dittrich	Hornstein	Lesch	Norton	Sertich	
Doty	Hortman	Liebling	Obermueller	Simon	
Eken	Hosch	Lieder	Olin	Slawik	

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

Urdahl moved to amend H. F. No. 2, the third engrossment, as amended, as follows:

Page 111, after line 15, insert:

"Sec. 68. **ADVISORY TASK FORCE.**

(a) An advisory task force on improving teacher quality and identifying institutional structures and strategies for effectively integrating secondary and postsecondary academic and career education is established to consider and recommend to the education policy and finance committees of the legislature proposals on how to:

(1) foster classroom teachers' interest and ability to acquire a master's degree in the teachers' substantive fields of licensure; and

(2) meet all elementary and secondary students' needs for adequate education planning and preparation and improve all students' ability to acquire the knowledge and skills needed for postsecondary academic and career education.

(b) The commissioner of education, or the commissioner's designee, shall appoint an advisory task force that is composed of a representative from each of the following entities: Education Minnesota, the University of Minnesota, the Minnesota Department of Education, the Minnesota Board of Teaching, the Minnesota Private College Council, the Minnesota Higher Education Services Organization, the Minnesota Career College Association, the Minnesota PTA, the Minnesota Chamber of Commerce, the Minnesota Business Partnership, the Minnesota Department of Employment and Economic Development, the Minnesota Association of Career and Technical Administrators, the Minnesota Association of Career and Technical Educators, and other representatives of other entities recommended by task force members. Task force members' terms and other task force matters are subject to Minnesota Statutes, section 15.059. The commissioner of education may reimburse task force members from the system's current operating budget but may not compensate task force members for task force activities. By February 15, 2010, the task force must submit written recommendations to the education policy and finance committees of the legislature on improving teacher quality and identifying the institutional structures and strategies for effectively integrating secondary and postsecondary academic and career education, consistent with this section.

(c) Upon request, the commissioner of education must provide the task force with technical, fiscal, and other support services.

(d) The advisory task force expires February 16, 2010.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Lesch moved to amend H. F. No. 2, the third engrossment, as amended, as follows:

Page 71, line 16, strike "fund" and insert "cash"

Page 72, after line 32, insert:

"(h) An agent of the authorizer that falsifies any professional credential, asset, or other material fact relating to the authorizer or an authorizer's charter school is guilty of a gross misdemeanor. All money collected under this subdivision must be deposited in the general fund of the state treasury."

Page 79, after line 8, insert:

"(d) A charter school that does not submit the report required under this subdivision is subject to a civil penalty of up to \$100,000. All money collected under this subdivision must be deposited in the general fund of the state treasury."

Page 82, line 6, after the period, insert "The board of directors shall establish qualifications for persons that hold administrative, supervisory, or instructional leadership roles. The qualifications shall include at least the following areas: instruction and assessment; human resource and personnel management; financial management; legal and compliance management; effective communication; and board, sponsor, and community relationships."

A roll call was requested and properly seconded.

Simon moved to amend the Lesch amendment to H. F. No. 2, the third engrossment, as amended, as follows:

Page 1, line 9, delete "does not" and insert "knowingly fails to"

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

The question recurred on the Lesch amendment, as amended, to H. F. No. 2, the third engrossment, as amended, and the roll was called. There were 57 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Anzelc	Fritz	Kalin	Mariani	Peterson	Slocum
Benson	Gardner	Kath	Morgan	Poppe	Solberg
Bigham	Haws	Knuth	Morrow	Rosenthal	Sterner
Brown	Hilstrom	Laine	Murphy, E.	Rukavina	Thao
Carlson	Hornstein	Lenczewski	Nelson	Ruud	Thissen
Davnie	Hortman	Lesch	Newton	Sailer	Wagenius
Dill	Hosch	Liebling	Norton	Scalze	Spk. Kelliher
Dittrich	Huntley	Lieder	Obermueller	Sertich	
Falk	Johnson	Loeffler	Paymar	Simon	
Faust	Juhnke	Mahoney	Persell	Slawik	

Those who voted in the negative were:

Abeler	Davids	Greiling	Kelly	Murdock	Smith
Anderson, B.	Dean	Gunther	Kiffmeyer	Murphy, M.	Swails
Anderson, P.	Demmer	Hackbarth	Koenen	Nornes	Tillberry
Anderson, S.	Dettmer	Hamilton	Kohls	Olin	Torkelson
Beard	Doepke	Hansen	Lanning	Otremba	Urdahl
Bly	Doty	Hausman	Lillie	Pelowski	Ward
Brod	Downey	Hayden	Loon	Peppin	Welti
Brynaert	Drazkowski	Hilty	Mack	Reinert	Westrom
Buesgens	Eastlund	Holberg	Magnus	Sanders	Winkler
Bunn	Eken	Hoppe	Marquart	Scott	Zellers
Champion	Emmer	Howes	Masin	Seifert	
Clark	Garofalo	Jackson	McFarlane	Severson	
Cornish	Gottwalt	Kahn	McNamara	Shimanski	

The motion did not prevail and the amendment, as amended, was not adopted.

Lesch moved to amend H. F. No. 2, the third engrossment, as amended, as follows:

Page 79, after line 8, insert:

"Subd. 6b. **School board approval.** (a) By February 1 of each year, a charter school must select a reviewing school board for the next school year. A charter school must submit the required administrative contracts, budget, and curriculum to either: (1) the school board for the district that the charter school is physically located in; or (2) the district in which the plurality of its students resided on the first day of student contact in the preceding school year. For a charter school that provides only online learning, the reviewing board is the district's board in which the plurality of the school's students resided. A charter school in its first year of operation may estimate the district where the plurality of its students will reside.

(b) Before approval of any administrative contract for the purchase of goods or services in excess of \$10,000, a charter school must submit the contract to its reviewing school board for approval. The reviewing school board must approve or disapprove any submitted contracts within 30 days of receipt.

(c) By March 1 of each year, a charter school must submit its budget to its reviewing school board. The reviewing school board must approve or disapprove the charter school budget by April 1 of that year. If the reviewing school board disapproves the budget, the board must report the reasons for the disapproval and propose changes to the budget. The board must make a determination on subsequent proposed budgets within 30 days of receipt.

(d) By March 1 of each year, a charter school must submit its curriculum to its reviewing school board. The reviewing school board must approve or disapprove the charter school curriculum by April 1 of that year. If the reviewing school board disapproves the curriculum, the board must report the reasons for the disapproval and propose changes to the curriculum. The board must make a determination on subsequent proposed curriculum within 30 days of receipt."

Correct the title numbers accordingly

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

Lesch moved to amend H. F. No. 2, the third engrossment, as amended, as follows:

Page 49, after line 35, insert:

"Sec. 19. Minnesota Statutes 2008, section 122A.25, subdivision 2, is amended to read:

Subd. 2. **Applications; criteria.** The school district or charter school shall apply to the Board of Teaching for approval to hire nonlicensed teaching personnel from the community. The Board of Teaching shall not approve the hiring of a community expert for more than a one-year period. An individual may only be approved as a community expert once. The Board of Teaching may not grant any variance from the requirements of this subdivision. In approving or disapproving the application for each community expert, the board shall consider:

- (1) the qualifications of the community person whom the district or charter school proposes to employ;
- (2) the reasons for the need for a variance from the teacher licensure requirements;

(3) the district's efforts to obtain licensed teachers, who are acceptable to the school board, for the particular course or subject area or the charter school's efforts to obtain licensed teachers for the particular course or subject area;

(4) the amount of teaching time for which the community expert would be hired;

(5) the extent to which the district or charter school is utilizing other nonlicensed community experts under this section;

(6) the nature of the community expert's proposed teaching responsibility; and

(7) the proposed level of compensation to the community expert."

Renumber the sections in sequence and correct the internal references

Amend the title numbers accordingly

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

Norton, Greiling, Morgan, Morrow, Brynaert, Demmer, Poppe, Rosenthal, Buesgens, Scalze, Magnus and Peterson moved to amend H. F. No. 2, the third engrossment, as amended, as follows:

Page 20, after line 30, insert:

"Sec. 2. Minnesota Statutes 2008, section 120A.40, is amended to read:

120A.40 SCHOOL CALENDAR.

~~(a) Except for learning programs during summer, flexible learning year programs authorized under sections 124D.12 to 124D.127, and learning year programs under section 124D.128, A district must not~~ may commence an elementary or secondary school year before Labor Day, except ~~as provided under paragraph (b)~~ a district must not schedule a student instruction day on the Thursday or Friday immediately preceding Labor Day. Days devoted to teachers' workshops may be held on the Thursday or Friday before Labor Day. Districts that enter into cooperative agreements are encouraged to adopt similar school calendars.

~~(b) A district may begin the school year on any day before Labor Day to accommodate a construction or remodeling project of \$400,000 or more affecting a district school facility. A school district that agrees to the same schedule with a school district in an adjoining state also may begin the school year before Labor Day as authorized under this paragraph.~~

EFFECTIVE DATE. This section is effective for the 2009-2010 school year and later."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Norton et al amendment and the roll was called. There were 61 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Beard	Dettmer	Hayden	Loeffler	Newton	Sterner
Benson	Dittrich	Hoppe	Loon	Norton	Swails
Bigham	Doepke	Hornstein	Mack	Obermueller	Tillberry
Brod	Downey	Jackson	Magnus	Olin	Torkelson
Brown	Drazkowski	Kelly	Mahoney	Paymar	Wagenius
Brynaert	Emmer	Knuth	Mariani	Peppin	Welti
Buesgens	Faust	Kohls	Marquart	Peterson	
Bunn	Fritz	Lanning	McFarlane	Poppe	
Champion	Gardner	Lenczewski	McNamara	Rosenthal	
Davnie	Greiling	Liebling	Morgan	Ruud	
Demmer	Hamilton	Lieder	Morrow	Slawik	

Those who voted in the negative were:

Abeler	Doty	Hilty	Koenen	Persell	Slocum
Anderson, B.	Eastlund	Holberg	Laine	Reinert	Smith
Anderson, P.	Eken	Hortman	Lesch	Rukavina	Solberg
Anderson, S.	Falk	Hosch	Lillie	Sailer	Thao
Anzelc	Garofalo	Howes	Masin	Sanders	Thissen
Bly	Gottwalt	Huntley	Murdock	Scalze	Urdahl
Carlson	Gunther	Johnson	Murphy, E.	Scott	Ward
Clark	Hackbarth	Juhnke	Murphy, M.	Seifert	Westrom
Cornish	Hansen	Kahn	Nelson	Sertich	Winkler
Davids	Hausman	Kalin	Nornes	Severson	Zellers
Dean	Haws	Kath	Otremba	Shimanski	Spk. Kelliher
Dill	Hilstrom	Kiffmeyer	Pelowski	Simon	

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

Davids offered an amendment to H. F. No. 2, the third engrossment, as amended.

POINT OF ORDER

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

Westrom appealed the decision of the Speaker.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" It was the judgment of the House that the decision of the Speaker should stand.

The Speaker called Hortman to the chair.

Buesgens moved to amend H. F. No. 2, the third engrossment, as amended, as follows:

Page 111, after line 15, insert:

"Sec. 68. **REFUSING TO IMPLEMENT THE NO CHILD LEFT BEHIND ACT.**

The commissioner of education must nullify and revoke on June 1, 2009, the consolidated state plan that the state of Minnesota submitted to the federal Department of Education on implementing the No Child Left Behind Act of 2001 in Minnesota, and any other Minnesota state contract or agreement entered into under a provision of the No Child Left Behind Act of 2001.

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

ReNUMBER the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Buesgens amendment and the roll was called. There were 56 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Abeler	Davids	Garofalo	Kiffmeyer	Nornes	Smith
Anderson, B.	Dean	Gottwalt	Kohls	Obermueller	Sterner
Anderson, P.	Dettmer	Gunther	Laine	Pelowski	Torkelson
Anderson, S.	Downey	Hackbarth	Lillie	Peppin	Urdahl
Anzelc	Drazkowski	Hamilton	Loon	Poppe	Westrom
Beard	Eastlund	Holberg	Mack	Sanders	Zellers
Brod	Eken	Hoppe	Magnus	Scott	
Brown	Emmer	Howes	Masin	Seifert	
Buesgens	Falk	Juhnke	McNamara	Severson	
Cornish	Faust	Kelly	Murdock	Shimanski	

Those who voted in the negative were:

Benson	Fritz	Jackson	Mahoney	Paymar	Solberg
Bigham	Gardner	Johnson	Mariani	Persell	Swails
Bly	Greiling	Kahn	Marquart	Peterson	Thao
Brynaert	Hansen	Kalin	McFarlane	Reinert	Thissen
Bunn	Hausman	Kath	Morgan	Rosenthal	Tillberry
Carlson	Haws	Knuth	Morrow	Rukavina	Wagenius
Champion	Hayden	Koenen	Murphy, E.	Ruud	Ward
Clark	Hilstrom	Lanning	Murphy, M.	Sailer	Welti
Davnie	Hilty	Lenczewski	Nelson	Scalze	Winkler
Dill	Hornstein	Lesch	Newton	Sertich	Spk. Kelliher
Dittrich	Hortman	Liebling	Norton	Simon	
Doepke	Hosch	Lieder	Olin	Slawik	
Doty	Huntley	Loeffler	Otremba	Slocum	

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

Magnus moved to amend H. F. No. 2, the third engrossment, as amended, as follows:

Page 173, after line 20, insert:

"Sec. 22. **PIPESTONE LIBRARY.**

Notwithstanding Minnesota Statutes, section 134.195, or any other law to the contrary, the maintenance of effort requirements, staffing requirements and proportional sharing of costs of Minnesota Statutes, chapter 134, for a library jointly operated by a city and a school district do not apply to the city of Pipestone and Independent School District No. 2689, Pipestone, if the governing bodies agree by resolution or ordinance to a different arrangement and this agreement is deemed to meet any maintenance of effort requirements for the regional public library system.

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

Reumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Gottwalt moved to amend H. F. No. 2, the third engrossment, as amended, as follows:

Page 52, line 3, strike "reform" and insert "eliminate"

Page 52, line 5, strike "at least 60 percent of"

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

Anderson, P., moved to amend H. F. No. 2, the third engrossment, as amended, as follows:

Page 118, delete section 6

Page 145, delete line 20, and reletter subsequent paragraphs

A roll call was requested and properly seconded.

The question was taken on the Anderson, P., amendment and the roll was called. There were 51 yeas and 82 nays as follows:

Those who voted in the affirmative were:

Abeler	Buesgens	Dettmer	Garofalo	Hoppe	Lanning
Anderson, B.	Bunn	Doepke	Gottwalt	Hosch	Loon
Anderson, P.	Cornish	Downey	Gunther	Howes	Mack
Anderson, S.	Davids	Drazkowski	Hackbarth	Kelly	Magnus
Beard	Dean	Eastlund	Hamilton	Kiffmeyer	McFarlane
Brod	Demmer	Emmer	Holberg	Kohls	McNamara

Murdock	Otremba	Scott	Shimanski	Urdahl
Nornes	Peppin	Seifert	Smith	Westrom
Norton	Sanders	Severson	Torkelson	Zellers

Those who voted in the negative were:

Anzelc	Falk	Jackson	Loeffler	Paymar	Slocum
Benson	Faust	Johnson	Mahoney	Pelowski	Solberg
Bigham	Fritz	Juhnke	Mariani	Persell	Sterner
Bly	Gardner	Kahn	Marquart	Peterson	Swails
Brown	Greiling	Kalin	Masin	Poppe	Thao
Brynaert	Hansen	Kath	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	Walti
Dill	Hilty	Lesch	Nelson	Scalze	Winkler
Dittrich	Hornstein	Liebling	Newton	Sertich	Spk. Kelliher
Doty	Hortman	Lieder	Obermueller	Simon	
Eken	Huntley	Lillie	Olin	Slawik	

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

Kiffmeyer moved to amend H. F. No. 2, the third engrossment, as amended, as follows:

Page 118, after line 2, insert:

"Sec. 5. Minnesota Statutes 2008, section 125A.01, is amended to read:

125A.01 DEFINITIONS.

Subdivision 1. **Terms defined.** For purposes of this chapter, the words defined in section 120A.05 have the same meaning.

Subd. 2. **Local education agency.** "Local education agency" means a public board of education or other public authority legally constituted within the state for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of the state, or for a combination of school districts in the state as an administrative agency for its public elementary and secondary schools. Local education agency includes a fiscal host. The Minnesota Department of Education must continue to recognize fiscal hosts for purposes of paying Minnesota's special education aids and calculating tuition billing amounts."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Kiffmeyer amendment and the roll was called. There were 48 yeas and 85 nays as follows:

Those who voted in the affirmative 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	Swails
Beard	Doepke	Hackbarth	Lanning	Peppin	Torkelson
Brod	Downey	Hamilton	Loon	Sanders	Urdahl
Buesgens	Drazkowski	Holberg	Mack	Scott	Westrom
Cornish	Eastlund	Hoppe	Magnus	Seifert	Zellers

Those who voted in the negative were:

Anzenc	Falk	Jackson	Mahoney	Paymar	Solberg
Benson	Faust	Johnson	Mariani	Pelowski	Sterner
Bigham	Fritz	Juhnke	Marquart	Persell	Thao
Bly	Gardner	Kahn	Masin	Peterson	Thissen
Brown	Greiling	Kalin	Morgan	Poppe	Tillberry
Brynaert	Hansen	Kath	Morrow	Reinert	Wagenius
Bunn	Hausman	Knuth	Mullery	Rosenthal	Ward
Carlson	Haws	Koenen	Murphy, E.	Rukavina	Welti
Champion	Hayden	Laine	Murphy, M.	Ruud	Winkler
Clark	Hilstrom	Lenczewski	Nelson	Sailer	Spk. Kelliher
Davnie	Hilty	Lesch	Newton	Scalze	
Dill	Hornstein	Liebling	Norton	Sertich	
Dittrich	Hortman	Lieder	Obermueller	Simon	
Doty	Hosch	Lillie	Olin	Slawik	
Eken	Huntley	Loeffler	Otremba	Slocum	

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

Mack moved to amend H. F. No. 2, the third engrossment, as amended, as follows:

Page 63, after line 36, insert:

"Sec. 34. Minnesota Statutes 2008, section 123B.36, subdivision 1, is amended to read:

Subdivision 1. **School boards may require fees.** (a) For purposes of this subdivision, "home school" means a home school as defined in sections 120A.22 and 120A.24 with five or fewer students receiving instruction.

(b) A school board is authorized to require payment of fees in the following areas:

(1) in any program where the resultant product, in excess of minimum requirements and at the pupil's option, becomes the personal property of the pupil;

(2) admission fees or charges for extracurricular activities, where attendance is optional and where the admission fees or charges a student must pay to attend or participate in an extracurricular activity is the same for all students, regardless of whether the student is enrolled in a public or a home school;

(3) a security deposit for the return of materials, supplies, or equipment;

(4) personal physical education and athletic equipment and apparel, although any pupil may personally provide it if it meets reasonable requirements and standards relating to health and safety established by the board;

(5) items of personal use or products that a student has an option to purchase such as student publications, class rings, annuals, and graduation announcements;

(6) fees specifically permitted by any other statute, including but not limited to section 171.05, subdivision 2; provided (i) driver education fees do not exceed the actual cost to the school and school district of providing driver education, and (ii) the driver education courses are open to enrollment to persons between the ages of 15 and 18 who reside or attend school in the school district;

(7) field trips considered supplementary to a district educational program;

(8) any authorized voluntary student health and accident benefit plan;

(9) for the use of musical instruments owned or rented by the district, a reasonable rental fee not to exceed either the rental cost to the district or the annual depreciation plus the actual annual maintenance cost for each instrument;

(10) transportation of pupils to and from extracurricular activities conducted at locations other than school, where attendance is optional, and transportation of charter school students participating in extracurricular activities in their resident district under section 123B.49, subdivision 4, paragraph (a), which must be charged to the charter school;

(11) transportation to and from school of pupils living within two miles from school and all other transportation services not required by law. If a district charges fees for transportation of pupils, it must establish guidelines for that transportation to ensure that no pupil is denied transportation solely because of inability to pay;

(12) motorcycle classroom education courses conducted outside of regular school hours; provided the charge must not exceed the actual cost of these courses to the school district;

(13) transportation to and from postsecondary institutions for pupils enrolled under the postsecondary enrollment options program under section 123B.88, subdivision 22. Fees collected for this service must be reasonable and must be used to reduce the cost of operating the route. Families who qualify for mileage reimbursement under section 124D.09, subdivision 22, may use their state mileage reimbursement to pay this fee. If no fee is charged, districts must allocate costs based on the number of pupils riding the route.

EFFECTIVE DATE. This section is effective for the 2009-2010 school year and later.

Sec. 35. Minnesota Statutes 2008, section 123B.49, subdivision 4, is amended to read:

Subd. 4. **Board control of extracurricular activities.** (a) The board may take charge of and control all extracurricular activities of the teachers and children of the public schools in the district. Extracurricular activities means all direct and personal services for pupils for their enjoyment that are managed and operated under the guidance of an adult or staff member. The board shall allow all resident pupils receiving instruction in a home school as defined in section 123B.36, subdivision 1, paragraph (a), and all resident pupils receiving instruction in a charter school as defined in section 124D.10 to be eligible to fully participate in extracurricular activities on the same basis as public school students- enrolled in the district's schools. A charter school student must give the enrolling charter school at least a 30-day notice of the student's intent to participate in an extracurricular activity in the resident district. A charter school student is not eligible to participate in an extracurricular activity in the resident district if that extracurricular activity is offered by the enrolling charter school or the extracurricular activity is not controlled by the high school league under chapter 128C. Charter school students participating in extracurricular activities must meet the academic and student conduct requirements of the resident district. The charter school must:

(1) collect the same information that a district collects on a student's eligibility to participate in an extracurricular activity;

(2) transmit that information to the district at least ten days before a student begins to participate in the extracurricular activity; and

(3) immediately transmit to the district any additional information affecting the student's eligibility.

(b) Extracurricular activities have all of the following characteristics:

(1) they are not offered for school credit nor required for graduation;

(2) they are generally conducted outside school hours, or if partly during school hours, at times agreed by the participants, and approved by school authorities;

(3) the content of the activities is determined primarily by the pupil participants under the guidance of a staff member or other adult.

(c) If the board does not take charge of and control extracurricular activities, these activities shall be self-sustaining with all expenses, except direct salary costs and indirect costs of the use of school facilities, met by dues, admissions, or other student fund-raising events. The general fund must reflect only those salaries directly related to and readily identified with the activity and paid by public funds. Other revenues and expenditures for extra curricular activities must be recorded according to the Manual for Activity Fund Accounting. Extracurricular activities not under board control must have an annual financial audit and must also be audited annually for compliance with this section.

(d) If the board takes charge of and controls extracurricular activities, any or all costs of these activities may be provided from school revenues and all revenues and expenditures for these activities shall be recorded in the same manner as other revenues and expenditures of the district.

(e) If the board takes charge of and controls extracurricular activities, the teachers or pupils in the district must not participate in such activity, nor shall the school name or any allied name be used in connection therewith, except by consent and direction of the board.

(f) School districts may charge charter schools their proportional share of the direct and indirect costs of the extracurricular activities that are not covered by student fees under section 123B.36, subdivision 1. A district may charge charter school students the same fees it charges enrolled students to participate in an extracurricular activity. A district is not required to provide transportation from the charter school to the resident district for a charter school student who participates in an extracurricular activity in the resident district.

EFFECTIVE DATE. This section is effective for the 2009-2010 school year and later."

Page 80, after line 30, insert:

"(p) A charter school is subject to sections 123B.36, subdivision 1, paragraph (b), clause (10), and 123B.49, subdivision 4, paragraph (a), when its students participate in extracurricular activities in their resident district."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Mack amendment and the roll was called. There were 71 yeas and 62 nays as follows:

Those who voted in the affirmative were:

Abeler	Demmer	Gunther	Kahn	Masin	Shimanski
Anderson, B.	Dettmer	Hackbarth	Kelly	Morgan	Slawik
Beard	Doty	Hamilton	Kiffmeyer	Mullery	Slocum
Bigham	Downey	Hausman	Knuth	Olin	Smith
Bly	Drazkowski	Hayden	Koenen	Otremba	Swails
Brod	Eastlund	Hilstrom	Kohls	Peppin	Thissen
Brown	Eken	Holberg	Lesch	Poppe	Torkelson
Buesgens	Emmer	Hoppe	Lillie	Rukavina	Ward
Clark	Fritz	Hortman	Loon	Sanders	Westrom
Cornish	Garofalo	Hosch	Mack	Scott	Winkler
Davids	Gottwalt	Howes	Magnus	Seifert	Zellers
Dean	Greiling	Juhnke	Mariani	Severson	

Those who voted in the negative were:

Anderson, P.	Doepke	Kalin	McNamara	Pelowski	Sterner
Anderson, S.	Falk	Kath	Morrow	Persell	Thao
Anzenc	Faust	Laine	Murdock	Peterson	Tillberry
Benson	Gardner	Lanning	Murphy, E.	Reinert	Urdahl
Brynaert	Hansen	Lenczewski	Murphy, M.	Rosenthal	Wagenius
Bunn	Haws	Liebling	Nelson	Ruud	Welti
Carlson	Hilty	Lieder	Newton	Sailer	Spk. Kelliher
Champion	Hornstein	Loeffler	Nornes	Scalze	
Davnie	Huntley	Mahoney	Norton	Sertich	
Dill	Jackson	Marquart	Obermueller	Simon	
Dittrich	Johnson	McFarlane	Paymar	Solberg	

The motion prevailed and the amendment was adopted.

Dean offered an amendment to H. F. No. 2, the third engrossment, as amended.

POINT OF ORDER

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

Buesgens moved to amend H. F. No. 2, the third engrossment, as amended, as follows:

Page 96, delete sections 52 and 53

Page 97, delete section 54

Page 111, line 32, delete subdivision 4

Renumber the subdivisions in sequence

Page 115, line 15, delete "and"

Page 115, line 16, after "124D.091" insert "; and 124D.86"

Page 162, line 17, delete "73" and insert "73.6 for fiscal year 2010, 74.5 for fiscal year 2011, and 75.4 for fiscal year 2012. For fiscal years 2013 and later, the current year aid payment percentage equals the aid payment percentage for the previous year plus one percentage point."

Page 175, after line 7, insert:

"Subd. 6. **Aid payment percentage.** To increase the appropriations in this act to match the aid payment percentage in section 11:

<u>\$54,167,000</u>	<u>.....</u>	<u>2010</u>
<u>\$65,549,000</u>	<u>.....</u>	<u>2011</u> "

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Buesgens amendment and the roll was called. There were 32 yeas and 101 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dean	Falk	Howes	Nornes	Westrom
Anderson, P.	Demmer	Garofalo	Kelly	Peppin	Zellers
Beard	Dettmer	Gunther	Kiffmeyer	Seifert	
Brod	Drazkowski	Hackbarth	Kohls	Severson	
Buesgens	Eastlund	Holberg	McNamara	Shimanski	
Davids	Emmer	Hoppe	Murdock	Smith	

Those who voted in the negative were:

Abeler	Dill	Haws	Knuth	Mariani	Otremba
Anderson, S.	Dittrich	Hayden	Koenen	Marquart	Paymar
Anzelc	Doepke	Hilstrom	Laine	Masin	Pelowski
Benson	Doty	Hilty	Lanning	McFarlane	Persell
Bigham	Downey	Hornstein	Lenczewski	Morgan	Peterson
Bly	Eken	Hortman	Lesch	Morrow	Poppe
Brown	Faust	Hosch	Liebling	Mullery	Reinert
Brynaert	Fritz	Huntley	Lieder	Murphy, E.	Rosenthal
Bunn	Gardner	Jackson	Lillie	Murphy, M.	Rukavina
Carlson	Gottwalt	Johnson	Loeffler	Nelson	Ruud
Champion	Greiling	Juhnke	Loon	Newton	Sailer
Clark	Hamilton	Kahn	Mack	Norton	Sanders
Cornish	Hansen	Kalin	Magnus	Obermueller	Scalze
Davnie	Hausman	Kath	Mahoney	Olin	Scott

Sertich
Simon
Slawik

Slocum
Solberg
Sternner

Swails
Thao
Thissen

Tillberry
Torkelson
Urdahl

Wagenius
Ward
Welti

Winkler
Spk. Kelliher

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

Kohls moved to amend H. F. No. 2, the third engrossment, as amended, as follows:

Page 62, after line 29, insert:

"Sec. 33. **[123B.105] STRUCTURALLY BALANCED SCHOOL DISTRICT BUDGETS.**

Subdivision 1. **Board resolution.** (a) Before approving a collective bargaining agreement that does not result from an interest arbitration decision, a school board must determine by board resolution that the proposed agreement will not cause structural imbalance in the district's budget during the agreement period.

(b) A school board may determine that an agreement will not cause structural imbalance only if expenditures will not exceed available funds, taking into account:

(1) current state aid formulas; and

(2) reasonable and comprehensive projections of ongoing revenues and expenditures for the period of the agreement. The board must not use onetime revenue for ongoing expenditures. Any amount in excess of the board's resolution for the district's general fund balance is not onetime revenue under this section. The school board must make available with the resolution a summary of the projections and calculations supporting the determination. The projections and calculations must include state aid formulas, pupil units, and employee costs that reflect the terms of all applicable labor agreements, including the agreement under consideration, its fringe benefits, severance pay, and staff changes.

(c) In addition to the determination under paragraph (a), the school board must project revenues, expenditures, and fund balances for two years following the period of the agreement. The projections must include the information categories under paragraph (b), be reasonable and comprehensive, and reference current state aid formulas.

(d) The board must make available all projections and calculations required by this section and estimated district employee terminations to the public before, at, and after the meeting where the board adopts the resolution, consistent with state law on public notice and access to public data.

(e) In an interest arbitration, the district must submit, and the exclusive bargaining representative may submit, proposed determinations with supporting projections and calculations consistent with paragraph (b) of the effect of the potential decision on the structural balance of the district's budget. The arbitrator must consider the potential effect of a decision on the structural balance of the district's budget for the term of the agreement. The arbitrator's decision must describe the effect of the decision on the structural balance of the district's budget in a manner consistent with paragraph (b). The arbitrator's decision also must show the effect of the decision on the school budget for one year following the term of the contract at issue. Within 30 days of when the board receives or acts on the decision, whichever is earlier, the board must by resolution determine the effect of the decision on the structural balance of its budget for the term of the agreement, consistent with paragraph (b).

(f) The board must submit a copy of the resolution with the supporting projections and calculations to the commissioner with the uniform collective bargaining agreement settlement document within 30 days of adopting the resolution. The commissioner must develop a model form for districts to use in reporting projections and calculations. The commissioner must not accept any reports that do not comply with this section. The commissioner must make all resolutions, projections, and calculations available to the public.

(g) Compliance with this section by itself is not an unfair labor practice under section 179A.13, subdivision 2.

Subd. 2. Annual report on cumulative financial impact of agreements; penalty payment for failing to report. Annually by August 15, a school board must submit a report to the commissioner summarizing the cumulative financial impact of all collective bargaining agreements in effect in the previous fiscal year. A school board that fails to submit a timely year-end report to the commissioner must transmit to the department before October 1 of the current fiscal year a penalty payment from its general fund equal to \$1 times the number of adjusted pupil units for the district during that fiscal year. The board, before transmitting payment, must formally approve the payment at a regularly scheduled board meeting and the board must include the matter of payment on its regular agenda and must not include the matter of payment on its consent agenda for that meeting.

EFFECTIVE DATE. This section is effective for the 2009-2010 school year and later."

ReNUMBER the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Kohls amendment and the roll was called. There were 44 yeas and 89 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Demmer	Gottwalt	Kiffmeyer	Murdock	Smith
Anderson, P.	Dettmer	Gunther	Kohls	Nornes	Torkelson
Anderson, S.	Doepke	Hackbarth	Lanning	Peppin	Westrom
Beard	Downey	Hamilton	Loon	Sanders	Zellers
Brod	Drazkowski	Holberg	Mack	Scott	
Buesgens	Eastlund	Hoppe	Magnus	Seifert	
Davids	Emmer	Howes	McFarlane	Severson	
Dean	Garofalo	Kelly	McNamara	Shimanski	

Those who voted in the negative were:

Abeler	Doty	Hosch	Lillie	Olin	Slawik
Anzelc	Eken	Huntley	Loeffler	Otremba	Slocum
Benson	Falk	Jackson	Mahoney	Paymar	Solberg
Bigham	Faust	Johnson	Mariani	Pelowski	Sterner
Bly	Fritz	Juhnke	Marquart	Persell	Swails
Brown	Gardner	Kahn	Masin	Peterson	Thao
Brynaert	Greiling	Kalin	Morgan	Poppe	Thissen
Bunn	Hansen	Kath	Morrow	Reinert	Tillberry
Carlson	Hausman	Knuth	Mullery	Rosenthal	Urdahl
Champion	Haws	Koenen	Murphy, E.	Rukavina	Wagenius
Clark	Hayden	Laine	Murphy, M.	Ruud	Ward
Cornish	Hilstrom	Lenczewski	Nelson	Sailer	Welti
Davnie	Hilty	Lesch	Newton	Scalze	Winkler
Dill	Hornstein	Liebling	Norton	Sertich	Spk. Kelliher
Dittrich	Hortman	Lieder	Obermueller	Simon	

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

Buesgens moved to amend H. F. No. 2, the third engrossment, as amended, as follows:

Page 48, after line 13, insert:

"Sec. 18. Minnesota Statutes 2008, section 122A.18, subdivision 2, is amended to read:

Subd. 2. **Teacher and support personnel qualifications.** (a) The Board of Teaching must issue licenses under its jurisdiction to persons the board finds to be qualified and competent for their respective positions.

(b) The board must require a person to ~~successfully complete~~ pass an examination of skills in reading, writing, and mathematics before being granted an initial teaching license to provide direct instruction to pupils in prekindergarten, elementary, secondary, or special education programs. The board must require colleges and universities offering a board approved teacher preparation program to provide remedial assistance that includes a formal diagnostic component to persons enrolled in their institution who did not achieve a qualifying score on the skills examination, including those for whom English is a second language. The colleges and universities must provide assistance in the specific academic areas of deficiency in which the person did not achieve a qualifying score. School districts must provide similar, appropriate, and timely remedial assistance that includes a formal diagnostic component and mentoring to those persons employed by the district who completed their teacher education program outside the state of Minnesota, received a one-year license to teach in Minnesota and did not achieve a qualifying score on the skills examination, including those persons for whom English is a second language. The Board of Teaching shall report annually to the education committees of the legislature on the total number of teacher candidates during the most recent school year taking the skills examination, the number who achieve a qualifying score on the examination, the number who do not achieve a qualifying score on the examination, the distribution of all candidates' scores, the number of candidates who have taken the examination at least once before, and the number of candidates who have taken the examination at least once before and achieve a qualifying score.

~~(c) A person who has completed an approved teacher preparation program and obtained a one year license to teach, but has not successfully completed the skills examination, may renew the one year license for two additional one year periods. Each renewal of the one year license is contingent upon the licensee:~~

~~(1) providing evidence of participating in an approved remedial assistance program provided by a school district or postsecondary institution that includes a formal diagnostic component in the specific areas in which the licensee did not obtain qualifying scores; and~~

~~(2) attempting to successfully complete the skills examination during the period of each one year license.~~

~~(d)~~ The Board of Teaching must grant continuing licenses only to those persons who have met board criteria for granting a continuing license, which includes ~~successfully completing~~ passing the skills examination in reading, writing, and mathematics.

~~(e)~~ (d) All colleges and universities approved by the board of teaching to prepare persons for teacher licensure must include in their teacher preparation programs a common core of teaching knowledge and skills to be acquired by all persons recommended for teacher licensure. This common core shall meet the standards developed by the interstate new teacher assessment and support consortium in its 1992 "model standards for beginning teacher licensing and development." Amendments to standards adopted under this paragraph are covered by chapter 14. The board of teaching shall report annually to the education committees of the legislature on the performance of teacher candidates on common core assessments of knowledge and skills under this paragraph during the most recent school year.

EFFECTIVE DATE. This section is effective for the 2009-2010 school year and later."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Buesgens amendment and the roll was called. There were 54 yeas and 79 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Demmer	Gottwalt	Kelly	Nornes	Severson
Anderson, P.	Dettmer	Gunther	Kiffmeyer	Norton	Shimanski
Anderson, S.	Doepke	Hackbarth	Kohls	Paymar	Slocum
Beard	Downey	Hamilton	Loon	Peppin	Smith
Benson	Drazkowski	Hansen	Mack	Peterson	Sterner
Brod	Eastlund	Holberg	Magnus	Rosenthal	Swails
Buesgens	Emmer	Hoppe	McFarlane	Sanders	Torkelson
Bunn	Faust	Howes	Morgan	Scott	Westrom
Dean	Garofalo	Kalin	Murdock	Seifert	Zellers

Those who voted in the negative were:

Abeler	Doty	Huntley	Lillie	Olin	Thao
Anzelc	Eken	Jackson	Loeffler	Otremba	Thissen
Bigham	Falk	Johnson	Mahoney	Pelowski	Tillberry
Bly	Fritz	Juhnke	Mariani	Persell	Urdahl
Brown	Gardner	Kahn	Marquart	Poppe	Wagenius
Brynaert	Greiling	Kath	Masin	Reinert	Ward
Carlson	Hausman	Knuth	McNamara	Rukavina	Welti
Champion	Haws	Koenen	Morrow	Ruud	Winkler
Clark	Hayden	Laine	Mullery	Sailer	Spk. Kelliher
Cornish	Hilstrom	Lanning	Murphy, E.	Scalze	
Davids	Hilty	Lenczewski	Murphy, M.	Sertich	
Davnie	Hornstein	Lesch	Nelson	Simon	
Dill	Hortman	Liebling	Newton	Slawik	
Dittrich	Hosch	Lieder	Obermueller	Solberg	

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

Buesgens moved to amend H. F. No. 2, the third engrossment, as amended, as follows:

Page 10, after line 29, insert:

"(g) If a referendum question called under this subdivision is rejected by the voters, the school board is prohibited from calling another election until the number of years for which the referendum was requested has expired."

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

Buesgens, Drazkowski and Shimanski moved to amend H. F. No. 2, the third engrossment, as amended, as follows:

Page 192, delete article 9, and insert:

"ARTICLE 9

SCHOOL FINANCE SYSTEM CHANGES

Section 1. **[126C.115] SCHOOL DISTRICT REVENUE.**

Subdivision 1. **General education revenue.** For fiscal years 2010 and later, a school district's general education revenue equals \$8,380 times the district's adjusted average daily membership for that year.

Subd. 2. **School district levies.** For taxes payable in 2010 and later, a school district's property tax levy must not exceed the actual amount levied for taxes payable in 2009.

Subd. 3. **Transition.** Notwithstanding any law to the contrary, all of the school funding formulas listed in chapters 120A through 129C are suspended and the state aids appropriated for those purposes are redirected for the payment of general education revenue as required by subdivision 1.

Subd. 4. **Revenue uses.** Notwithstanding any law to the contrary, a school district may use its general education revenue for any early education, kindergarten, elementary or secondary program.

EFFECTIVE DATE. This section is effective for fiscal years 2010 and later."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Buesgens et al amendment and the roll was called. There were 41 yeas and 92 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Davids	Faust	Howes	Murdock	Shimanski
Anderson, P.	Dean	Garofalo	Kelly	Nornes	Smith
Anderson, S.	Dettmer	Gunther	Kiffmeyer	Peppin	Torkelson
Beard	Downey	Hackbarth	Kohls	Sanders	Urdahl
Brod	Drazkowski	Hamilton	Mack	Scott	Westrom
Buesgens	Eastlund	Holberg	Magnus	Seifert	Zellers
Cornish	Emmer	Hoppe	McNamara	Severson	

Those who voted in the negative were:

Abeler	Bly	Carlson	Demmer	Doty	Gardner
Anzelc	Brown	Champion	Dill	Eken	Gottwalt
Benson	Brynaert	Clark	Dittrich	Falk	Greiling
Bigham	Bunn	Davnie	Doepke	Fritz	Hansen

Hausman	Kahn	Loeffler	Nelson	Rosenthal	Thao
Haws	Kalin	Loon	Newton	Rukavina	Thissen
Hayden	Kath	Mahoney	Norton	Ruud	Tillberry
Hilstrom	Knuth	Mariani	Obermueller	Sailer	Wagenius
Hilty	Koenen	Marquart	Olin	Scalze	Ward
Hornstein	Laine	Masin	Otremba	Sertich	Welti
Hortman	Lanning	McFarlane	Paymar	Simon	Winkler
Hosch	Lenzewski	Morgan	Pelowski	Slawik	Spk. Kelliher
Huntley	Lesch	Morrow	Persell	Slocum	
Jackson	Liebling	Mullery	Peterson	Solberg	
Johnson	Lieder	Murphy, E.	Poppe	Sterner	
Juhnke	Lillie	Murphy, M.	Reinert	Swails	

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

Garofalo offered an amendment to H. F. No. 2, the third engrossment, as amended.

POINT OF ORDER

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

Faust moved to amend H. F. No. 2, the third engrossment, as amended, as follows:

Page 80, after line 30, insert:

"(p) A charter school shall allow all students who reside in the district in which the charter school is located and attend district schools to fully participate in the extracurricular activities of the charter school on the same basis as students enrolled in the charter school."

A roll call was requested and properly seconded.

The question was taken on the Faust amendment and the roll was called. There were 102 yeas and 30 nays as follows:

Those who voted in the affirmative were:

Abeler	Davnie	Faust	Howes	Lesch	Murdock
Anderson, B.	Dean	Gardner	Jackson	Liebling	Murphy, E.
Beard	Demmer	Greiling	Johnson	Lieder	Newton
Benson	Dettmer	Gunther	Juhnke	Lillie	Nornes
Bigham	Dittrich	Hackbarth	Kahn	Loon	Norton
Bly	Doepke	Hamilton	Kalin	Mack	Obermueller
Brynaert	Doty	Hausman	Kelly	Magnus	Olin
Buesgens	Downey	Hayden	Kiffmeyer	Mahoney	Otremba
Bunn	Drazkowski	Hilstrom	Knuth	Mariani	Paymar
Carlson	Eastlund	Holberg	Koenen	Marquart	Peppin
Clark	Eken	Hoppe	Kohls	Masin	Persell
Cornish	Emmer	Hornstein	Laine	McNamara	Peterson
Davids	Falk	Hortman	Lenzewski	Morgan	Reinert

Rosenthal	Scott	Slocum	Thao	Ward
Ruud	Seifert	Smith	Thissen	Welti
Sailer	Severson	Solberg	Tillberry	Westrom
Sanders	Shimanski	Sterner	Torkelson	Zellers
Scalze	Slawik	Swails	Wagenius	

Those who voted in the negative were:

Anderson, P.	Dill	Hilty	McFarlane	Rukavina	Spk. Kelliher
Anderson, S.	Fritz	Hosch	Morrow	Sertich	
Anzelc	Garofalo	Huntley	Murphy, M.	Simon	
Brod	Gottwalt	Kath	Nelson	Urdahl	
Brown	Hansen	Lanning	Pelowski	Winkler	
Champion	Haws	Loeffler	Poppe		

The motion prevailed and the amendment was adopted.

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; 13.32, by adding a subdivision; 16A.06, subdivision 11; 120A.22, subdivision 7; 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.36, subdivision 1; 123B.49, subdivision 4; 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.

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 85 yeas and 48 nays as follows:

Those who voted in the affirmative were:

Anzelc	Falk	Huntley	Loeffler	Otremba	Solberg
Benson	Faust	Jackson	Mahoney	Paymar	Sterner
Bigham	Fritz	Johnson	Mariani	Pelowski	Swails
Bly	Gardner	Juhnke	Marquart	Persell	Thao
Brown	Garofalo	Kahn	Masin	Peterson	Thissen
Brynaert	Greiling	Kalin	Morgan	Reinert	Tillberry
Bunn	Hansen	Kath	Morrow	Rosenthal	Wagenius
Carlson	Hausman	Knuth	Mullery	Rukavina	Ward
Champion	Haws	Koenen	Murphy, E.	Ruud	Winkler
Clark	Hayden	Laine	Murphy, M.	Sailer	Spk. Kelliher
Davnie	Hilstrom	Lenczewski	Nelson	Scalze	
Dill	Hilty	Lesch	Newton	Sertich	
Dittrich	Hornstein	Liebling	Norton	Simon	
Doty	Hortman	Lieder	Obermueller	Slawik	
Eken	Hosch	Lillie	Olin	Slocum	

Those who voted in the negative were:

Abeler	Davids	Emmer	Kelly	McNamara	Severson
Anderson, B.	Dean	Gottwalt	Kiffmeyer	Murdock	Shimanski
Anderson, P.	Demmer	Gunther	Kohls	Nornes	Smith
Anderson, S.	Dettmer	Hackbarth	Lanning	Peppin	Torkelson
Beard	Doepke	Hamilton	Loon	Poppe	Urdahl
Brod	Downey	Holberg	Mack	Sanders	Walti
Buesgens	Drazkowski	Hoppe	Magnus	Scott	Westrom
Cornish	Eastlund	Howes	McFarlane	Seifert	Zellers

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

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

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

FISCAL CALENDAR ANNOUNCEMENT

Pursuant to rule 1.22, Solberg announced his intention to place S. F. Nos. 802 and 2081 on the Fiscal Calendar for Friday, April 24, 2009.

FISCAL CALENDAR, Continued

Pursuant to rule 1.22, Solberg requested immediate consideration of S. F. No. 2082.

S. F. No. 2082 was reported to the House.

The Speaker called Sertich to the chair.

Kahn moved to amend S. F. No. 2082, the unofficial engrossment, as follows:

Page 9, line 26, delete "\$1,120,000" and insert "\$1,210,000"

Page 19, delete section 12

Page 49, after line 29, insert:

"Sec. 60. **[43A.184] SICK LEAVE FOR VETERANS WITH SERVICE-RELATED DISABILITIES.**

On a form prescribed by the commissioner, a state employee who is a veteran with a service-related disability may apply to the employee's appointing authority for additional sick leave to receive treatment for the disability, as provided in this section. The employee must qualify as a veteran under section 197.447, and have a sick leave balance that is insufficient to receive treatment for the disability. If the appointing authority approves the request, the appointing authority shall authorize 40 hours of sick leave for the employee in the current fiscal year. The appointing authority may approve sick leave for an employee under this section one time in each fiscal year."

Page 50, line 13, strike "the state"

Page 50, line 29, strike "Minnesota State Retirement" and insert "applicable retirement"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Speaker pro tempore Sertich called Juhnke to the chair.

Kahn moved to amend S. F. No. 2082, the unofficial engrossment, as amended, as follows:

Page 3, line 26, delete "4,245,000" and insert "3,245,000" and delete "4,245,000" and insert "3,245,000"

Page 39, line 5, delete "\$8,975,000" and insert "\$9,975,000"

Sertich moved to amend the Kahn amendment to S. F. No. 2082, the unofficial engrossment, as amended, as follows:

Page 1 of the Kahn amendment, delete lines 3 and 4

Page 1, after line 5, insert:

"Page 39, after line 11, insert:

"Sec. 44. **[16A.823] STATE APPROPRIATION BONDS.**

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

(b) "Appropriation bond" means a bond, note, or other evidence of obligation of the state payable during a biennium from one or more of the following sources:

(1) money appropriated by law in any biennium for debt service due with respect to obligations described in subdivision 2, paragraph (b);

(2) proceeds of the sale of obligations described in subdivision 2, paragraph (b);

(3) payments received for that purpose under agreements and ancillary arrangements described in subdivision 2, paragraph (d); and

(4) investment earnings on amounts in clauses (1) to (3).

(c) "Debt service" means the amount payable in any biennium of principal, premium, if any, and interest on appropriation bonds and the general fund contingent appropriation is available to pay debt service.

Subd. 2. Authority. (a) Subject to the limitations of this subdivision, the commissioner of Minnesota Management and Budget may sell and issue appropriation bonds of the state under this section for public purposes as authorized by law. The proceeds of such bonds must be credited to a special appropriation bonds proceeds account in the state treasury. Net income from investment of the proceeds, as estimated by the commissioner, must be credited to the special appropriation bonds proceeds account.

(b) Appropriation bonds may be sold and issued in amounts that, in the opinion of the commissioner, are necessary to provide sufficient funds for achieving the purposes authorized as provided under paragraph (a), and pay debt service, pay costs of issuance, make deposits to reserve funds, pay accrued interest, pay the costs of credit enhancement, or make payments under other agreements entered into under paragraph (d); provided, however, that bonds issued and unpaid shall not exceed \$1,085,000,000 in principal amount, excluding refunding bonds sold and issued under subdivision 4.

(c) Appropriation bonds may be issued in one or more series on the terms and conditions the commissioner determines to be in the best interests of the state, but the term on any series of bonds may not exceed 20 years.

(d) At the time of, or in anticipation of, issuing the appropriation bonds, and at any time thereafter, so long as the appropriation bonds are outstanding, the commissioner may enter into agreements and ancillary arrangements relating to the appropriation bonds, including trust indentures, liquidity facilities, remarketing or dealer agreements, letter of credit agreements, insurance policies, guaranty agreements, reimbursement agreements, indexing agreements, or interest exchange agreements. Any payments made or received according to such agreement or ancillary arrangement shall be made from or deposited as provided in the agreement or ancillary arrangement. The determination of the commissioner included in an interest exchange agreement that such agreement relates to an appropriation bond shall be conclusive.

Subd. 3. Form; procedure. (a) Appropriation bonds may be issued in the form of bonds, notes, or other evidences of obligation, and in the manner provided in section 16A.672. In the event that any provision of section 16A.672 conflicts with this section, this section shall control.

(b) Every appropriation bond shall include a conspicuous statement of the limitation established in subdivision 6.

(c) Appropriation bonds may be sold at either public or private sale and may be sold at any price or percentage of par value. Any bid received at public sale may be rejected.

(d) Appropriation bonds may bear interest at a fixed or variable rate.

Subd. 4. **Refunding bonds.** The commissioner from time to time may issue appropriation bonds for the purpose of refunding any appropriation bonds then outstanding, including the payment of any redemption premiums on the bonds, any interest accrued or to accrue to the redemption date, and costs related to the issuance and sale of the refunding bonds. The proceeds of any refunding bonds may, in the discretion of the commissioner, be applied to the purchase or payment at maturity of the appropriation bonds to be refunded, to the redemption of the outstanding bonds on any redemption date, or to pay interest on the refunding bonds and may, pending application, be placed in escrow to be applied to the 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 the investment may also be applied to the payment of the bonds to be refunded, interest or premiums on the refunded bonds, or to pay interest on the refunding bonds. After the terms of the escrow have been fully satisfied, any balance of such proceeds and any investment income may be returned to the general fund or, if applicable, the appropriation bonds proceeds account, for use in any lawful manner. All refunding bonds issued under the provisions of this subdivision must be prepared, executed, delivered, and secured by appropriations in the same manner as the bonds to be refunded.

Subd. 5. **Appropriation bonds as legal investments.** Any of the following entities may legally invest any sinking funds, money, or other funds belonging to them or under their control in any appropriation bonds issued under this section:

(1) the state, the investment board, public officers, municipal corporations, political subdivisions, and public bodies;

(2) banks and bankers, savings and loan associations, credit unions, trust companies, savings banks and institutions, investment companies, insurance companies, insurance associations, and other persons carrying on a banking or insurance business; and

(3) personal representatives, guardians, trustees, and other fiduciaries.

Subd. 6. **No full faith and credit; state not required to make appropriations.** The appropriation bonds are not public debt of the state, and the full faith, credit, and taxing powers of the state are not pledged to the payment of the appropriation bonds or to any payment that the state agrees to make under this section. Appropriation bonds shall not be obligations paid directly, in whole or in part, from a tax of statewide application on any class of property, income, transaction, or privilege. Appropriation bonds shall be payable in each fiscal year only from amounts that the legislature may appropriate for debt service for any fiscal year, provided that nothing in this section shall be construed to require the state to appropriate funds sufficient to make debt service payments with respect to the bonds in any fiscal year.

Subd. 7. **Appropriation of proceeds.** The proceeds of appropriation bonds and interest credited to the special appropriation bonds proceeds account are appropriated to the commissioner for payment of nonoperating, capital expenses as permitted by state and federal law, for the replacement of the state's accounting and procurement systems, and nonsalary expenses incurred in conjunction with the sale of the appropriation bonds.

Subd. 8. **Appropriation for debt service.** The amount needed to pay principal and interest on appropriation bonds issued under this section is appropriated each year to the commissioner from the general fund subject to the repeal, unallotment under section 16A.152, or cancellation otherwise pursuant to subdivision 6.

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

Page 1, after line 5, insert:

"Renumber the sections in sequence and correct internal references

Amend the title accordingly""

A roll call was requested and properly seconded.

CALL OF THE HOUSE

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

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

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

The Speaker resumed the chair.

POINT OF ORDER

Seifert raised a point of order pursuant to rule 3.21 that the Sertich amendment to the Kahn amendment was not in order. The Speaker ruled the point of order not well taken and the Sertich amendment to the Kahn amendment in 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.

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

There were 85 yeas and 48 nays as follows:

Those who voted in the affirmative were:

Anzelc	Falk	Jackson	Mahoney	Paymar	Sterner
Benson	Faust	Johnson	Mariani	Persell	Swails
Bigham	Fritz	Juhnke	Marquart	Peterson	Thao
Bly	Gardner	Kahn	Masin	Poppe	Thissen
Brown	Greiling	Kalin	Morgan	Reinert	Tillberry
Brynaert	Hansen	Kath	Morrow	Rosenthal	Wagenius
Bunn	Hausman	Knuth	Mullery	Rukavina	Ward
Carlson	Haws	Koenen	Murphy, E.	Ruud	Welti
Champion	Hayden	Laine	Murphy, M.	Sailer	Winkler
Clark	Hilstrom	Lenczewski	Nelson	Scalze	Spk. Kelliher
Davnie	Hilty	Lesch	Newton	Sertich	
Dill	Hornstein	Liebling	Norton	Simon	
Dittrich	Hortman	Lieder	Obermueller	Slawik	
Doty	Hosch	Lillie	Olin	Slocum	
Eken	Huntley	Loeffler	Otremba	Solberg	

Those who voted in the negative were:

Abeler	Davids	Emmer	Howes	McFarlane	Seifert
Anderson, B.	Dean	Garofalo	Kelly	McNamara	Severson
Anderson, P.	Demmer	Gottwalt	Kiffmeyer	Murdock	Shimanski
Anderson, S.	Dettmer	Gunther	Kohls	Nornes	Smith
Beard	Doepke	Hackbarth	Lanning	Pelowski	Torkelson
Brod	Downey	Hamilton	Loon	Peppin	Urdahl
Buesgens	Drazkowski	Holberg	Mack	Sanders	Westrom
Cornish	Eastlund	Hoppe	Magnus	Scott	Zellers

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

Pursuant to rule 1.50, Kohls moved that the House be allowed to continue in session after 12:00 midnight. The motion did not prevail.

The question recurred on the Sertich amendment to the Kahn amendment and the roll was called.

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

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

There were 2 yeas and 130 nays as follows:

Those who voted in the affirmative were:

Abeler Lanning

Those who voted in the negative were:

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

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

Kahn withdrew her amendment to S. F. No. 2082, the unofficial engrossment, as amended.

Garofalo was excused for the remainder of today's session.

Kahn and Hausman moved to amend S. F. No. 2082, the unofficial engrossment, as amended, as follows:

Page 67, delete section 86

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Solberg moved to amend S. F. No. 2082, the unofficial engrossment, as amended, as follows:

Page 49, line 13, delete "or sick"

Peppin moved to amend the Solberg amendment to S. F. No. 2082, the unofficial engrossment, as amended, as follows:

Page 1, after line 3, insert:

"Page 49, line 17, delete "or sick leave""

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

The question recurred on the Solberg amendment, as amended, to S. F. No. 2082, the unofficial engrossment, as amended. The motion prevailed and the amendment, as amended, was adopted.

Winkler; Downey; Anderson, S.; Kahn and Bigham moved to amend S. F. No. 2082, the unofficial engrossment, as amended, as follows:

Page 47, after line 20, insert:

"Subd. 2. **Requirements.** The transfer of an existing electronic licensing system to the Minnesota electronic licensing system may not reduce the critical functionality provided by the existing system."

Page 47, line 21, delete "2" and insert "3" and before "Executive" insert "(a)"

Page 48, after line 4, insert:

"(b) An agency may transfer an amount equivalent to the surcharge imposed under this section from existing license accounts in lieu of collecting the surcharge required under this section. If a transfer is made under this paragraph, the temporary surcharge required under paragraph (a) does not apply to the relevant license. Receipts from transfers received under this paragraph shall be deposited in the statewide licensing account established in subdivision 1."

Page 48, line 5, delete "3" and insert "4"

Page 48, line 8, delete "4" and insert "5"

Page 48, line 22, delete "5" and insert "6"

Page 48, after line 27, insert:

"Subd. 7. **Priority.** To the extent possible, in completing the Minnesota electronic licensing system, the state chief information officer must give priority to licenses that are not issued electronically. Licenses regulated by a health board under chapter 214 must not be transferred to the Minnesota electronic licensing system before July 1, 2011."

Page 48, line 28, delete "6" and insert "8"

The motion prevailed and the amendment was adopted.

McNamara moved to amend S. F. No. 2082, the unofficial engrossment, as amended, as follows:

Page 14, after line 10, insert:

"Sec. 2. **[3.091] REDUCED CARBON FOOTPRINT; TELECOMMUTING.**

To reduce the carbon footprint associated with travel to work by legislative employees, each legislative appointing authority must offer each legislative employee:

(1) the option to telecommute from home for up to 20 percent of the work days during the portion of the year that the legislature is not meeting in a regular or special session; or

(2) the option to work four ten-hour days each week, or a similar schedule that will reduce commuting to work by 20 percent, during the portion of the year that the legislature is not meeting in a regular or special session.

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.

CALL OF THE HOUSE LIFTED

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

Holberg, Kahn and Davnie moved to amend S. F. No. 2082, the unofficial engrossment, as amended, as follows:

Page 69, line 30, before "The" insert "(a)"

Page 70, line 6, delete everything after the period and insert:

"(b) Except as provided in paragraph (c), the business entity, holder of assumed name, or other person providing the email address under this section may indicate on the screen that they do not wish the email address provided under this section to be provided as bulk data.

(c) If the email address in paragraph (b) is provided as a portion of a digitally scanned image, the email address on that image is public."

Page 70, delete lines 7 and 8

The motion prevailed and the amendment was adopted.

Peppin moved to amend S. F. No. 2082, the unofficial engrossment, as amended, as follows:

Page 2, line 19, delete "67,352,000" and insert "67,373,000"

Page 2, line 22, delete "67,174,000" and insert "67,195,000"

Page 3, line 5, delete "15,602,000" and insert "15,623,000"

Page 3, line 15, delete the first "\$5,833,000" and insert "\$5,854,000"

Page 4, line 7, delete the first "\$25,631,000" and insert "\$25,610,000"

Page 4, line 10, delete the first "\$23,409,000" and insert "\$23,388,000"

Page 4, after line 14, insert:

"None of this appropriation may be used for remodeling of space occupied by the Attorney General's office."

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

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

The question recurred on the Peppin amendment and the roll was called.

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

There were 59 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Demmer	Fritz	Kiffmeyer	Nornes	Shimanski
Anderson, P.	Dettmer	Gottwalt	Kohls	Norton	Smith
Anderson, S.	Dittrich	Gunther	Lanning	Obermueller	Sterner
Beard	Doepke	Hackbarth	Loon	Peppin	Swails
Brod	Doty	Hamilton	Mack	Rosenthal	Torkelson
Buesgens	Downey	Holberg	Magnus	Sanders	Urdahl
Bunn	Drazkowski	Hoppe	McFarlane	Scalze	Ward
Cornish	Eastlund	Howes	McNamara	Scott	Westrom
Davids	Emmer	Kath	Morgan	Seifert	Zellers
Dean	Faust	Kelly	Murdock	Severson	

Those who voted in the negative were:

Abeler	Eken	Hosch	Liebling	Nelson	Sailer
Anzelc	Falk	Huntley	Lieder	Newton	Sertich
Benson	Gardner	Jackson	Lillie	Olin	Simon
Bigham	Greiling	Johnson	Loeffler	Otremba	Slawik
Bly	Hansen	Juhnke	Mahoney	Paymar	Slocum
Brown	Hausman	Kahn	Mariani	Pelowski	Solberg
Brynaert	Haws	Kalin	Marquart	Persell	Thao
Carlson	Hayden	Knuth	Masin	Peterson	Thissen
Champion	Hilstrom	Koenen	Morrow	Poppe	Tillberry
Clark	Hilty	Laine	Mullery	Reinert	Welti
Davnie	Hornstein	Lenczewski	Murphy, E.	Rukavina	Winkler
Dill	Hortman	Lesch	Murphy, M.	Ruud	Spk. Kelliher

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

CALL OF THE HOUSE LIFTED

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

The Speaker called Thissen to the chair.

Seifert and Kahn moved to amend S. F. No. 2082, the unofficial engrossment, as amended, as follows:

Page 35, after line 12, insert:

"Sec. 41. Minnesota Statutes 2008, section 16A.151, subdivision 2, is amended to read:

Subd. 2. **Exceptions.** (a) If a state official litigates or settles a matter on behalf of specific injured persons or entities, this section does not prohibit distribution of money to the specific injured persons or entities on whose behalf the litigation or settlement efforts were initiated. If money recovered on behalf of injured persons or entities

cannot reasonably be distributed to those persons or entities because they cannot readily be located or identified or because the cost of distributing the money would outweigh the benefit to the persons or entities, the money must be paid into the general fund.

(b) Money recovered on behalf of a fund in the state treasury other than the general fund may be deposited in that fund.

(c) This section does not prohibit a state official from distributing money to a person or entity other than the state in litigation or potential litigation in which the state is a defendant or potential defendant.

(d) State agencies may accept funds as directed by a federal court for any restitution or monetary penalty under United States Code, title 18, section 3663(a)(3) or United States Code, title 18, section 3663A(a)(3). Funds received must be deposited in a special revenue account and are appropriated to the commissioner of the agency for the purpose as directed by the federal court.

~~(e) Subdivision 1 does not apply to a recovery or settlement of less than \$750,000.~~

EFFECTIVE DATE. This section is effective August 1, 2009, and applies to actions commenced 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.

Emmer; Gottwalt; Peppin; Downey; Demmer; Sanders; Davids; Holberg; Brod; Buesgens; Kiffmeyer; Torkelson; Anderson, S.; Cornish; Smith; Gunther; Garofalo; Seifert and McNamara moved to amend S. F. No. 2082, the unofficial engrossment, as amended, as follows:

Page 55, after line 28, insert:

"Sec. 67. **[201.017] VOTER IDENTIFICATION CARDS.**

Subdivision 1. **Access; eligibility.** The county auditor must provide at least one location in the county at which it will accept applications for and issue voter identification cards to registered Minnesota voters. A voter identification card is valid only for purposes of voter identification under section 204C.10, and is available only to registered Minnesota voters. No fee may be charged or collected for the application for or issuance of a voter identification card. A voter is not eligible for a voter identification card if the voter has a Minnesota driver's license or identification card issued by the Department of Public Safety that is currently valid and will not expire prior to election day.

Subd. 2. **Validity.** A voter identification card is valid as long as the voter resides at the address indicated on the card and remains qualified to vote. A voter who moves to a different residence within the state must surrender the card to the appropriate county auditor of the new residence. After surrender of an invalid card, a voter may apply for and receive a new card if the voter is otherwise eligible. A person who moves to a residence outside the state of Minnesota or who ceases to be qualified to vote must surrender the voter identification card to the county auditor from which it was issued.

Subd. 3. Documentation required of applicant. (a) An applicant for a voter identification card must submit the following before the county auditor may issue an identification card:

(1) proof of the applicant's current registration to vote in the state of Minnesota;

(2) documentation approved by the secretary of state sufficient to prove residence in Minnesota for purposes of election day voter registration; and

(3) official documentation that contains the applicant's name, current address of residence, and date of birth.

The secretary of state may adopt rules to further describe and define the types of documentation sufficient to meet the requirements of this subdivision.

(b) The application for a voter identification card shall elicit the information required to be printed under subdivision 4. The application must be signed and sworn to by the applicant. An applicant who knowingly submits an application containing false information is guilty of a felony.

Subd. 4. Format of card. The voter identification card shall be captioned "MINNESOTA VOTER IDENTIFICATION CARD," and contain a prominent statement that under Minnesota law, the card is valid only as identification for voting purposes. The voter identification card must be laminated, contain a digital color photograph of the voter, and include the following information about the voter:

(1) full legal name;

(2) address of residence;

(3) birth date;

(4) date identification card was issued;

(5) sex;

(6) height;

(7) weight;

(8) eye color;

(9) county where identification card was issued; and

(10) any other information prescribed by the secretary of state.

Subd. 5. Duties of the secretary of state. The secretary of state shall provide each county auditor with the necessary equipment, forms, supplies, and training for the production of the Minnesota voter identification cards and is responsible for maintaining the equipment.

The secretary of state may adopt any rules necessary to facilitate administration of this section."

Page 59, after line 26, insert:

"Sec. 71. Minnesota Statutes 2008, section 204C.10, is amended to read:

204C.10 PERMANENT REGISTRATION; VERIFICATION OF REGISTRATION.

Subdivision 1. Polling place roster. (a) An individual seeking to vote shall sign a polling place roster which states that the individual is at least 18 years of age, a citizen of the United States, has resided in Minnesota for 20 days immediately preceding the election, maintains residence at the address shown, is not under a guardianship in which the court order revokes the individual's right to vote, has not been found by a court of law to be legally incompetent to vote or has the right to vote because, if the individual was convicted of a felony, the felony sentence has expired or been completed or the individual has been discharged from the sentence, is registered and has not already voted in the election. The roster must also state: "I understand that deliberately providing false information is a felony punishable by not more than five years imprisonment and a fine of not more than \$10,000, or both."

~~(b) A judge may, Before the applicant signs the roster, a judge: (1) may confirm the applicant's name, address, and date of birth; and (2) except when a voter has a religious objection to being photographed, must require the voter to provide photo identification, as described in subdivision 2.~~

(c) After the applicant signs the roster, the judge shall give the applicant a voter's receipt. The voter shall deliver the voter's receipt to the judge in charge of ballots as proof of the voter's right to vote, and thereupon the judge shall hand to the voter the ballot. The voters' receipts must be maintained during the time for notice of filing an election contest.

Subd. 2. Photo identification. (a) To satisfy the photo identification requirement in subdivision 1, a voter must present one of the following:

(1) a valid Minnesota driver's license or identification card, issued by the Department of Public Safety;

(2) a valid Minnesota voter identification card issued under section 201.017;

(3) a valid identification card issued by a branch, department, agency, entity, or subdivision of the state of Minnesota or the federal government which is authorized by law to issue personal identification, provided that the identification card contains a photograph of the voter;

(4) a valid United States passport; or

(5) a valid tribal identification card containing a photograph of the voter.

(b) If a voter is unable to produce any of the items of identification listed in paragraph (a), the voter shall be allowed to vote a provisional ballot upon swearing or affirming that the voter is the person identified on the polling place roster. Falsely swearing or affirming the oath shall be punishable as a felony. A provisional ballot may be cast in the manner provided in section 204C.135.

Sec. 72. [204C.135] PROVISIONAL BALLOTS.

Subdivision 1. Casting of provisional ballots. (a) A voter who appears at a polling place for the purpose of casting a ballot in a primary or general election but is unable to provide proper photo identification as required by section 204C.10 is entitled, upon swearing or affirming the voter's identity, to cast a provisional ballot as provided by this section.

(b) A voter seeking to vote a provisional ballot must complete a provisional ballot voting certificate. The certificate must include information about the place, manner, and approximate date on which the voter previously registered to vote. The voter must also swear or affirm in writing that the voter previously registered to vote, is eligible to vote, has not voted previously in that election, and meets the criteria for registering to vote in Minnesota. The form of the provisional ballot voting certificate shall be prescribed by the secretary of state.

(c) Once the voter has completed the provisional ballot voting certificate as required by this subdivision, the voter must be allowed to cast a provisional ballot. The provisional ballot must be the same as that utilized by the county or municipality for mail-in absentee ballots. A completed provisional ballot shall be sealed in the manner required for absentee ballots pursuant to section 203B.07, and deposited by the voter in a secure, sealed ballot box.

Subd. 2. **Counting provisional ballots.** (a) The head election judge in a precinct where a provisional vote was cast must notify the county auditor or municipal clerk of the number of provisional ballots cast as soon as practicable following the closing of the polls. Provisional ballots and related documentation shall be delivered to and securely maintained by the county auditor or municipal clerk.

(b) A voter who, because of an inability to produce photo identification on election day, cast a provisional ballot in the polling place may personally appear before the county auditor or municipal clerk no later than five business days following the election to determine whether the provisional ballot will be counted. The county auditor or municipal clerk must count a provisional ballot in the final certified results from the precinct if the voter either: (1) presents a form of photo identification permissible under section 204C.10, subdivision 2, or the documentation necessary to secure a Minnesota voter identification card under section 201.017, subdivision 3; or (2) executes an affidavit before the county auditor or municipal clerk, in a form prescribed by the secretary of state, affirming under penalty of perjury that the voter is the same person who appeared in the polling place on election day and cast a provisional ballot and either: (i) is unable to obtain a sufficient form of photo identification without the payment of a fee and was not able to secure a Minnesota voter identification card prior to election day; or (ii) has a religious objection to being photographed.

(c) If a voter does not appear before the county auditor or municipal clerk within five business days following the election, or otherwise does not satisfy the requirements of paragraph (b), the voter's provisional ballot must not be counted.

(d) The county auditor or municipal clerk must notify, in writing, any voter who does not appear within five business days of the election that their provisional ballot was not cast because of the voter's failure to provide photo identification at the polling place and the voter's failure to appear within five business days following the election to determine whether the provisional ballot should be counted."

Page 69, after line 15, insert:

"Sec. 94. **EFFECTIVE DATE.**

Sections 67, 71, and 72 are effective July 1, 2013."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Emmer et al amendment and the roll was called. There were 58 yeas and 74 nays as follows:

Those who voted in the affirmative were:

Abeler	Anderson, S.	Brown	Cornish	Demmer	Dittrich
Anderson, B.	Beard	Buesgens	Davids	Dettmer	Doepke
Anderson, P.	Brod	Bunn	Dean	Dill	Doty

Downey	Hamilton	Kohls	Murdock	Scalze	Swails
Drazkowski	Holberg	Lanning	Nornes	Scott	Torkelson
Eastlund	Hoppe	Loon	Obermueller	Seifert	Urdahl
Emmer	Howes	Mack	Olin	Severson	Westrom
Gottwalt	Kath	Magnus	Otremba	Shimanski	Zellers
Gunther	Kelly	McFarlane	Peppin	Smith	
Hackbarth	Kiffmeyer	McNamara	Sanders	Sterner	

Those who voted in the negative were:

Anzelc	Gardner	Johnson	Mahoney	Pelowski	Solberg
Benson	Greiling	Juhnke	Mariani	Persell	Thao
Bigham	Hansen	Kahn	Marquart	Peterson	Thissen
Bly	Hausman	Kalin	Masin	Poppe	Tillberry
Brynaert	Haws	Knuth	Morgan	Reinert	Wagenius
Carlson	Hayden	Koenen	Morrow	Rosenthal	Ward
Champion	Hilstrom	Laine	Mullery	Rukavina	Welti
Clark	Hilty	Lenczewski	Murphy, E.	Ruud	Winkler
Davnie	Hornstein	Lesch	Murphy, M.	Sailer	Spk. Kelliher
Eken	Hortman	Liebling	Nelson	Sertich	
Falk	Hosch	Lieder	Newton	Simon	
Faust	Huntley	Lillie	Norton	Slawik	
Fritz	Jackson	Loeffler	Paymar	Slocum	

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

Emmer moved to amend S. F. No. 2082, the unofficial engrossment, as amended, as follows:

Page 52, delete section 65

Page 55, delete section 67

Page 56, delete section 68

Page 58, delete section 69

Page 59, delete section 70

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Emmer amendment and the roll was called. There were 50 yeas and 82 nays as follows:

Those who voted in the affirmative were:

Abeler	Anderson, S.	Buesgens	Dean	Doepke	Eastlund
Anderson, B.	Beard	Cornish	Demmer	Downey	Emmer
Anderson, P.	Brod	Davids	Detmer	Drazkowski	Gottwalt

Gunther	Kath	Mack	Otremba	Severson	Westrom
Hackbarth	Kelly	Magnus	Peppin	Shimanski	Zellers
Hamilton	Kiffmeyer	McFarlane	Peterson	Smith	
Holberg	Kohls	McNamara	Sanders	Sterner	
Hoppe	Lanning	Murdock	Scott	Torkelson	
Howes	Loon	Nornes	Seifert	Urdahl	

Those who voted in the negative were:

Anzelc	Eken	Hosch	Lillie	Obermueller	Slawik
Benson	Falk	Huntley	Loeffler	Olin	Slocum
Bigham	Faust	Jackson	Mahoney	Paymar	Solberg
Bly	Fritz	Johnson	Mariani	Pelowski	Swails
Brown	Gardner	Juhnke	Marquart	Persell	Thao
Brynaert	Greiling	Kahn	Masin	Poppe	Thissen
Bunn	Hansen	Kalin	Morgan	Reinert	Tillberry
Carlson	Hausman	Knuth	Morrow	Rosenthal	Wagenius
Champion	Haws	Koenen	Mullery	Rukavina	Ward
Clark	Hayden	Laine	Murphy, E.	Ruud	Welti
Davnie	Hilstrom	Lenczewski	Murphy, M.	Sailer	Winkler
Dill	Hilty	Lesch	Nelson	Scalze	Spk. Kelliher
Dittrich	Hornstein	Liebling	Newton	Sertich	
Doty	Hortman	Lieder	Norton	Simon	

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

Kalin moved to amend S. F. No. 2082, the unofficial engrossment, as amended, as follows:

Page 40, delete section 49

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

Severson moved to amend S. F. No. 2082, the unofficial engrossment, as amended, as follows:

Page 45, delete section 54

Page 46, delete section 55

Page 47, delete section 56

Page 53, delete section 66

Page 60, delete section 74

Page 88, after line 2, insert:

"ARTICLE 4

VETERANS PREFERENCE

Section 1. 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. 2. 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. 3. 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. 4. 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. 5. 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."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The Speaker resumed the chair.

The question was taken on the Severson amendment and the roll was called. There were 113 yeas and 19 nays as follows:

Those who voted in the affirmative were:

Abeler	Beard	Brown	Cornish	Dettmer	Drazkowski
Anderson, B.	Benson	Buesgens	Davids	Dittrich	Eastlund
Anderson, P.	Bigham	Bunn	Davnie	Doepke	Eken
Anderson, S.	Bly	Carlson	Dean	Doty	Emmer
Anzelc	Brod	Champion	Demmer	Downey	Falk

Faust	Hosch	Lanning	Morrow	Rosenthal	Smith
Fritz	Howes	Lenczewski	Murdock	Rukavina	Solberg
Gardner	Huntley	Lesch	Newton	Ruud	Sterner
Gottwalt	Jackson	Lieder	Nornes	Sailer	Swails
Gunther	Johnson	Lillie	Norton	Sanders	Thissen
Hackbarth	Juhnke	Loon	Obermueller	Scalze	Tillberry
Hamilton	Kalin	Mack	Olin	Scott	Torkelson
Hansen	Kath	Magnus	Otremba	Seifert	Urdahl
Haws	Kelly	Mahoney	Pelowski	Sertich	Ward
Hilstrom	Kiffmeyer	Marquart	Peppin	Severson	Welti
Holberg	Knuth	Masin	Persell	Shimanski	Westrom
Hoppe	Koenen	McFarlane	Peterson	Simon	Zellers
Hornstein	Kohls	McNamara	Poppe	Slawik	Spk. Kelliher
Hortman	Laine	Morgan	Reinert	Slocum	

Those who voted in the negative were:

Brynaert	Hausman	Liebling	Murphy, E.	Thao
Clark	Hayden	Loeffler	Murphy, M.	Wagenius
Dill	Hilty	Mariani	Nelson	Winkler
Greiling	Kahn	Mullery	Paymar	

The motion prevailed and the amendment was adopted.

Peppin moved to amend S. F. No. 2082, the unofficial engrossment, as amended, as follows:

Page 39, delete section 45

Page 40, delete section 46

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Peppin amendment and the roll was called. There were 2 yeas and 130 nays as follows:

Those who voted in the affirmative were:

Holberg	Peppin
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Those who voted in the negative were:

Abeler	Anzelc	Bly	Buesgens	Clark	Dean
Anderson, B.	Beard	Brod	Bunn	Cornish	Demmer
Anderson, P.	Benson	Brown	Carlson	Davids	Dettmer
Anderson, S.	Bigham	Brynaert	Champion	Davnie	Dill

Dittrich	Hausman	Kiffmeyer	Masin	Persell	Smith
Doepke	Haws	Knuth	McFarlane	Peterson	Solberg
Doty	Hayden	Koenen	McNamara	Poppe	Sterner
Downey	Hilstrom	Kohls	Morgan	Reinert	Swails
Drazkowski	Hilty	Laine	Morrow	Rosenthal	Thao
Eastlund	Hoppe	Lanning	Mullery	Rukavina	Thissen
Eken	Hornstein	Lenczewski	Murdock	Ruud	Tillberry
Emmer	Hortman	Lesch	Murphy, E.	Sailer	Torkelson
Falk	Hosch	Liebling	Murphy, M.	Sanders	Urdahl
Faust	Howes	Lieder	Nelson	Scalze	Wagenius
Fritz	Huntley	Lillie	Newton	Scott	Ward
Gardner	Jackson	Loeffler	Nornes	Seifert	Welti
Gottwalt	Johnson	Loon	Norton	Sertich	Westrom
Greiling	Juhnke	Mack	Obermueller	Severson	Winkler
Gunther	Kahn	Magnus	Olin	Shimanski	Zellers
Hackbarth	Kalin	Mahoney	Otremba	Simon	Spk. Kelliher
Hamilton	Kath	Mariani	Paymar	Slawik	
Hansen	Kelly	Marquart	Pelowski	Slocum	

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

Buesgens moved to amend S. F. No. 2082, the unofficial engrossment, as amended, as follows:

Page 33, after line 27, insert:

"Sec. 36. **16A.104 ADJUSTING PROGRAMS TO MEET AVAILABLE RESOURCES.**

(a) As part of each forecast required by section 16A.103, the commissioner of finance must estimate the amount of state general funds to be spent during the biennium for each program:

(1) that is supported by an open appropriation of state general funds; or

(2) for which a state law or rule potentially can be construed to require the state to pay more than the amount of a direct general fund appropriation.

(b) The head of an agency that administers a program subject to an estimate in paragraph (a) must notify the commissioner of finance if the amount of state general funds required to pay for the program during the biennium in which a forecast is issued is five percent or more greater than the amount of general fund expenditures for the program projected in the most recent forecast. If a law or rule changing a program is enacted or adopted after a forecast is issued, the comparison required under this paragraph must be based on the fund balance projections issued by the commissioner of finance after the changes are enacted or adopted, until the next forecast is issued under section 16A.103.

(c) If paragraph (b) applies to a program, the head of the agency administering the program may take any action that agency head determines is appropriate to ensure that the actual state general fund expenditures do not exceed the forecasted or projected state general fund expenditures for the remainder of the biennium by more than five percent. These actions may include, but are not limited to:

(1) establishing a waiting list to receive benefits under the program;

(2) establishing eligibility requirements for the program more restrictive than those established in statute, rule, or policy; or

(3) prorating funds for the program among eligible recipients.

(d) An agency head acting under paragraph (c) must report actions taken as soon as possible to the chairs and ranking minority members of the legislative committees with jurisdiction over funding and policy for the affected programs.

(e) This section supersedes any contrary law, rule, or policy."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Buesgens amendment and the roll was called. There were 43 yeas and 89 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Gottwalt	Kiffmeyer	Sanders	Urdahl
Anderson, B.	Demmer	Gunther	Kohls	Scott	Westrom
Anderson, P.	Dettmer	Hackbarth	Loon	Seifert	Zellers
Anderson, S.	Doepke	Hamilton	Mack	Severson	
Beard	Downey	Holberg	Magnus	Shimanski	
Brod	Drazkowski	Hoppe	Murdock	Smith	
Buesgens	Eastlund	Howes	Nornes	Sterner	
Davids	Emmer	Kelly	Peppin	Torkelson	

Those who voted in the negative were:

Anzelc	Eken	Huntley	Lillie	Norton	Sertich
Benson	Falk	Jackson	Loeffler	Obermueller	Simon
Bigham	Faust	Johnson	Mahoney	Olin	Slawik
Bly	Fritz	Juhnke	Mariani	Otremba	Slocum
Brown	Gardner	Kahn	Marquart	Paymar	Solberg
Brynaert	Greiling	Kalin	Masin	Pelowski	Swails
Bunn	Hansen	Kath	McFarlane	Persell	Thao
Carlson	Hausman	Knuth	McNamara	Peterson	Thissen
Champion	Haws	Koenen	Morgan	Poppe	Tillberry
Clark	Hayden	Laine	Morrow	Reinert	Wagenius
Cornish	Hilstrom	Lanning	Mullery	Rosenthal	Ward
Davnie	Hilty	Lenczewski	Murphy, E.	Rukavina	Welti
Dill	Hornstein	Lesch	Murphy, M.	Ruud	Winkler
Dittrich	Hortman	Liebling	Nelson	Sailer	Spk. Kelliher
Doty	Hosch	Lieder	Newton	Scalze	

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

Brod offered an amendment to S. F. No. 2082, the unofficial engrossment, as amended.

Kahn requested a division of the Brod amendment to S. F. No. 2082, the unofficial engrossment, as amended.

Kahn further requested that the second portion of the divided Brod amendment be voted on first.

The second portion of the Brod amendment to S. F. No. 2082, the unofficial engrossment, as amended, reads as follows:

Page 59, line 15, before "must" insert "of the individual's own registration"

The motion prevailed and the second portion of the Brod amendment was adopted.

The first portion of the Brod amendment to S. F. No. 2082, the unofficial engrossment, as amended, reads as follows:

Page 56, line 1, delete "for it" and insert "which ensures the residency and identity of the registrant"

Page 58, lines 13 and 14, reinstate the stricken language

A roll call was requested and properly seconded.

The question was taken on the first portion of the Brod amendment and the roll was called. There were 48 yeas and 84 nays as follows:

Those who voted in the affirmative were:

Abeler	Cornish	Eastlund	Howes	McFarlane	Severson
Anderson, B.	Davids	Emmer	Kelly	McNamara	Shimanski
Anderson, P.	Dean	Gottwalt	Kiffmeyer	Murdock	Smith
Anderson, S.	Demmer	Gunther	Kohls	Nornes	Sterner
Beard	Dettmer	Hackbarth	Lanning	Peppin	Torkelson
Brod	Doepke	Hamilton	Loon	Sanders	Urdahl
Buesgens	Downey	Holberg	Mack	Scott	Westrom
Bunn	Drazkowski	Hoppe	Magnus	Seifert	Zellers

Those who voted in the negative were:

Anzelc	Dittrich	Hayden	Kalin	Mahoney	Norton
Benson	Doty	Hilstrom	Kath	Mariani	Obermueller
Bigham	Eken	Hilty	Knuth	Marquart	Olin
Bly	Falk	Hornstein	Koenen	Masin	Otremba
Brown	Faust	Hortman	Laine	Morgan	Paymar
Brynaert	Fritz	Hosch	Lenczewski	Morrow	Pelowski
Carlson	Gardner	Huntley	Lesch	Mullery	Persell
Champion	Greiling	Jackson	Liebling	Murphy, E.	Peterson
Clark	Hansen	Johnson	Lieder	Murphy, M.	Poppe
Davnie	Hausman	Juhnke	Lillie	Nelson	Reinert
Dill	Haws	Kahn	Loeffler	Newton	Rosenthal

Rukavina	Scalze	Slawik	Swails	Tillberry	Welti
Ruud	Sertich	Slocum	Thao	Wagenius	Winkler
Sailer	Simon	Solberg	Thissen	Ward	Spk. Kelliher

The motion did not prevail and the first portion of the Brod amendment was not adopted.

Peppin moved to amend S. F. No. 2082, the unofficial engrossment, as amended, as follows:

Page 13, line 30, delete "\$16,488,000" and insert "\$8,244,000" in both places

Page 13, line 31, after the period, insert "The attorney general must reduce the number of deputy attorney generals, assistant attorney generals, and other positions in the office of the attorney general by an amount that will generate savings to the general fund of \$8,244,000 in the biennium ending June 30, 2011 and \$8,244,000 in the biennium ending June 30, 2013."

A roll call was requested and properly seconded.

The question was taken on the Peppin amendment and the roll was called. There were 29 yeas and 103 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dettmer	Gunther	Kiffmeyer	Nornes	Shimanski
Anderson, S.	Doepke	Hackbarth	Kohls	Peppin	Smith
Beard	Downey	Holberg	McFarlane	Scott	Westrom
Buesgens	Drazkowski	Hoppe	McNamara	Seifert	Zellers
Davids	Gottwalt	Kelly	Murdock	Severson	

Those who voted in the negative were:

Abeler	Dittrich	Hortman	Lillie	Olin	Solberg
Anderson, P.	Doty	Hosch	Loeffler	Otremba	Sterner
Anzelc	Eastlund	Howes	Loon	Paymar	Swails
Benson	Eken	Huntley	Mack	Pelowski	Thao
Bigham	Emmer	Jackson	Magnus	Persell	Thissen
Bly	Falk	Johnson	Mahoney	Peterson	Tillberry
Brod	Faust	Juhnke	Mariani	Poppe	Torkelson
Brown	Fritz	Kahn	Marquart	Reinert	Urdahl
Brynaert	Gardner	Kalin	Masin	Rosenthal	Wagenius
Bunn	Greiling	Kath	Morgan	Rukavina	Ward
Carlson	Hamilton	Knuth	Morrow	Ruud	Welti
Champion	Hansen	Koenen	Mullery	Sailer	Winkler
Clark	Hausman	Laine	Murphy, E.	Sanders	Spk. Kelliher
Cornish	Haws	Lanning	Murphy, M.	Scalze	
Davnie	Hayden	Lenczewski	Nelson	Sertich	
Dean	Hilstrom	Lesch	Newton	Simon	
Demmer	Hilty	Liebling	Norton	Slawik	
Dill	Hornstein	Lieder	Obermueller	Slocum	

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

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

Emmer moved to amend S. F. No. 2082, the unofficial engrossment, as amended, as follows:

Page 40, delete section 48

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.

Simon moved to amend S. F. No. 2082, the unofficial engrossment, as amended, as follows:

Page 59, delete section 71

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Downey moved to amend S. F. No. 2082, the unofficial engrossment, as amended, as follows:

Page 4, line 7, delete the first "25,631,000" and insert "24,839,000"

Page 4, line 10, delete the first "23,409,000" and insert "22,617,000"

Page 13, after line 11, insert:

"Sec. 30. **MAPS.** **\$2,746,000**

This appropriation is to the commissioner of finance for the fiscal year ending June 30, 2010 for planning, preparation and initial implementation of the replacement of the state's accounting and procurement systems. This appropriation is available until spent."

Page 71, line 24, strike "uniform commercial code account" and insert "general fund"

Page 71, delete lines 26 and 27

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.

Downey moved to amend S. F. No. 2082, the unofficial engrossment, as amended, as follows:

Page 13, line 27, delete everything after "of" and insert "positions."

Page 13, line 28, delete everything before "under"

A roll call was requested and properly seconded.

The question was taken on the Downey amendment and the roll was called. There were 48 yeas and 84 nays as follows:

Those who voted in the affirmative were:

Abeler	Davids	Emmer	Kelly	McNamara	Shimanski
Anderson, B.	Dean	Gottwalt	Kiffmeyer	Murdock	Smith
Anderson, P.	Demmer	Gunther	Kohls	Nornes	Sterner
Anderson, S.	Dettmer	Hackbarth	Lanning	Peppin	Torkelson
Beard	Doepke	Hamilton	Loon	Sanders	Urdahl
Brod	Downey	Holberg	Mack	Scott	Welti
Buesgens	Drazkowski	Hoppe	Magnus	Seifert	Westrom
Cornish	Eastlund	Howes	McFarlane	Severson	Zellers

Those who voted in the negative were:

Anzelc	Eken	Hosch	Lieder	Norton	Scalze
Benson	Falk	Huntley	Lillie	Obermueller	Sertich
Bigham	Faust	Jackson	Loeffler	Olin	Simon
Bly	Fritz	Johnson	Mahoney	Otremba	Slawik
Brown	Gardner	Juhnke	Mariani	Paymar	Slocum
Brynaert	Greiling	Kahn	Marquart	Pelowski	Solberg
Bunn	Hansen	Kalin	Masin	Persell	Swails
Carlson	Hausman	Kath	Morgan	Peterson	Thao
Champion	Haws	Knuth	Morrow	Poppe	Thissen
Clark	Hayden	Koenen	Mullery	Reinert	Tillberry
Davnie	Hilstrom	Laine	Murphy, E.	Rosenthal	Wagenius
Dill	Hilty	Lenczewski	Murphy, M.	Rukavina	Ward
Dittrich	Hornstein	Lesch	Nelson	Ruud	Winkler
Doty	Hortman	Liebling	Newton	Sailer	Spk. Kelliher

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

Zellers and Kahn moved to amend S. F. No. 2082, the unofficial engrossment, as amended, as follows:

Page 71, line 3, after the period, insert "The aggregate fee for a filing under this clause shall not exceed \$35,000."

The motion prevailed and the amendment was adopted.

Falk; Sailer; Koenen; Murphy, E.; Urdahl; Anzelc; Juhnke and Morrow moved to amend S. F. No. 2082, the unofficial engrossment, as amended, as follows:

Page 40, after line 23, insert:

"Sec. 50. **[16B.276] COMPOSTABLE MATERIALS IN CAFETERIAS.**

In entering into contracts for operation of cafeterias in the Capitol complex, the commissioner of administration must ensure, to the extent practicable, that disposable utensils, plates and containers used in the cafeterias are made of a corn-based or other compostable material, and that used utensils, plates and containers are collected and processed in a manner such that they can be composted."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Zellers moved to amend the Falk et al amendment to S. F. No. 2082, the unofficial engrossment, as amended, as follows:

Page 1, line 5, after "practicable" insert "and economical"

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

The question recurred on the Falk et al amendment, as amended, to S. F. No. 2082, the unofficial engrossment, as amended. The motion prevailed and the amendment, as amended, was adopted.

Emmer moved to amend S. F. No. 2082, the unofficial engrossment, as amended, as follows:

Page 45, after line 32, insert:

"Sec. 54. **[16C.046] INELIGIBILITY.**

A person is not eligible to be awarded a contract, or sell any goods or services to an agency if the person has been convicted of a crime for knowingly employing illegal aliens in the United States. The person remains ineligible for five years from the date of the conviction. This section applies to the Minnesota State Colleges and Universities. For purposes of this section, "person" means a natural person or a business. A business is ineligible under this section if a natural person who owns more than one-half of the business is convicted of a crime specified in this section. The commissioner may waive application of this section if the commissioner determines that waiver is in the best interests of the state.

EFFECTIVE DATE. This section is effective July 1, 2009, and applies to solicitations sent and contracts entered into on and after that date."

Page 60, after line 24, insert:

"Sec. 77. Minnesota Statutes 2008, section 471.345, is amended by adding a subdivision to read:

Subd. 20. Ineligibility. A person is not eligible to receive a solicitation, be awarded a contract, or sell any goods or services to a municipality if the person has been convicted of a crime for knowingly employing illegal aliens in the United States. The person remains ineligible for five years from the date of the conviction. For purposes of this section, "person" means a natural person or a business. A business is ineligible under this section if a natural person who owns more than one-half of the business is convicted of a crime specified in this section.

EFFECTIVE DATE. This section is effective July 1, 2009, and applies to solicitations sent and contracts entered into on and after that date."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Emmer amendment and the roll was called. There were 119 yeas and 13 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Champion	Hausman	Kahn	Murphy, E.	Wagenius
Clark	Hayden	Loeffler	Nelson	
Davnie	Hornstein	Mariani	Thao	

The motion prevailed and the amendment was adopted.

Drazkowski and Downey moved to amend S. F. No. 2082, the unofficial engrossment, as amended, as follows:

Page 16, after line 3, insert:

"Sec. 5. **[3.9865] OPT OUT OF UNFUNDED MANDATES.**

A school district, county, town, or home rule charter or statutory city may elect not to comply with a mandate imposed by state law or rule unless the legislature has provided funding to the unit of local government to comply with the mandate."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Drazkowski and Downey amendment and the roll was called. There were 52 yeas and 80 nays as follows:

Those who voted in the affirmative were:

Abeler	Demmer	Gunther	Kiffmeyer	Murdock	Shimanski
Anderson, B.	Dettmer	Hackbarth	Kohls	Nornes	Smith
Anderson, P.	Doepke	Hamilton	Lanning	Obermueller	Sterner
Anderson, S.	Doty	Holberg	Loon	Otremba	Torkelson
Beard	Downey	Hoppe	Mack	Peppin	Urdahl
Brod	Drazkowski	Howes	Magnus	Sanders	Westrom
Buesgens	Eastlund	Jackson	Masin	Scott	Zellers
Davids	Emmer	Kath	McFarlane	Seifert	
Dean	Gottwalt	Kelly	McNamara	Severson	

Those who voted in the negative were:

Anzelc	Eken	Hosch	Loeffler	Pelowski	Solberg
Benson	Falk	Huntley	Mahoney	Persell	Swails
Bigham	Faust	Johnson	Mariani	Peterson	Thao
Bly	Fritz	Juhnke	Marquart	Poppe	Thissen
Brown	Gardner	Kahn	Morgan	Reinert	Tillberry
Brynaert	Greiling	Kalin	Morrow	Rosenthal	Wagenius
Bunn	Hansen	Knuth	Mullery	Rukavina	Ward
Carlson	Hausman	Koenen	Murphy, E.	Ruud	Welti
Champion	Haws	Laine	Murphy, M.	Sailer	Winkler
Clark	Hayden	Lenczewski	Nelson	Scalze	Spk. Kelliher
Cornish	Hilstrom	Lesch	Newton	Sertich	
Davnie	Hilty	Liebling	Norton	Simon	
Dill	Hornstein	Lieder	Olin	Slawik	
Dittrich	Hortman	Lillie	Paymar	Slocum	

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

Emmer moved to amend S. F. No. 2082, the unofficial engrossment, as amended, as follows:

Page 22, line 30, delete "(8)" and insert "(7)"

Page 23, line 32, after the period, insert "Once a person in authority has knowledge of any of the acts in clauses (1) to (7), the person in authority has 90 days to cure in order for no liability to attach to the person in authority. The person who knowingly commits any of the acts in clauses (1) to (7) remains civilly and criminally liable."

A roll call was requested and properly seconded.

The question was taken on the Emmer amendment and the roll was called. There were 49 yeas and 83 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Gunther	Lanning	Obermueller	Torkelson
Anderson, B.	Demmer	Hackbarth	Lillie	Peppin	Urdahl
Anderson, P.	Dettmer	Hamilton	Loon	Sanders	Westrom
Anderson, S.	Doepke	Holberg	Mack	Scott	Zellers
Beard	Downey	Hoppe	Magnus	Seifert	
Brod	Drazkowski	Howes	McFarlane	Severson	
Buesgens	Eastlund	Kelly	McNamara	Shimanski	
Cornish	Emmer	Kiffmeyer	Murdock	Smith	
Davids	Gottwalt	Kohls	Nornes	Sterner	

Those who voted in the negative were:

Anzcl	Eken	Hosch	Lieder	Olin	Simon
Benson	Falk	Huntley	Loeffler	Otremba	Slawik
Bigham	Faust	Jackson	Mahoney	Paymar	Slocum
Bly	Fritz	Johnson	Mariani	Pelowski	Solberg
Brown	Gardner	Juhnke	Marquart	Persell	Swails
Brynaert	Greiling	Kahn	Masin	Peterson	Thao
Bunn	Hansen	Kalin	Morgan	Poppe	Thissen
Carlson	Hausman	Kath	Morrow	Reinert	Tillberry
Champion	Haws	Knuth	Mullery	Rosenthal	Wagenius
Clark	Hayden	Koenen	Murphy, E.	Rukavina	Ward
Davnie	Hilstrom	Laine	Murphy, M.	Ruud	Welti
Dill	Hilty	Lenczewski	Nelson	Sailer	Winkler
Dittrich	Hornstein	Lesch	Newton	Scalze	Spk. Kelliher
Doty	Hortman	Liebling	Norton	Sertich	

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

Holberg moved to amend S. F. No. 2082, the unofficial grossment, as amended, as follows:

Page 39, after line 11, insert:

"Sec. 44. **[16A.90] E-VERIFY.**

An employer using state funds or funds available under the American Recovery and Reinvestment Act of 2009 to hire new employees must use the E-Verify system to determine employment eligibility of new hires."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Zellers moved to amend S. F. No. 2082, the unofficial engrossment, as amended, as follows:

Page 34, after line 5, insert:

"Sec. 38. **[16A.1284] NO NEW FEES CHARGED TO SCHOOLS.**

(a) Notwithstanding any law to the contrary, a state agency may not charge a fee to a school, unless the fee was in effect on July 1, 2009.

(b) For purposes of this section, "school" means:

(1) a public school, as defined in section 120A.05, subdivisions 9, 11, 13, and 17;

(2) a nonpublic school that is accredited by an accrediting agency recognized according to section 123B.445 or recognized by the commissioner; and

(3) a charter school created under section 124D.10."

Page 60, after line 24, insert:

"Sec. 74. **[471.685] LIMIT ON POSTSECONDARY INSTITUTION FEES.**

A statutory or home rule charter city, county, or town may not impose a fee, assessment, or similar charge:

(1) on a person, based on the person's status as a student enrolled in a postsecondary educational institution; or

(2) on a postsecondary educational institution, based on the number of students attending the postsecondary institution."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Zellers amendment and the roll was called. There were 52 yeas and 80 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Gottwalt	Kiffmeyer	Murdock	Shimanski
Anderson, B.	Demmer	Gunther	Kohls	Nornes	Smith
Anderson, P.	Dettmer	Hackbarth	Lanning	Peppin	Sterner
Anderson, S.	Doepke	Hamilton	Loon	Rosenthal	Torkelson
Beard	Downey	Holberg	Mack	Sanders	Urdahl
Brod	Drazkowski	Hoppe	Magnus	Scalze	Westrom
Buesgens	Eastlund	Howes	McFarlane	Scott	Zellers
Cornish	Emmer	Kath	McNamara	Seifert	
Davids	Faust	Kelly	Morrow	Severson	

Those who voted in the negative were:

Anzelc	Eken	Huntley	Loeffler	Otremba	Solberg
Benson	Falk	Jackson	Mahoney	Paymar	Swails
Bigham	Fritz	Johnson	Mariani	Pelowski	Thao
Bly	Gardner	Juhnke	Marquart	Persell	Thissen
Brown	Greiling	Kahn	Masin	Peterson	Tillberry
Brynaert	Hansen	Kalin	Morgan	Poppe	Wagenius
Bunn	Hausman	Knuth	Mullery	Reinert	Ward
Carlson	Haws	Koenen	Murphy, E.	Rukavina	Welti
Champion	Hayden	Laine	Murphy, M.	Ruud	Winkler
Clark	Hilstrom	Lenczewski	Nelson	Sailer	Spk. Kelliher
Davnie	Hilty	Lesch	Newton	Sertich	
Dill	Hornstein	Liebling	Norton	Simon	
Dittrich	Hortman	Lieder	Obermueller	Slawik	
Doty	Hosch	Lillie	Olin	Slocum	

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

Kiffmeyer moved to amend S. F. No. 2082, the unofficial engrossment, as amended, as follows:

Page 12, line 4, delete "2,775,000" and insert "2,642,000"

Page 12, line 7, delete "2,275,000" and insert "2,142,000"

Page 12, after line 28, insert:

"(e) The base for the general fund contingent account for fiscal year 2012 is \$307,000."

Pages 69 to 88, delete article 3

Correct the internal references

Amend the title accordingly

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

Peppin moved to amend S. F. No. 2082, the unofficial engrossment, as amended, as follows:

Page 60, after line 13, insert:

"Sec. 73. Minnesota Statutes 2008, section 383B.72, is amended to read:

383B.72 LAND ACQUISITION; TOWN CONSENT.

Notwithstanding the provisions of section 398.09, the Board of Park District Commissioners of the Three Rivers Park District, before acquiring by purchase or condemnation real estate located within the boundaries of any organized town in Hennepin County, ~~other than real estate located within an area designated for development of a~~

~~park in the most recent revised plan which has been prepared by the district in accordance with section 398.19, and is on file on June 9, 1971, with the state department of parks, shall secure the consent of the town board of such town to such acquisition, by resolution duly adopted by such board."~~

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

McNamara and Peppin moved to amend S. F. No. 2082, the unofficial engrossment, as amended, as follows:

Page 19, delete section 9

Page 69, delete section 92

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the McNamara and Peppin amendment and the roll was called. There were 48 yeas and 84 nays as follows:

Those who voted in the affirmative were:

Abeler	Cornish	Eastlund	Kalin	McNamara	Seifert
Anderson, B.	Davids	Gunther	Kath	Murdock	Severson
Anderson, P.	Demmer	Hackbarth	Kelly	Nornes	Shimanski
Anderson, S.	Dettmer	Hamilton	Kiffmeyer	Olin	Smith
Beard	Dill	Hoppe	Kohls	Peppin	Sterner
Bigham	Dittrich	Hosch	Magnus	Rosenthal	Torkelson
Brod	Doepke	Howes	Masin	Sanders	Urdahl
Buesgens	Drazkowski	Jackson	McFarlane	Scott	Spk. Kelliher

Those who voted in the negative were:

Anzelc	Doty	Hausman	Kahn	Loon	Newton
Benson	Downey	Haws	Knuth	Mack	Norton
Bly	Eken	Hayden	Koenen	Mahoney	Obermueller
Brown	Emmer	Hilstrom	Laine	Mariani	Otremba
Brynaert	Falk	Hilty	Lanning	Marquart	Paymar
Bunn	Faust	Holberg	Lenczewski	Morgan	Pelowski
Carlson	Fritz	Hornstein	Lesch	Morrow	Persell
Champion	Gardner	Hortman	Liebling	Mullery	Peterson
Clark	Gottwalt	Huntley	Lieder	Murphy, E.	Poppe
Davnie	Greiling	Johnson	Lillie	Murphy, M.	Reinert
Dean	Hansen	Juhnke	Loeffler	Nelson	Rukavina

Ruud	Sertich	Slocum	Thao	Wagenius	Westrom
Sailer	Simon	Solberg	Thissen	Ward	Winkler
Scalze	Slawik	Swails	Tillberry	Welti	Zellers

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

Holberg moved to amend S. F. No. 2082, the unofficial engrossment, as amended, as follows:

Page 69, delete section 93 and insert:

"Sec. 93. **REPEALER.**

(a) Minnesota Statutes 2008, section 16C.046, is 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."

Amend the title accordingly

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

S. F. No. 2082, as amended, was read for the third time.

Huntley was excused for the remainder of today's session.

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	Cornish	Fritz	Hosch	Liebling	Murphy, E.
Anderson, B.	Davids	Gardner	Howes	Lieder	Murphy, M.
Anderson, P.	Davnie	Gottwalt	Jackson	Lillie	Nelson
Anderson, S.	Dean	Greiling	Johnson	Loeffler	Newton
Anzelc	Demmer	Gunther	Juhnke	Loon	Nornes
Beard	Dettmer	Hackbarth	Kahn	Mack	Norton
Benson	Dill	Hamilton	Kalin	Magnus	Obermueller
Bigham	Dittrich	Hansen	Kath	Mahoney	Olin
Bly	Doepke	Hausman	Kelly	Mariani	Otremba
Brod	Doty	Haws	Kiffmeyer	Marquart	Paymar
Brown	Downey	Hayden	Knuth	Masin	Pelowski
Brynaert	Drazkowski	Hilstrom	Koenen	McFarlane	Peppin
Buesgens	Eastlund	Hilty	Kohls	McNamara	Persell
Bunn	Eken	Holberg	Laine	Morgan	Peterson
Carlson	Emmer	Hoppe	Lanning	Morrow	Poppe
Champion	Falk	Hornstein	Lenczewski	Mullery	Reinert
Clark	Faust	Hortman	Lesch	Murdock	Rosenthal

Rukavina	Scott	Simon	Sterner	Torkelson	Westrom
Ruud	Seifert	Slawik	Swails	Urdahl	Winkler
Sailer	Sertich	Slocum	Thao	Wagenius	Zellers
Sanders	Severson	Smith	Thissen	Ward	Spk. Kelliher
Scalze	Shimanski	Solberg	Tillberry	Welti	

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

S. F. No. 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, as amended, was placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 69 yeas and 62 nays as follows:

Those who voted in the affirmative were:

Anzelc	Faust	Hosch	Loeffler	Paymar	Solberg
Benson	Fritz	Johnson	Mahoney	Persell	Thao
Bigham	Gardner	Juhnke	Mariani	Peterson	Thissen
Bly	Greiling	Kahn	Marquart	Reinert	Tillberry
Brynaert	Hansen	Kalin	Masin	Rukavina	Wagenius
Carlson	Hausman	Knuth	Morrow	Ruud	Ward
Champion	Haws	Laine	Mullery	Sailer	Welti
Clark	Hayden	Lenczewski	Murphy, E.	Scalze	Winkler
Davnie	Hilstrom	Lesch	Murphy, M.	Sertich	Spk. Kelliher
Dittrich	Hilty	Liebling	Nelson	Simon	
Eken	Hornstein	Lieder	Newton	Slawik	
Falk	Hortman	Lillie	Norton	Slocum	

Those who voted in the negative were:

Abeler	Dean	Gunther	Kohls	Olin	Smith
Anderson, B.	Demmer	Hackbarth	Lanning	Otremba	Sterner
Anderson, P.	Dettmer	Hamilton	Loon	Pelowski	Swails
Anderson, S.	Dill	Holberg	Mack	Peppin	Torkelson
Beard	Doepke	Hoppe	Magnus	Poppe	Urdahl
Brod	Doty	Howes	McFarlane	Rosenthal	Westrom
Brown	Downey	Jackson	McNamara	Sanders	Zellers
Buesgens	Drazkowski	Kath	Morgan	Scott	
Bunn	Eastlund	Kelly	Murdock	Seifert	
Cornish	Emmer	Kiffmeyer	Nornes	Severson	
Dauids	Gottwalt	Koenen	Obermueller	Shimanski	

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

CALENDAR FOR THE DAY

Sertich moved that the Calendar for the Day be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Bly moved that the name of Morrow be added as an author on H. F. No. 1182. The motion prevailed.

Kahn moved that the name of Reinert be added as an author on H. F. No. 2345. The motion prevailed.

ADJOURNMENT

Sertich moved that when the House adjourns today it adjourn until 10:30 a.m., Friday, April 24, 2009. The motion prevailed.

Sertich moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 10:30 a.m., Friday, April 24, 2009.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives

